



Helping older people move home – a focus on McCarthy & Stone's "Moving Experience"

With a growing interest in creating favourable market conditions that can enable older people to "downsize", this Case Study looks at McCarthy & Stone's service "Moving Experience". It aims to stimulate providers of all tenures of general and specialist housing to think how they can encourage older people to consider moving home by helping with the practicalities.

Written for the Housing Learning & Improvement Network by
Janet Sutherland, Independent Consultant

September 2012

Summary

This Case Study looks at the personal service that the private retirement housebuilder McCarthy & Stone provide, called “Moving Experience”, to help with every stage of the house buying process and moving home. It draws out lessons that can be replicated by other housing providers and that can be relevant for all tenures of housing, not just housing for sale. It demonstrates to developers that provision of housing for older people, both general needs and specialist, can become a more viable proposition if practical measures are taken that will increase people’s confidence in choosing to move.

Introduction

Following on from Housing LIN Viewpoints 17 and 19 on Downsizing into general and specialist accommodation, an invitation was sent through the Housing Learning and Improvement Network (LIN) seeking inspirational examples of good practice which could be shared with others and be replicated, and that would cover a range of initiatives to help more people move to homes that will support them as they age, and enable them to “live younger longer”.

At present, in the UK, almost 90% of people stay in their homes until they may have to leave because of illness or bereavement, and this figure is much higher than in many other countries, where more people chose to move to a home more suited to support them as they age. Research suggests¹ that whilst most people will continue to wish to stay in their home, there may be about an additional 10% of people who would consider moving if they had good information, support, and a choice of attractive homes in the right location to move to. Furthermore, Shelter’s report² includes a YouGov survey which suggests that over a third of older people are interested in the idea of retirement housing, or would be in the future. This equates to over 6 million people, and therefore could provide a potential opportunity for the market to exploit if linked to better awareness and targeted marketing.³ To realise this market potential, greater support and advice services are required to take the stress away from older people considering a move.

Retirement housing currently makes up about 2% of the homes owned by the over 65’s, and it appears that the supply does not meet present demands. Professor Ball’s research⁴ suggests that provision should increase fourfold to meet demand. He believes there is potential to increase this 2% market share to 5% over the next decade. Current forecasts of demographic change suggest that even if the 2% is maintained, an additional 5,300 new retirement homes for owner occupiers will be required, and a 5% share within 20 years would require 460,000 homes. Retirement housing is most attractive to 1 person households, perhaps after loss of a partner. His research found that 92% of owners of retirement housing were very happy and contented, with 83% of them saying that they were happier than in their previous home. Two thirds of them had moved from homes with 3 or more bedrooms, thus freeing up a larger home which might suit a family in need of more space.

¹ - Housing LIN Viewpoint 17

² - *A Better fit? Creating Housing Choices for an Ageing Population*, Shelter, April 2012

³ - Housing LIN Practice Briefing, *The Marketing of Extra Care Housing Schemes*, Terry Wilkes, 2012

⁴ - *Housing Markets and Independence in Old Age: Expanding the Opportunities*, Michael Ball, 2011

Affordability of retirement housing is complex as it relates to capital and income. In addition to the cost of purchasing the home, there will be service charges to pay which may increase over time. It will not normally be affordable for owner occupiers with low value properties. A recent UK wide study⁵ considers whether retirement housing is financially viable for the majority of older people, who may be on low to moderate incomes and, if they are owners, with limited income. It examines whether retirement housing is only viable for either those receiving means tested benefits or those with higher incomes, but not to those in between. It looks at the impact on incomes of moving into retirement housing, and considers whether self-funders can remain in retirement housing if their care needs and costs increase. It finds that whilst most older owner occupiers have enough equity to purchase retirement housing, there are around 2.5 million low income owner occupiers who could find that they are excluded from help with care costs and service charges if they release their equity to move into retirement housing.

This case study looks at an example where the private sector is improving productivity of retirement housing through developing a service that responds to its' consumers needs. Whilst much of the emphasis on "downsizing" has been to free up family sized homes in the social rented sector, about 75% of the 5.5 million households who are over 65 are owner occupiers⁶, and it is projected that there will be an increase of 3.5 million households over 65 – a 60% increase - between now and 2033. These demographic changes are likely to create increasing housing challenges for older people, particularly when linked to pressures on budgets providing care and support, unless we quickly find ways to build substantial numbers of suitable and attractive homes that will support people's independence. We need more general needs schemes to include homes built to Lifetime Homes or HAPPI standards and suitable for older people who want to live in mixed age communities, as well more retirement and specialist housing schemes. We also need more ways of helping people who prefer to stay put make their homes warm and safe.

“Moving Experience”

McCarthy & Stone is a market leader in retirement living in the UK, with around a 60% share of the market of owner occupier retirement housing, about 40,000 retirement homes produced, and almost 150 schemes of one and two bedroom apartments currently for sale to people aged over 60. Their own research, interviewing over 400 people, found that for many older people who might consider moving home, the prospect was too daunting because of the “hassle” of all of the tasks required in a move. The stress involved was a more important factor than cost. The average age of people who buy McCarthy & Stone “later life” apartments is 78, when moving is an enormous decision. For the “assisted living” apartments the average age is 83.

A customer focused approach has been developed – what do people need to be able to make a decision, how can the hassle be removed? McCarthy & Stone developed “Moving Experience”, a highly personalised service which offers one to one support for the householder and their family with a Professional Advisor, covering every stage of the house buying process and move from the appointment of estate agents to sell the existing property, and help with instructions to solicitors, de-cluttering the home, packing, organising removals and notifying all required of change of address.

⁵ - NPI – *Affordability of Housing in the UK*, Aldridge, Kenway and Pannell, Sept 2012

⁶ - *Housing Markets and Independence in Old Age: Expanding the Opportunities*, Michael Ball, 2011

McCarthy & Stone offer “Moving Experience” at the early stages of marketing schemes. Since it was established in 2007, many hundreds of customers have used it, with 291 purchasers benefiting from “Moving Experience” during 2010-11. Over the last 4 years, “Moving Experience” has been offered on 143 developments to people who purchase a new home “off plan”, before the development is complete. Marketing starts 8 months before handover, well trained advisors spend a month talking to people who have expressed an interest in new schemes. Some people have been on the list of those interested for 5 or 6 years. Location is all important, and the advisors will help people ascertain if the new development will be the right one for them. The typical McCarthy & Stone apartment layout will have quite generously sized living rooms, recognising that people want fewer bedrooms, but do want space, including space for storage.

Off plan sales will also be aided later with the introduction of a full 3D fly-through computer simulation for each development, which will even show the view from the kitchen window. For McCarthy & Stone, increasing off plan sales towards their target of 50% fully justifies offering the full “Moving Experience” package, which costs McCarthy & Stone on average £15,000 for each property sold, and includes the cost of estate agent fees, legal fees, packing and removal expenses. Increasing off plan sales transforms the business model for McCarthy & Stone, and speeds up the whole process. This year about 6 developments have achieved 50% off plan sales.

Many people feel overwhelmed by the task of sorting possessions, and of “decluttering”. The service aims to make it simple and to help people decide what they will want to keep for their new home. McCarthy & Stone work with one removal company nationally – “House to Home”, who do both the de-cluttering and the moving. As there are 1,500 moves per annum a fixed rate is agreed. The home owners are given stickers with two colours. Two removal vans arrive, one colour takes possessions to the new home, whilst the other colour identifies what is going to the charity shop or furniture recycling centre, to give support to needy families.

“Moving house can be so stressful and laborious, that we no longer felt we had the energy for things like packing and carrying, not to mention the disposal of . . . our old fridge and cooker. McCarthy & Stone took care of all of these problems. They de-cluttered our belongings and took all unwanted items to the charity shop, but never failed to ensure that what we did want to take with us was well packed and handled with care and respect” Mr and Mrs H

*“There was always a helping hand available every step of the way, and in the end the whole process was far less of an upheaval than we could have imagined”
Resident of Liberty Court, Chesham*

“People say that moving house is one of the most stressful things you can do, but that wasn’t the case for us. McCarthy & Stone gave us so much help. The sales consultant visited us in our home and we selected an apartment off plan – we knew what to expect because we had seen other McCarthy & Stone developments. Then after we had tried and failed to sell our house ourselves, McCarthy & Stone appointed a solicitor and estate agent and liaised with them to bring about a sale. They even provided a free removal service, and we could have used the decluttering service. All in all we didn’t have to do much except move in.”

“The general assistance and help the whole team has provided has been super. There’s been no request too small for them and the on site sales team have been wonderful – even sending samples for carpets and tiles.” Purchaser aged 86

People buying off plan also have the benefit of being able to select the apartment of their choice, and some schemes do sell quickly. For people buying apartments once the development is complete, if they want the support of “Moving Experience” they will no longer be offered it without cost, but will be able to pay for each or all of the services it provides.

Further details of “Moving Experience”

- The professional advisor spends on average about 10 hours with each customer, from the first visit to being on hand when people move into their new home to help with any further requirements. A Handyman service is also provided if required.
- Change of address, transfer of utilities and meter readings: the advisor will help arrange all of the paperwork for notifying utility companies and other relevant organisations, and will run through a checklist to ensure nothing is forgotten. New address cards are also given.
- A free, confidential financial advice and health check can be provided, looking at potential entitlement to benefits, such as eligibility for pension credit. McCarthy & Stone Money also provides a direct service to customers (in partnership with other relevant parties) on annuities, later life planning including wills and powers of attorney, and equity release which is provided by Age Partnership.

One of the professional advisers who has helped many people move, speaks of the transformation that can come about as people find a new lease of life. She says that often before moving people are no longer able to get about, they may no longer be able to drive and may live in isolated places with loss of access leading to loss of independence and isolation. After moving, the range of new companions and activities (including Zumba classes) can help people find renewed energy and interest, and many people say that they wish that they had moved earlier than the average age of 75 – 80 of people moving into McCarthy & Stone schemes. She spoke of one tenant who had been encouraged to move by her sons, to be closer to them, after 35 years in her home in Cornwall, saying that everything was done for her so all she had to do was walk into the flat:

“It was like coming home when I took my first steps into the apartment, I absolutely love it here”

Some find it difficult at first to part with treasured possessions, and several bring more with them than there is room for, but the adviser says they quickly find they can let these extra possessions go, as they engage in their new life and start to enjoy the company around them. Some people are able to achieve some additional capital after selling their former home. In cases where there may be a shortfall between the value of the home being sold and the new home being bought, equity release can make up the difference, and she gave an example of someone moving from a small flat.

McCarthy & Stone also has other initiatives to help with the practicalities of moving, such as “**Move Assured**” which helps people sell their existing homes by seeking to find buyers within 12 weeks at an agreed, realistic sale price. Data from September 2011 shows 90 homes sold, the majority within 4 weeks and at 96% of the asking price.

What can other providers learn and replicate?

- 1) **Helping people manage the process:** There are many schemes across the country support which people in moving home, across all tenures. These are often provided by Housing Options teams, but EAC's report⁷ shows a range including independent firms offering services available for all tenures.⁸ The Housing LIN resource pack⁹ recommends that developers should offer an inclusive package to support people through the moving process, and "Moving Experience" is an example of that approach. McCarthy & Stone select and train Professional Advisers with care as they need to build empathy and trust. On average they spend 10 hours with each customer, with back up administration dealing with the paper work. A holistic approach to going through each step with customers reduces stress and makes the process manageable. Providing this support helps achieve more moves, and helps achieve them more quickly. In some innovative examples of joined up budget setting, the costs of the support can be offset against the savings that moving to a home that will support independence will bring to care and support budgets. In addition, many people will move from a family home, and in the social sector reuse of this by a family in need could justify the expenditure.
- 2) **De-cluttering:** the de-cluttering and removal scheme minimises the worries involved. McCarthy & Stone have sufficient volume of sales to have one removal company do this on their behalf all over the UK. Might local firms take this on? What practical support can other providers give to help people tackle this? Could affordable housing providers offset the cost of this against the benefit of being able to relet a family sized home? Some charities will collect the possessions that will be left behind at no cost.
- 3) **Encouraging more developers to provide general and specialist housing for older people:** Several developers of private housing have expressed a reluctance to provide housing for older people as they consider that there are extra delays and risks involved. Some have said that older people do not buy off plan but want to see the finished flat, and this slows down the sales process. McCarthy & Stone's approach shows that these concerns can be addressed, and that 50% off plan sales can be achieved. When this is linked to helping with the process of achieving an early sale of the existing home, delays and risks are minimised.
- 4) **Releasing some of the £trillion of unmortgaged equity held by over 65 year olds to provide new homes which will support people as they age:** In many parts of the country, property sales are currently flat. McCarthy & Stone find that people can sell their existing home as long as the price is realistic, and stress the importance of getting it right first time so that it is sold quickly. If this was applied more widely, developers might be encouraged to include more homes for "downsizers" as part of general as well as specialist developments, to attract the "grey pound" which can buy without a mortgage. In addition to freeing up more family sized homes for a new generation, this would also help build more homes that will enable people to "live, younger longer", bringing savings to health and care budgets, and building more homes suited to the changing demographic of an ageing population.

⁷ - *Helping older people choose the right home for them*, EAC First Stop, January 2012

⁸ - www.seamlessrelocation.com

⁹ - Institute of Public Care, *Strategic Housing for Older People: Planning, designing and delivering housing that older people want* Housing LIN/ADASS, 2011

Note

The views expressed in this paper are those of the author, and not necessarily those of the Housing Learning and Improvement Network.

About the Housing LIN

Previously responsible for managing the Department of Health's Extra Care Housing Fund, the Housing LIN is the leading 'learning lab' for a growing network of housing, health and social care professionals in England involved in planning, commissioning, designing, funding, building and managing housing, care and support services for older people and vulnerable adults with long term conditions.

For further information about the Housing LIN's comprehensive list of online resources and shared learning and service improvement opportunities, including site visits and network meetings in your region, visit www.housinglin.org.uk

The Housing LIN welcomes contributions on a range of issues pertinent to housing with care for older and vulnerable adults. If you have an example of how your organisation is closely aligned to a 'Living Lab' approach, or a subject that you feel we should cover, please contact us.

Published by

Housing Learning & Improvement Network
c/o EAC,
3rd Floor, 89 Albert Embankment
London SE1 7TP
Tel: 020 7820 8077
Email: info@housinglin.org.uk
Web: www.housinglin.org.uk