



Meeting lifestyle aspirations of older consumers

If you listen to the media, old age is all doom and gloom. But we think ageing is something uniquely special; a period of aspiration, ability, freedom and time. In fact, it is a period of life to really look forward to rather than dread.

Working with seniors opens up whole new opportunities and routes to innovation and there are different market segments to older age as much as there are amongst the young and middle aged. Older people have tribes too and you'll find some tribes are more likely to listen to The Grateful Dead than Vera Lynn.

This viewpoint examines the urgent need for greater innovation in the UK's retirement and care sectors, and radical transformation of the housing options available for older people.

Written for the Housing Learning and Improvement Network by **Sara McKee**, Evermore Founder & Market Innovation Director

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Introduction

We know that nearly 70% of the UK's household wealth is in the hands of over 50s¹ and over £1 trillion of real estate assets is owned by over 60s²; yet only 5% of worldwide advertising budgets³ for new products, design or built environments bother to focus on this affluent group.

So why don't we provide lifestyle products, services and opportunities for older people to spend their income actively and in our economy?

It's time for the UK retirement and care sectors to innovate in order to grasp what we believe to be one of the greatest market opportunities in history – co-created, community-focused, housing for older people.

Market innovation

On 6 January 2008, the high street retailer Woolworths closed its last 200 stores. It had been operating for 99 years and held a special place in many people's hearts. Yet Woolworths had failed to evolve. It didn't respond quickly enough to the growing competition from online retailers, and the new way British consumers wanted to shop. By the time they decided to act, it was too late. The global financial crisis had hit.

Woolworths is a cautionary tale for other businesses that refuse to change, and don't look for new opportunities and new markets. Can you imagine if Samsung had refused to evolve and caved to the mounting popularity of Apple? They would have become obsolete.

I can't think of any industry that stands still. Yet when you look at the retirement and care sectors, the focus is on a lack of money rather than innovation.

In November 2015, ResPublica published research, *The Care Collapse*⁴, which identified a £1.1 billion funding gap and foretold of care home closures across the country. This is just one of many reports where the emphasis is on a problem.

Why don't these organisations look at the market differently? At the moment, older people generally end up in the social care sector because of crisis, not choice. But if we can capture them before they slide over the decline curve – as depicted in the slide overleaf from Newcastle University⁵- older people are less likely to become a cost to the health and social care sector.

¹ CEBR – *Wealth among the over 50s*
www.cebr.com/reports/wealth-among-the-over-50s/

² Demos – *Top of the Ladder*
www.demos.co.uk/files/TopoftheLadder-web.pdf?1378922386

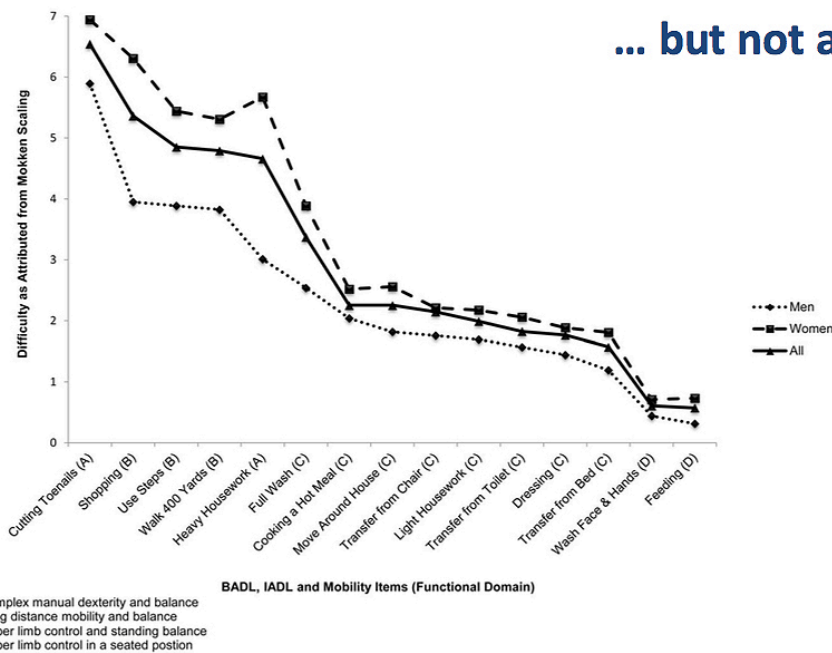
³ Marketing Magazine - *Consumers in 50s and 60s feel ignored by brands despite controlling 80% of UK's wealth*
www.marketingmagazine.co.uk/article/1323759/consumers-50s-60s-feel-ignored-brands-despite-controlling-80-uks-wealth

⁴ ResPublica - *The Care Collapse: The imminent crisis in residential care and its impact on the NHS*
www.respublica.org.uk/our-work/publications/the-care-collapse-the-imminent-crisis-in-residential-care-and-its-impact-on-the-nhs/

⁵ Carol Jagger AXA Professor of Epidemiology of Ageing, Institute for Ageing and Health Newcastle University - *85 not out. How dependent are our oldest old?*

Functional decline is predictable!

... but not at a specific age



Source: Kingston et al PlosONE 2012

We'll also be able to benefit from the positive economic impact of older people making choices earlier. Just think about the asset base of people over 65. They own a combined £800 billion of housing equity, benefiting from house price growth of over 4,300% since 1970.⁶ What's more, the demand for the right type of housing exists. A Saga survey⁷ of 10,000 over-50s found almost half would consider moving into more appropriate housing in retirement, rather than stay in their large family house. And Savills says the UK needs 11,000 retirement homes a year just to sustain a projected two percent annual increase in the number of over-65s.⁸

There is a huge market of customers looking for people to provide them with products - why does nobody else get this? Instead, everyone is still chasing the public sector pound, which no longer exists, while there is significant funding available from the private sector. American REITs, UK insurance companies and private equity houses are looking to invest in social infrastructure and want long-term yields of between 10-30 years. Surely it's time for policy makers and influencers to help match developers and financiers with the older people who have money?

⁶ JLL - *Retirement Living – Where is the Opportunity?* (p6)
www.jll.co.uk/united-kingdom/en-gb/research/286/retirement-living-where-is-the-opportunity

⁷ Daily Mail - *Lack of retirement homes stops older people downsizing*
www.dailymail.co.uk/news/article-2888023/Lack-retirement-homes-stops-older-people-downsizing-Thousands-stuck-large-family-homes-chronic-shortage-properties.html#ixzz3swFjNTzt

⁸ Savills - *Spotlight: Housing an Ageing Population*
www.savills.com/_news/article/105347/193221-0/10/2015/housing-an-ageing-population---an-urgent-need-and-major-business-opportunity

Amana Living is one of Western Australia's largest not for profit providers of aged care, accommodation and support. Being agile and adaptive to market conditions has been a key tenet of the organisation for the last three years.

Ray Glickman, CEO of Amana Living, says:

“Adaptive strategic planning is vital to success, and ours has been undergoing a major review to refocus the organisation on areas of both growth and need. Far from lamenting the good old days, I believe there are opportunities for us not only to adapt but to differentiate our services in ways we may not have considered before. This includes entry into transition care, development of our dementia services centres, and a refreshed focus on lifestyle/wellbeing.”

Feel Estate not Real Estate

“We are yet to see a product that truly breaks down the British apathy towards retirement living and at a price that is accessible to the majority of the population.” Savills

Much has been written about the role of design in building housing to meet the needs of older people. Indeed, the HAPPI design principles⁹ were created to provide aspirational housing for retirement.

Yet according to David Hughes, Chief Executive of Pozzoni and co-author of *Design for Aging*¹⁰, aspirational housing is not being designed. *“We’re not finding clients willing to take the risk and do something really innovative, instead they stay within their comfort zone. This results in a real lack of choice in the older people’s housing market.”*

What’s more, the focus for many has purely been on bricks and mortar. If we’re going to create truly aspirational communities for seniors it needs to move beyond design and be about connection and relationships. At every stage of life, when you’re looking to move home you assess the house but also the neighbourhood and whether you “fit”. Human connection is incredibly important.

And with large numbers of older people living isolated lives – half of over 75s live alone¹¹ – the right housing can play an important role in facilitating that connection and reducing the health implications of isolation. Just recently, research published by the University of Chicago¹² found loneliness harms the immune system and increases the risk of premature death by 14%.

So while the HAPPI design principles create a useful foundation, they’re not the walls that will hold the house up. It’s pointless having an outdoor space if nobody uses it and it’s no good creating open plan living if chairs are lined up against the wall. As Evermore’s Global Chair and founder of the Green House Project, Dr Bill Thomas, says, the *“future of ageing is not Real Estate, it’s Feel Estate where relationships and community are more important than buildings. Belonging matters most.”*

⁹ Homes and Communities Agency (2009) *Housing our Ageing Population: Panel for Innovation*. HCA

¹⁰ Wiley Series in Healthcare and Senior Living Design (2012) *Design for Aging: International Case Studies of Building and Program*

¹¹ NHS - *Loneliness in older people*
www.nhs.uk/livewell/women60-plus/pages/loneliness-in-older-people.aspx

¹² Chicago University - *Loneliness triggers cellular changes that can cause illness, study shows*
<http://news.uchicago.edu/article/2015/11/23/loneliness-triggers-cellular-changes-can-cause-illness-study-shows>

This also relates to where houses for older people are being built. It's counter productive building a beautifully designed home in the middle of nowhere, where older people are clustered together and become invisible outcasts.

A recent study by the Strategic Society¹³ found 80% of 'older owners' wish to stay where they are and 85% plan to remain in their neighbourhood for a number of years. According to the report's authors, "*older people have a strong neighbourhood attachment relating to trust, a sense of belonging to a close-knit community, and being able to rely on neighbours*".

Likewise, in its 2015 Residential Policy Paper, RICS said, "*knowing ones neighbours and feeling a sense of community is also an important factor in deciding to move homes for some older people.*"¹⁴ While the Centre for Ageing Better's Later Life 2015 study with Ipsos Mori found "*social connections are as important as money and health to a good later life.*"¹⁵

You only have to look at the success of charities like North London Cares¹⁶, which sees young professionals and older people "hang out" together, to know all of this research is telling the truth. We therefore need to build houses where people can retain their connections to friends and family, as well as to the services and amenities they're used to. So while we're supportive of design principles, they need to be the very basic we deliver. Let's build great houses where people want to live and build a community.

Co-creating a community

For people to feel part of a community, they need to be able to contribute to it – giving them a sense of belonging and ownership. In the current model of residential care, most things are decided for the residents. They move into an institution where everything is pre-established, from what the building looks like to the timetable of daily activities. Can you imagine how demoralising it must be to not have a say in your own life? They are adults who have successfully been running their own life for decades, why should the choices be taken away from them now?

This involves more than just listening or having a suggestion box. Co-creation can include involving older people in the design of buildings but, more importantly, involving them in the creation of community. A community is not a static place. It's an ecosystem that constantly changes, made up of different beings all with their own role to play. Likewise, housing for older people needs to evolve to be reflective of the people who live there.

At Evermore, every village will have a different flavour. Our 'Mulinellos' - a supercharged concierge, personal assistant, housekeeper and friend – will design the community with the residents and that will encompass everything from what services we deliver down to what to eat for dinner. Every voice – staff and resident – is as important as the next and will have a say in the running of the household.

This will be possible because the 'Mulinellos' will be trained based on the principles of autonomy, mastery and power. Unlike other institutional settings where staff and residents

¹³ Strategic Society - *Older Owners: Research on the lives, aspirations and housing outcomes of older homeowners in the UK*
<http://strategicsociety.org.uk/older-owners/#.VlvDCnhzqII>

¹⁴ RICS 2015 Residential Policy Paper, p13

¹⁵ Centre for Ageing Better - *Later Life 2015*
www.ageing-better.org.uk/news/major-new-insight-into-later-life-in-2015/

¹⁶ North London Cares - <https://northlondoncares.org.uk>

are disabled and made dependent on the organisation, we will empower people by devolving decision making to the household level and trusting them to do the right thing.

Whilst we think built environment is important, it is secondary to having the right community environment.

Smart Living 360 is a real estate development and operating company focused on delivering innovative living experiences with a particular emphasis on well-being.

Leaning on principles of connection, access and simplicity, they have created inspired homes in walkable, intergenerational mixed-use urban and suburban areas.

Ryan Frederick, Founder & CEO, Smart Living 360, said:

“We believe that people of any age deserve the right to shape and create their environment and world. At Smart Living 360, we’ve flipped things upside down. Rather than marked by paternalism and regimens often found within institutional environments, we create an attractive living space and community and give people the tools to make the most of the next chapters in their life. Our goal is to enhance people’s well-being and to do so on their terms.”

Conclusion

It shouldn’t be revolutionary to address seniors like other active consumers, but in the retirement and care sector it seems to be the case. We “do” to older people, we disable them, obliterate spontaneity and fun from their lives; and worst of all, we deposit them in institutions in ways we wouldn’t dream of doing to other groups in our society. Older people live in fear and dread of ending up in a care home - wouldn’t you?

We’ve got to stop building the same unimaginative institutions and soulless retirement blocks. We’ve gone from building 20 bed care homes to 100-plus bed warehouses. Older people will not be corralled into ghettos; they want to live their lives amongst all generations, where the action happens. If Dame Judi Dench can headline a Bond movie, why can’t other 80-year olds continue with their careers, sports, passions and travel around the world? We shouldn’t be limiting anyone’s horizons, least of all those who have contributed so much to our economy and society over their lives.

Other people around the world are being more imaginative and there are ageless cities being built around the 8:80 principle¹⁷, ensuring the safety and joy of children and older adults, from 8 year olds to 80 year olds.

So here’s a thought: why don’t we innovate in designing space that works for every age and be really inclusive. We might just create stuff that seniors will actively choose to spend their money on and look forward to rather than dread.

¹⁷ 8 80 Cities - <http://880cities.org>

Note

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

About Evermore

At Evermore we co-create places where older people always have love and companionship, a safety net when they need it, and the ability to lead meaningful lives in the heart of their community.

Evermore was created by a team with a passion: to provide older people with the option to live an independent life to the full surrounded by people who care. The senior staff combines the best of commercial, public sector and policy experience. They are united by a common desire to change the system.

www.evermorewellbeing.com

About the Housing LIN

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

Previously responsible for managing the Department of Health's Extra Care Housing Fund, the Housing LIN is called upon by a wide range of statutory and other organisations to provide expert advice and support regarding the implementation of policy and good practice in the field of housing, care and support services.

To access further resources on getting the housing offer right for older people, visit the Strategic Housing for Older People webpages at:

www.housinglin.org.uk/SHOPAT

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