

HOUSING AND CARE FOR OLDER PEOPLE

DEFINING THE SECTOR

2020

ACKNOWLEDGEMENTS

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FOREWARD

Housing delivery has been at the very top of the political and policy agenda for as long as many of us can remember. Yet few would argue that the challenges have been addressed. In fact, many persist, and others have been brought into greater focus.

As with many political issues the delivery of housing does not exist in isolation. Providing the population with fit for purpose, affordable, high quality housing has implications for issues as far reaching as social care, isolation and integration, generational inequality, and employment and skills.

The UK's population is ageing, with those 65 years and over growing faster than other age groups. This has significant implications for the delivery of purpose built homes to serve the needs and aspirations of older people, many of whom will continue to live productive

and independent lives, but may wish to have the certainty that their future care needs are accounted for.

This report provides clarity on the spectrum of housing models available to address the needs of an ageing population, considers the limitations in delivery that currently exist, and sets out a number of recommendations that will enable the UK to keep pace with shifting demographics and acute housing need.

A strategy for delivering purpose-built housing for older people must be a national priority.

Melanie Leech

Chief Executive
British Property Federation

PURPOSE OF THE REPORT

Central and local government stakeholders and others can use this report to understand the range of housing options available to older people in the UK.

The report also includes definitions of care, support and services provided to residents. And it quantifies the current stock of housing for older people and reviews relevant case studies and planning policies.

Considering our rapidly ageing population, this report also makes the case for greater provision of purpose-built housing for older people, and the need to rectify its severe under supply.

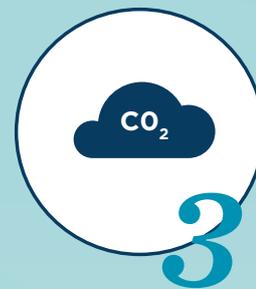
THE REPORT CONCLUDES WITH THREE RECOMMENDATIONS, SUMMARISED AS:



The UK Government should establish a **Housing for Older People Taskforce**.



The UK Government should **develop and publish a national strategy** for Housing for Older People.



Priority should be given to projects that exhibit a commitment to achieving the **UK's zero carbon ambition**.

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DEFINITIONS

Older People

In this report, we focus on people who want to move into specialist housing later in life. While many older people choose to stay in their family home, those who decide to move, do so in their own time and for diverse reasons. Specialist housing schemes can have a minimum-age restriction, some as low as 55 years old. However, the median age of residents in specialist housing for older people tends to be much higher: residents of schemes analysed by ARCO¹ had a median age of 79, for example. It is because of this diversity that we refer to older people without formally defining the group or setting a minimum age.

Purpose-Built, Self-Contained Housing with Security of Tenure

This report focuses on specialist housing schemes with the capacity for support or care to residents. Age Exclusive housing without the capacity for support and Care Homes are out of scope.

Therefore, three aspects help define specialist housing for older people. First, it is purpose-built for older residents. Physical attributes could include, but are not restricted to, wheelchair-accessible doors, wide corridors, level-threshold showers and 24-hour emergency alarm systems.

Second, the accommodation is self-contained. It could be a flat or a bungalow with its own front door, private space and facilities. But, ultimately, it allows residents to live independently.

Finally, the residents have security of tenure. Housing tenure should be based on a tenancy – for example, short-term rental – long lease or freehold and the occupier should have control over ‘their own front door.’ This differs from Care Homes, which generally provide residents with (i) a bedroom (and en-suite bathroom) which care staff can enter at any time, and (ii) access to communal living, dining and other facilities through a care services contract.

¹The Associated Retirement Community Operators (ARCO) is the main body representing the Retirement Community sector in the UK.



Care, Support and Services

This report makes clear distinctions between **care**, **support** and **services**.

Our definition of care includes personal and nursing care, which are regulated activities. Providers of these activities are registered with the Care Quality Commission (the CQC).

As such, we adopted the CQC definition of Personal Care:

“ This regulated activity involves supporting people in their homes (or where they’re living at the time) with things like washing, bathing or cleaning themselves, getting dressed or going to the toilet.”²

And the CQC definition of Nursing Care:

“ Nursing care means any service provided by a nurse involving either the provision of care or the planning, supervision or delegation of the provision of care, other than any services which, by their nature and the circumstances in which they are provided, do not need to be provided by a nurse.”³

Care, therefore, is a wide range of activities – from assistance with daily activities (often called activities of daily living, or ADLs, in this context) through to more medically-focused care.

We define **support** as measures that enable residents to live independently. This can include 24-hour on-site assistance (alarm) and a warden or house manager. This definition is based on how

the Planning Policy Guidance on housing for older and disabled people refers to support within its definition of Retirement Living.⁴

Finally, **services** can include a wide range of communal services and spaces from bars, restaurants and cafes, to leisure facilities such as gyms and swimming pools, and any staff needed to provision these spaces. These services might be tailored to older people, but they could be seen in any new residential development – build-to-rent or student accommodation, for example.

We need the distinction between **care**, **support** and **services**, because we later use these definitions to divide purpose-built, self-contained housing into two groups: those that offer care to residents and those that do not.

Of the housing schemes that offer care, that level of care can vary from a few hours each week to full-time care and will change as older people age in place.

This is in line with the **Department of Health’s Extra Care Housing Toolkit definition** as

“ purpose-built accommodation in which varying amounts of care and support can be offered and where some services are shared.”

To this effect, the ability to deliver care and support to all residents is more important to our definition than the amount of care delivered, especially because some residents may not need any care when they first move into a scheme.

² www.cqc.org.uk/guidance-providers/registration/personal-care

³ www.cqc.org.uk/guidance-providers/registration/nursing-care

⁴ PPG Housing for older and disabled people. Paragraph: 010 Reference ID: 63-010-20190626. Revision date: 26 June 2019

KEY FINDINGS

THE UK HAD APPROXIMATELY

475,000

UNITS

OF **HOUSING FOR OLDER PEOPLE** BY THE END OF 2019



HOUSING-WITH-CARE STOCK IS UNDERWEIGHTED VERSUS OTHER COUNTRIES

HOUSING-WITH-CARE STOCK, AS A PROPORTION OF THE OLDER POPULATION IS

5 OR 6 X SMALLER

THAN THAT OF OTHER **COMPARABLE COUNTRIES**



HEAVY BIAS

57%

OF ALL STOCK WAS **HOUSING-WITH-SUPPORT** AVAILABLE FOR RENT THROUGH A **PUBLIC PROVIDER** (SHOWING AN UNDER-SUPPLY OF STOCK AVAILABLE FOR OWNERSHIP)

LACK OF CHOICE

HOUSING-WITH-CARE
- OF ANY TENURE AND PROVIDER TYPE
- WAS ONLY

16%

OF THE TOTAL STOCK. SOME LOCAL AUTHORITIES **LACK ANY** HOUSING-WITH-CARE SCHEMES

THE UNDERSUPPLY OF HOUSING FOR OLDER PEOPLE IS LIKELY TO WORSEN AS OUR POPULATION AGES

THERE ARE **CURRENTLY** AROUND

11 MILLION

PEOPLE AGED OVER 65
IN ENGLAND AND WALES



BY **2029** THERE WILL BE

2.1 MILLION MORE

PEOPLE AGED OVER 65

DELIVERY RATES ARE LOW

DEVELOPERS COMPLETED AN AVERAGE

OF **7,600** **UNITS**

OF HOUSING FOR OLDER PEOPLE
EACH YEAR IN **2015-2019**.

THE PEAK DELIVERY RATE SEEN
IN **1985-1990** WAS **18,000 UNITS**
DELIVERED EACH YEAR

5X INCREASE IN HOUSING-WITH-CARE DELIVERIES NEEDED

CURRENT DELIVERY RATES ARE BARELY ENOUGH TO KEEP PACE WITH THE AGEING POPULATION.

A FIVEFOLD INCREASE

IN THE DELIVERY RATE OF HOUSING-WITH-CARE OVER THE NEXT DECADE IS REQUIRED, **HELPING TO INCREASE THE TOTAL STOCK AT A FASTER RATE** THAN THE POPULATION AGES AND **IMPROVE THE UK'S STANDING AGAINST INTERNATIONAL BENCHMARKS**

TYPES OF HOUSING AND CARE FOR OLDER PEOPLE

Defining housing for older people and its subcategories is difficult.

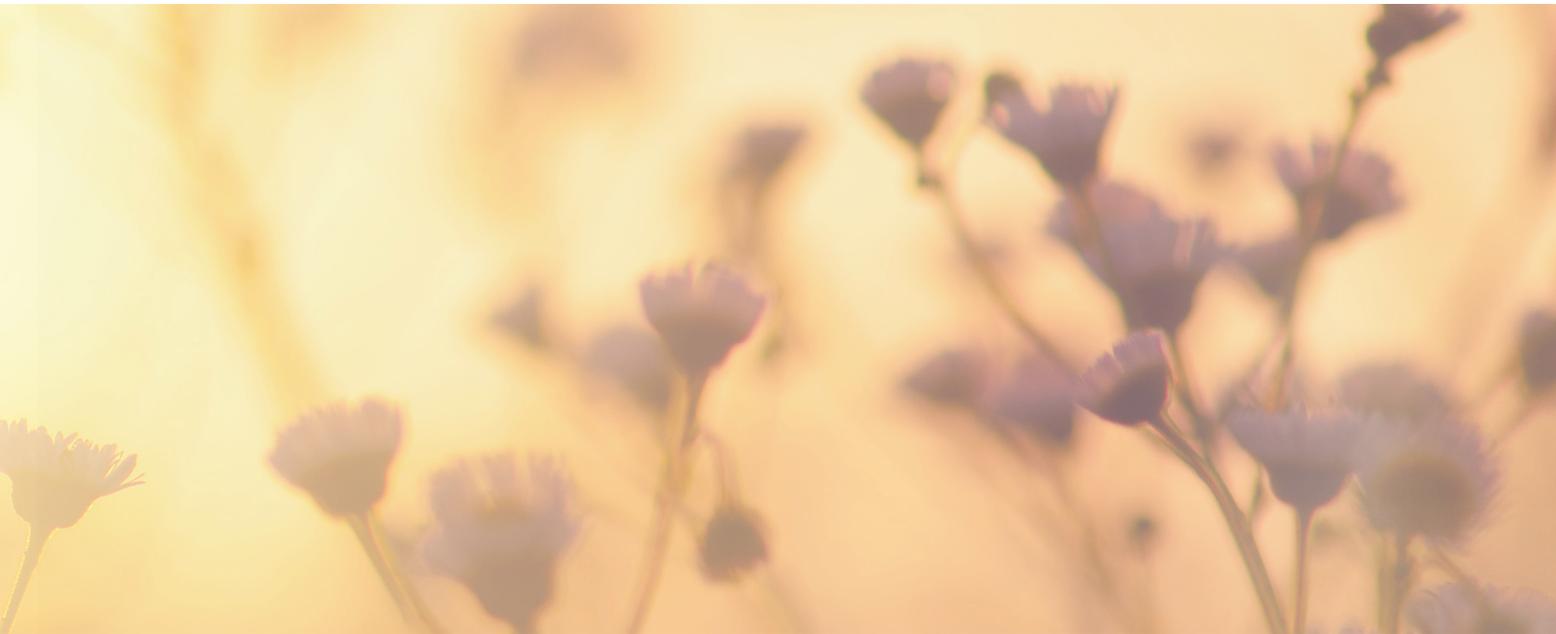
Public and private sectors often use different naming conventions, which have changed over time. And different countries have their own definitions. The lack of consensus is confusing, but everyone is doing their best to sensibly describe a wide range of housing.

With this problem in mind, we have grouped housing for older people according to their physical format and provision of care. To help understand what types of housing fall into each group, Figure 1 shows a summary.

FIGURE 1: TYPES OF SPECIALIST HOUSING FOR OLDER PEOPLE



Source: EAC, Cushman & Wakefield



TYPES OF HOUSING FOR OLDER PEOPLE

We have adopted the definitions of specialist housing for older people in the latest Planning Policy Guidance but used naming conventions that also serve as a functional description of the group to, hopefully, remove any ambiguity. Alternative, commonly used names are also shown below:

1

HOUSING-WITH-SUPPORT

(Also known as Sheltered housing)

Purpose-built, self-contained flats or bungalows with limited communal facilities. It does not generally provide care services but provides some **support**. This can include 24-hour on-site assistance (alarm) and a part-time or full-time warden or on-site manager who provides property maintenance and support to residents.

2

HOUSING-WITH-CARE

(Also known as Extra care housing or Retirement Communities, Independent Living, and Assisted Living)

Purpose-built, self-contained flats or bungalows **with care** (as defined by the CQC) available to residents. Residents also have 24-hour access to **support, services** and **staff**. The intention is for residents to benefit from varying levels of **care** as time progresses.

3

CARE HOMES

Includes residential care homes and nursing homes. Schemes have individual rooms within a residential building and a high level of care. This type of housing can also include dementia care homes.

Care Homes are beyond the scope of this report's recommendations, but we still offer some high-level analysis later in the report for context.

!

OVERALL

Housing-with-support and Housing-with-care are agnostic to whether the units are owned or rented and whether a private or public provider operates the scheme.

We will cover these points in the next chapter on the current stock of housing.

STOCK OF HOUSING FOR OLDER PEOPLE

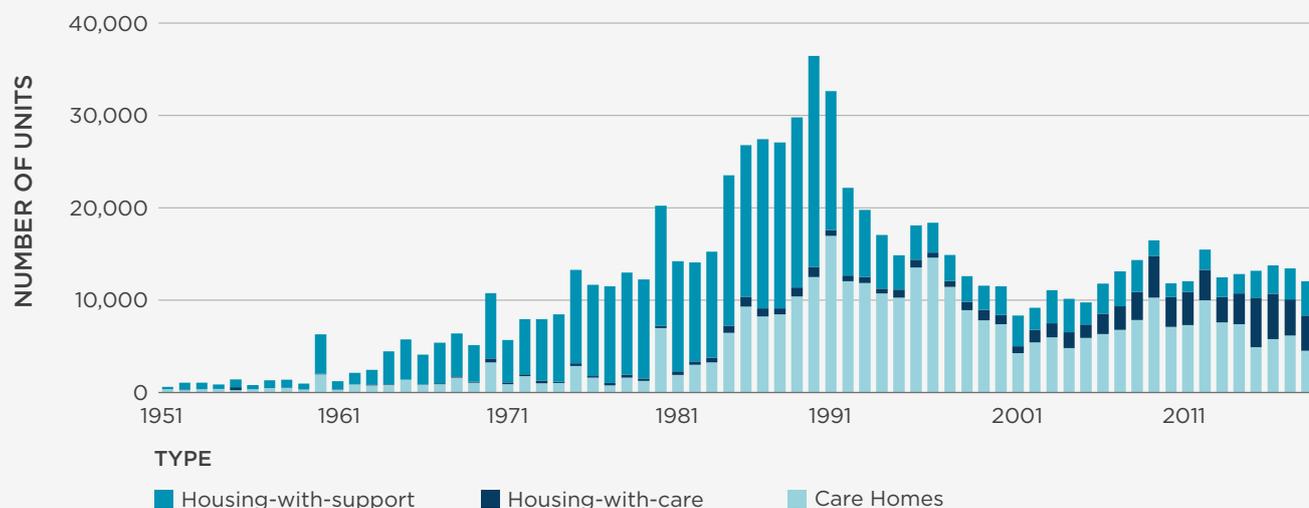
A legacy of regulatory and economic eras defines the UK's current stock of housing for older people.

THE ERA OF SHELTERED HOUSING

From the early 1950s to the end of the 1980s, most development in this sector was for social rented Sheltered Housing (Housing-with-support). The 1969 Ministry of Housing and Local Government circular 82/69 set out the standards for Sheltered Housing to ensure good-quality housing for older people. Some schemes were for older people who were in good health and could live independently (Category One schemes) while other schemes had attributes suited to people who were more dependent (Category Two schemes).

A private sector equivalent to local authority schemes didn't emerge until the 1970s and weren't delivered at scale until the 1980s. By 1989, there were over 460,000 sheltered housing units, but only 38,000 were private tenure.⁵ These for-sale alternatives had good initial take-up with residents but became caught up in the wider housing market downturn in the early 1990s and became difficult to sell.

FIGURE 2: UNITS BY CONSTRUCTION DATE AND TYPE



Source: Cushman & Wakefield, EAC

⁵ Department of the Environment, Housing Investment Programme Statistics



POST-1990 PRIVATE CARE HOME ERA

Private care homes also became more prevalent in the 1980s. The 1980 Supplementary Benefits (Requirements) Regulations enabled people moving into private residential care to get financial support for board and lodgings through the benefits system. This stimulated demand and supply of private care at a time when public and voluntary provisions were static.

Then, the NHS and Community Care Act 1990 sparked a new phase of private care home development. The Act was the culmination of many initiatives, arguably starting in 1983 with Sir Roy Griffiths' recommendation to establish an NHS management board⁶ and ending with the Act's belated implementation in 1993. One of the Act's objectives was for local authorities to manage social care through their own budget, but not necessarily provide care themselves. This led to huge growth in private care (often termed the "independent sector" in this context).

The overall effect of these policies was that older people were less likely to get their long-term care in a hospital. The bed stock in the NHS for geriatric care has consistently declined, effectively substituting beds in hospitals for places in Care Homes and Housing-with-care schemes.⁷

The policies also sparked change within the Care Home sector, local authorities provided 63% of residential care home places in 1980 and the private sector had a 17% share, but by 2002 the positions had been reversed.⁸



⁶ Griffiths R. (1983) NHS management inquiry. London: Department of Health and Social Security.

⁷ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1116730/>

⁸ Bupa and Centre for Policy on Ageing (2011) The Changing Role of Care Homes



THE HOUSING-WITH-CARE ERA?

Housing-with-care has existed since the 1970s under various names, as operators added care to existing Housing-with-support schemes albeit “...in an uncoordinated, almost haphazard, way...”⁹ as residents aged in place.

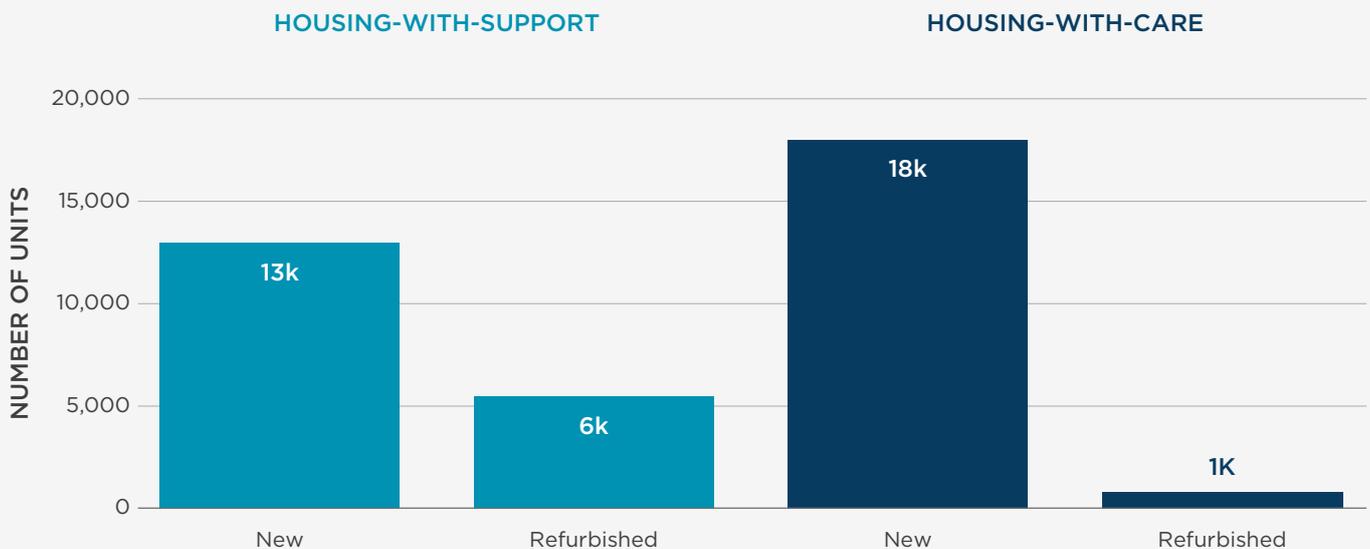
However, Housing-with-care has been a large and relevant part of new construction in recent years. Figure 3 shows units completed in 2015-2019 by the two main housing categories. The two categories saw a similar number of units delivered in this period. Housing-with-care had a greater bias to new deliveries, while Housing-with-support had 13,000 new units and 6,000 refurbished units.



18k
NEW UNITS

HOUSING-WITH-CARE HAD A GREATER BIAS TO NEW DELIVERIES, WHILE **HOUSING-WITH-SUPPORT** HAD **13,000** NEW UNITS AND **6,000** REFURBISHED UNITS.

FIGURE 3: UNITS COMPLETED IN THE LAST FIVE YEARS (2015-2019)



Source: Cushman & Wakefield, EAC

⁹ Department of Health (2004) “Extra care housing for older people: An introduction for commissioners”, p5

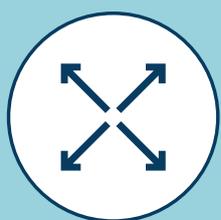


However, the low level of total deliveries is concerning. An average of 7,600 units were completed each year in 2015-2019 across the two housing categories. This total is a fraction of the annual delivery rate of housing seen in 1985-1990, which saw 18,000 units delivered each year.

It is worth noting that deliveries of Care Homes were also low during this period, partly because many providers were refurbishing schemes built in the late-1980s and early-1990s, rather than focusing on new development. And net new deliveries of Housing-with-support are muted

by the trend for some providers to withdraw staff support in response to budget constraints, resulting in the reclassification of their schemes to Age Exclusive, without onsite staff.

Meanwhile, Housing-with-care deliveries have accelerated. Social rent and mixed tenure schemes have been the main driver of growth to date, but new institutional investor interest has spurred development. These private schemes can be large, almost always larger than 60 units and some have more than 250 units.



>250

UNITS

THESE PRIVATE SCHEMES CAN BE LARGE, ALMOST ALWAYS LARGER THAN 60 UNITS AND SOME HAVE MORE THAN 250 UNITS.



CURRENT SUPPLY OF HOUSING FOR OLDER PEOPLE

This section focusses on the stock of housing for older people, excluding Care Homes and Age Exclusive housing (i.e. housing without support or care).

Construction, refurbishments and reclassifications left the UK with around 475,000 units of housing for older people by the end of 2019 – a small figure compared to the 12 million people aged over 65 whose needs the stock aims to service.

Figure 4 shows the breakdown of current stock in the UK by category, tenure and provider type. Dividing stock according to these variables creates sixteen groups. However, 57% of all stock fell into just one group – Housing-with-support for rent through a public provider

(Sheltered Housing), which included around 271,000 units. There were around 80,000 units of housing for leasehold with support provided by a private company (17% of stock), making this group the second largest. However, some groups had fewer than 1,000 units. And while the private rented sector is a growing part of the wider residential market renting privately is rare in this specialist sector, as few operators have explored this operating model.

FIGURE 4: STOCK OF HOUSING FOR OLDER PEOPLE LACKS DIVERSITY

TOTAL UNITS BY CATEGORY, TENURE AND PROVIDER TYPE



UNITS (1,000S)
 0-50K 51-150K >151K

Source: Cushman & Wakefield, EAC

Note: Mixed Tenure includes a mix of rent and leasehold. Other tenures include shared ownership, for example



8%
OF DISTRICTS IN ENGLAND
LACK EVEN ONE HOUSING-
WITH-CARE SCHEME.

Housing-with-care is only 16% of the total stock of housing for older people. There is a clear need for a more even provision of stock and the low amount of Housing-with-care stock is the most obvious shortfall, although housing-with-support is also undersupplied, particularly for ownership. Housing-with-care suffers from imbalances in tenure and provider type, but there are other imbalances. Stock provision is not uniform across the country and Housing-with-care stock is critically low in some local authority districts. For example, around 8% of districts in England

lack even one Housing-with-care scheme. Housing-with-care with private providers concentrate in the south of England. Private providers are completely absent in many districts in the north of England where house prices are lower, often making the leasehold business model unviable. Achieving an even provision of stock by category, tenure and provider type will be difficult, but it is essential that the range of choice for potential residents in each local authority area improves.

HOUSING-WITH-CARE IN AN INTERNATIONAL CONTEXT

Importantly, we need to compare the current supply of Housing-with-care to the size of the older population to gauge if it is undersized compared to its potential demand. In other words, what percentage of older households live in Housing-with-care? We refer to this percentage, or take-up rate, as a penetration rate.¹⁰

There were 74,000 housing-with-care units in the UK at the end of 2019. At that time there were 12.2m people aged over 65 (around 11m of which were in England and Wales) and the average number of individuals in a household that had a head of the household aged over 65 was 1.5 people – an estimated 8.1m households aged over 65.¹¹ Therefore, only 0.9% of households aged over 65 live in Housing-with-care. Even without further context this is clearly an extremely low penetration rate.

A comparison with other countries gives the context we need, but the penetration rates need to be of the same method for the comparison to be meaningful.

For example, the National Investment Centre for the Seniors Housing and Care Industry (NIC) calculated the penetration rate of seniors housing in the United States using total households aged over 80 in their recent white paper.¹¹ This method resulted in a rate of 18%. But lowering the minimum age to 65 lowered the rate to 6.5%, because the calculation included far more households.

The choices for method and data are not a case of right or wrong; they just need to be consistent. This is difficult to achieve with an international comparison, but Figure 5 shows comparable penetration rates for the UK and other mature Housing-with-care markets. Beyond the US, Australia and New Zealand, data is hard to find, and other national markets are opaque, even countries with real estate markets that are otherwise transparent like France, Germany and The Netherlands.



¹⁰ The term penetration rate is widely used in the US. The penetration rate is the percentage of older households that live in Housing-with-care. It is a rough measure of the share of older households that have 'converted' from general housing to Housing-with-care.

¹¹ NIC (2019) Looking into the Future: How Much Seniors Housing Will Be Needed?

FIGURE 5: PENETRATION RATES OF HOUSING-WITH-CARE BY COUNTRY

	UK	US	Australia	New Zealand
Reference Year	2019	2019	2014	2016
Over 65s	12,200,000	54,200,000	3,200,000	698,400
Average household size (over 65s)	1.5	1.8	1.3	1.6
Housing-with-care units	74,000	1,952,000	141,000	28,100
Housing-with-care Penetration Rate	0.9%	6.5%	5.7%	6.4%

Source: ONS, EAC, US Census, NIC, ABS, Grant Thornton, NZ Stat, JLL

We matched each country’s data to our definition of Housing-with-care. However, small issues with the comparison remain. For example, the US supply figure of just under two million units excludes schemes with fewer than 25 units. It is difficult to estimate how many units the data provider’s rule excluded. By comparison, the UK has only 5% of its Housing-with-care stock in schemes with fewer than 25 units, so the US and UK rates should still be broadly comparable.

Overall, the UK has a penetration rate below 1%, while other countries’ rates are around 6%. If the UK had a rate of 6% the Housing-with-care stock would be around 500,000 units, or six times the 74,000 units we have today.

THE CHALLENGES FOR HOUSING-WITH-CARE

The structure of the 1987 Town and Country Planning (Use Classes) Order (UCO) has hampered the development of Housing-with-care.

While housing for older people has developed into three distinct types of housing – Housing-with-support, Housing-with-care and Care Homes – the planning system has only two relevant classes: the C2 and C3 classifications. This creates confusion as to how planners should treat Housing-with-care, not just because the category includes a diverse range of schemes but also because many of the schemes are, by nature, a hybrid of the two planning classifications.

The difficulty facing planners has been well documented.¹² Recent guidance from planning appeals and central government reports give some direction but there is still a lack of clarity for planners and developers alike.

For example, the Planning Inspector classified a scheme in Cornwall¹³ – purpose-built for people over 55 and offering care from a minimum of two hours a week – as C3 rather than C2.

The Cornwall scheme consisted of separate bungalows. The Planning Inspector noted that it lacked a clear relationship between the accommodation and personal care given to residents beyond the standard range of services offered.

This is a common outcome. Many developers submit applications seeking a C2 classification with detail on the properties' construction and the scheme's services but lack sufficient detail on how they intend to deliver care and assess their resident's need for care. As a result, local authorities might refuse many applications and find it difficult to separate the genuine Housing-with-care schemes from the rest.

CROSS LANES, LANSTEPHEN, LAUNCESTON, CORNWALL

Proposed Size: 30 units

Care: Personal care available. Residents assessed as needing at least two hours of care a week

Support: An onsite warden

Services: Communal lounge, recreation hub and an onsite hairdresser

¹² Housing LIN Viewpoint 20 (2011) Planning Use Classes and Extra Care Housing details the main issues that planners faced at the time. Housing LIN Viewpoint (2015) Extra care housing – what is it in 2015? gives the latest guidance

¹³ Appeal Decision: APP/D0840/W/18/3199163, dated 11 February 2019

LONDON ROAD, WEST MALLING, KENT

Proposed Size: 79 units

Care: Residents have access to 24-hour care through a care package agreed before occupation

Support: Staff support available 24-hours a day

Services: Bar, activities room, restaurant, meeting/function room, hair salon, therapy room, assisted bathroom suites, village/manager's office, domiciliary care office, full commercial kitchen, village laundry and staff facilities

In another example, the Planning Inspector determined that a large Housing-with-care scheme in West Malling¹⁴ should be granted planning permission under a C2 classification in 2018. The Council originally refused planning permission and considered the application a Use Class C3 development. However, the Council agreed the scheme was a Use Class C2 development prior to the appeal after the appellant gave a more detailed account of the availability of care and the process for determining new residents' need for care.

The appeal itself was more focused on the potential harm to the Green Belt. This application had a complex trade-off between encroachment into the countryside and the benefits to the health and well-being to older people and the much-needed contribution to the five-year supply of housing, with the Planning Inspector allowing the appeal and granting permission having weighed up the opposing arguments.

Overall, the West Malling case study shows that Housing-with-care schemes can achieve planning consent under C2 in a reasonable timeframe. But when there is a lack of clarity around the provision of care, the planning process can slow considerably.

The purpose of this report is not to define or prescribe how self-contained units should be physically configured nor is it to determine the minimum levels of care planning officers should consider acceptable as a Use Class C2 development.

While improving the range of stock by category, tenure and provider type should be the end goal for all stakeholders, the way to achieve that goal for Housing-with-care requires a greater focus on the physical format of housing and the relationship between the accommodation and the provision of care.

Therefore, we believe local government needs to give more clarity on how the physical format of the accommodation and the relationship between that accommodation and available care affect their planning decisions. Stakeholders might need further guidance from central government to ensure a consistent approach to this guidance.

It is very difficult for developers to describe in detail a scheme's capacity for care and the relationship between available care and the accommodation at the outline stage. But developers need to be more forthcoming with that information to help planners understand what they intend to deliver.

Refusals and appeals are likely to stay an expected part of the process in developing Housing-with-care, but more clarity from all stakeholders could improve the process and help deliver more schemes.

¹⁴ Appeal Ref: APP/H2265/W/18/3202040, dated 19 December 2018

FUTURE DEMAND

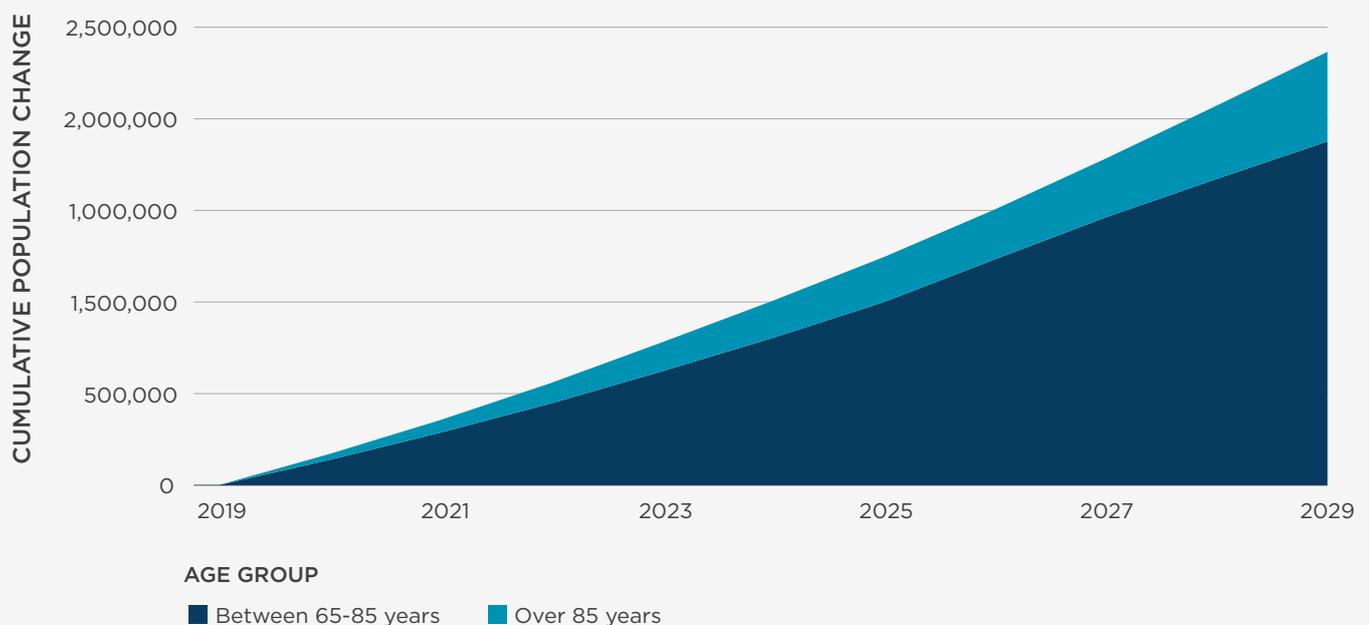
This section looks at the stock and population projections of England and Wales only.

The ONS produces consistent national population projections (NPPs) for these countries, and although most parts of the planning system in Wales are devolved, its legislative framework is broadly the same as in England. The devolved systems in Scotland and Northern Ireland differ from England and Wales to the extent that conclusions from this chapter might be difficult to apply.

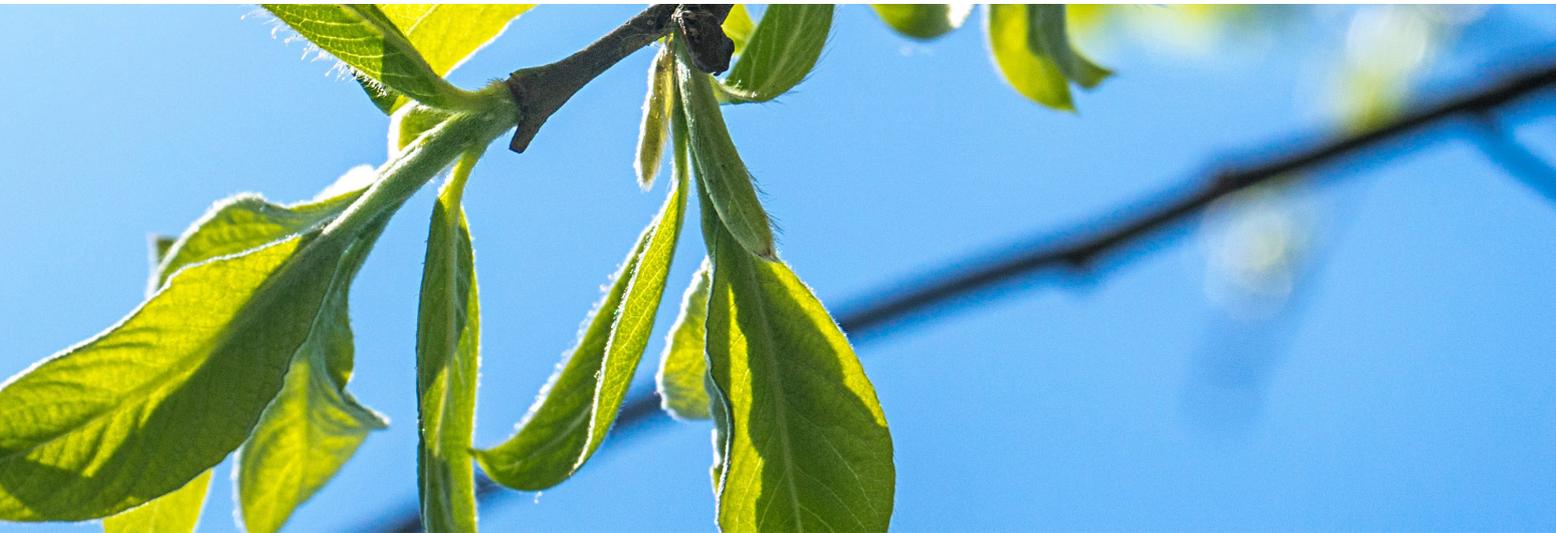
The undersupply of housing for older people is likely to worsen in future due to demographic changes. There are currently around 11 million people aged over 65 in England and Wales, and the Office of National Statistics (ONS) forecasts that there will be 2.1 million more people aged over 65 by 2029.

This 20% increase will mostly come from 1.8 million people entering the 65-85 age bracket, although the over-85 bracket would almost double in size as 378,000 people move into this group.

FIGURE 6: CUMULATIVE POPULATION CHANGE BY AGE GROUP (BASE YEAR = 2019 ESTIMATE)



Source: ONS



There are around 434,000 units of housing for older people across the two housing groups in England and Wales:

 **363,000**
Housing-with-support units

 **71,000**
Housing-with-care units

For England and Wales to keep current local penetration rates¹⁵ stable over the next 10 years its local authorities would need to collectively ensure the delivery of just under 2,000 units each year. And for every local authority to raise its penetration rate to at least the national average of 1%, they would need to deliver around 36,000 units in total. This rate of delivery (i.e. 3,600 units a year) is in line with delivery rates seen in 2015-2019. It is worth keeping in mind that a UK-wide figure, including Scotland and Northern Ireland, would be much larger.

But given our doubts that the current provision of stock meets today's demand then delivery rates would need to increase further to remove the shortfall.



¹⁵ The penetration rate is the percentage of older households that live in Housing-with-care. It is a rough measure of the share of older households that have 'converted' from general housing to Housing-with-care.

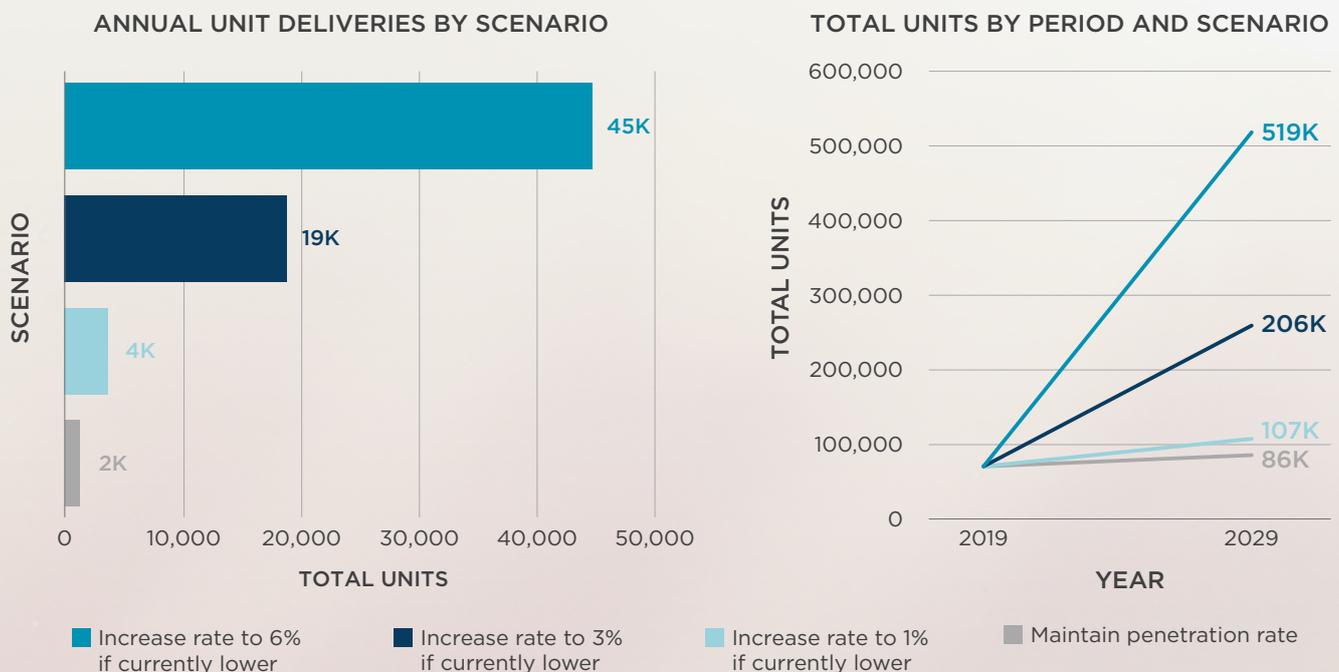
SUPPLY SCENARIOS FOR HOUSING-WITH-CARE

All local authority areas are far below the international benchmark of a 6% penetration rate¹⁵ for Housing-with-care. To understand what level of construction can improve England and Wales' provision of stock we have run four scenarios. These scenarios range from building just enough units to maintain an area's current rate to building at a pace that increases the rate - to 1%, 3% or 6% - by 2029, if the current penetration rate in each local authority is below the benchmark.

Figure 7 shows the scale of development needed in each scenario. England and Wales delivered just under 3,500 units each year in 2015-2019, a considerable improvement on earlier periods. However, this level will only be enough for penetration rates to tread water against a tide of demographic change.

FIGURE 7: PENETRATION RATE SCENARIOS FOR HOUSING-WITH-CARE FUTURE DELIVERIES

INCLUDES LOCAL AUTHORITY DISTRICTS IN ENGLAND AND WALES



Source: Cushman & Wakefield, ONS, EAC

¹⁵ The penetration rate is the percentage of older households that live in Housing-with-care. It is a rough measure of the share of older households that have 'converted' from general housing to Housing-with-care

Closing the gap in penetration rates with other countries would need annual deliveries of over 45,000 units. This is extremely unlikely and unprecedented for any type of specialist housing, even in the boom years of the late 1980s. This “6%” scenario is included only to highlight that correcting for low levels of Housing-with-care will take far longer than 10 years. Therefore, all stakeholders should see this strategic push for more Housing-with-care stock as a multi-decade and nationally significant undertaking.

Alternatively, if annual deliveries increase from 3,500 a year to 19,000, then England and Wales’ penetration rate could rise to at least 3% in all areas – half-way to the penetration rates seen in other countries. In this “3%” scenario, the total amount of housing-with-care units would be close to 260,000 by 2029. This is in line with ARCO’s objective of “250,000 people living in retirement communities by 2030.” This is still extremely ambitious but achievable if all stakeholders work together on a long-term strategy to deliver the amount of Housing-with-care the country will need.



England and Wales delivered just under

3,500 UNITS

each year in 2015-2019



Closing the gap in penetration rates with other countries would need annual deliveries of over

45,500 UNITS



With

19,000

DELIVERIES PER YEAR

ARCO’s goal of **250,000 people** living in retirement communities by **2030** would be achieved

CONCLUSIONS AND RECOMMENDATIONS

As it stands there is a documented shortfall in purpose-built housing for older people in the UK. An older person that wants to move into specialist housing, should – much like in the wider housing sector – have a wide range of options available to them in their local area. They may wish to move into a home that provides them with the certainty that they can receive care as they age, or they may need housing with support or care at the time of the move.

While the UK has a good provision of Housing-with-support for rent with public providers, for many people this is not available, suitable or desirable and they are, therefore, left with a lack of choice. The lack of Housing-with-support stock beyond those run by local authorities is a concern.

Most concerning, however, is the low amount of Housing-with-care stock of any description. It is underweight versus other countries.

Construction rates are far below those of the late 1980s and while the Care Home market seems focused on refurbishing older stock and Housing-with-support is often reclassified, as providers reduce support and services, it is likely that Housing-with-care sector will have to be an important source of growth, despite being a minor part of the market today.

Our ageing population will increase demand for specialist housing. Construction rates will need to be five-or-six times current rates to ensure the UK makes adequate improvements in penetration rates for Housing-with-care. Stakeholders from the public, private and voluntary sector, need to work together to deliver this increase in construction.

HOUSING-WITH-CARE
CONSTRUCTION RATES NEED TO BE



5-6x
CURRENT
RATES

TO IMPROVE PENETRATION RATES.

The government should consider implementing measures to fast track planning projects that exhibit high sustainability standards while addressing the pressing demand for housing for an ageing population.

RECOMMENDATIONS

01

THE UK GOVERNMENT SHOULD ESTABLISH A HOUSING FOR OLDER PEOPLE TASKFORCE

The British Property Federation and its members would welcome the opportunity to work with a taskforce that will report to government on a number of agreed measures to help increase the construction rate of purpose-built housing for older people through whichever means are deemed most efficient and to fulfil the future needs of the UK's ageing population.

The taskforce should include a wide range of stakeholders from the public, private and voluntary sectors, helping to build a consensus for change between central government, local government, and industry.

Central to the taskforce's remit will be to recognise and promote the benefits of purpose built housing for older people, with a particular focus on housing-with-care, and to provide local authorities with the resource to help plan for such accommodation with local need and viability in mind. In general, the taskforce must ensure that all terminology is consistent and that definitions are clear.

Private sector operators, investors and developers will in turn understand that they must be as forthcoming as possible on how they intend to deliver stock that meets any agreed expectations. The UK could then take an important step in meeting the needs of its ageing population, reducing the burden of care and, ultimately, cost, on the NHS and delivering on local housing targets.

02

THE UK GOVERNMENT SHOULD DEVELOP AND PUBLISH A NATIONAL STRATEGY FOR HOUSING FOR OLDER PEOPLE

As per the recommendations of the 2017 CLG Select Committee inquiry into Housing for Older People, the government should establish a strategy that reinforces the national significance of this issue.

The national strategy should ensure all forms of appropriate housing is provided for older people, as a key part of national and local housing targets. While we acknowledge the government's strengthening of Planning Practice Guidance (PPG) to require local delivery, this has not had the desired impact and does not incentive action to the necessary degree.

03

PRIORITY SHOULD BE GIVEN TO PROJECTS THAT EXHIBIT A COMMITMENT TO ACHIEVING THE UK'S ZERO CARBON AMBITIONS

The built environment and the wider economy will in the coming years need to address the challenge of global climate change and subsequently decarbonise its activities. Energy efficiency and carbon reductions in the delivery of housing for older people will not only deliver on the UK's legal obligations but will also have implications for reducing fuel poverty and improving indoor and outdoor environmental conditions.

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