



 **SHAKESPEARE  
MARTINEAU**  
Legal advice for life and business

# Moving on

could later living be the answer  
to the housing crisis?





## Abstract

The majority of people maintain the opinion that rightsizing to a home that better suits their needs is either unaffordable, reserved for the point of health crisis, or simply a ‘problem for when I’m older’, and our data shows that this world view increases as we age.

Data collected from more than 200,000 ‘general needs’ social housing rental properties showed us that people aged 65+ are most likely to be living in a home with more bedrooms than they need and that there is a growing number of under-occupied homes generally.

Research also shows that if people lived in homes more suited to their needs, 50,000

fewer homes would need to be built each year and there would be greater housing stock for those stepping on, and moving up, the housing ladder.

With proven benefits to the housing sector and NHS cost-savings, government should invest proactively in the later living sector using policy levers, planning reform and funding incentives to help market it properly to create the demand, pushing for co-ordinated efforts at a top level, with master planners and developers creating links between housing associations, investment funds and local authorities, offering greater choice to the consumer in terms of location, style and facilities.

## Problem

Older people are reluctant to move from their family homes, and the problem with this is two-fold. Firstly, the cost of heating and maintaining these larger homes and the fact that over time, areas become inaccessible due to mobility and health needs places huge strain on our health services. Secondly is the impact under-occupied family homes has on the housing crisis.

In July 2022, inflation rose above 10% for the first time in 40 years, driven by the skyrocketing cost of energy, food and fuel. At the time of writing, inflation has hit 9.2%, with official forecasters predicting inflation for 2023 as a whole to be 10.7%.

Around [1 in 5](#) pensioners were already living in poverty prior to the cost of living crisis in 2019/2020, and additional research conducted in autumn of 2022 found that 61 per cent of over-65s planned to [at least reduce the amount of heating they will use, while almost one in five \(19%\) say they plan to eat less to make ends meet during the winter.](#)

Substandard housing costs the NHS an estimated [£1.4 billion every year](#), so it's no surprise there have been pilot trials of [doctors](#)

[prescribing heat](#) in a bid to avoid the cost of care if vulnerable people become ill. Unsuitable housing can also increase the risk of trips and falls.

Considering the housing crisis, we know there are insufficient family homes and much of the government's focus has been on first-time buyers. However, we believe this skewed view is missing an opportunity to make better use of existing housing stock by focussing on 'last-time buyers', which would not only provide much-needed family homes, but also see older people living in accommodation better suited to their needs. Research from Professor Mayhew showed that if people lived in homes more suited to their needs, [50,000 fewer homes](#) would need to be built each year.

However, due to a multitude of reasons, which we will explore in this report, there is a reluctance from the public to move into later living and resistance from government to invest or incentivise the build of homes that could save lives and the taxpayer billions.

## Our hypothesis

Our hypothesis is that people over 65 are more likely to be living in a home that is too large for their needs.

In order to test this, we took a sample size of more than **200,000 'general needs' rental properties** gathered from registered housing providers, spanning more than **200 local authorities**. Observing the age of the lead tenant and the number of additional occupants, compared to the number of bedrooms, we showed that people over 65 are most likely to be renting a home that is 'under-occupied' and that the proportion of people living in under-occupied homes increases the older the lead tenant is.

A property was considered to be 'under-occupied' if it had a single tenant or couple living in a three bedroom+ house.

The data shows the same trend in social housing stock across all regions (that had

sufficient information) in England and Scotland.

We would anticipate this trend of people over 65 more likely to be in under-occupied homes to be similar across private rented and privately owned homes as the latest [ONS 2021 Census data shows that 69.2% \(17.2 million\) of households had more bedrooms than required.](#)

Indeed, further research we conducted (in a survey of **1,000 people aged 50+**) showed that almost 6 out of 10 (59%) people aged 50 and over had no plan to, or did not know if they would ever, downsize one day.

We also interviewed **20 residents** aged between 69 and 87-years-old living in an ExtraCare or Retirement Village scheme to hear their stories and why they chose to move into a later living community.

## Our findings

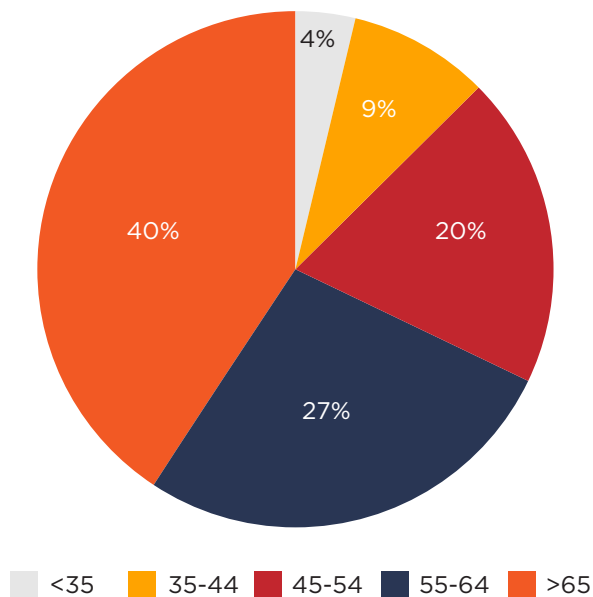
### Older people more likely to be in 'under-occupied' homes

Overall, 1 in 10 (10%) general needs rented properties are 'under-occupied'. Of those properties, over 65s make up 40%, while 27% are occupied by a lead tenant who is 55 to 64-years old and 20% by those aged 45 to 54.

Meanwhile, properties where the lead tenant is 35-44 or under 35 make up just 9% and 4% of under-occupied homes respectively.

Anecdotally we know the longer people have lived in their homes, the less likely they are to move: we found that of the 59% of people aged 50 and over who had no plan to, or did not know if they would ever, downsize one day, more than a third (37%) have been living in their property for more than 11 years.

Age of lead tenant in underoccupied homes

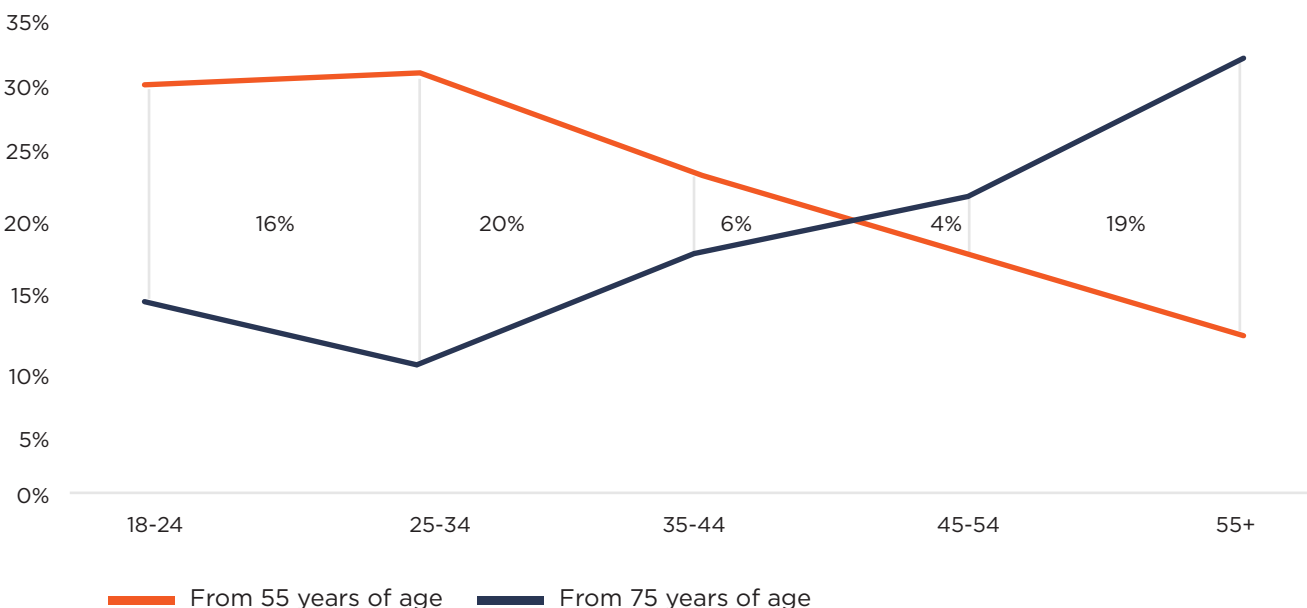


### A problem for 'future me'

We know from our [previous perception research](#) that there is a disconnect between what housing providers deem 'older' - i.e. opening applications from the age of 55 - versus what the public consider to be an 'older person'.

Shown in the figure below, from the 25-34 age group to the 55 years plus age group the

decrease in the amount of people defining an older person 'from 55 years of age' is roughly proportional to the increase in the amount of people defining an older person as 'from 75 years of age'. These figures suggest as people increase in age they are more likely to define an 'older person' as being older than themselves.





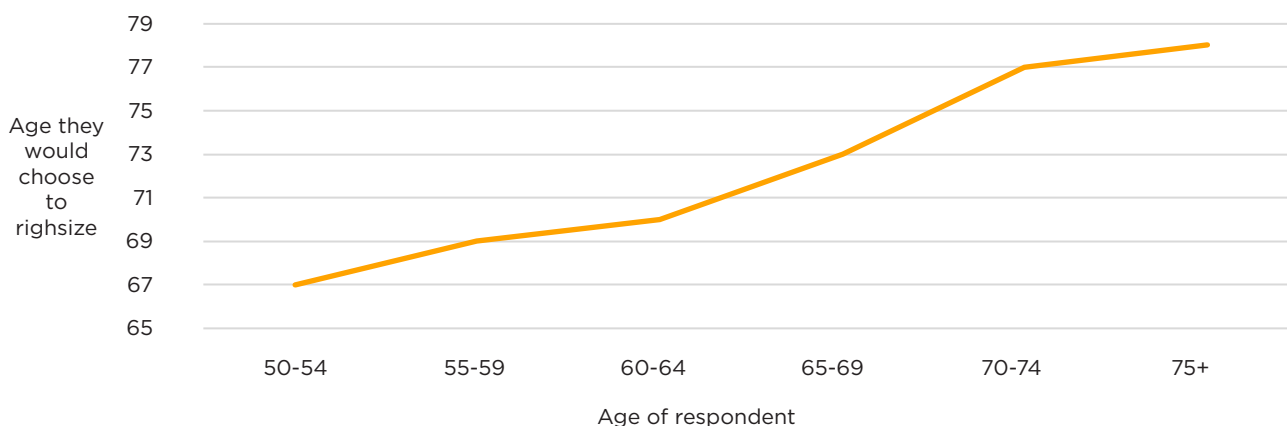
## A problem for 'future me'

Despite the current healthy life expectancy (the average number of years that an individual is expected to live in a state of self-assessed good or very good health, based on current mortality rates and prevalence of good or very good health) in the UK being [63.4 years for males and 64.1 for females](#), when asked what age people would consider moving into a retirement living scheme the

average age chosen by over 50s was 71 (70.61) - almost a decade after the healthy life expectancy.

Our data also shows that the age at which you plan to downsize increases the older you get - this follows in line with previous research that 'old' is always 'older than you'.

### Average age to rightsize, by age



Married couple **Brian** and **Maureen** moved into ExtraCare at the age of 70 and said: **“People really should be thinking in their mid-sixties about where they’ll be in their 70s, not their 80s. This is a brilliant community, but if you leave it too late to move you’ll never be able to enjoy it to its fullest. And worse, the choice to move may not be your own.**

**“We have found from talking to people that those who made the decision themselves to move settled in more quickly, more so than if their children decided for them.”**

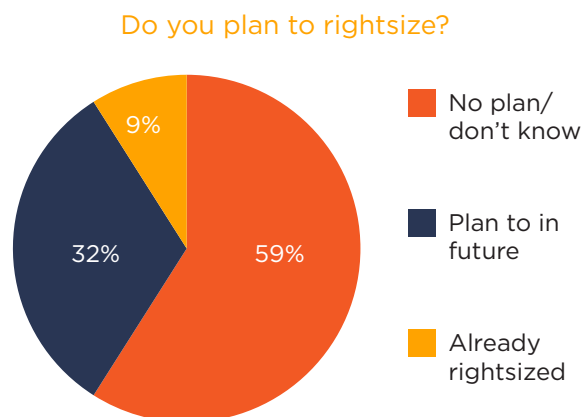


Sanctuary Supported Living - Rose Manor

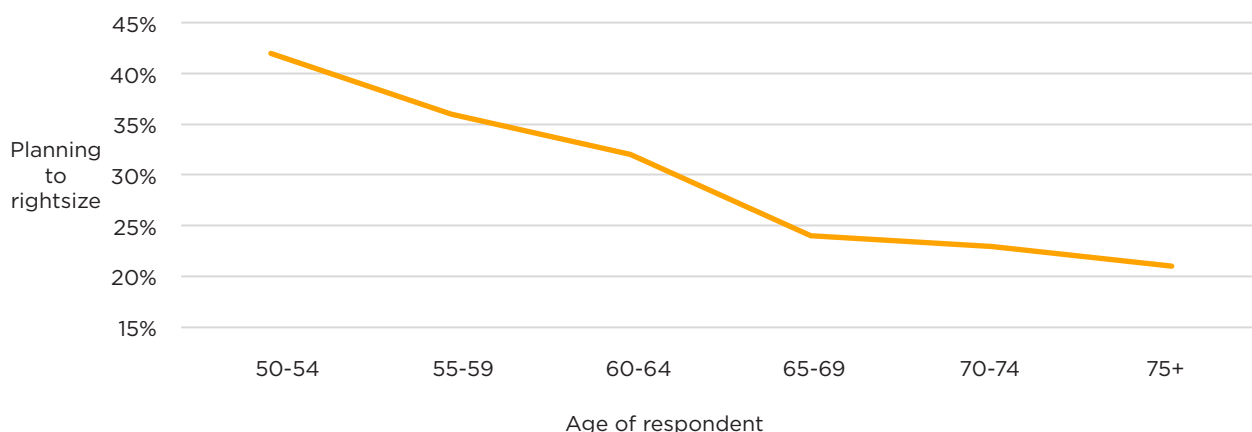
## Majority have no plan

Nearly 6 in 10 (59%) over 50s have no plan to, or do not know if they will, rightsize one day. Around 3 in 10 (32%) people plan to rightsize their home one day, while the remaining 9% of respondents had already rightsized.

As respondents age they are less likely to be planning to rightsize one day. 42% of those aged 50-54 said they planned on rightsizing compared to just 21% of 75+.



### % of people planning to rightsize, by age



## Influence of affluence

A significant factor influencing whether respondents would consider rightsizing was down to affluence. As you might predict, people with more funds felt they had more options.

**Those who own their property with a mortgage are most likely to rightsize (49%),** as were those with larger incomes or pension pots.

Of those with an annual income of more than £45k, 45% of people plan on rightsizing, compared to just 27% of respondents with an annual income less than £15k per year.

Almost one third (32%) of those living on their own feel like moving to a retirement housing scheme is not an affordable option for them – compared with 25% of those living with their partner.

Affordability is much more of a concern for

those living in two-bedroomed properties than those with at least four bedrooms: 35% of those in two bedroomed properties said moving to a retirement housing scheme is not an affordable option for them, compared with 16% of those with 4+ bedrooms.

**Those living in social housing rented accommodation are least likely to rightsize (64% opted no, or don't know),** with more than a third (35%) stating that moving to a retirement housing scheme would not be affordable for them. Less than 1 in 4 (24%) of those living in social housing said that they would rightsize.

**Chris**, 80, who lives in ExtraCare, said: **“When you initially look at it, it looks expensive, but when you break it down it can be budgeted and there are no surprises when it comes to maintenance costs as these are all included.”**

## Location is top priority



**'If you were to move into a retirement housing scheme, which features, if any, would be important to you?'**

Located within walking distance to good facilities (such as shops, cafes etc)	60%
Access to a garden	59%
Self-contained accommodation	58%
Security/safety	51%
Good transport links	45%
Meets my physical needs in terms of mobility/ accessibility	44%
Located near my family	43%
Spare bedroom/ guest room/ dining room	42%
Generous space standards	37%
Leisure facilities	28%
Active programme of events appealing to those living in the community of the scheme	19%
I would not move into one of these schemes	16%
Art classes	6%
Other	2%
There aren't any features that would be important to me	1%



Nearly all features are more important to homeowners than those in rented properties (private and social).

Those who live in 4+ bedrooled houses (55%) are more interested in having a spare bedroom/guest room/dining room than those who live in 1 and 2 bedrooled houses (26% and 38% respectively).

Those who have children living with them were significantly more likely to state that being located near family was important, compared to those who currently live alone (49% vs 34%).

Other key themes from open answers included allowing pets, other facility requirements such as parking, close to a church or having their own front door and letter box. Privacy, quiet and catering for vegans were also priorities of those surveyed.

While these were general themes, we did spot significant differences between men and women:

	Men	Women
Located near my family	34%	53%
Spare bedroom/ guest room/ dining room	35%	49%

## What's stopping people from moving into later living?



### What, if anything, would stop you from moving to a retirement housing scheme?

I don't want to live in a community of older people	28%
I don't think this is an affordable option for me	26%
I believe that I will lose my independence	25%
I believe I will be more isolated from friends and family	19%
Nothing would stop me	17%
I will adapt my current property to meet my needs instead	16%
I believe it would be too much hassle to move	16%
I believe the property would not be big enough for me and my belongings	16%
I believe this would reduce the amount of capital that my children/beneficiaries will inherit	15%
I don't know what alternative retirement housing options are available to me	15%
I believe that my health will deteriorate	10%
I believe this could prevent my children from inheriting my estate	10%
My children/grandchildren would be against me moving	7%
I would move in with my children	4%
I will move into a care home	4%



Interestingly, those aged 75+ were most likely to state that they 'didn't want to live in a community of older people': 36% vs 21% of 50 to 54-year-olds.

The fact that 1 in 10 (10%) respondents said they 'believed their health would deteriorate' if they moved into a rightsized property indicates ongoing negative misconceptions of later living and confusion with care homes - a pattern seen in previous research whereby almost [1 in 3](#) members of public think an 'old people's home' is synonymous with retirement housing.

**Christine**, 71, who lives in ExtraCare said: **"You think people are old and put in a box, but as you grow older you realise it's not like that. I strongly believe where we live keeps you young and helps keep you healthy."**



## Home owners want to maintain equity

We found that ownership of properties influences the attitude toward value. More than half (51%) of homeowners would expect

their later living property to rise in value, compared to a quarter (25%) of people in private rented accommodation.

Highest earners have the highest expectation for their asset to increase in value:

Income per annum	<£15K	£15,001-£25,000	£25,001-£35,000	£35,001-£45,000	>£45,000
Expect property value to rise	47%	43%	40%	53%	58%

Several residents we interviewed acknowledged the decrease or static equity value of their retirement property. However, most believed the health and wellbeing benefits outweighed this negative and that they were buying a 'lifestyle', not a capital asset.

**Maureen**, 80, said: **“Moving here is an investment in your own future. You do lose out on equity, so you need to convince children on estate value, but they agreed that you can’t put a price on the enjoyment we’re getting from it and the independence. We want them to have a good life - their lives are too busy and don’t want the distraction of us ringing every time we have a little maintenance issue or need milk picking up!”**



## A point of crisis



### What factors, if any, would influence you to move into a right-sized property or retirement scheme?

Changing health needs	36%
Reduced mobility (i.e. I am unable to walk up stairs or get around my current property/ difficulty using the current bathroom facilities)	32%
Rising energy prices and the cost of heating my current home	28%
The property is new and requires no maintenance	28%
There aren't any factors that would influence me	25%
Ongoing maintenance requirements of my current home are creating a bigger burden	20%
Living alone - my children have left and/or my partner has passed away	20%
The property provider offers a 'hassle-free' moving service	20%
Wanting to release equity in my current property for myself	9%
My family think I should move	9%
Wanting to release equity in my current property for my children/ grandchildren	6%
My landlord offers me a better/ newer property than the one I've got	2%
My children/grandchildren would be against me moving	7%
I would move in with my children	4%
I will move into a care home	4%

Changing health needs was high up in the public's perception of potential influences. We shared the top four influencing factors with the residents we interviewed who were living in a retirement scheme. All were in agreement that health and mobility needs were an influencing factor for them moving into the schemes, but this was not an issue at the point of moving and instead, an 'inevitable' factor they were preparing for in the future.

For many of the people we interviewed, their partner passing or wanting to already be settled in a community at the point in which they pass or lose their partner was a greater influence.

Stories of people staying in their homes to the point of health crisis, however, was a common theme among our resident interviews - many of which had cared for their own parents and, instead of repeating history and burdening their own children, had decided to move early.

**David** and **Carol**, 83 and 80 respectively, live together at a Retirement Village scheme. They said: **"My mother lived in her own home and was getting more frail, but didn't want to move, only agreeing at the point she went to hospital. We moved her into sheltered accommodation near us and after six months she said 'why didn't I listen to you? I'd have been in better health and made great friends.' When she died, we wanted to get into a village or accommodation with older people, younger than mother did. The idea was we'd move in, make a circle of friends, grow old together and have great fun, which we are doing!"**

Living in unsuitable accommodation has a major impact on individuals and, more broadly, the NHS and social care crisis. ExtraCare's latest integrated homes, care and support report showed that its residents' [unplanned stays are reduced from 8-14 days to 1-2 days, and that living in ExtraCare saves the NHS around £1,994 per person, on average, over five years.](#)



## Need for security and ease

Maintenance and safety was a common theme among the interviewees as many felt unsafe in their previous communities and took comfort in knowing their friends in neighbouring houses or apartments – as well as scheme staff – would be looking out for them.

**Roy, 87, who lives with his wife in an ExtraCare scheme, said: “The biggest factor for us is the safety and security of the building and of the residency. It’s important because of our age and gives me peace of mind if I go out for the day and leave my wife at home. It was one of the biggest factors in our decision to come here and still is.”**

While the majority of people we interviewed had been living in their accommodation for many years, they agreed that rising energy

bills could become an influencing factor for future residents when it came to heating large, often old homes.

In our public survey, wealthier people (those earning £45k+) are least likely to be influenced by rising energy prices – just 22% of respondents selected this option, compared with 30% of those earning £15k or less.

The ‘hassle’ of moving is also a consideration; 16% of those in social housing believe it would be too much of a hassle to move to a retirement housing scheme, compared to 8% of those in private rental accommodation and 18% of homeowners.



LiveWest - Springfields



## What's stopping the housing sector?

Currently, the housing sector is not sustainable. The UK market is failing to provide appropriate housing supply that meets the needs of society.

As the population of people aged 65+ is set to increase from [11.2 million today to 17.2million by 2040](#), with as many as 6.2 million living alone in standard housing, pressure is piling on an already stretched care service and increasing need for new homes to be built.

A focus on first-time buyers over last-time buyers is only exasperating the problem – why would people leave their family homes if there is nowhere suitable for them to move to? Or if their perception of what is available is skewed towards the negative view of an ‘old people’s home’?

In order to begin leading the way in sustainable communities, planning policies need to be simplified and the language used modified to correct perceptions of later living. The phrase ‘age is but a number’ becomes more poignant as people get older. It is important society doesn’t segment older people into needing a specific housing type when there can be such variances in mobility, health and wellbeing in people of the same age. Choice is the key and there is no ‘one size fits all’ solution so planners need to be open minded to support applications that create demand and a positive perception as to what it can be to age well in place.

As well as stand-alone developments, intergenerational developments should also be encouraged, which would provide greater appeal to the respondents stating they would ‘not want to live in a community of old people’.

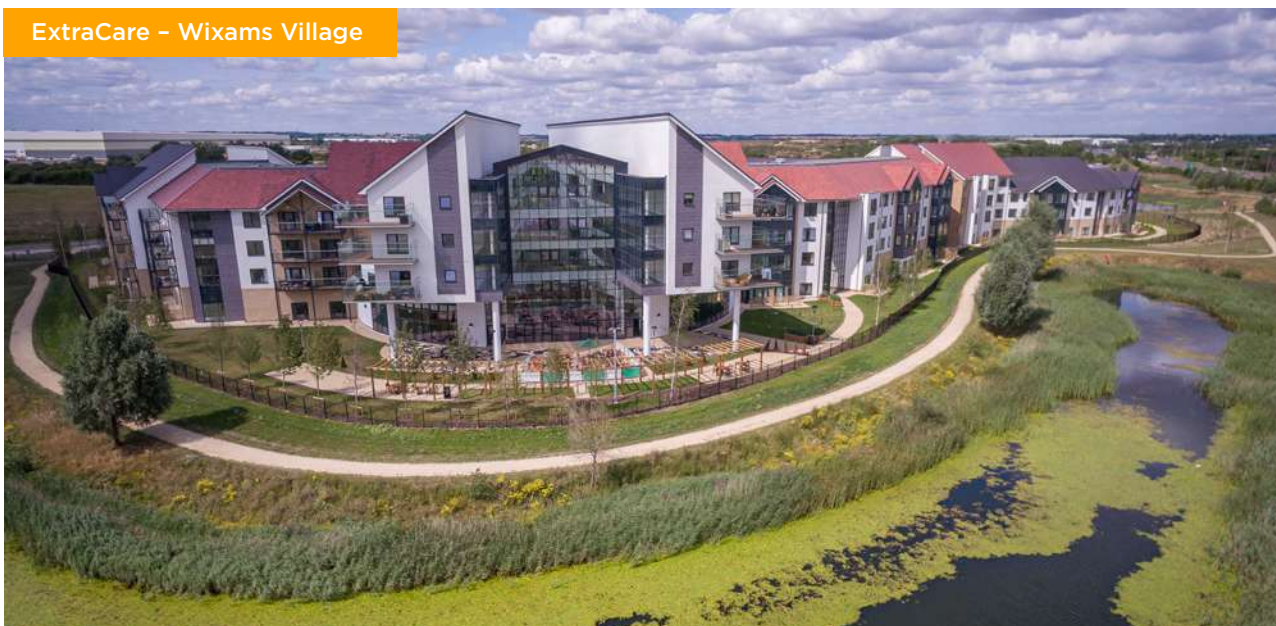
Not only does this appease older people wanting to live among a more diverse community, a slower way of life could benefit younger people, particularly those with learning and physical disabilities.

However, these will need to be developments large enough to justify the financial investment needed to provide care near or within the facility at affordable rates. If the mix is right, carers can remain permanently on site and will not waste critical time travelling to and from their clients, maximising the amount of care they can provide each day.

A later living use class and requirement within new developments, in the same way as affordable housing, would be revolutionary for the sector and the next generation due to the benefits from improved wellbeing and the health advantages of later living.

Something that the long-awaited Older People’s Housing Task Force should urgently consider.

ExtraCare – Wixams Village



## Making later living for everyone

Our research shows there is still a way to go in terms of educating the public about exactly what later living is and what it offers, the health and wellbeing benefits and why people

should be 'moving on' earlier in life, prior to the point of crisis and at a time when they can enjoy schemes to their fullest.

### Build more later living

Only [7,000](#) retirement units are being built per year, falling short of the numbers that will be required for an ageing population. It's estimated that for each bedroom added to the retirement stock, [two to three are released in mainstream housing](#), so 'pulling' people through the market will increase the number of family homes available and, in turn, the number of starter homes.

And, with around [80% of the 65+ population owning their home outright](#), there is huge

potential to redeploy wealth via investment in the sector.

With proven benefits to the housing sector and NHS cost-savings, government should invest proactively in the sector and market it properly to create the demand, pushing for co-ordinated efforts at a top level, with master planners and developers creating links between housing associations, investment funds and local authorities.

### Change planning priorities

There is an urgent need for leadership from town planners to produce more homogenous housing suitable for first and last-time buyers. With a holistic approach to master planning,

multi-generational schemes would offer the potential for succession and opportunity to remain within a close community.

### Champion the benefits

The sector must work harder to showcase the benefits and tell the stories of residents thriving in the schemes. Research has shown there is a greater window of opportunity to convince people about the benefits of later living earlier to prepare for the future - [at the](#)

[age of 45-55](#) - but further research could be invested in to better understand the drivers and behaviours of decision makers within the home to better influence and target these individuals with the benefits of later living.



## Authors



**LOUISE DREW**  
Head of Building  
Communities

[louise.drew@shma.co.uk](mailto:louise.drew@shma.co.uk)



**JOANNA LEE-MILLS**  
Head of Social Housing  
Development

[joanna.lee-mills@shma.co.uk](mailto:joanna.lee-mills@shma.co.uk)



**EMMA SMITH-GAMBLE**  
Social Housing  
Partner

[emma.smith-gamble@shma.co.uk](mailto:emma.smith-gamble@shma.co.uk)



**CAROLINE BIRD**  
Senior Conveyancing  
Executive

[caroline.bird@shma.co.uk](mailto:caroline.bird@shma.co.uk)



**GARY EKPENYOUNG**  
Social Housing  
Litigation Partner

[gary.ekpenyoung@shma.co.uk](mailto:gary.ekpenyoung@shma.co.uk)



**JON COANE**  
Funding and  
Finance Partner

[jon.coane@shma.co.uk](mailto:jon.coane@shma.co.uk)

## Contributors

