"A new generation of retirement housing could set off a property chain reaction..."

THE TOP OF THE LADDER

Claudia Wood

DEMOS

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All errors and omissions remain my own.

Claudia Wood
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Executive summary

This report brings together the evidence regarding the UK's 'next housing crisis' – the chronic undersupply of appropriate housing for older people. While all eyes are on those struggling to get on the bottom of the property ladder, those at the top are often trapped in homes that are too big and unmanageable. They struggle to compete with first time buyers (supported by Help to Buy and other initiatives) for small properties currently in the market – nor would they necessarily want to. A lack of choice of suitable homes to downsize into is having a negative effect not just on older people's health and wellbeing, but on the rest of the housing chain, as 85 per cent of larger family homes owned by older people only become available when someone dies.

Many policy reports have been written on this issue and a range of robust evidence already highlights the benefits of retirement housing. And yet little has been done so far to implement the proposals made in these reports. We lack a coherent strategy at national level and guidance at local level on retirement housing and this shows in everyday planning decisions and the attitudes of those dealing with developers. Retirement housing remains in an uneasy space between general needs housing and residential care, and suffers from association with both.

Demos sought to distil the evidence presented from a range of sources (academic, policy orientated and grey literature) on the scale of the problem, the impact this was having, the benefits or resolving it, and how to go about this. We supplemented these findings with new polling of our own and analysis of the English Longitudinal Study of Ageing (ELSA) to get a better picture of the housing chain effect that could be achieved if more of those older people interested in downsizing or moving to retirement properties were able to. We also spoke to a range of experts

(listed in appendix 1) for their suggestions on how to tackle supply and demand issues regarding older people's housing. We found that, while retirement properties make-up just 2 per cent of the UK housing stock, or 533,000 homes, with just over 100,000 to buy, that:

- One in four (25 per cent) over 60s would be interested in buying a retirement property – equating to 3.5 million people nationally.
- More than half (58 per cent) of people over 60 were interested in moving.
- More than half (57 per cent) of those interested in moving wanted to downsize by at least one bedroom, rising to 76 per cent among older people currently occupying three-, four- and five-bedroom homes.
- These figures show that 33 per cent of over 60s want to downsize, which equates to 4.6 million over 60s nationally.
- More than four in five (83 per cent) of the over 60s living in England (so not Scotland, Wales or Northern Ireland) own their own homes, and 64 per cent own their home without a mortgage.
- This equates to £1.28 trillion in housing wealth, of which £1.23 trillion is unmortgaged. This is far more than the amount of savings this group has (£769 billion).
- Therefore the over 60s interested in downsizing specifically are sitting on £400 billion of housing wealth.[1]
- If just half of the 58 per cent of over 60s interested in moving (downsizing and otherwise) as reported in our survey were able to move, this would release around £356 billion worth of (mainly family-sized) property[2] – with nearly half being three-bedroom and 20 per cent being four-bedroom homes.[3]
- If those wanting to buy a retirement property were able to do so, this would release £307 billion worth of housing.[4]
- Combining NewPolicy Institute (NPI) analysis of current market chain effects of older people dying and moving each year with our own analysis of ELSA, we can estimate that if all those interested in buying retirement property were able to do so, 3.5 million older people would be able to move,[5] freeing up 3.29 million properties, including nearly 2 million three-bedroom homes.[6]

- If just half of those interested in downsizing more generally were able to do so, 4 million older people would be able to move,[7] freeing up 3.5 million homes.

Apart from the obvious gains to the housing chain, there is robust evidence that retirement housing has a very beneficial effect on older people's health, wellbeing and social networks, and could save health and care services considerable resources. The equity released could help tackle pensioner poverty and have wider economic benefits.

With all of this in mind, it is somewhat surprising that the current government has not done more to work in partnership with the private sector to encourage greater supply of retirement property. There are a range of relatively low-cost steps which could stimulate the market, including:

- giving retirement housing special planning status akin to affordable housing, given its clear and demonstrable social value.
- tackling S106 and community infrastructure levy (CIL) planning charges, which make many developments untenable and affect them disproportionately compared with general needs housing developments.
- quotas and incentives for reserving land for retirement housing, and linking this to joint strategic needs assessment and health and wellbeing strategies for local areas.

Of course, we cannot assume that 'if we build it, they will come'. While poor supply does drive down demand, there are other factors at play, both practical and emotional. Methods of overcoming these include providing practical help to older people to move, giving financial incentives (such as stamp duty exemption) and – some have argued – bringing in financial penalties for under occupation.

We conclude by reflecting on the fact that the housing needs of our rapidly ageing population (the number of over 85s will double by 2030) is the next big challenge this government faces. And yet the costs associated with overcoming this are far lower than those related to the effects of the ageing population

on health or social care. The money is there already – locked up in over a trillion pounds' worth of assets across the country. Hundreds of millions of pounds could be released to stimulate the housing market if (low-cost) steps were taken to unlock the supply to meet the demand already there – let alone if demand were further stimulated. While there must always be a place for social housing and affordable tenancy for older people, the vast majority of older people can be helped into more appropriate owner-occupied housing without any direct delivery costs incurred by government or local authorities.

So the fact that no recent government has yet grasped this nettle is a surprise, given how substantial the benefits could be. The Coalition Government has focused significant attention and resources on the currently more visible plight of renters unable to afford their first home and others unable to move because they lack the necessary deposit. Somewhat inevitably this focus has largely ignored the specific needs of housing the elderly.

We argue that the government needs to have a 'whole chain' view of the housing market – recognising that assisting the private sector to help serve older people will have a trickle-down effect of unlocking supply and benefiting those on every other step of the ladder.

1 The UK housing crisis

We have not built enough homes to keep pace with demand for many years. Looking at long-term trends, the National Audit Office concluded that there has been no consistent growth in private house building since 1970.[8] Demand for extra homes in England is now estimated at around 210,000 properties a year to meet population growth, and yet the average output from house builders and social housing providers has been 154,000 extra homes a year since 2008. Moreover, building is slowing down – 146,000 dwellings were added to the housing stock in 2011, 43 per cent down on the figure for 2008, while in 2012 this had fallen to 112,500 – almost half the number required. The Joseph Rowntree Foundation (JRF) calculated that at the current rates of building, the gap between demand and supply would be a shortfall of 1.1 million homes in 20 years' time.[9]

The most obvious and direct result of this shortage is spiralling rental and house prices, with young, first time buyers bearing the brunt of this problem. Between 1997 and 2011 there was a 20 per cent increase in the number of 20–34-year-olds living with their parents, and now considerable attention is given to first time buyers and the shortage of housing for the under 30s (the so-called 'generation rent').[10] To try and help this group, the Government has recently extended its First Buy scheme with Help to Buy, as part of a package of measures to enable people buying new homes with small deposits to secure 95 per cent mortgages.[11]

However, it is important to recognise that the UK's housing crisis is not simply a case of a shortage at the bottom of the housing ladder – it is a shortage across the housing chain, which is preventing families from moving into bigger homes and making space at the bottom of the ladder for first time buyers.

To help 'generation rent' trying to get on the bottom of the housing ladder, as well as those families struggling to find bigger homes, one needs also to look at the top of the housing ladder – older people who may be in homes which are too big or otherwise no longer suited to their needs, who we might call 'generation stuck'. Enabling this group to move to smaller properties – essentially extending the housing ladder – will have a domino effect down the housing chain, freeing up family homes and in turn freeing up smaller properties for first and second time buyers.

2 Housing at the top of the ladder

Although an important solution to the shortage of housing in this country would be to enable older people to move out of large family homes into more suitable and smaller properties, there are currently very few specialist properties. Just 2 per cent of the UK housing stock – or 533,000 homes – meets the needs of older people, and most are in the social rented sector – just over 100,000 are for ownership.[12] This number is dwarfed by an over-65 population of 10 million and an over-60 population of 14 million.

Demographic change, supply and demand

The numbers of older people are increasing rapidly. As part of a parliamentary committee set up last year to explore the implications of demographic reform, the following projections about ageing were considered:

- There would be 51 per cent more people aged 65 and over in England in 2030 than there were in 2010.
- There would be 101 per cent more people aged 85 and over in England in 2030 than there were in 2010.
- 10.7 million people in Great Britain can currently expect inadequate retirement incomes.
- There would be over 50 per cent more people with three or more long-term conditions in England by 2018 than there were in 2008.
- There would be over 80 per cent more people aged 65 and over with dementia (moderate or severe cognitive impairment) in England and Wales by 2030 than there were in 2010.[13]

With these sobering statistics in mind, the committee produced a 100-page report detailing the various ways in which this change in our demographic make up would affect our lives – from health and pension spending to our welfare system and housing needs. Related to this latter point, the committee concluded:

The housing market is delivering much less specialist housing for older people than is needed. Central and local government, housing associations and house builders need urgently to plan how to ensure that the housing needs of the older population are better addressed and to give as much priority to promoting an adequate market and social housing for older people as is given to housing for younger people.[14]

The fact that of the older population, the 'very old' (those in their 80s) are increasing in number more rapidly than other segments of the population is particularly important: 69 per cent of over 85s currently have a long-term illness or disability, compared with 34 per cent of 65 to 74s.[15] This increasingly old population may well need housing that offers care and support services on site.

Yet the chronic undersupply of specialist retirement housing – built with the physical and social needs of older people in mind – is a long-standing problem exacerbated by rising demand associated with larger numbers of older people. McCarthy & Stone's submission to the aforementioned parliamentary committee provided some sense of the demand for this housing – it stated that a third of older people would consider living in retirement housing, and quoted statistics from the 2006 Wanless Review showing that 27 per cent of older people would consider this form of accommodation if it were available, and a YouGov poll for Shelter in February 2012, which found that 33 per cent of people over 55 were interested in it.[16]

Research produced by the University of Reading in 2011 provided detail on the level of supply supposedly meeting this potential demand: the author noted that there were around 105,000 units of owner-occupied private retirement accommodation in the UK, just 2 per cent of the total number of

homes for those aged 65 and over. If that share of the total were to grow to 5 per cent of the over-65 market over the next decade or so, 16,000 units would need to be built a year, up from just 4,400 delivered in 2007. The report argued that because of restrictive planning and housing policies, many older people were not being provided with the opportunity to purchase a unit.[17] This is discussed in more detail in the following sections.

Again, McCarthy & Stone's parliamentary submission illustrates this problem – they explained that planning constraints meant that provision of retirement housing lagged far behind other developed countries, while build rates for specialist housing in the UK were lower now than in the 1980s. In 2010, just 6,000 units for rent and 1,000 for ownership were built, down from 17,500 for rent and 13,000 for ownership in 1989 – yet the number of older people has increased rapidly within the same time frame. Unsurprisingly, only 2 per cent of the UK's housing stock is retirement property, housing 1 per cent of the 14 million over 60s (compared with 17 per cent in the US and 13 per cent in Australia).[18]

Box 1 **What do we mean by 'retirement housing'?**

In this report we use 'retirement housing' as a generic term for specialist housing for older people, which includes sheltered housing (also known as warden assisted), retirement villages and extra care schemes. Key features include individual dwellings with their own front door (whether for rent, sale or shared ownership), communal areas such as lounges and restaurants, scheme managers (or other types of support service) and varying levels of personal care and support.

Sheltered housing *is the most widely known form of retirement housing; schemes include a house manager, shared lounge and laundry and other facilities. The term has generally now been superseded by 'retirement housing', although it is still used in planning circles.*

The term enhanced sheltered housing *is used to describe sheltered housing that provides more in facilities and services than traditional sheltered housing but does not offer the*

full range of support that is found in an extra care housing scheme.

Extra care housing *is the term used for a complex of retirement housing that also provides care in a style that can respond flexibly to increasing need while helping individuals to retain their place within their community. There is usually a range of 'lifestyle' facilities for social, cultural, educational and recreational activities, including restaurants, gyms, libraries and other facilities.*

Retirement village *is a term generally used to describe large-scale extra care or continuing care retirement community developments, generally in the range of 90 to 350 units, with developments of around 250 units being common. They provide a range of accommodation and tenure options, potentially with a care home on site.*

The term very sheltered housing *has largely been superseded by extra care housing.*

Where specific types of scheme are referred to in the evidence we will identify it as such rather than use the general term 'retirement housing'.

3 Policy background

As there is such potential demand for retirement housing, and yet such poor supply of it, it would be interesting to know why nothing has been done at national or local policy level to remedy the situation and ease the wider housing crisis at the same time. In reality, much has been written, discussed and proposed on this issue, but very little action has been taken or policies implemented. In 2008, the Labour Government published its blueprint for the future of housing in an ageing society: *Delivering Lifetime Homes, Lifetime Neighbourhoods*.[19] It described 'two nations in old age… increasingly polarised by housing wealth'. Following a 2007 green paper on housing, it promised to build more mainstream and specialised homes for older people over the next three years, including increased investment in social housing and equity sharing. It also outlined a new approach to a national housing advice and information service, with strengthened local housing information services, to enable older people to find out about their housing options, whether to stay put or move home, or to consider equity release.

The strategy argued in favour of making it easier and safer for people to stay in their own homes, near their family and neighbours. It also outlined a 'new positive vision' for specialised housing for older people as somewhere they might aspire to live. The Labour Government said it would create 'more homes and more choice', through increased funding for public housing and by encouraging private sector provision through reform of the planning system.

However, relatively little was achieved following these policy pronouncements, and in June 2009, the Homes and Communities Agency set up Housing our Ageing Population: Panel for Innovation (HAPPI) to build on the work of *Delivering Lifetime Homes, Lifetime Neighbourhoods* and to examine what

further reform would be needed 'to ensure that new build specialised housing meets the needs and aspirations of the older people of the future'.[20]

The panel's focus included 'influencing the availability and choice of high quality, sustainable homes and neighbourhoods', 'challenging the perceptions of mainstream and specialised housing for older people', and raising aspirations to demand higher quality, more sustainable homes.

Among its many recommendations, it urged house builders and housing developers to recognise 'the extent of the commercial opportunity' and to develop new types of housing for older people that would respond to the aspirations of this burgeoning market.

However, as a consequence of the economic downturn and a new Coalition Government in 2010 much of the good work undertaken by HAPPI fell by the wayside and its recommendations were not followed through. HAPPI 2 – published in 2012 to review the progress of the original panel and make further recommendations, stated:

the publication of the HAPPI report coincided with a worsening economy and policy uncertainty following the 2010 General Election. It was also suggested that the austerity measures adopted by the incoming Coalition Government created nervousness in the housing market and reduced public and private sector appetite for innovation. Clearly this operating environment has limited the take-up of the recommendations in the HAPPI report.[21]

It urged the government to act, stating that improving housing options for older people could lead to reduced health and social care costs and create new housing options for younger people and families if older people could be moved from large, under-occupied family homes into retirement accommodation. It recommended that 100,000 retirement, supported housing and extra care homes should be built every year.

In spite of a lack of progress since 2008, the panel was encouraged by the new Coalition Government's report *Laying the Foundations*, published in November 2011, some 18 months after coming to power.[22] The document noted that 'for some older

people a move to a smaller, more accessible and manageable home can also free up much-needed local family housing'. The Government promised to work with planners and developers to produce guidance for local strategic planning and delivery of a wider range of housing for older people. However – crucially – it said it did not intend to introduce national regulation, and that decisions on the number of 'lifetime homes' within each development should be made at a local level, according to need. Moreover, the New Deal for Older People's Housing announced in the strategy focused mainly on keeping older people independent and living in their own homes (and out of residential care) for as long as possible. This included maintaining investment in repairs and adaptations, and even the investment in housing advice through the First Stop service was described as 'independent advice to older people looking to plan their future housing needs – whether in their own homes, or in care homes'.[23] The exclusion of a middle way – a move into specialist retirement housing – is telling.

In 2011 the Government also published *Lifetime Neighbourhoods* to pick up on the original themes in the 2008 report, but this addressed the question of housing in just one chapter, and focused on house design and housing-related support services rather than issues of housing supply or demand.[24] It noted: 'A range of choices – from standard housing through to sheltered or extra care housing would help to maximise the value of neighbourhoods, and the range of choices available to older people' but – like many of the previous strategies – gave little indication as to how this would be achieved.

4 Obstacles to supply

We have thus far presented information regarding the current housing shortage in the UK, the government focus on creating effective demand and getting people on to the housing ladder as a solution to this, and the potential for a longer term and more meaningful solution coming in the form of enabling older people at the 'top' of the housing ladder to downsize. We have also explored briefly the limited supply of older people's housing compared with the rapid and significant increase in the number of older people in the UK, despite several policy documents issued on this subject.

In this section, we consider why so few older people live in specialist retirement housing in this country, compared with, say the US or Australia.

There has been a significant amount of research exploring why the supply of older people's housing has been limited in the UK. Reviewing the assembled evidence, there seems to be three key obstacles.

Commitment at local level

First, the benefits of such housing have not been understood at a local level despite warm words from central government departments. The 2012 National Planning Policy Framework states that local authorities must address

the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities).[25]

But a report from Policy Exchange concluded:

Councils are not even able to put in place up-to-date broad [strategic housing market assessments], let alone plan specifically for ageing populations in their areas.. But even where they have such plans in place they do not address the housing needs of an ageing population. In fact they often make it worse.[26]

The Home Builders Federation (HBF) similarly cast doubt on the effectiveness of strategic housing market assessments (SHMAs). They concluded that they 'vary greatly; they are often deficient, looking mainly at the housing needs of younger people, first time buyers, and those in the social sector'.[27]

The experts we interviewed for this report made many similar observations about local authorities' approach to retirement housing. They commented that older people's housing assessments carried out by local authorities tend to focus on social sector stock and issues (eg extra care housing), with very few addressing the needs of owner occupiers or private renters. Where strategies for older people do exist (in local authorities and in the NHS), they are often light on detail about how strategies would be delivered.

The experiences of two of the housing providers we spoke to for this project is informative. One provider – Hanover – reported that it had particularly concentrated in the past on providing extra care housing, predominately for social rent, and had experienced few difficulties in gaining planning consent for this. This is because local authorities are generally positive about providing extra care in the public sector and can see a clear link between housing with care models and reductions in demand for care from those who qualify for care on their registers, who may otherwise need (for example) traditional residential home settings.

In contrast, another provider – McCarthy & Stone – had looked more to owner-occupied housing. As Gary Day, Land and Planning Director, put it: 'our focus has actually been on the other end, it has been on the private market'. As a consequence, McCarthy & Stone struggled more to convince local planners of the value of their offer. Around two-thirds (65 per cent) of the housing developments for older people it operates were permitted only on appeal after being rejected by local planners,

who have a poor understanding of the need for such housing in the private sector. Many schemes were opposed at the planning stage because local authorities were concerned about the impact of an increased older population on local services, such as GP practices and hospitals – which the company suggested indicated a 'lack of joined up thinking'.

Interestingly, Hanover now too wants to provide housing in the owner–occupier market. Gillian Conner, Head of External Affairs at Hanover, told us that public funding for extra care was harder to come by following care cuts, but a big driver in moving away from this provision was feeling 'increasingly not in control of our own development in this area' – local authorities were setting out terms and conditions for extra care, and making referrals, increasingly of people with higher needs. Hanover is keen to shift to more preventative models of housing (care-ready housing that helps people maintain their independence for longer), but a barrier to this was that 'local authorities focus strategy on older people with care needs, which only constitute 5 per cent of all older people'.

Jeremy Porteus, chief executive of Housing LIN, admitted there was a narrow focus when it came to local approaches to housing supply for older people:

It's been seen as a numbers game. About the number of units we need, not the prices and how we'd be able to market them. It's not really about understanding what the aspirations of the older people will be. As a result, we've tended to build to a lower common denominator and the benefit of that has been 'Yes, we've met housing targets', we can say we've done x, y and z in terms of good density ratios, we've developed x number of care homes for people etc, but it is not clear whether this is going to be desirable in 20–30 years' time.

This point was echoed by Bill Gair, CEO of Urban Renaissance Villages, who felt that local authorities and central government were displaying a lack of imagination over planning and delivery of housing, measured purely by number of units rather than any wider outcomes.

Planning rules

The second main obstacle to supply relates to planning rules. For example, Section 106 agreements of the Town and Country Planning Act 1990 are designed to offset the impact of new developments, with developers of private housing charged so that local authorities can invest in affordable housing. This treats private retirement housing the same as private general needs housing, even though the social value of the former, and the important role it plays in local communities, is greater than the latter.

The additional costs of S106 charges are often passed to the buyer in the form of higher prices, and a recent report by the University of Reading concluded that as a lot of affordable housing provides accommodation for younger people, elderly middle income households were subsidising younger buyers and the process was 'discriminatory' against older people.[28] Joe Oldman, housing policy adviser at Age UK, also told us that affordable housing quotas are an issue for private retirement developers (not for registered social landlords, as all their housing is affordable), which stifles innovative models, such as cooperative housing and cohousing, which could deliver the same sense of community as retirement housing, but in a way that allows residents to maintain more control.

Another extra cost burden borne by private retirement developers, which makes them less competitive compared to open market housing providers, is the CIL. A flat rate planning charge, CIL has been criticised as being 'one size fits all' and based on standard residential properties rather than specialist provision which may have services on site or communal areas. CIL is charged as a flat rate per square metre on new housing development, but a third of the floor space in normal sheltered housing developments is shared, so not sellable. Such developments are therefore hit disproportionately by CIL. Gary Day, Land and Planning Director from McCarthy & Stone, told us that CIL was 'causing us real concern, in fact that's one of our biggest business threats at the moment, because that could stifle supply for us'.

The disproportionate – some may say discriminatory – effect of S106 and CIL, driving up the cost of supply (or simply

making it not possible) is, many believe, a lack of appreciation of what role retirement housing plays at local and national level. As the HBF explains in a parliamentary briefing, retirement housing is

a complex form of accommodation. The need for specific design features and services, such as on-site care and support provision as well as the need for individual care packages, make developing this form of accommodation different from general needs housing. Developers of all tenures provide more than simple bricks and mortar – it is the 'lifestyle' provided to the residents who chose or need this type of housing, that ensures a successful housing scheme.[29]

Retirement housing occupies an uneasy space between residential care and general needs housing and seems to lose out as a result – penalised by general needs planning rules, and misunderstood by social services.

Some of the experts we spoke to suggested that this uneasy position – bringing with it a different and inappropriate set of planning rules, the complexity of coordinating service provision with housing, and a negative attitude among planners – was discouraging new entrants from entering this part of the house building market.

The requirements of retirement housing

A third obstacle to supply is related to the requirements of retirement housing itself. First, such developments are 'capital-hungry' because they needed to be entirely completed before sales are made rather than sold 'off plan' like other housing, as prospective buyers need to see the entire development, with communal spaces and services already in place, rather than just their own apartment, before purchasing. Therefore a considerable amount of up-front working capital is required, to complete the development entirely, before revenues from the sales of apartments come on stream.

A second issue is that such developments also need to be located near shops, services and transport links, where residents

wished to live. This makes good sites hard to find, in higher value areas and in demand for a variety of uses, both residential and non-residential. McCarthy & Stone reported that it had lost out on sites to drive-through restaurants, car parks, storage companies and care homes. Gary Day told us:

It does make it difficult to find good sites, and they are critical to the success of this type of housing. You've got to get the site right – even if you have a wonderfully designed apartment and all the facilities – the whole idea is to let people remain as independent as possible.

This impact of this shortage of supply was described by the JRF when interviewing groups of older people seeking to move home. They noted that for those wanting to move for a long time:

a key issue was the availability of a suitable property. Waiting lists for warden-controlled properties were seen as problematic. The perception of being overlooked and 'fobbed off' led to frustration at the lack of progress and ability to do anything about it… Obstacles for home-owners included the affordability of bungalows, limited supply of owned properties for older people and not being comfortable with the idea of renting.[30]

5 Build it and they will come? Obstacles to demand

Of course, the lack of older people's housing may be more than a supply-side issue. Perhaps, culturally, the UK's older population do not warm to the neatly laid out retirement villages so frequently seen in the US and prefer to stay in their (albeit difficult to maintain and too large) family homes. The attachment to our homes – as places we raise our children, fill our lofts with their belongings and then hand over to them when we die – makes us cautious about downsizing. Recent research by Demos for Hanover Housing also found an aversion to 'age segregated' housing and communities among the over 60s living in mainstream housing, and an association between this form of housing with 'ghettoisation'.[31]

As retirement housing can be associated in people's minds with either public sector sheltered housing or residential care, private developers (building owner-occupied properties) can lose out. Gary Day told us:

Historically the private sector has suffered – still suffers to an extent – with the reputation of historic public sector provision, because a lot of local authorities developed sheltered housing on sites that we certainly wouldn't have considered suitable. There is a lot of sub-standard accommodation.

Andrew Burgess, Managing Director of Planning at Churchill Retirement Living, suggested that all 'sheltered housing' should be renamed 'retirement housing' to avoid some of the historical stigma attached to the term 'sheltered housing'.

Nonetheless, our previous research suggests that if the 'right' sort of housing was available – as we describe in the next section – then attitudes are more positive and receptive to the prospect.[32] To gather a more precise picture of the demand for smaller and/or more suitable homes among older people, Demos

carried out a survey of 1,500 over 60s. We asked a variety of questions related to their current housing situation, their ideal situation, and what factors they considered when staying put or considering a move (see appendix 2).

The findings suggest that there is considerable appetite among the over 60s for moving to a new property at some point in the future, with 58 per cent of people saying they would consider this – this equates to over 8 million people nationally. People in semi-detached and detached houses and those who owned their property outright (with no mortgage left to pay) were more likely to consider moving in the future. Those in slightly larger and more expensive properties were also more likely than average to say that they would consider moving. The mean house size for 'movers' was between 3.47 bedrooms and the mean value of home was £270,000, compared with 3.4 bedrooms and £240,000 for 'non-movers'.

But does this interest in moving automatically involve downsizing, or moving to specialist retirement properties? One-quarter (25 per cent) of the over 60s in our survey (increasing to 41 per cent of the 76–81 age group and 34 per cent of the over 81s) said they were interested in buying a purpose-built retirement property, and 25 per cent also said they would be interested in renting one on an assured tenancy (which gives tenants the right to live in the property as long as they wish). This equates to over 2 million people.

Our findings seem in line with the information developers shared with us – for example, the average age of McCarthy & Stone's customers is 79, in the peak demand group in our survey. In their assisted living schemes, the average age is 83. Hanover has seen this age profile increase recently – formerly it was people in their 60s, now it is people in their 70s, and this is in part due to increasing numbers of referrals for the more frail elderly people with higher support needs.

Of course, many older people may be able to secure a more suitable house simply by reducing the size of their property and considering things like stairs and garden maintenance. By asking about the size of people's current homes, and the number of bedrooms they would like to have if they were to move, we were

able to ascertain how many of the 58 per cent of over 60s who were interested in moving specifically wanted to downsize. Unsurprisingly, more people were interested in downsizing to another home than purchasing a specialist property.

Excluding older people living in one-bedroom properties, only 4 per cent on average of those interested in moving wanted a larger home: 57 per cent of those interested in moving wanted to downsize – this represents 33 per cent of over 60s, or 4.6 million nationally. However, this figure rose to 76 per cent of those interested in moving who are currently occupying three-, four- or five-bedroom homes. Only 1 per cent of those with five bedrooms or more did not want to downsize. Of all those who wanted to downsize, 56 per cent opted for a reduction of one bedroom, and 44 per cent a reduction of two or more bedrooms. Only those currently in two-bedroom homes were more likely to say they wanted to stay in the same size home if they moved rather than downsize (73 per cent said this). Indeed, two-bedroom properties were the most popular choice across the board, with the majority of all groups stating that their preferred move would be into a two-bedroom property. This is in line with other previous research on this issue, such as JRF's 2012 review of evidence into downsizing, which found:

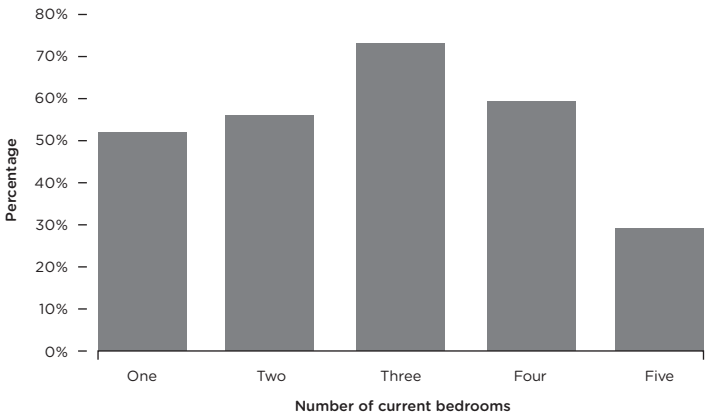
Two bedrooms is the minimum that most older people will consider, to have enough space for family visitors, a carer, storage, hobbies, or separate bedrooms for a couple. Analysis of moves by older households in the last five years within the private sector (rent or owner-occupier) shows that 87 per cent move into a dwelling with two or more bedrooms.[33]

The second most popular choice was three-bedroom properties, particularly among those in larger (four and five or more bedroom homes) with 57 per cent and 68 per cent opting for this respectively.

For those in one-bedroom properties, downsizing is not an option. Nonetheless, 41 per cent of those in one-bedroom properties said they would like to move to another one-bedroom property, while 52 per cent said they would like two bedrooms.

This appetite among older people to buy smaller, more manageable properties, of two or three bedrooms in size, is

Figure 1 **Percentage of over 60s wanting a two-bedroom property, by number of current bedrooms**



relevant for retirement housing developments. As explained below, much of the existing supply is one bedroom only, and for rent – two factors likely to put off the average 'downsizer'. We will return to this point in the next section.

Push factors

As they get older, people want to move for different reasons. Often these are practical considerations associated with physical limitations (opting for a bungalow, a smaller garden, or another a home which is generally more easy to maintain), social considerations as a result of becoming widowed and/or wanting to move nearer to family or friends, or financial – downsizing as a form of equity release to pay for care or a better quality of life in retirement.

Our polling explored the reasons most commonly cited by the over 60s reporting an interest in moving home: 43 per cent of this group said it was because they wanted a more suitable property – one that had a garden that was easier to maintain, or had fewer stairs, for example; 26 per cent said their property was

too big for them – rising to 44 per cent of people with four bedrooms and 60 per cent of those with five or more; while 19 per cent said maintenance was now a problem. Interestingly, while maintenance and size problems were less frequently given as reasons to move by over 60s in one-bedroom properties, the response 'I want to live somewhere different' was far more of a push factor for this group, as was the need for more support or care. Those in one-bedroom properties were more likely to be in social economic groups DE and also older (81+), and to be renting from the council or a housing association. This suggests these older people may be single and unsupported by health or care services, and perhaps also socially isolated.

Pull factors

While retirement housing is not for everyone, there are clear reasons why people are unnecessarily discouraged from even considering this as an option. There is a dual barrier at play here – many more older people would no doubt downsize, if they could, while a proportion of those might also look to retirement property as an option if there were not a series of barriers to this. In this section we consider what these might be.

First, and most obviously, there is a lack of understanding among older people about what 'retirement housing' is and the lifestyle it offers. As Gary Day commented:

A lot of our customers that walk into our showrooms walk in and say, 'I didn't realise it was going to be like this' – they had this image of it being more like a care home than simply different standards of living for later life.

This issue is exacerbated by some of the terminology used, with different people talking about the same thing using different names ('retirement', 'sheltered', 'warden assisted' are used interchangeably, while an 'extra care home' can be assumed to be a care home). This makes it very difficult for older people to know what their options are, and there is a general dearth of information, advice and help for older people to navigate the housing market.

Therefore few people are making a positive choice to move to retirement housing until something forces them to do so – a death of the partner, an accident or a fall within the house, burglary or major maintenance problem. A move to retirement housing is more akin to a last resort or 'distressed purchase', commonly seen in moves to residential care, rather than a preventative or – better yet – aspirational move for a more active retirement.

People's tendency not to think about the future or plan ahead for ageing or future care and support needs exacerbates this reluctance to move; they perhaps worry about energy bills and maintenance but do not consider a move, which requires them to accept that they may well need care and support in the future.

But older people's reluctance to move is not simply a lack of awareness, information or planning. We should not underestimate other pull factors – perhaps practical or emotional issues, which discourage older people from moving even if they recognise their current home is too large or unsuitable for them. JRF's research with older people considering a move illustrates this. The researchers found that moving home was a 'developmental process' – 'a series of steps or a combination of factors that contributed to participants' decision-making and the practicalities of moving'; many older people worked up to a move but were often deterred before taking the final step:

While many older people recognised the sense in moving to smaller, more manageable properties, they had concerns – for example, the daunting process, the emotional ties to their home, they would miss their garden, the new property's rooms would be too small, uncertainty about sleeping on the ground floor and not knowing where to go. Participants also mentioned psychological barriers to moving to a property that was designed specifically for older people… As with reasons for moving, barriers to moving were often multifaceted, with a range of practical and emotional factors in play.'[34]

In our survey we asked the 42 per cent of over 60s not interested in moving to tell us why this was the case. The most common responses were:

- My current house already suits my needs (88 per cent).
- I am close to family and friends here (32 per cent).
- It would be too stressful (23 per cent).
- My house/the local area has sentimental value to me (21 per cent).

We then asked the 43 per cent of over 60s reporting that it would be difficult to move (whether they wanted to or not) why this was the case. The most common answers were:

- The process of packing up all my belongings would be too stressful (50 per cent).
- It would be too expensive (45 per cent).
- I would find it physically difficult (29 per cent).
- There are no suitable properties available (26 per cent).

Only 5 per cent of the non-movers said that there were no suitable options available for them, rising to 16 per cent of people aged over 80, and 10 per cent of people currently living in one-bedroom properties. More than half (56 per cent) of people aged over 80 said it would be too stressful to move.

Overall, 52 per cent of people felt that it would be easy for them to move, if they wanted to, compared with 43 per cent who felt moving would be difficult or impossible. The importance given to ease of moving broadly increased with age – from 53 per cent in the youngest age group (60–65) to 26 per cent in the oldest (81+); 44 per cent of those considering moving in the future said they would find it difficult or impossible. This compares with 49 per cent of people who said that they would find it easy to move, but would not want to.

Physical difficulty and stress of moving were highlighted more by older people, while expense was highlighted more by younger older people. For people living in larger properties (with four or five bedrooms), the biggest obstacle was the stress of packing up personal belongings and the sentimental value of the house and local area. In contrast, for people in smaller properties (one or two bedrooms), expense and physical difficulty were highlighted as bigger problems.

The process of packing and moving seemed to put people off the idea the most, with 63 per cent of people who would not choose to move highlighting this as a barrier, compared with only 41 per cent of people who would consider moving.

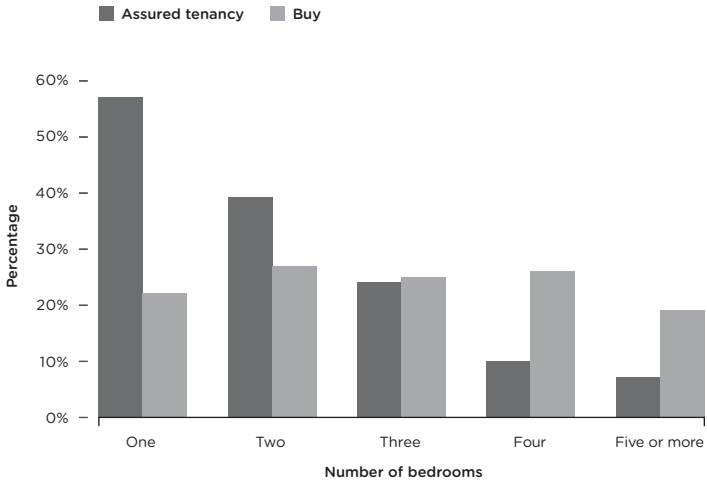
It is interesting to compare this list with the reasons given by those not wanting to move: 5 per cent of those not wanting to move said they didn't want to move because no properties were available, but for those reporting difficulty in moving (44 per cent of whom want to move), 26 per cent said there was a lack of suitable properties. Indeed, a lack of suitable properties (and to a lesser extent, not knowing how to go about looking for another property) were the only factors that was more of a problem for people who would like to move (30 per cent) than for people who would not like to move (20 per cent). This suggests that these are the key obstacles that stand in the way of people who would otherwise like to move.

Supply and demand

The evidence reviewed above suggests that both supply and some demand factors have prevented older people at the top of the housing ladder from downsizing, moving into retirement property or finding an otherwise more suitable home in later life. However, it is clear that supply and demand are linked, with issues of supply likely to be dampening demand. If the 'right' sort of housing – which meets the needs and preference of prospective buyers – is not available, then obviously people will not pursue the possibility of moving in the first place.

This could be a potential problem as relatively few developers operate in the marketplace for specialist retirement housing (mentioned above), so there may be a lack of choice and variants of the retirement housing model in areas where people want to live. The quality and location of much of the available housing can also be off-putting – Gillian Conner of Hanover Housing explained how much of the existing public provision is not ideally placed: 'If you were building units now, you would never build them where they are – tucked away behind an estate, not on a bus route, not near shops.'

Figure 2 **Percentage of people who would be interested in a retirement property, by number of bedrooms in their current property**



Our polling and the wider literature on this subject suggests that most older people would want a two- or perhaps three-bedroom home to move to. And yet, a considerable amount of specialist retirement property has only one bedroom.[35] It is also noted that while 76 per cent of older people are owner occupiers, only 23 per cent of retirement property is for sale, with the remainder for rent.[36] It is suggested that older people's desire to remain property owners for a greater sense of stability therefore deters them from moving to rented retirement homes,[37] although our survey suggests people would equally be interested in moving into retirement properties with an assured tenancy – giving them the sense of permanence and security they need. Older people with one-bedroom properties (57 per cent) and two-bedroom properties (39 per cent) were particularly attracted to this option.

Policy Exchange also reflected on how a poor supply of the 'right' housing would dampen downsizing to general needs housing more generally:

There is already a huge financial gain for those downsizing. The idea pure cash gain will make most people move from a large family-sized home, one that often contains precious memories, to a smaller one, is disproved by the evidence… what are needed are the homes that older people like and so would like to move into. But planning policy prevents these homes from being built.[38]

One developer we spoke to had recently experienced higher than expected demand for purpose-built accommodation designed for the 'active elderly downsizer', compared with another local development, which was targeting the same market but where properties were more 'formulaic', where low demand forced the developer to discount the properties by 30 per cent in order to liquidate the stock. The lesson he and his colleagues learnt from this is that not all retirement housing is the same, and it can be made more attractive through good design and knowing one's market.

Then there is the issue of affordability – as outlined above, problems of planning and associated charges and the demand for well placed land can drive up the price of retirement property. Many of the studies on this issue assume that all older people have significant housing equity to enable them easily to cover the costs of purchasing specialist housing, but this is not always the case, and less wealthy older home-owners can be priced out of the market. There is a risk that housing models like extra care – which are fairly expensive per resident – become unattainable for all but the very wealthy. This can lead to regional variations in provision, as retirement property is built near homes where adequate equity can be released from nearby housing to increase the chances of purchases by people from the local community. Therefore retirement housing may not be available in some poorer parts of the country. As Karen Croucher told us:

[Private developers have] not concentrated on nice retirement housing in places like Barnsley, Hartlepool or Blackpool, but on the nice market towns… so that's fine if you have a house you can sell in those places, but not so nice if you wanted to sell in not so nice an area.

In conclusion, there is likely to be a complex interplay of push and pull factors when people consider moving into retirement housing. As JRF's recent report regarding downsizing concluded:

The current discussion of downsizing is misleading because it presents the issue as a simple matter of older people holding onto housing. This ignores both the lack of housing choice, as well as older people's psychological and social reasons for staying put. If the government believes that more older people should move to smaller homes, it must make choice its watchword, finding ways to induce providers to offer a range of attractive alternatives.[39]

6 Helping those at the top of the ladder – a win-win-win

We now know why older people may (or may not) downsize or move to retirement housing, and the supply and demand problems at play. In this section, we explain why resolving these supply and demand problems is so critically important – for older people themselves, for the housing market and for the wider economy.

Benefits to older people

Evidence suggests older people who move to specialist retirement housing enjoy a higher quality of life than they did before they moved and improved social networks, reducing isolation and loneliness. Evaluations also show positive outcomes in health, and safety and wellbeing tends to improve, while moving to smaller, more energy efficient accommodation can help older people to stay warm and save money on energy bills. One survey carried out by the University of Reading among the owner occupiers of retirement properties found:

- More than eight in ten residents reported that they generally feel happier in their new home.
- Almost 45 per cent of residents reported having better or much better contact with family and friends; a further 48 per cent reported no change.
- Half of residents thought that their energy bills were lower.
- Residents reported spending less time in hospital and nearly a third felt that their health had improved since moving.[40]

A review of retirement villages on behalf of the JRF found that developments for older people that included communal areas help improve the social relationships of isolated older

people, and those with facilities such as leisure or learning activities can increase older people's wellbeing and help them to stay mentally and physically active. Other benefits on offer in larger scale sites included: finance and benefits advice services, healthcare, and on-site care homes, so residents did not have to move if their needs increased. The researchers also noted:

As homes are purpose built, decent and accessible, they are safer and warmer; particularly beneficial if people develop mobility problems or ill health… Residents tend to feel safer and have less fear of crime [and] there are self-reported improvements in health and well-being.[41]

Gary Day confirmed this:

There is a strong community benefit in that, previously [older people] would live in their family house and be more remote from the community, they didn't have that sense of wellbeing, companionship, security and everything else we offer. They didn't have the confidence to go out and involve themselves in the local community.

A review in 2011 of 19 extra care schemes by the Personal Social Services Research Unit (PSSRU) found that the occupants had considerably lower rates of mortality than a matched sample in care homes.[42] Over 40 per cent were also at an improved level of physical functioning after moving in, and had improved levels of social interaction. This supports the findings from three earlier evaluations cited by the Institute of Public Care (IPC). The first was a survey in 2004 of over 300 residents in sheltered housing, which found that over 50 per cent believed that their housing helped to promote good health, while 55 per cent considered their health to be good or very good. The average age of this group was 79; in the wider population only 41 per cent of 65–74-year-olds feel their health is good, falling to 32 per cent for those aged 75+.[43] The second was a study by Biggs et al, which suggested that on average the residents in a retirement scheme they reviewed improved by more than 35 per cent in mobility and 20 per cent in functions of daily living. They also found a 25 per cent reduction in the use of medication by

residents after admission.[44] Finally, research undertaken by the Extra Care Charitable Trust found that superficial physical assessment scores improved by an average of 50 per cent, mobility by 35 per cent, daily living functions by 20 per cent, and sensory ability by 10 per cent,[45] and (as the study by Biggs et al found) there was a 25 per cent reduction in the use of medication.[46]

Of course, all of the evaluations cited above relate to retirement housing or extra care housing, which unsurprisingly have health benefits thanks to the presence of support services, and include communal spaces to improve social networks, physical and mental activity. However, it is clear that simply downsizing into general needs housing that is more efficient to heat and maintain, or perhaps has adaptable bathrooms, or is on one floor, will have a range of health and financial benefits associated with staying warm, avoiding fuel poverty and reducing the risk of falls.

Downsizing and moving into retirement property can both release equity and boost the financial wellbeing of older people. Analysis of a group of retirement property owners found that their property was around 10 per cent cheaper than the median values of their previous homes, giving significant average equity release. Over 40 per cent of the group studied were able to withdraw £25,000 or more in housing equity as a result.[47] For downsizing into general needs housing the gains could be larger – analysis of housing markets by the NPI suggests £100,000 of equity would be released on average, across most areas of the UK, by moving from a detached home to a semi-detached or apartment.[48] Policy Exchange considered London and the South East specifically and found potentially greater gains:

An older couple moving from an average detached property in London to a semi-detached property in London would move from a £751,184 property to a £459,182 property, gaining nearly £300,000. In the South East, downsizing from a detached to semi-detached property would mean moving from a property worth £438,891 to a property worth £259,922, gaining around £180,000.[49]

The HAPPI2 report (2012) summed up the evidence on the benefits of retirement property thus:

Solutions to health and social care problems so often lie in provision of specially designed, high quality homes: these reduce risks of falls; provide safety and security; protect against the effects of cold homes and fuel poverty; enable earlier discharge from, and fewer re-admissions to, hospital; prevent the need (both temporary and permanent) for institutional residential care. And the companionship that comes with retirement housing can combat the depression and poor health that so often results from isolation and loneliness. These factors can save public (NHS and local authority) funds as well as conserving private resources.[50]

The housing market

As explained in the introduction to this report, the housing market in the UK is under considerable pressure. Supply is not matching demand and the result is unaffordable house prices and extortionate rents. At the time of writing, the Halifax house price index reported that house prices are rising at their fastest rate since August 2010, and in the three months to July 2013 were 4.6 per cent higher than the same period in 2012.[51]

The Government has responded by making borrowing easier for those with smaller deposits, in the hope that more first time buyers will be able to get on to the housing ladder and this increase in demand will stimulate an increase in supply. But increasing supply need not only involve building more property for first time buyers or family homes. An efficient chain reaction can be created by increasing the supply of a range of retirement properties to enable those at the top of the housing ladder to move to somewhere more suitable. This, in turn, frees up a range of properties for families of different sizes, which in turn frees up smaller properties for first and second time buyers to move into. The entire housing chain benefits as a result. When thinking about 'whole chain' improvements in this way, it is obvious that focusing on first time buyers will not solve the challenges of the housing market on its own. As Shelter's 2012 report explained:

The market is currently stagnant, but it operates on swaps, chains and cycles, with households trading up and so allowing others to enter at the bottom of the ladder. If more households were to downsize they would obviously need somewhere to move to. While there are potentially enough smaller homes in the market they are not necessarily the right kind, in the right tenures or the right areas. Building more homes that are suitable for older people could help to stimulate the market by increasing their propensity to downsize.[52]

Shelter calculated that if those in the 20 per cent of older households which are currently under-occupied were to downsize, around 840,000 family-sized homes would be released, including 760,000 in the owner-occupied sector:

This approach would potentially be at a lower cost than building the equivalent number of new family homes and would create family housing more quickly – it has taken eleven years for 828,000 new homes with three or more bedrooms to be built. This is a big 'if', as we have seen that developers are not currently catering for the older market or building sufficient levels of new specialist housing[53]

Analysis from the University of Reading found that two-thirds of residents currently living in retirement property had moved from homes with three or more bedrooms. The researchers calculated that for every 5,000 retirement units sold, property to the value of £1.1 billion would be released into local housing markets.[54] However, as JRF pointed out, 85 per cent of homes with three or more bedrooms are currently 'released' by older people as a result of death rather than a move to a smaller home.[55]

For this report, Demos carried out new analysis of the latest wave of the English Longitudinal Study of Ageing (ELSA)[56] to get an up-to-date picture of how those at the top of the ladder might affect the housing market if they were to move.

Our analysis shows that 83 per cent of the over 60s living in England (so not Scotland, Wales or Northern Ireland) own their own homes, 64 per cent without a mortgage. Rates of home ownership peak in the 76–80 age bracket (at 91 per cent), before

sharply dropping (this may be the point at which people generally enter residential care). This equates to £1.28 trillion in housing wealth, of which £1.23 trillion is unmortgaged. This is far more than the amount of savings this group has (£769 billion).

Therefore the 33 per cent of the over 60s looking to downsize (57 per cent of the 58 per cent over 60s interested in moving) are sitting on £400 billion of housing wealth.[57] If just half of the 58 per cent of over 60s interested in moving generally, as reported in our survey, were able to move, this would release around £356 billion[58] worth of (mainly family-sized) property – with nearly half being three-bedroom and 20 per cent being four-bedroom homes.[59] Whereas if those 25 per cent of over 60s interested in buying a retirement property were able to do so, this would release £307 billion worth of housing.

Analysis from the NPI suggests that 200,000 older people (defined as over 55) move each year, while 271,000 die. This releases 189,000 owner-occupied properties back on to the market for other (non-older-person) families: 43,000 two-bedroom properties, 101,000 three-bedroom and 21,000 four or more bedroom properties each year, once any moves by older people into the properties have been taken into account (table 1).

Combining this NPI analysis with our own analysis of ELSA, we can conclude that if all those interested in buying retirement property were able to do so:

- 3.5 million older people would be able to move.
- This would free up 3.29 million properties, including nearly 2 million three-bedroom homes.

If just half of those interested in downsizing more generally were able to do so:

- 4 million older people would be able to move.
- This would free up 3.5 million homes.

However, change on this scale would be impossible because of the inadequate supply of housing that is suitable and

Table 1 **Estimated annual change in use of housing stock by older households due to mortality only, and mortality and moves combined, 2008/09–2009/10 (thousands)**

	Owner-occupied		Private rented		Social rented	
Number of Bedrooms	Mortality	Mortality & moves	Mortality	Mortality & moves	Mortality	Mortality & moves
0 or 1	–5	0	–3	1	–24	3
2	–61	–43	–4	–2	–21	–28
3	–101	–117	–9	–13	–17	–38
4 or more	–21	–28	–2	–3	–3	–3
Total	–189	–189	–17	–17	–65	–65

desirable for older people to move into. It is a startling fact that it would take 20 years to see this level of change at the current rate of movement in the current market. By that time, the population of over 85s in the UK will have increased by 101 per cent.

Wider benefits of building more homes suitable for older people

House building – in whatever form it takes – is seen by many as highly beneficial to the economy in the current climate. It would stimulate growth and create jobs in a variety of construction-related industries, reduce spending on housing benefit and bring down the cost of living.[60] Developers calculate that a 40-unit scheme puts around £5 million into the economy, with 50 people directly employed during construction and 17 jobs created in a typical extra care development.[61]

Enabling older people to downsize would have additional benefits – the equity they release through downsizing would increase consumer spending and reduce costs to services such as the NHS associated with pensioner poverty.

The building of retirement properties would combine the benefits associated with both of these, but may then (as the University of Reading argues) also have benefits for the environment, as properties are far more energy efficient than the homes older people move out of.[62] McCarthy & Stone's submission to the Lords committee on demographic change also stated that retirement housing made efficient use of previously used land – brownfield sites.[63]

There are also cost savings to be had – by promoting better health outcomes cost savings are made to acute care services in social care and the NHS, fewer hospital admissions, and so on. The HAPPI2 report summed up the range of savings very well, ranging from reduced risk of falls to combating mental health problems.[64] Specialist housing for older people delays and often prevents the need for residential care. Since for each year a person postpones moving into residential care the state would save on average £28,080,[65] the cost savings can be substantial. Both the University of Reading and IPC calculated net cost savings to the NHS of hundreds of millions of pounds in building more retirement housing.[66]

7 The top of the ladder – recommendations for policy and practice

In the previous sections, we have gathered the available evidence and combined it with new analysis on the problem of the supply of older people's housing meeting demand; the barriers to further demand; and the potential benefits in overcoming these. In this section, we tackle the most important question – how can we improve both supply and demand?

As we explain above, this is a multifaceted problem. There is no 'magic bullet' here. Nonetheless there are a number of fairly obvious issues that, if tackled, would make a huge difference.

Unleashing supply

Guidance from above

Retirement housing currently makes up around 2 per cent of housing for the over 65s – making it a small, niche area and perhaps easy to overlook by the Government. It also presents no obvious problem: older people with their own homes who are unable to move are understandably less obvious a challenge to policy makers than younger people unable to get on the housing ladder in the first place. This is seen as a more obvious, direct and urgent issue, but the two are fundamentally linked. It is vital that the government connect the present housing crisis of unaffordable rents, spiralling housing benefit and young people living with their parents to the lack of options available to older people to downsize.

The government needs a 'whole chain' focus rather than simply looking to first time buyers, but it is clear from policies such as the spare room subsidy (or 'bedroom tax') – from which older social renters were exempt – that older renters and home

owners are simply seen as a static link in the chain, not to be moved while all other links take the strain.

Without fully appreciating the benefits of retirement housing to individuals, the housing market and the wider economy, encouraging policy statements are made without adequate follow-through. The Government's strategies and guidance on the need for more retirement housing remain unclear, and several bodies have made similar suggestions of ways to address this. The HAPPI2 report recommended setting up a Cabinet Office task force to bring together the Department of Health (DH) and the Department for Communities and Local Government (DCLG) to work towards building the homes needed by an ageing population.[67] This echoes the call by McCarthy & Stone for the formation of a ministerial working group on specialist housing for older people to bring together the key decision makers in the DH and DCLG to develop policies to support this kind of housing.[68] In a briefing note for MPs in July 2012 entitled 'Increasing build rates of specialist housing for older people', the HBF added its voice to this and called for a housing, health and planning working group to be set up to build greater understanding of the link between better housing and improved health, and to see how planning should play a role in this.[69]

All of these organisations recognise that some type of national cross-departmental coordination is required to push for a national strategy and a clearer position on this issue. The Lords committee report on demographic change, referred to in the introduction of this paper, presents an opportunity to do this.[70] The Government could review its position on older people's housing and take a coherent line on how to encourage both demand and supply as part of its response to the report. The Government's initial written response to the Lords report was muted, without any promise of new legislation to tackle the range of problems (including housing supply) identified. Nonetheless, the Government has yet to follow up the initial response with further policy statements – so the window of opportunity for action in this area has not yet closed.

Local direction

A clearer national strategy, underlining the importance of a greater housing offer for older people and the need to work in partnership with a range of providers, would no doubt trickle down to local level, where retirement housing schemes encounter most problems.

However, leadership at local level is also vital. Council chief executives need to consider the Lords committee report on demographic change very carefully and think what the implications might be for service provision and ensuring local markets are fit for purpose, across all departments. The priority need for having a local housing market which meets the needs of older people must be articulated not just across housing and adult services, but in all departments.

With this vision at the top, subsequent changes would then need to be made. For example, the local plans that each local authority must have in order to lay out the overall development plan for the local area must include a strategy for ensuring that local housing reflects demographic change. The National Planning Policy Framework stipulated that these plans needed to be up to date, and look ahead – preferably with a 15-year time frame – to the needs of the local population.[71] It seems unlikely that any 15-year plan would be able to avoid the issue of an exploding over-65 and over-85 population and what that means for planning policy.

The HBF has also advocated clear guidance for local SHMAs, which (as explained above) have been described as patchy and inadequate. The HBF said local authorities should be encouraged to review the need for specialist housing for older people across all tenures in their assessments.[72] It also suggested neighbourhood forums should be encouraged to consider the housing requirements of their ageing populations, while HAPPI2 recommended that local housing and social care departments should give strategic priority to assessing and investing in older people's housing. Jeremy Porteus told us that the

idea of local strategies is really important but it shouldn't be about the numbers, it should also be around the quality of outcomes, such as lifestyle and design outcomes, and have a greater recognition of the links between those.

Demos has also in the past argued that housing providers should be represented on health and wellbeing boards, given how important housing is to public health generally.[73] However, retirement housing's role as (in some cases) an alternative to residential provision and (in others) a way of preventing or delaying this makes this particular form of housing a key player in the local market of health and care services. The Care Bill currently being debated in parliament places considerable emphasis on the prevention of acute health and care needs and the promotion of wellbeing. Inclusion in joint strategic needs assessments and representation on health and wellbeing boards should be the very least retirement housing should expect at local level, and these in turn must engage with planners to address the disconnect that currently exists when applications for retirement housing are considered.

The planning system

Perhaps the key problem stifling supply and driving up costs at local level is problems with planning, which at least in part stem from lack of coordination at local and national level between housing and health teams, and a lack of strategic direction and guidance on the role of retirement housing. The effect on the ground – as explained earlier in this report – is a housing and planning policy which is not fit for purpose when dealing with retirement housing.

Several measures have already been suggested to help remedy this by a range of organisations. The University of Reading and several others producing research in this field have come to the conclusion that owner-occupied retirement housing should be treated as a form of affordable housing, and given 'enhanced planning status' alongside low-cost home ownership for younger households. Developments of retirement properties should be exempt from paying Section 106 charges towards affordable housing, and a proportion of the charges levied from other private developments ought to be put towards helping develop older people's housing. This would in turn reduce the

costs of these properties, making them more affordable, and stimulate demand.

The argument for such a move is strong. Planning policy is currently used to encourage the provision of affordable homes for groups particularly disadvantaged in the current housing market, as this has clear social value. But building homes for older people which can improve their health and wellbeing also has obvious social value. It can also be argued that older people are disadvantaged in the housing market – they may not be struggling to afford the rent, but many are struggling to maintain their current homes and cannot remedy this by moving home. Being unable to buy a home should be seen as a crisis not just for renters, but for home-owners too, stuck in the wrong property. When older people are risking their health and wellbeing as a result, this obviously vulnerable group is clearly in need of special planning measures. Current housing policy seems to focus almost entirely on issues of finance, with affordability being the only measure of social good. A more joined up way of thinking would enable the DCLG at national level and planners at local level to recognise the close relationship between housing and wellbeing and that social value is derived from more than just its price.

Other steps planners could take if they were to prioritise older people's housing as part of the overall housing market include developing quotas for local provision (part of recognising that this housing has value in its own right), putting aside land specifically for retirement housing developments, and operating with a presumption that planning permission will be granted (currently around half of the sector's applications are refused, and two-thirds are then won on appeal[74] – adding costs and delays). CIL tariffs for retirement homes could be set at more viable levels by exempting communal space in designated retirement properties (perhaps up to a capped amount, set in consultation with planners and reviewed as new innovative models are developed). The IPC also suggests that incentives should be provided to local authorities to release land for the development of older people's housing schemes.

Specific measures – changing S106 and CIL rules – could be trialled in pathfinder areas of the country to establish what the impact might be on speed and cost of development and resulting demand (eg developers involved could pledge to use the money they save to reach out to the local community, improve awareness, ensure they understand local preferences and needs, and encourage take-up).

Working in partnership at national and local level

It is worth remembering that retirement housing need not be built by local authorities or housing associations. Indeed we have focused primarily in this report on the barriers of retirement housing being built by private developers, suggesting it is a nascent market currently being stifled by lack of understanding by national and local government and the public. The reasons for this focus are twofold. First, we know that many older people want to remain home owners, and yet there is a lack of retirement properties to buy, with more than three-quarters of the current properties for rent. Building more council-owned or social housing tenancies is less urgent than encouraging private providers to improve the supply of homes to buy.

Second, in the current economic climate councils are not in a position to embark on or subsidise large-scale home-building schemes. The strategic housing policy officer for West Dorset Council told us that while the council had previously relied on government grants for affordable housing, these were drying up. The council could therefore no longer afford to 'build their way out' of the problem, and those in the housing department are having to think more cleverly about their existing housing stock. They have tended to focus on funding services that help people to remain in their homes and live independently, such as floating support, home improvement agencies, loan schemes, and energy efficiency and retrofitting.

With these two factors in mind, it is clear that solutions to the issue of older people's housing must be sought in partnership with the private sector at national and local level. The focus of these partnerships are more likely to be about market facilitation

– making properties easier to build and therefore more affordable to buy – than about engaging in costly direct provision. While the IPC suggested that there should be 'support to developers in sharing financial risk through the development of interest-free loan schemes to be repaid as properties are sold', many of the ways the market can be encouraged are relatively low cost or cost neutral – related as they are to changing planning rules, refocusing strategies and (as outlined in the next section) ensuring there is adequate information and support given to older people to help them move.

At national level, the HAPPI2 report said the DCLG should encourage and incentivise the private sector and registered social landlords to meet the rising demand of people seeking to move to 'elegant, functional, sustainable and manageable homes' for later life.[75] While the University of Reading observed,

Though social providers are clearly important and costs of social care are high and of concern to both central and local government, particularly at a time when expenditure is being squeezed, the opportunities offered by the private sector are under-played.[76]

While developers would prefer regulatory reform (like the reforms outlined above) to state funding, the Care and Support Specialised Housing Fund announced by the DH in July 2012 is a step in the right direction. Although much of the focus of this fund is on affordable properties for older and disabled people, £160 million has been put aside to look at how 'to stimulate development in the wider private market'.[77] Jeremy Porteus told us that this scheme marked a promising new era where the Homes and Communities Agency is no longer just a grant giver, but also a place shaper by working in partnership with private providers. We would urge the Government to use the findings of this work to feed into a more robust response to the Lords committee on demographic change (mentioned above) aimed at age proofing our housing market in partnership with private developers and landlords, social housing organisations and local authorities.

At local level, the concept of market facilitation is not new. Local authorities have increasingly been shaping the care and support market for many years as these services have moved from direct in-house provision to being offered by a range of third sector and private providers. Local authorities now have to issue 'market position statements' as part of the national programme Developing Care Markets for Quality and Choice (DCMQC),[78] which sets out the outcomes they hope to achieve in care and support, a demand analysis, how they think this should be met, and so on.[79] The key assumption behind these statements is that local authorities are providing very few (if any) services themselves, but rather working to ensure other providers know the types of services in demand in the local area and the types of services the local authority is likely to commission. There is an opportunity for these statements to also cover housing needs – to give a clear steer to providers of the local demographics and care and support profile of the area, and to give the local authority a chance to consider the housing-related health outcomes the local authority is focused on (and indeed, what steps they might take to facilitate or encourage this in partnership with private and social housing developers and providers).

Encouraging demand

Back to supply

There is already healthy interest among older people in retirement housing, and many more express the wish to downsize in order to have a more manageable home. Nonetheless, what the sector can offer is generally poorly understood and there remain several reasons why any older person wanting to move would find it difficult to do so. Retirement housing certainly will not be for everyone but how can we ensure older people know of the benefits it can offer, and can be supported to move if they decide it is right for them?

Perhaps most obviously, the housing offer needs to be of the right quality, in the right location, have the right number of

bedrooms and look like the type of home an older person would want to live in. It also has to be available to buy – at a reasonable price – for those who want to maintain a sense of asset ownership and security. As Gillian Conner commented: 'You've got to get the housing right first, making it aspirational, somewhere people want to live.'

If supply is too scarce, in the wrong place, of the wrong type or too expensive, then we should not be surprised when no one wants to move in. Many older people have spent years making their own family homes comfortable and attractive places to live, so the pull factor has to be strong in order to tempt them to move.

This then comes back to the supply-side solutions outlined above – tackling planning problems may well lead to a larger number of and more affordable schemes. It may also encourage more developers to enter the market, bringing new models and ideas to meet different preferences. This would create greater variety for older people to choose from, and again potentially reduce costs.

We must remember that while 83 per cent of older people are home owners who would therefore be able to release equity, not everyone can afford retirement property or indeed afford to downsize. Karen Croucher from York University explained this latter problem using a local example. She explained that in Barnsley, a three-bedroomed ex-council house was worth £70,000. But a one- or two-bedroomed bungalow in the same town was worth £120,000. For older people in this housing market, downsizing could actually be more expensive. She felt that there should be more tenure choices, such as shared ownership and shared equity (as under HomeBuy), to help make retirement property more affordable, particularly for people who are selling in low house price areas. She felt the social rented sector had a role to play as many were now developing homes to buy, not just rent. She commented, 'The boundaries between social rented sector, private sector landlords and private sector developers are becoming quite blurred.'

Support and advice

Offering a good range of housing options will only do so much to encourage older people interested in moving. We also have to consider what is holding them back. Our polling, and the findings of the polling carried out for Shelter in 2012, suggests this is a combination of practical and emotional issues. While the latter may be harder to help with, the former is certainly easily remedied.

First and foremost there needs to be a far better local offer of practical help for older people looking to move. The physical strain of moving – packing up years of belongings from a large home, storing, giving away or disposing of items and moving into a smaller property – is a mammoth effort for all of us, so for someone in their 80s (as our polling suggests) this may seem an insurmountable problem. The experts we spoke to suggested that age-friendly removal services should be encouraged to develop (perhaps as part of local authorities' market position statements) in the same way as age-friendly handymen and gardeners are. Local 'housing options services' already exist, which can provide advice to people who are weighing up the pros and cons of moving and provide practical help, such as being there when the removal van comes, and helping to disconnect and reconnect utilities in a new property. These services were encouraged through Care & Repair England's initiative 'Should I Stay or Should I Go?', though this ceased several years ago. While many of these housing options schemes still exist, awareness of them is fairly low and many of those we reviewed for this project were focusing on more traditional local authority challenges – social housing waiting lists, affordable housing and homelessness. However, in Dorset a large population of older people has prompted a more comprehensive offer from the Dorset Housing Options Service.

Box 2 **Dorset Housing Options Service**[80]

We recognise that 'staying put' in their own home is no longer the best option for a proportion of older people. However, the idea of having to even consider the options that might be

available can be very daunting and often that alone puts people off at the start.

The Dorset Housing Options Service has been developed by the Dorset Home Service to provide older people with the information, specialist advice and practical support that they need to enable them to make informed choices about whether to move property or to stay put at home.

On occasions, a single visit may be all that is required to look at options. In other cases people may want more support to:

- *appraise the housing options available*
- *advise on repairs and grant assistance*
- *arrange property viewings*
- *help with packing belongings*
- *help with the sale of unwanted furniture*
- *help with the safe disposal of household records*
- *make contact with removal companies*

This sort of comprehensive service ought to be the standard fare in all local authorities. In the Care Bill currently being debated in parliament there is a duty on local authorities to provide information and advice services on people's care and support options and how to fund them. As retirement housing (and indeed downsizing to more suitable property) is an important means of promoting wellbeing and preventing or delaying care needs, and releasing equity can pay for care, we suggest that advice on downsizing and housing options is included as part of this duty and that housing options services are reinvigorated and brought within the remit of the duty presented in the Care Bill.

Financial incentives and penalties

In addition to support of this kind, others have also suggested financial incentives. The Intergenerational Foundation among many others has suggested that stamp duty should be scrapped

for downsizers, while the IPC and others have suggested there should be a reduction of stamp duty and/or a council tax abatement for those downsizing or for buyers of specialist retirement properties.[81] The IPC suggested these as well as providing financial support for legal and conveyance fees (older property owners of smaller homes reported in our survey that they were put off by the cost of moving), as well as extending the Help to Buy scheme for older buyers (who are downsizing or moving to retirement property).[82] The costs of such measures are likely to be recouped (in part at least) by a housing chain reaction, generating stamp duty as families are able to move into the properties vacated by older people (which is more than could be said for financial assistance given to first time buyers, whose ability to get on the bottom of the ladder has no effect on potential buyers above them on the housing ladder).

It is also worth noting that many local authorities offer financial incentives to working age council tenants to downsize and free up properties.[83] The reasoning behind this is that a voluntary move to a smaller property enables the family to avoid facing the bedroom tax and the costs that could follow as a result of arrears and eviction. A similar cost-saving calculation could be made regarding the health and care savings made if older people were financially encouraged (in the ways outlined above) to sell their homes and move into more appropriate housing.

Financial penalties have also been considered by some, alongside incentives. Currently there are no penalties for older under-occupiers in the social rented sector (as they are exempted from the bedroom tax), although extending this charge to older people has been mooted. So too has the idea of withdrawing some universal older people's benefits from owner occupiers living in houses worth over £500,000. The Intergenerational Foundation also proposed the abolition of council tax concessions for single occupation, to 'eliminate a perverse incentive which currently encourages single occupants to remain in large houses'.[84]

Such suggestions should be treated with extreme caution, if not dismissed out of hand. The spare room subsidy (or bedroom tax) has proven extremely controversial, leaving many families in

a dire financial situation. It is likely that such policies will more effectively exacerbate pensioner poverty than induce people to downsize. For those who do downsize, a forced move is unlikely to reap the benefits associated with voluntary and planned moves, such as improved wellbeing and sense of security. In short, penalty systems may deliver some benefits to the housing chain, but the negative impact on older people's health and wellbeing would far outweigh these.

8 Concluding thoughts

This report has drawn together existing evidence and supplemented it with new analysis to create a clear picture of the next big housing crisis we face – the fact that our housing supply is not fit for purpose in an ageing society where the population of over 85s will increase by 100 per cent in the next 20 years.

On review, it is clear that the evidence on the problem, how to overcome it and the benefits of doing so is thorough and robust: we know exactly what the problem is, how to fix it, and who stands to gain if we do.

We also know – crucially – that this does not involve massive investment in housing building by the government. Unlike costs related to health or social care, the costs associated with overcoming the challenges of housing an ageing society are relatively small, because the money to stimulate supply of new housing, built by the private sector, is there already – locked up in over a trillion pounds' worth of assets held by older people across the country. Hundreds of millions of pounds could be released to stimulate the housing market if (low-cost) steps were taken to unlock the supply to meet the demand already there – let alone if demand were further stimulated.

The lack of appropriate housing supply cannot be remedied by the government building housing itself – this is economically unfeasible. We also know that many older people want to remain home owners, and yet more than three-quarters of the current retirement properties on offer are for rent. Building more council-owned or social housing tenancies is less urgent than encouraging private providers to improve the supply of homes to buy.

While there must always be a place for social housing and affordable tenancy for older people, the vast majority of older

people can be helped into more appropriate housing without any direct delivery costs incurred by government or local authorities.

The retirement housing market is a nascent market currently being stifled by lack of understanding from national and local government, and the public. It would take a small number of relatively low-cost steps to unlock it. So the fact that the Government has yet to grasp this nettle remains one of the great mysteries of UK policy making, given how substantial the benefits could be. One can only assume that the more obvious, seemingly more urgent and visible plight of renters unable to afford their first home is clouding the issue. The Government needs to have a 'whole chain' view of the housing market – recognising that helping the private sector serve older people at the top of the ladder will have a trickle-down effect of unlocking supply, benefiting those at every other step of the ladder.

Summary of policy recommendations

Unleashing supply

Guidance from above

The Government needs a 'whole chain' focus rather than simply considering first time buyers. To achieve this, some vehicle for cross-departmental coordination is required. This may take the form of a Cabinet Office task force to bring together the DH and the DCLG, or a ministerial working group on specialist housing for older people across housing, health and planning to build greater understanding of the link between better housing and improved health, and to see how planning should play a role in this. The need to respond to the Lords committee for demographic change is a good opportunity for the Government to take such steps.

Local direction

Leadership at local level is also vital. Council chief executives need to consider the Lords committee report on demographic change very carefully and think what the implications might be for service provision and ensuring that local markets are fit for purpose across all departments. The priority need for having a

local housing market that meets the needs of older people must be asserted, not just across housing and adult services, but in all departments.

In particular, local plans, in which each local authority lays out the overall development plan for the local area, must include a strategy for ensuring local housing reflects demographic change. SHMAs also need to be improved to include a strategy for developing retirement housing.

Given the vital role housing plays in public health, and the way retirement housing can delay or prevent the need for residential care, there should be representatives from local retirement housing schemes on health and wellbeing boards and should feed into joint strategic needs assessments. These in turn must engage with planners to address the disconnect that currently exists when applications for retirement housing are considered.

The planning system

Developments of retirement properties should be exempt from paying Section 106 charges, which are put towards affordable housing, and a proportion of the charges levied from other private developments ought to be put towards helping develop older people's housing. This is based on a strong argument regarding its clear social value.

CIL tariffs for retirement homes should be set at more viable levels by exempting communal space in designated retirement properties (perhaps up to a capped amount, set in consultation with planners and reviewed as new innovative models are developed).

Other ideas to improve the planning regime for retirement property ought to be considered, including developing quotas for local provision (part of recognising that this housing has value in its own right), putting aside land specifically for retirement housing developments; and operating with a presumption that planning permission will be granted (currently around half of the sector's applications are refused, and two-thirds are then won on appeal[85] – adding costs and delays to housing supply).

Encouraging demand

Back to supply

There are many ways we might encourage supply, but perhaps most obviously, the housing offer needs to be of the right quality, in the right location, have the right number of bedrooms and look like the type of home an older person would want to live in. It also has to be available to buy – at a reasonable price – for those who want to maintain a sense of asset ownership and security. This then comes back to the supply-side solutions outlined above – tackling planning problems may well lead to a larger number of and more affordable schemes. It may also encourage more developers to enter the market, bringing new models and ideas to meet different preferences. This would create greater variety for older people to choose from, and potentially reduce costs, encouraging more people to purchase property.

Support and advice

Offering a good range of housing options will only do so much to encourage older people to move. We also have to consider what is holding them back. First and foremost, there needs to be a far better local offer of practical help for older people looking to move. The physical strain of moving – packing up years of belongings from a large home, storing, giving away or disposing of items and moving into a smaller property – is a mammoth effort for all of us, so for someone in their 80s (as our polling suggests) this may seem an insurmountable problem.

In the Care Bill, currently being debated in Parliament, there is a duty on local authorities to provide information and advice services regarding people's care and support options and how to fund these. As retirement housing (and indeed downsizing to more suitable property) is an important means of promoting wellbeing and preventing or delaying care needs, and releasing equity can pay for care, we suggest that advice on downsizing and housing options is included as part of this duty and that the housing options services are reinvigorated and brought within the remit of the duty presented in the Care Bill.

Financial incentives

In addition to support of this kind, others have also suggested financial incentives. The Government should consider a reduction or exemption of stamp duty and council tax for downsizers or for buyers of specialist retirement properties.[86] Financial support for legal and conveyance fees as well as extending the Help to Buy scheme for older buyers (who are downsizing or moving to retirement property) are also viable proposals.[87] The costs of such measures are likely to be recouped (in part at least) by a housing chain reaction, generating stamp duty as families are able to move into the properties vacated by older people.

Appendix 1

We interviewed the following experts during the course of this research:

Chris Branch, Strategic Housing Policy Officer, West Dorset Council
Andrew Burgess, Managing Director of Planning Issues, Churchill Retirement Living
Gillian Connor, Head of External Affairs, Hanover
Karen Croucher, Research Fellow, Centre for Housing Policy, University of York
Gary Day, Land & Planning Director, McCarthy & Stone
Bill Gair, Chief Executive, Urban Rennaisance Villages
Joe Oldman, Policy Adviser (Housing), Age UK
Jeremy Porteus, Director, Housing LIN
John Slaughter, Director of External Affairs, HBF
Amy Swan, Policy Officer, NHF

Appendix 2

Questions put to 1,510 over 60s on 17–18 July 2013

1 What type of property are you currently living in?
   a Semi-detached house
   b Detached house
   c Bungalow
   d Terraced house
   e Flat or apartment
   f End-of-terrace house
   g Static caravan
   h Other

2 Do you own or rent your property?
   a Own outright (mortgage paid off)
   b Own (with a mortgage)
   c Rent from a council or housing association
   d Rent from a private landlord
   e Other

3 How many bedrooms does your property have?
   a 1
   b 2
   c 3
   d 4
   e 5 or more

4 FOR OWNERS – Approximately what value band does your property fall into?
   a Less than £150,000
   b £150,001 – £200,000
   c £200,001 – £300,000
   d £300,001 – £400,000
   e £400,001 – £500,000
   f £500,001 – £750,000
   g £750,001 – £1 million
   h Over £1 million

5 How many people are living in your house in total (including you)?
   a 1
   b 2
   c 3
   d 4
   e 5 or more

6 If you were able to, and suitable properties were available, would you consider moving from your current property in the future?
   a Yes – definitely
   b Yes – maybe
   c No – unlikely
   d No – definitely not
   e Don't know

7 If YES – What would be your main reasons for wanting to move? Please tick all that apply.
   a I need a property that suits my needs better (eg no stairs, smaller garden that is easier to maintain)
   b I want to live somewhere different
   c The house is too big for me
   d Ongoing maintenance is becoming an increasing problem
   e I am too far from family and friends here
   f I need to reduce my fuel bills
   g I need to free up cash for other expenses

h I need more support and care
i I can no longer afford my current property
j Other (please state) [open]

8 IF YES – What number of bedrooms would you ideally be looking for?
a 1
b 2
c 3
d 4
e 5 or more

9 IF YES – How likely would you be to consider the following options when planning a future move?
a Buying a purpose-built retirement property
i Very likely
ii Quite likely
iii Neither likely nor unlikely
iv Not very likely
v Not at all likely
vi Don't know

10 Renting a purpose-built retirement property on an assured tenancy (which gives you the right to live in the property for as long as you wish)
a Very likely
b Quite likely
c Neither likely nor unlikely
d Not very likely
e Not at all likely
f Don't know

11 IF NO – What are your main reasons for not wanting to move?
a My current house already suits my needs
b I am close to family and friends here
c It would be too stressful
d My house/the local area has a sentimental value to me

e I have only recently moved to my current home
f There are no suitable options available to me
g I do not want to move until my children/grandchildren are independent
h Other (please state) [open]

12 How possible do you feel it would be for you to move if you wanted to?
a Very easy
b Quite easy
c Quite difficult
d Very difficult
e Not possible
f Don't know

13 IF DIFFICULT/NOT POSSIBLE – What are the main reasons why it would be difficult for you to move? Please tick all that apply.
a The process of packing up all of my belongings would be too stressful
b It would be too expensive to move
c I would find it physically difficult to move (due to illness or age)
d There are no suitable properties available to me
e My house/the local area has a sentimental value to me
f I would find it too difficult to leave behind memories
g I have no family or friends who could help me
h I would not know how to go about looking for a new house
i Other (please state) [open]

Notes

1 All those interested in moving is 58 per cent of over 60s – 58 per cent of the £1.23tn unmortgaged equity they own is £701 billion. Of this group, 57 per cent would want to downsize – or 33 per cent of over 60s. They own £400 billion in housing equity.

2 All those interested in moving is 58 per cent of over 60s – 58 per cent of the £1.23tn unmortgaged equity they own is £701 billion. Half of this is £356 billion.

3 The proportion of people owning homes of different bedroom size was taken from the responses to our survey – see Appendix 2.

4 This is calculated as 25 per cent of £1.23tn owned by over 60s. 25 per cent of over 60s in our survey reported to be interested in buying retirement property.

5 25 per cent of 14 million people – the number of over 60s in the UK.

6 Using proportions identified through NPI analysis.

7 33 per cent of over 60s.

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The chronic undersupply of appropriate housing for older people is the UK's next housing crisis. While all eyes are on those struggling to get on the bottom of the property ladder, those at the top are often trapped in homes that are too big and unmanageable. This is due to a lack of suitable homes to downsize into and in turn has a negative effect not just on older people's health and wellbeing, but on the rest of the housing chain.

The Top of the Ladder uses original quantitative research to investigate older people's housing preferences, and the likely impact of giving them greater choice. It estimates that if all those interested in buying retirement property were able to do so, 3.5 million older people would be able to move, freeing up 3.29 million properties. Apart from these gains, retirement housing has a very beneficial effect on older people's health, wellbeing and social networks, and could save health and care services considerable resources.

The report suggests that this would be a triple-win for government, improving older people's lives while stimulating the property and home-building market, at little cost to the public purse. It recommends changes to the planning code to encourage the development of retirement housing, while also providing practical help and giving financial incentives to encourage downsizing. It concludes by arguing that the Government should adopt a 'whole chain' view of the housing market, as helping those at the top of the ladder will unlock supply and benefit those on every other step.

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