

Appendices

APPENDIX A: *Housing Markets and Independence in Old Age: Expanding the Opportunities* by Professor Michael Ball of Reading University



Housing markets and independence in old age: expanding the opportunities

Executive Summary | May 2011 | Professor Michael Ball

This report highlights the benefits of specialised private retirement accommodation and recommends a number of simple policy changes at no cost to the public purse to help increase its supply and address the challenges of housing an ageing population.

Introduction – why OORH matters

This report outlines the findings of a major piece of research on housing for older people who live in specialist private retirement accommodation, called owner occupied retirement housing (OORH). This type of housing is purchased, on a leasehold basis, and found in specially designed blocks of apartments which have communal facilities, house managers and other networks of support integrated within them. There are currently around 105,000 OORH dwellings in the UK, about 2% of the total number of homes for those aged 65 and over.

Why should policy makers be concerned about OORH? The reason is that it delivers a series of benefits for residents, their families, communities, the public sector and society in general. The key benefits of OORH are:

Personal

- A higher quality of life for residents and their families. The report notes that 92% of OORH residents are very happy or contented and the great majority would recommend the accommodation to others.
- Greater security and convenience, and reduced feelings of isolation and vulnerability.
- Improved independence, well-being and health.

Environment and neighbourhood

- Environmentally better than traditional housing, with reduced energy use, including less travel. The report states that 51% of OORH residents said that their energy bills were noticeably less.
- Sustains local shopping and other services, helping to sustain local communities. 80% use the shops almost daily or often; over 40% used the library or post office almost daily or often.

Government/social

- Private rather than public – its provision entails no cost to the public purse.
- Reduced demand on public sector resources and health services. Residents manage better and spend fewer nights in hospital.
- The release of home equity in retirement; though not all release home equity.

Communities

- Most OORH residents have family and friends in the locality. Older people form an important part of the core of most communities.
- Increases availability of much-needed family housing in areas of shortage. On moving, most OORH residents free up substantial family homes, with two thirds moving from homes with three or more bedrooms. This boosts supply in local housing markets.

This report highlights that far more elderly people could benefit from this type of accommodation than live in it now. However, due to supply side constraints created by restrictive planning and housing policies, many older people are not being provided with the opportunity to purchase OORH. **Relatively simple policy changes could address this without any cost to the public purse.**

Why the supply of OORH needs to increase

The population is ageing but older people have not featured much in recent policy discussions about localism, housing or planning. As the UK's population grows and ages over the next 20 years, **the number of households over 65 years old will increase at a particularly fast rate. There are expected to be an extra 3.5 million older households by 2033 in England alone, a 60% increase on today.** By then, a third of all households will consist of those aged over 65, up from 28% in 2008.

The ageing of the UK population is going to have a substantial housing impact. Many older households will face growing health and housing difficulties as they continue to age. Although people are living longer, unfortunately the incidence of age-related ailments is not being delayed at the same rate to progressively older ages.

Home owners aged 65 and older collectively own £1 trillion of housing equity and most want to stay where they currently live for as long as possible. However, as many as 130,000 older people moved in 2008. Many move to be in preferred accommodation or to enjoy living at a different location and few are motivated by releasing housing equity. But, for others, the drivers are primarily push factors associated with being unable to manage in their current home: due to declining health, increasing isolation or financial problems. Even amongst non-movers, there will be many potential reluctant stayers. This is coupled with the fact that most home owners wish to maintain ownership of their home. OORH offers the opportunity for an improved lifestyle while remaining an owner occupier.

However, the report notes that due to policy restrictions surrounding housing and planning, the supply of OORH has not matched growing demand. Build rates are low and need to grow four times from that achieved even before the 2007/8 downturn to cope with just a moderate increase in demand. Forecasts in the research show a potential increase in the use of this accommodation from 2% currently to 5% of housing for those aged 65 and over the next decade or so. This would generate a build rate of 16,000 OORH units a year, compared to just 4,400 delivered in 2007.

In a society which is increasingly searching for ways of growing private provision, housing for the elderly seems an obvious candidate for a greater emphasis on the private sector, especially as so many older households are now owner occupiers. Also, within private provision, the benefits of direct property ownership can be maintained.

The benefits of OORH

The report notes the substantial benefits of OORH for many older people. OORH dwellings are around 10% cheaper than the median values of the previous homes sold, giving significant average equity release, while maintaining continued housing equity. Over 40% are able to withdraw £25,000 or more housing equity but, at the same time, many others have none. An overall increase in the supply of OORH would lower the price of this type of housing, enabling millions more of the elderly to contemplate this as a lifestyle.

The report outlines the following benefits of OORH:

- **A higher quality of life for its residents.** The report notes that 92% of OORH residents are very happy or contented and most would recommend their accommodation to others. 83% said they were happier in OORH and 51% also said that their energy bills were noticeably less.
- **Improved health for residents and reduced impact on the NHS.** The overall balance of residents' perceptions of being able to manage their health was that it was better since their moves. As OORH accommodation is designed for impaired mobility, residents can manage better and spend fewer nights in hospital. This finding is important because of the high costs of in-patient care for older people.
- **OORH is good for the environment.** 51% of OORH residents said that their energy bills were noticeably less than they had been in their previous homes. This is backed up by comparative analysis of the energy costs of larger, older homes and new purpose-built energy-efficient flats. What is more, people tended to travel less once living in OORH, because they are often closer to friends and relatives and to shops and other facilities. Moving into OORH also allows the new owner of the previous home to undertake renovations to improve the energy efficiency of that house, increasing the energy savings potential.
- **OORH boosts local neighbourhoods.** Older people regularly use shops and local facilities during weekdays, when they are often underutilised, and at weekends. 80% use the shops almost daily or often; over 40% used the library or post office almost daily or often. The elderly are integral to any local area and because most have lived there for a long time have built deep roots in their neighbourhoods. This is reflected in extensive family and friendship networks. So, providing OORH means a much wider group of people benefit than simply the person or couple buying the property. Many local market-based services are under threat with the growth of out-of-town shopping and the Internet, but the elderly are more likely to use local amenities than many other residents.
- **OORH has a positive impact on local housing markets.** On moving, most residents free up a substantial family home, with two thirds moving from homes with three or more bedrooms. This boosts local housing markets – for every 5,000 OORH sold, property to the value of £1.1 billion is released into local housing markets. The turnover of this type of housing is essential for a healthy housing market.

How public policy constrains the delivery of OORH

The research found that the building industry provided this type of accommodation in a competitive environment, so that its price and availability is driven by the costs and availability of construction inputs, including land.

Therefore, a number of policy-related factors have inadvertently contributed to restraining the supply of OORH to date and therefore limited its potential benefits. These include:

- **A lack of understanding of the benefits of OORH at a local and national level.** Evidence of a less than positive attitude to OORH is found in the extent to which McCarthy & Stone have had to go to appeal in relation to its sites. A large portion of its developments are only permitted on appeal, because agreement could not be struck with the local planners (65% of cases). Even on the minority of schemes where the appeal is refused, a clear blueprint is provided by the Inspector that then allows most sites to then receive consent at local authority level in a form of development that the authority had originally indicated to be objectionable. This process of being forced to appeal seems a particularly inefficient, wasteful and time-consuming way of planning for the provision of OORH and raises the prices of the homes built.
- **An inappropriate use of S106/s75(Scotland) charges.** Local planning authorities negotiate with developers of OORH for s106/s75 and Community Infrastructure Levy contributions. The analysis in this research shows that in the case of OORH some or all of the development charges are borne by the user: in this case, elderly middle income households, who do not seem a sensible group to target for this taxation. Under s106, development contributions are made towards providing affordable housing, much of which is used for providing accommodation for younger people. This policy is discriminatory against older people.
- **The role of inflexible building regulations.** The current government has committed itself to reducing the regulatory burden but many issues remain and raise the costs of providing homes for the elderly, especially as there are specific factors that add costs and compliance problems for OORH building. A fundamental problem is that regulations are 'one-size-fits-all'.

How can public policy help increase the supply of OORH in the future?

The report makes the following four recommendations for amending planning and housing policy to boost the delivery of more OORH and meet demand. All entail little, if any, cost to the public purse.

1. **Better national strategic guidance on housing for the elderly.** The forthcoming National Planning Policy Framework offers an avenue to provide a set of ground rules for the delivery of more suitable accommodation and can help cut through local bureaucracy. It should include recognition in principle that demographic change and an ageing society are central issues for planning. It should also recognise that the elderly should be able to operate effectively in the private market and that the planning process should facilitate that.
2. **Better local strategic guidance on housing for the elderly.** This includes the allocation of sites for OORH in local plans and references to the benefits of this type of accommodation in local housing strategies. The greatest emphasis regarding housing for the elderly and planning is obviously at the local level. It will be highly useful in the context of a more positive, socially responsible attitude towards OORH, if the sector was integrated into planning strategies, local development frameworks and strategic housing market assessments rather than treated on a generally negative and individual site-by-site basis as currently occurs.
3. **Treat OORH as a form of affordable housing.** To improve the supply and lower the price of OORH, this type of housing should be redefined as the equivalent of affordable housing in terms of negotiations with builders over development charges. Treating all OORH as a form of affordable housing in planning terms, because of its significant personal and community benefits, would help reduce prices and increase availability. However, to impose price or quality caps on part or all of it would damage supply. Rather this proposal suggests that all OORH new build should be given enhanced planning status alongside low-cost home ownership for younger households, which is already treated as a form of affordable housing.
4. **Rethinking building regulations.** The government's principle of less all-round is a good one. The analysis here suggests that it would be useful if regulations and other requirements were more sensitive to differences in types of residential building and recognised the distinct roles that they play within housing markets. Regulations have differential costs and outcome impacts depending on the housing types and sub-markets in question. There is also a regulatory bias towards the most common types of built structure. Greater flexibility in allowable solutions, including recognition of the dynamics of household moves, would avoid imposing unnecessary burdens that limit the supply of OORH.

Conclusion

OORH encapsulates many of the ideas that the current coalition government is promoting. This type of housing is about self-help: using resources built up over a lifetime to fund an appropriate lifestyle in older age, when the frailties of life begin to mount.

It is about private endeavour: utilising personal resources and social networks rather than relying on the state. It is about being able to enjoy life in older age, even when health matters may impose constraints.

It is about maintaining a sense of independence in old age, within an improved framework of emotional and physical security. Also, it is about building up communities: with people living in situations where friendships can be made and mutual support offered and where they can engage with the wider community, especially through links to families and friends.

It is about bringing families together, with grandparents being better linked with their children and their grandchildren living in the local area. It is about recognising the intergenerational linkages in any local community, the cycle of life, and the relation of local resources to these.

It is about ways of living that keep down public costs and save energy, without compromising preferred lifestyles.

The changes recommended in this report are in line with current government policy intentions. If enacted, the benefits would be substantial and the costs limited.

Appendices

APPENDIX B: *The Top of the Ladder* by Claudia Wood, DEMOS



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

THE TOP OF THE LADDER

Claudia Wood

DEMOS

Demos is Britain's leading cross-party think tank. We produce original research, publish innovative thinkers and host thought-provoking events. We have spent 20 years at the centre of the policy debate, with an overarching mission to bring politics closer to people.

Demos is now exploring some of the most persistent frictions within modern politics, especially in those areas where there is a significant gap between the intuitions of the ordinary voter and political leaders. Can a liberal politics also be a popular politics? How can policy address widespread anxieties over social issues such as welfare, diversity and family life? How can a dynamic and open economy also produce good jobs, empower consumers and connect companies to the communities in which they operate?

Our worldview is reflected in the methods we employ: we recognise that the public often have insights that the experts do not. We pride ourselves in working together with the people who are the focus of our research. Alongside quantitative research, Demos pioneers new forms of deliberative work, from citizens' juries and ethnography to social media analysis.

Demos is an independent, educational charity. In keeping with our mission, all our work is available to download for free under an open access licence and all our funders are listed in our yearly accounts. Find out more at www.demos.co.uk

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) property² – 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.

Appendices

APPENDIX C: *Creating Housing Choices for an Ageing Population*' by Shelter



Policy: report

A better fit?

Creating housing choices for an ageing population



Shelter

Summary: A better fit?

England's population is ageing, and fast. By 2030 one in three people are projected to be aged 55 and over. Older people will be a diverse group, ranging from economically powerful 'baby boomers' to over-85s with high care and support needs. How will the housing market respond to this demographic change? Do we have the right kinds of accommodation for older people, in the right places?

Older people and housing today

There are approximately 14.7 million older people and 7.3 million 'older households' in England today. These are households where everyone is aged 55 or over. Most are couples or single people living alone; in particular there are many single women aged 75 or over.

Most older people are owner-occupiers and have already paid off their mortgages. Older people, in particular older owner-occupiers, tend to live in larger homes than other households. Sixty-eight per cent of older homeowners live in a home that has at least two spare bedrooms, technically known as 'under-occupation'. This measure is controversial, not least because most older people think that their home is about the right size for them. However, there is also a growing problem of intergenerational housing inequality with younger households unable to buy their first home without over-leveraging on debt.

Older people's attitudes to housing

Many older people want to stay in their current home for as long as possible and have strong emotional ties to their home, possessions, or neighbourhood. Moving house can be a very daunting and stressful experience for some older people, and they are often unaware of their housing options, or simply perceive that there are no suitable homes available for them.

While some older people plan a move, or move for lifestyle reasons, many only move later in life or at a time of crisis, for example when care needs or health problems become unmanageable. Tailored support and practical help can assist older people with their housing needs.

Although a minority, a significant number of older people we surveyed felt that their home was difficult to manage, or would become difficult in the next ten

years. The need for social interaction, and for a safe, warm and accessible home often becomes more important with age. Older people want housing that is attractive, in a safe, well-connected neighbourhood. They typically value homes that are well insulated, have some outdoor space, and have a spare bedroom. Over a third of older people are interested in the idea of retirement housing either now or in the future, suggesting a latent demand for this market.

The current market for older people's housing

Specialist housing – that is available only to older people – makes up a small proportion of the market and the majority of older people live in general, mainstream housing. There are approximately 533,000 specialist homes in England, mainly in the social-rented sector with some support facilities to give residents practical day-to-day help.

There is very little specialist housing available to buy or rent privately, and very little mid-range specialist housing for older people who are not wealthy but do not rent socially. In the mainstream housing sector there is an under supply of bungalows relative to demand, and not all homes are easily accessible to those with limited mobility.

Few developers are active in building for the older people's market and they are constrained by complex planning regulations, financial viability and a lack of strategic vision at local authority level. We need a much greater supply of specialist housing for older people. If demand for specialist housing remained constant, the supply would need to grow by 70 per cent just to accommodate the growth in the number of older households over the next twenty years, some of which may be met through turnover in the existing stock but some of which must come from new builds.

The benefits of expanding options for older people

Evaluations of retirement housing schemes have largely shown positive outcomes for older people. Residents' health, safety and well-being tends to improve and there are increased opportunities for social interaction. Moving to smaller, more energy efficient accommodation can help older people to stay warm and save money on energy bills. Economic benefits can include employment opportunities for the local community and cost savings to the NHS through improved health and the reduced likelihood of accidents and falls. However, service charges and reductions in on-site care facilities are contentious issues for some older people living in specialist accommodation.

When older people downsize to smaller accommodation, there is a market chain effect and larger properties become available to other households. This is a complex picture however, as new buyers may themselves 'under-occupy'.

How to increase housing options for older people

England has a rapidly growing population of older people, but few strategies exist to ensure that they will all be able to live somewhere decent and affordable that meets their changing needs. There is also very little recognition among policy makers of the wider socio-economic benefits of such provision. For older people themselves, the fear of the unknown and the lack of suitable and attractive options present further barriers to more widespread downsizing.

Recommendations

- We need a significant increase in the supply and range of suitable housing for older people, including private-rented and owner-occupied specialist housing.
- Developers should build attractive and well-designed homes for older people and specialist providers must be upfront about their services and charges.

- The planning system must support the development of housing for older people. The introduction of the National Planning Policy Framework provides an opportunity to give housing for older people a higher priority and to clarify the guidance on how housing for older people should be classified.
- Older people need to be better informed about their housing options at an early stage and to plan ahead accordingly. Many need practical help and support with their housing and with planning their later life.
- Local government can do more to facilitate schemes that help older people move to accommodation that's more suited to their needs.
- Local planning authorities must factor older people's housing into local plans, strategies and housing market assessments, while integrating these with health and social care strategies.

Methodology

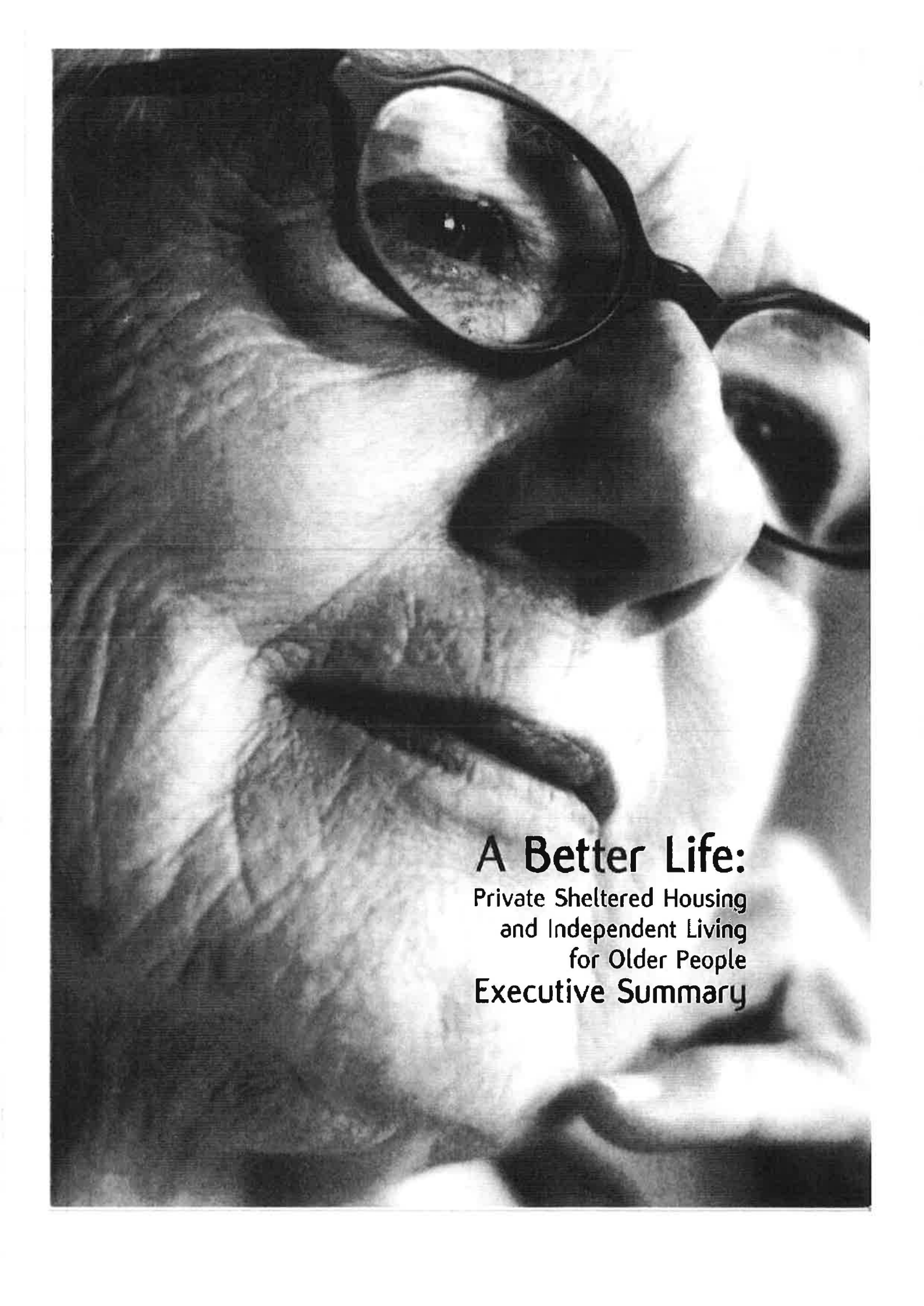
This report was informed by:

- A market assessment of housing options for older people carried out by the New Policy Institute (NPI) on behalf of Shelter and the Joseph Rowntree Foundation. The full analysis can be downloaded from NPI's website at www.npi.org.uk
- A survey of respondents aged 55 and over carried out by YouGov Plc on behalf of Shelter in February 2012. This survey has been weighted and is representative of GB adults aged 55 and over.
- Secondary analysis of existing literature and data sources, as well as informal consultation with sector stakeholders.

Appendices

APPENDIX D: *A Better Life: Private Sheltered Housing and Independent Living for Older People* by The Opinion Research Business'





A Better Life:

Private Sheltered Housing
and Independent Living
for Older People
Executive Summary

Executive Summary

The Reality of Private Sheltered Housing

This report sets out the findings of one of the largest studies into sheltered housing in the United Kingdom. It represents and examines the opinions of over 1,500 current and prospective residents of private sheltered housing – their priorities, levels of independence, health, happiness and contribution to their local community and the wider economy.

It aims to contribute to the wider debate on the needs and wellbeing of older people, ensuring appropriate housing choice and, in particular, the importance of housing in delivering a good quality of life.

Additionally, the report dispels many myths about private sheltered housing that seem to have been allowed to grow in the past.

To summarise the key findings that emerge from this report:

01 THERE IS A SHORTAGE OF PRIVATE SHELTERED HOUSING IN THE UK

- 39% of prospective residents have had to look further afield to find suitable accommodation as there was not enough in their area;
- 81% of prospective residents believe there should be more private sheltered housing in their area;
- If the rate of demand and provision remain at their current levels, there is likely to be a shortage of around 62,500 private sheltered housing units by 2020.

02 PRIVATE SHELTERED HOUSING HELPS OLDER PEOPLE ENGAGE WITH THE LOCAL COMMUNITY

- 39% of current residents live a more active life in private sheltered housing than they did before they moved there;
- 76% of current residents feel that they are a member of the local community;
- 92% of current residents have contact with friends/family on a regular basis.

03 PRIVATE SHELTERED HOUSING PROMOTES INDEPENDENT LIVING

- Since moving into private sheltered housing, 58% of residents have become less dependent on their children;
- 59% of residents have a more independent lifestyle in private sheltered housing than they did in their previous homes;
- 61% of prospective residents strongly believe that moving to private sheltered housing will help them maintain their independence;
- 83% of current residents believe that living in private sheltered housing helps maintain independence.

04 PRIVATE SHELTERED HOUSING IS A HOME FOR LIFE

- 66% of prospective residents strongly believe that moving into private sheltered housing will enable them to avoid the need to move into assisted living accommodation;
- 66% of current residents believe they will live longer in private sheltered housing;
- 86% of current residents believe that their home is a home for life.

05 "STAY PUT AND ADAPT" IS NOT THE BEST SOLUTION FOR MANY OLDER PEOPLE

- 29% of prospective residents spend more time on their own than they would like to;
 - 32% of current residents highlight companionship as the greatest advantage of private sheltered housing;
 - 66% of current residents enjoy their lifestyle more living in private sheltered housing than they did in their previous home;
 - 78% of prospective residents strongly believe moving into private sheltered housing will increase their security;
 - 84% of current residents moved into private sheltered housing to have better access to local shops and facilities. 81% did so to have supervision by a house manager. 60% did so in order to rid themselves of unwanted responsibilities.
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06 LOCAL ECONOMIES BENEFIT SIGNIFICANTLY FROM PRIVATE SHELTERED HOUSING SCHEMES

- One in three current residents walk to the local shops each day;
- 45% of current residents buy the bulk of their shopping within one mile of their private sheltered housing scheme, with 65% travelling no further than two miles;
- 62% of private sheltered housing residents prefer to shop in local centres rather than major town centres;
- Each week, a typical private sheltered housing scheme generates £11,735 in resident spending (£610,000 per year), generating an additional £1,750 per week (£92,000 per year) in local spending compared to what would have been generated in a conventional high density housing scheme (deadweight). Over the lifetime of a scheme, this equates to around £2.3 million more in local spending than would have been generated by a conventional scheme.

07 PRIVATE SHELTERED HOUSING SCHEMES ALLEVIATE PRESSURES ON THE NHS

- Only 21% of current residents have received inpatient medical care in the last 12 months. Amongst this group, the average number of nights of inpatient care is 7.4, under half the average for the national population aged 75+. This saves the NHS £2,598 per resident receiving inpatient care per year;
- The average number of visits per annum to a GP by current residents is 4.2 compared to 6 visits amongst the national population aged 75+;
- 41% of residents confirm that their health has improved since moving into private sheltered housing;
- 55% of current residents class their health as very good/ good.

08 PRIVATE SHELTERED HOUSING SCHEMES INCREASE THE AVAILABILITY OF ORDINARY LOCAL HOUSING STOCK

- 23% of those moving into private sheltered housing sell their previous homes to families;
- 43% of those moving into private sheltered housing sell to couples;
- 45% of current residents moved within five miles of their previous homes;
- 85% of those who purchase private sheltered housing flats will downsize from houses to do so.

09 PRIVATE SHELTERED HOUSING OFFERS SUFFICIENT SPACE AND HIGH STANDARD SPECIFICATIONS FOR OLDER PEOPLE

- 71% of prospective residents believe that they do not need to live in a house as big as the one they currently live in;
- 71% of current residents moved to private sheltered housing to meet their specific design and mobility needs.

10 PRIVATE SHELTERED HOUSING TRANSFORMS THE QUALITY OF LIFE OF ITS RESIDENTS

- 64% of current residents feel their sense of wellbeing has improved since they moved into private sheltered housing;
 - 78% of current residents believe that private sheltered housing helps to alleviate their worries and anxieties;
 - 88% of current residents believe that private sheltered housing helps to improve their personal security. 53% of current residents cite personal security as the biggest advantage of private sheltered housing;
 - 92% of current residents would recommend private sheltered housing and their way of life to their friends.
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Appendices

APPENDIX E: *Identifying the Health Gain from Retirement Housing by the Institute of Public Care*



Identifying the health gain from retirement housing

June 2012

Executive Summary

Key Points

1 The extent and impact of demographic change

- The 65+ population will increase by 51% and the 80+ population by 82%, over the next twenty years.
- Life expectancy is rapidly increasing. By 2051, additional life expectancy for men aged 65 is projected to be 25 years; for women aged 65 it is projected to be nearly 28 years.
- Half of all housing equity is held by people aged 65 and over.
- In 2010 older people made a net contribution to economic wealth of around £40 billion across the UK. This is predicted to rise to £77 billion by 2030.
- Whilst life expectancy is increasing, the period of life lived disability-free is hardly changing.
- In 2011 an estimated 3.5 million people aged 65+ lived alone. This is projected to increase to just over 4.2 million by 2020 and to almost 5.3 million by 2030.

2 Housing tenure and preference

- Over three quarters of people aged 65-74 are living in property that they own.
- Twice as many people prefer to move to some form of sheltered housing as compared to residential care.
- Over six million older people are interested in the idea of retirement housing, or would be in the future.
- Despite 76% of older people being home owners 77% of specialist housing is for rent and only 23% for sale. Fewer than 40,000 specialist housing units are Extra Care housing. In comparison there are over 18,000 care homes with some 470,000 places.

3 The health of older people

- Nearly half of all disabled people are aged 65 and over.
- It is estimated that a third of people aged over 65 will develop dementia at some point in their older age.
- Older people are more likely to be vulnerable to cold weather.
- Proportionally, older people are most at risk of a fall.
- The combined cost of hospitalisation and social care for hip fractures (most of which are due to falls) is estimated at £2 billion a year.
- Three quarters of all strokes occur in people aged 65 and over, and those aged 75 and over are nine times more likely to have a first ever stroke.
- Visual impairment leads to 90,000 falls per year in England and Wales at a cost of £130 million per year.
- One in four older people have symptoms of depression that require treatment.

4 What impact can housing have on health and well-being?

- Good housing design and housing adaptations can help reduce falls through removing or reducing home hazards
- Half of all fuel poor households include at least one person aged over 60 years and a quarter of fuel poor households include an occupant over 75 years old.
- Excess winter deaths are almost three times higher in the coldest quarter of housing than in the warmest.
- Residents with bedroom temperatures at 21°C are 50% less likely to suffer depression and anxiety than those with temperatures of 15°C
- There is a 30% increased risk of hip fracture in older women if they are suffering from depression.
- In homes that have received home energy improvements, almost a quarter of respondents report an easing of chronic conditions such as arthritis.
- Social isolation among older people is exacerbated by living in a cold home. 11% of people aged 65 or over are often or always lonely.

5 The retirement housing choice

Designated housing	Specialist housing/ sheltered housing	Very sheltered / extra care / assisted living / retirement communities
•Housing designed to be purchased by or allocated to older people but with no additional services other than those widely available within the community	•Housing schemes with some elements of support built in. This maybe through having access to a warden or scheme manager and alarm systems.	•Schemes which have 24 hour care and support available either on site or close by. Some larger schemes may have a care home on site.

Key features

- Designated land and accommodation
- Warm accessible accommodation
- Companionship and security
- Access to care and support
- Emphasis on offering quality of life

6 What is the impact of retirement housing on the health of older people?

Health gain

Residents in specialist housing for older people can have a significant positive impact on health.

- Extra Care housing produces considerably lower rates of mortality than a matched sample in care homes. Over 40% of people have a better level of physical functioning after moving.
- Specialist housing is associated with a reduced level of expected nights spent in hospital. This is estimated as producing an annual cost saving to the NHS of £2,598 per resident per annum.
- A significant proportion of those who enter Extra Care housing with care needs will go on to experience an improvement in their health corresponding to a reduction in the care package received.
- Residents of Extra Care housing are less likely to enter institutional accommodation.
- Over 50% of residents believe that private sheltered housing helps to promote good health. More than half of all residents (55%) consider their health to be good or very good.
- On average residents of retirement living schemes experience a 35% improvement in mobility and 20% in functions of daily living. There is also a 25% reduction in the use of medication by residents.
- The fall rate in the Extra Care housing population is 18% lower than in a similar advantaged population in receipt of care in the community.

Better use of health resources

- Health benefits for residents in specialist housing included fewer overnight stays in hospital and residents felt it easier to return home since moving to Extra Care housing (this finding is important because of the high costs of in-patient care). Over half (54%) of residents studied had received no outpatient treatment (of those that did, the mean number of visits was 1.7 times per year); and 13% had not needed to visit their GP in the last year.
- The Bradford study of an Extra Care housing scheme, Rowanberries,¹ found that the better health enjoyed by those living in the scheme led to a 50% reduction in health care costs through a reduction in the intensity of nurse consultations and hospital visits.

¹ *Bäumker et al (2008). Costs and outcomes of an Extra Care housing scheme in Bradford. Joseph Rowntree Foundation.*

Quality of life and well-being

- In a study conducted with McCarthy and Stone residents in specialist housing, 92% reported themselves as very happy or mainly contented with their new accommodation and, when asked if they would recommend where they lived to others in similar circumstances, 57% gave a 10 out of 10 positive score and only 5% gave a score of less than five.
- The Bradford study found that *"A purpose built environment, along with increased opportunities for social interaction with a peer group as well as the care and support on offer, will generate a greater sense of well-being and improved health status or maintenance of health status"*².
- Biggs' study found that *"Residents not only lived longer than expected but achieved a quality of life far exceeding that experienced by residents in traditional homes, becoming ill at a lower rate than is usual."*

In a study undertaken by Greenwood and Smith³ the positive contribution that Extra Care housing made to the health and well-being of occupants was attributed to:

- Being in a safer, warmer, more accessible environment in comparison to where people had lived before
- A reduction in social isolation due to increased social contact and companionship
- The recognition by staff of previously unrecognised health and care needs

In a series of interviews conducted by the Institute of Public Care (IPC) for the Housing Corporation⁴, managers were asked to assess the impact on health and well-being of a move to Extra Care housing. The responses were as follows:

Table 5: Managers views of the gains from Extra Care Housing			
Area of Improvement	Number of schemes		
	In all cases	In some cases	In no cases
Greater interaction & involvement	15	14	
Improved self-care	6	26	
Sense of improved health & wellbeing by the individual	14	21	
Improved mobility function	3	27	1
Increase in sensory ability	3	23	6

² Croucher K et al (2006). Housing with care in later life. Joseph Rowntree Foundation

³ Greenwood C and Smith J (1999). Sharing in Extra Care. Hanover Housing Group.

⁴ Housing Corporation (2007). Raising the stakes: Promoting Extra Care housing.

Table 5: Managers views of the gains from Extra Care Housing

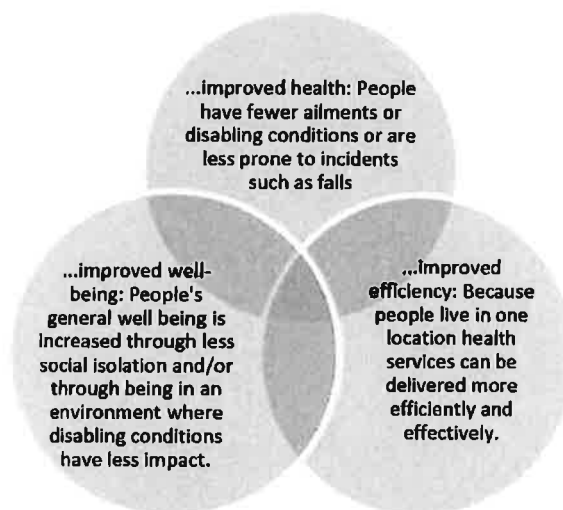
Area of Improvement	Number of schemes		
	In all cases	In some cases	In no cases
Improvement in being able to undertake daily living function	9	26	
Improved sense of independence	20	15	
Improved mental health	4	25	5
Increased feelings of happiness & enjoyment	16	19	

Economic Benefits

Frontier Economics, for the Homes and Community Agency, estimated that the net impact of capital funding for specialist housing on the cost of wider public services is a saving of £444 per person per annum. *N.B. Their estimates were mainly directed at housing for rent, the gain would be greater where owner occupiers purchased housing using their own assets.*

When combined with the economic benefit of freeing up family housing then an estimate of minimum net gain from a moderate increase in the supply of retirement housing suggests that by 2033 the saving could be at least £307 million per annum⁵.

Retirement
housing offers...



⁵ Calculated on the basis of; an annual saving of £629 per person per annum in owner occupied housing suitable for older people, 320,000 housing units developed over the 20 years, plus the 105,000 units that already exist and a saving of £40 million per annum through 'trickle down' in freeing up family housing.

7 Conclusions

For local communities more owner occupied retirement housing offers:

- A reduction in expenditure on health provision through people purchasing into retirement housing schemes using their existing equity.
- A release of family housing through older people moving.
- A stimulus to local economies through increased housing development.

For older people more retirement housing offers:

- An improved lifestyle and health gain.
- A lessening of anxiety about their existing accommodation that people find increasingly hard to maintain.
- The potential to hold onto a substantial amount of their existing housing equity.
- Reduced heating and maintenance bills