
Report to The Planning Bureau - McCarthy & Stone

**PROPOSED DEVELOPMENT OF
RETIREMENT LIVING
ACCOMMODATION FOR SALE AT
3-5 CRAVEN ROAD, READING. RG1 5LF**

**Evidence of housing demand and
supply**

Three Dragons and Celandine Strategic Housing

SEPTEMBER 2017



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1. EXECUTIVE SUMMARY

Methodology

- 1.1 Three Dragons and Celandine Consulting were commissioned in August 2017 by The Planning Bureau Ltd. to undertake a housing need and demand study for a McCarthy & Stone Retirement Living development proposal on a site at 3-5 Craven Road, Reading. The site lies within the Reading Borough Council (RBC) administrative area. The development is to comprise 24 properties of sheltered retirement housing, 21 two bedroom and 3 one bedroom apartments. The study was required to consider the need for retirement housing in light of the availability of owner occupier accommodation for the older population and forecast demographics and modelled need to support such provision.
- 1.2 This report puts forward detailed information on the supply of housing for older people in the RBC area. An undersupply of sheltered housing for sale is a key feature of the local market. The report describes the wider benefits of this type of provision, how it can meet the housing requirements of the Council and an important sector of the community and how it relates to the planning, housing and care policies of RBC and its partners.
- 1.3. The study has been carried out in the context of national policy, evidence and good practice relating to meeting the housing needs of older people. This is summarised at Appendix 1.
- 1.4. The study was undertaken in September 2017. It drew on published information sources including:
 - Reading Borough Council Core Strategy, Adopted 2008, Alteration Adopted 2015
 - Reading Sites and Detailed Policies Document, Adopted October 2012, Alteration Adopted January 2015
 - Reading Draft Local Plan, 2017
 - Reading Borough Council Annual Monitoring Report (AMR) 2015-2016, published December 2016
 - Firm Foundations: Reading Borough Council Housing Strategy 2009-2014
 - Berkshire (including South Bucks) Strategic Housing Market Assessment (SHMA), February 2016
 - Reading Private Sector House Condition Survey 2013 published January 2014
 - Reading Borough Council Market Position Statement 2016-2019
 - Health and Wellbeing Strategy 2017-2020
 - Housing and Economic Land Availability Assessment (May 2017).
- 1.5. We have also undertaken an analysis of older persons' housing demand and supply in RBC using two of the methodologies recommended in "Housing in Later Life"¹: the Retirement Housing Group (RHG) model and the Contact Consulting model. Both these methodologies focus on demand from existing households and both suggest that potential demand for retirement housing for home ownership is higher than current provision.

¹ Housing in Later Life: planning ahead for specialist housing for older people, Housing LIN and others, December 2012

Definitions and Terminology

- 1.6. This report distinguishes between various types of specialist older persons' accommodation including:
- a. Sheltered housing (otherwise known as Retirement Living) which offers support but not care
 - b. Enhanced Sheltered (sheltered accommodation where additional support and services can be provided)
 - c. Extra Care (including McCarthy and Stone Retirement Living Plus) which provides a wider range of care.
- 1.7. Other technical terms and acronyms are explained in the Glossary at Appendix 2.

The Case for Development

- 1.8. **Older people living in specialist accommodation enjoy better health and make fewer demands on health and social care services. They feel more secure and enjoy improved quality of life. Planning practice guidance from DCLG has identified a “critical need to provide housing for older people given the projected increase in the number of households aged 65 and over accounts for over half of the new households”².** Private retirement accommodation can meet the needs of many older people and can contribute to maintaining independence and minimising the health impacts of ageing, hence keeping down the cost of care to individuals and to the local authority.
- 1.9. **There is a shortage of specialist older persons' housing for sale in RBC. Depending on the methodology used for estimating demand, current demand for sheltered housing for sale or shared equity is estimated to be in a range between 173 and 268 units.** The need for this type of accommodation can be expected to rise over the next 20 years: the SHMA advises that “Given the ageing population and higher levels of disability and health problems amongst older people there is likely to be an increased requirement for specialist housing options moving forward”³. **Provision of the proposed scheme of 24 units for sale will help to reduce the shortfall. It can free up family housing which is currently under-occupied.**
- 1.10. A substantial proportion of property in RBC is unsuitable for older people due to design or condition. These factors become more significant for older people as their health, mobility and financial situation change.
- 1.11. The ageing population has been highlighted as a concern from a health and social care perspective particularly in terms of the impacts of loneliness and social isolation:

² Department for Communities and Local Government Household Projections 2013

³ Para 9.27, *ibid*

“National data indicates that 10% of people aged 65+ are ‘chronically lonely’ this translates to 1,720 chronically lonely older people in Reading.”⁴.

- 1.12 **The Council recognises older people as an important group whose needs should be planned for.** Policy DM7: Accommodation for Vulnerable People and supporting text make clear the need for accommodation that enables independent living rather than residential or nursing homes: *“for the most part, accommodation that supports more independent living is required, rather than large new nursing homes. This may include extra-care housing, supported living and sheltered housing.*
- 1.13 The Core Strategy and draft Local Plan recognise that **a range of specialist accommodation will be required** for older people: *“The SHMA also assessed the need for specialist accommodation for older people, for example, and identified a need for 1,189 homes to 2036”⁵*- 997 of which should be for home ownership. The type and tenure of accommodation required are not specified in the draft Local Plan.
- 1.14 **The supply of specialist accommodation for home ownership is limited in comparison with demand. Despite a high level of owner occupation among older households and a preference to continue in home ownership, there is an oversupply of social rented sheltered accommodation and an undersupply of sheltered accommodation for home ownership.**
- 1.15 Central Reading⁶ is an area identified by the Council as a suitable location for development.
- 1.16 **Whichever aspect of this issue is considered, there is a clear and unmet need for a range of specialist retirement housing options for local people, primarily home owners. The proposed McCarthy and Stone Retirement Living scheme can make a positive contribution to meeting this need.**

⁴ P15, Reading Health and Wellbeing Strategy 2017-2020

⁵ *ibid*

⁶ Policy CS15: Location, Accessibility, Density and Housing Mix, Reading Core Strategy and para 3.2.1 Draft Local Plan

2. LOCAL POLICY CONTEXT

- 2.1 This section considers the policies and the evidence base relevant to the provision of Retirement Living accommodation in the Reading Borough Council (RBC) area.
- 2.2 RBC has statutory responsibility for Housing, Planning and Adult Social Care.
- 2.3 This report has been prepared with reference to the following strategies, policies and plans published by RBC and its partners:
- Reading Borough Council Core Strategy, Adopted 2008, Alteration Adopted 2015
 - Reading Sites and Detailed Policies Document, Adopted October 2012, Alteration Adopted January 2015
 - Reading Draft Local Plan, 2017
 - Reading Borough Council Annual Monitoring Report (AMR) 2015-2016, published December 2016
 - Firm Foundations: Reading Borough Council Housing Strategy 2009-2014
 - Berkshire (including South Bucks) Strategic Housing Market Assessment (SHMA), (February 2016)
 - Reading Private Sector House Condition Survey 2013 published January 2014
 - Reading Borough Council Market Position Statement 2016-2019
 - Health and Wellbeing Strategy 2017-2020.
 - Housing and Economic Land Availability Assessment (May 2017).

Housing and the needs of older people are priorities for RBC. The 2008 Core Strategy described the local housing market as booming with sale prices and rents well above what many local people can afford⁷. Despite the ensuing housing market crash and economic recession, the current Draft Local Plan shows that Reading continues to thrive economically but faces “a housing crisis”⁸ due to a shortage of homes. A specific policy⁹ is in place to guide the design and location of specialist housing for older people: *“accommodation that supports more independent living is required, rather than large new nursing homes. This may include extra-care housing, supported living and sheltered housing”*¹⁰.

District Profile

- 2.4 Reading has the fourth largest urban area in South East England¹¹ with a growing population estimated at 160,800 in 2014¹². Reading is an economically successful major employment centre to which workers travel in from other local authority areas, *“placing strain on the*

⁷ Para 1.1.6, Reading Core Strategy 2008, Altered 2015

⁸ Foreword to Draft Local Plan

⁹ Policy DM7: Accommodation for Vulnerable People, RBC Sites and Detailed Policies Document, Adopted October 2012, Alteration Adopted January 2015

¹⁰ Para 5.3.4, RBC Sites and Detailed Policies Document, Adopted October 2012, Alteration Adopted January 2015

¹¹ Reading Borough Council Market Position Statement, 2016-2019

¹² Para 1.2.2, Draft Local Plan, 2017

*transport network and on the housing market*¹³. It is also a UK top-ten retail destination with a thriving night-time economy¹⁴.

- 2.5 The 2008 Core Strategy reported the age profile of the District's population as younger than the sub-regional average, *"Whilst, in common with most areas, there is an ageing population, Reading nonetheless has a younger population profile than many of its neighbours"*¹⁵.
- 2.6 Despite the younger age profile, the ageing population has been highlighted as a concern from a health and social care perspective, particularly in terms of the impacts of loneliness and social isolation:
*"A wealth of evidence has emerged in the last few years about the significant negative impact of loneliness on physical and emotional health – now seen as on a par with smoking for the elderly"*¹⁶. *"National data indicates that 10% of people aged 65+ are 'chronically lonely' this translates to 1,720 chronically lonely older people in Reading."*¹⁷
- 2.7 Data from the 2011 Census (see section 3 of this report) shows that a high proportion of older people living in the district are homeowners: 74% of those aged between 65 and 74, 75% between 75 and 84 and 72% of people aged 85 and over.

Planning Policy and Performance

Local Plan/Core Strategy

- 2.8 Reading Core Strategy, adopted January 2008 and Altered in January 2015, is the current statutory development plan for the RBC area and sets out the strategic policies for development and conservation of the district up to 2026. RBC has started work on a new Local Plan setting out how Reading will develop up to 2036. According to the RBC website, consultation on a Draft Local Plan took place between during May and June 2017 with adoption of the final Local Plan as Council policy, replacing the Core Strategy, expected in early 2019.
- 2.9 Reflecting inequalities among current residents, the vision of the Core Strategy is *"to maintain and improve the quality of life in Reading, embracing the challenges of a dynamic, inclusive urban community of the 21st century. Everyone will have the opportunity to benefit from all that Reading can offer. Everyone has a part to play in shaping its future"*¹⁸. It identifies that an annual average of 521 new homes is required in RBC area during the period 2016 to 2026¹⁹. Draft Local Plan Policy H1: Provision of Housing increases this figure to 658 homes per annum for the period 2013 to 2036²⁰.

¹³ Para 1.2.3, Reading Core Strategy 2008, Altered 2015

¹⁴ RBC Market Position Statement

¹⁵ Para 1.2.2, Reading Core Strategy 2008, Altered 2015

¹⁶ P15, Reading Health and Wellbeing Strategy 2017-2020

¹⁷ *ibid*

¹⁸ Para 3.2, Reading Core Strategy 2008, Altered 2015

¹⁹ Policy CS14: Provision of Housing, Reading Core Strategy 2008, Altered 2015

²⁰ P65, Reading Draft Local Plan

- 2.10 The Draft Local Plan indicates that the existing urban area, including central Reading, where the proposed development site is located, will be the focus for future development.²¹

Consideration of Older People in Current and Emerging Planning Policy

- 2.11 **The Core Strategy recognises that older people are an important group whose needs should be planned for.** In terms of affordable housing, **priority needs, in 2014, were for family sized housing, specialist accommodation for vulnerable people and extra care housing**²².
- 2.12 Policy DM7: Accommodation for Vulnerable People makes clear the need for accommodation that enables independent living rather than residential or nursing homes:
*“(i) Development providing specialist accommodation for vulnerable people will address the identified needs, which are primarily for accommodation that enables occupants to live as independently as possible, particularly for older people and people with physical disabilities.”*²³
- 2.13 Supporting text specifies the type of accommodation that will be acceptable:
*“for the most part, accommodation that supports more independent living is required, rather than large new nursing homes. This may include extra-care housing, supported living and sheltered housing. Depending on factors including the level of care provided, this may fall into either the C2 or C3 use classes.”*²⁴ The Policy gives no indication of tenure requirements.
- 2.14 The indicator for delivery of Policy DM7 is the amount of additional extra-care housing developed (the target being 120 by 2012, increasing to 240 at 2014)²⁵.
- 2.15 The RBC draft Local Plan includes nine Objectives, three of which have particular relevance for older residents:
- *“Make the best use of Reading’s limited land to ensure that as many new homes as possible are delivered to meet identified needs, particularly needs for affordable housing;*
 - *Improve the quality of life for those living, working, studying in and visiting the Borough, creating inclusive, sustainable communities with good access to employment, open space and waterspace, transport, education, services and facilities (such as sustainable water supplies and wastewater treatment, healthcare services, social and community facilities, sport and recreation, etc.) to meet identified needs;*

²¹ Para 3.2.1, *ibid*

²² Policy CS16: Affordable Housing, Reading Core Strategy 2008, Altered 2015

²³ Policy DM7: Accommodation for Vulnerable People, Sites and Detailed Policies Document, Adopted October 2012, Alteration Adopted January 2015

²⁴ Para 5.3.4, *ibid*

²⁵ P33, *ibid*

- *Ensure that Reading is a healthy, clean, safe and socially-inclusive community where the needs of all its citizens are met by high quality, cost effective services and outstanding levels of community involvement*²⁶.

- 2.16 Draft Policy H3: Affordable Housing is consistent with existing Policy CS16, stating that priorities for affordable housing development are *“family sized housing, specialist accommodation for vulnerable people and extra care housing for the elderly*²⁷”. Similarly, Draft Policy H5 and supporting text continue the current policy approach, identifying the need for specialist accommodation that will enable independence including extra-care housing, supported living and sheltered housing.²⁸ It is reported that within the overall housing requirement, *“The SHMA also assessed the need for specialist accommodation for older people, for example, and identified a need for 1,189 homes to 2036*²⁹. The type and tenure of accommodation required are not specified in the draft Local Plan.
- 2.17 An open market sheltered scheme, providing self-contained, independent accommodation in central Reading, an area recognised by the Council as a location suitable for housing growth can assist in delivering the Core Strategy and emerging objectives and policies.

Reading Borough Council Annual Monitoring Report (AMR) 2015-2016, published December 2016

- 2.18 The AMR reports 751 housing completions for the monitoring year 2015-2016 – a higher figure than both the Core Strategy and draft Local Plan targets and the highest since 2008-2009.
- 2.19 Policy DM7 set a delivery target of 120 units of affordable Extra Care housing by 2012, increasing to 240 at 2014. Within the designated period, no affordable Extra Care housing was delivered in 2013/14³⁰. As no information was provided regarding the delivery of market specialist housing for older people, it is not possible to assess the delivery of specialist housing for older people across all tenures.

Local Housing Priorities

Housing Strategy

- 2.20 The RBC website list of strategies and plans does not include a housing strategy. Firm Foundations: Reading Borough Council Housing Strategy 2009-2014 is listed among “Old strategies that may still be of interest”. This appears somewhat unusual when the Foreword to the Draft Local Plan states that *“Reading faces a housing crisis. There are not enough homes in general, and there is a particularly acute need for affordable housing”*.

²⁶ Para 2.1.1, Reading Draft Local Plan

²⁷ Para 4.2.22, *ibid*

²⁸ Para 4.4.38, *ibid*

²⁹ *ibid*

³⁰ Policy DM7: Accommodation for Vulnerable People, Sites and Detailed Policies Document, Adopted October 2012, Alteration Adopted January 2015

- 2.21 Firm Foundations identified older people as one of the fastest growing groups in the population: *“the number of older people within the town will show an increase overall, predominantly in the 60-79 year olds.”* Strategic Objective 2 was to Increase the availability of appropriate specialist accommodation for those that need it³¹. One of the actions proposed to meet this Objective was to *“Increase choice and availability of appropriate accommodation for our aging population”*³².

RBC Market Position Statement (MPS) on Care for Older People 2016-2019

- 2.22 This publication reports that five Extra Care Housing schemes have been completed with another due to open in 2018: *“We believe that by 2018 this provision will meet the demand for extra care.”*³³ Neither the MPS nor Firm Foundations recognises a role for sheltered accommodation for sale.

Berkshire (including South Bucks) Strategic Housing Market Assessment (SHMA), (February 2016)

- 2.23 The SHMA, identifying housing market drivers and policy implications across Berkshire and South Buckinghamshire shows the Reading population (as per 2013 midyear estimate) as 159,200 - the highest of the seven participating local authorities³⁴.
- 2.24 Reflecting other sources of data, the Reading population is reported to have a younger profile than surrounding local authorities with 11% aged 65 and over³⁵. In total, 18,840 older people were estimated to live in Reading in 2013³⁶.
- 2.25 Housing demand from older people is shown to be a home ownership issue, rather than an area where specialist affordable housing is required. A total of 73.2%³⁷ of older people in RBC were found to be homeowners – 67% owning their home outright and 6.2% with a mortgage.
- 2.26 There is considerable scope to encourage downsizing as 4,646 older home owner households lived in homes in Reading with at least two more bedrooms than technically required by the household.³⁸
- 2.27 The SHMA advises that *“Given the ageing population and higher levels of disability and health problems amongst older people there is likely to be an increased requirement for specialist housing options moving forward”*³⁹. This statement is based on analysis of data from Housing LIN and the report authors’ demographic projections. Analysis concluded that there was a supply of 128 specialist units per 1,000 people aged 75 and over across the study area - lower than the national average of about 170 units per 1,000 persons aged 75 and over. Calculation of

³¹ P35, Firm Foundations, Reading Housing Strategy 2009-2014

³² P42, Firm Foundations, Reading Housing Strategy 2009-2014

³³ P24, RBC Market Position Statement on Care for Older People 2016-2019

³⁴ Para 3.2, Berkshire (including South Bucks) Strategic Housing Market Assessment (SHMA), (February 2016)

³⁵ Table 20, *ibid*

³⁶ Table 109, *ibid*

³⁷ Fig 105, *ibid*

³⁸ Table 112, *ibid*

³⁹ Para 9.27, *ibid*

the number of additional units might be required by 2036 was modelled on two assumptions: 1) maintaining the position of 128 specialist units per 1,000 people and 2) increasing the supply to 170 specialist units per 1,000 people. Net need for Reading at 128 units per 1,000 is estimated at 1,188 units; at 170 units per 1,000, it is 1,191⁴⁰.

- 2.28 The SHMA goes on to estimate tenure requirements based on forecast estimated tenure of older households. It assumes that in the longer term the proportion of home owners in Reading will decrease, due to an increase in the proportion of older single person households⁴¹. The authors argue that single people are less likely to be home owners than couple households. The SHMA estimates that, over the period to 2036, 64% of older households in Reading could afford home ownership, concluding that there is net need of 997 units of market accommodation and 192 units of affordable accommodation in Reading⁴². The SHMA does not break down the estimated need into requirements for sheltered and Extra Care housing, suggesting that decisions about mix should be taken at a local level taking account of specific needs and the supply at the time of different types of units available⁴³.
- 2.29 **The SHMA presents clear evidence that housing demand among older people is high, particularly for home ownership but without making a clear distinction between demand for different types of specialist housing.**

Housing Quality

- 2.30 Recent information regarding the condition of the private sector housing (rented and owned) in Reading shows that a higher than average proportion of the housing stock was constructed before 1919⁴⁴ and 42% of homes were terraced houses⁴⁵. These property types tend to be less accessible, more difficult to adapt and to heat.
- 2.31 Assessment of hazards in the home representing a risk to health or safety (HHSS Category 1 hazards) showed by far the most common hazard was excess cold⁴⁶. This affected 3,672 dwellings - 69.7% of dwellings with a Category 1 hazard. 31.5% of hazards related to the risk of falls in the home.
- 2.32 It is clear that there is a greater than average proportion of RBC private housing stock is unsuitable for older residents who can become less mobile and are particularly vulnerable to cold and risk factors such as trips and falls.

Reading Health and Wellbeing Strategy (HWS) 2017-2020

- 2.33 This Strategy produced by Reading Health & Wellbeing Board (HWB) takes a very high level view of meeting the health needs of the community. The HWB mission for the next three years is:

⁴⁰ Table 118, *ibid*

⁴¹ Para 9.34 *ibid*

⁴² Para 9.34, *ibid*

⁴³ Para 9.37, *ibid*

⁴⁴ Para 5.2, Reading Private Sector House Condition Survey 2013 published January 2014

⁴⁵ Figure 7, *ibid*

⁴⁶ p86, *ibid*

“to improve and protect Reading’s health and wellbeing - improving the health of the poorest, fastest”.

- 2.34 Joint Strategic Needs Assessment data comparing the health needs of people in Reading with the national picture confirms the age profile reported in RBC documents: fewer older people than other Berkshire authorities and a relatively small increase in this population expected compared to other areas. It is predicted that there will be around 31,300 residents of Reading aged 65+ by 2037.⁴⁷
- 2.35 Despite the comparatively small older population, the HWS recognises the health implications of loneliness and social isolation and the benefits of addressing this for older people themselves and for the NHS⁴⁸.
- 2.36 The action plan which accompanies the HWS focuses on improving understanding of needs and transport and community resources available to combat loneliness and isolation. There is no reference to the potential benefits of specialist housing.

Supply of Specialist Housing to Meet Need

- 2.37 The current Elderly Accommodation Counsel (EAC) database of retirement accommodation data for Reading Borough Council and the South East are presented in Table 2.1. The EAC lists 1,527 units of specialist retirement housing with care or support in the RBC area, of which 51.4% (785 units) were for sale. The level of supply – 167.8 units per 1,000 population aged 75 and over across all tenures - is above the national average of 116.5 (see Table 2.1 below) and is skewed towards social rented accommodation. **Choices for older homeowners are limited with provision of sheltered and Extra Care housing for sale being disproportionately low.**
- 2.38 This picture of insufficient accommodation for home ownership is confirmed by the EAC on-line directory of specialist accommodation⁴⁹. A search for specialist accommodation in the Reading area (excluding property for independent living with no additional facilities or services) generated 47 schemes: 24 for social rent, 22 leasehold sale, 1 mixed tenure.

⁴⁷ P9, Reading Health and Wellbeing Strategy 2017-2020

⁴⁸ P15, *ibid*

⁴⁹ <http://www.housingcare.org/>

Table 2.1. Specialist housing provision for older people - Data for Reading and South East

	Population aged 75+ (thousands)	Units of housing with support or care - rent	% for rent of all housing with support or care	Units of housing with support or care - sale	% for sale of all housing with support or care	Total units of housing with support or care	Units per 1000 of pop'n aged 75+
Reading Borough Council	9.1	785	51.4%	742	48.6%	1,527	167.8
South East	777.2	15,973	70.5%	6,688	29.5%	22,661	29.2
England	4,427.9	388,630	76%	127,036	24%	515,666	116.5

Source: EAC Key Data Report, 2015. Note that revised population projections have been published since compilation of the EAC data. Figures in bold given here are based on the 2014 subnational population projections <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/datasets/localauthoritiesinenglandtable2>

Local Supply Available for Sale

2.39 Analysis of Rightmove data of specialised retirement properties available for sale in RBC, carried out on 26 September 2017, confirmed the findings of the SHMA and other sources that there is a limited choice available. 56 retirement properties were listed for sale in RBC:

- 36 x 1bed in price range £77,000 to £215,000 (including 3 shared ownership properties)
- 20 x 2beds in price range £99,950 to £265,000 (including 2 shared ownership properties)

2.40 A search of the EAC on-line directory for specialist accommodation in Reading confirmed a high level of social rented accommodation. 1,658 properties were listed, of which social rent accounted for at least 889 homes - 54% of the total supply.

Neighbourhood Planning

2.41 According to the RBC website, no Neighbourhood Plans are being developed in central Reading.

Conclusions

2.42 **The current and emerging strategies and policies of RBC and its partners show awareness of the housing needs of older people as an issue of increasing importance but take quite a narrow view of the type of accommodation required, focusing on affordable housing and Extra Care accommodation. Policies overlook the potential of specialist sheltered**

accommodation for home ownership to enable people to find their own solutions to accommodation and support needs.

- 2.43 **Issues specific to Reading that stand out from our analysis are the need to build almost 1,000 units of market accommodation by 2036⁵⁰ as identified in the SHMA and the poor quality of the existing stock which is older, colder and less accessible than the English average.**
- 2.44 **Despite a high level of owner occupation among older households and a preference to continue in home ownership, there is an oversupply of social rented sheltered accommodation and an undersupply of sheltered accommodation for home ownership.**
- 2.45 The proposed development at the site of 3-5 Craven Road, Reading will provide accommodation which is better suited to the needs of older people and can assist RBC in meeting those needs. Accessible and built to high standards of insulation, the properties will be less costly to heat than older, larger homes, thereby helping to deliver affordable warmth. There is also evidence of the potential for larger homes to be released onto the market for larger households.

⁵⁰ Para 1.13, Berkshire (including South Bucks) Strategic Housing Market Assessment (SHMA), (February 2016)

3. FORECASTING SPECIALIST HOUSING DEMAND IN READING

- 3.1 We have modelled potential demand for specialist retirement housing in Reading using two different approaches: the Retirement Housing Group (RHG) Model and the Contact Consulting Model, both of which are recommended in “Housing in Later Life⁵¹.”
- 3.2 Currently in England an estimated **8% of households aged 65 and over live in specialist retirement housing (515,666 dwellings)**⁵². Research for the Housing Lin⁵³ suggests that, based on comparisons with the USA and Australia where the stock of older persons’ housing is higher and those people who wish to live in specialist accommodation have a practical option to do so, the proportion of older person households moving into specialist retirement housing could be as high as 13-17%. Analysis of SHMA findings from surveys of over 13,500 households aged 50 plus suggests that around 20% of all older households would consider moving to specialist retirement housing if it was available.

The RHG model

- 3.3 The RHG model is based on propensity to move. It assumes that 20% of older person households (aged 75 and over) would live in retirement housing if it was available. Analysis of residents of McCarthy and Stone properties⁵⁴ shows that a small proportion (18%) of residents are aged under 75. If we assume that this is the normal age distribution for households living in retirement housing, and we compare the total number of households in each age group living in retirement housing with those living in the general housing stock, then an estimated 2.5% of households aged 65-74 would live in retirement housing if it was available in their area and their chosen tenure. The RHG model therefore assumes that 20% of households aged 75 and over and 2.5% of households aged 65-74 would live in retirement housing if it was available⁵⁵. The RHG model analyses potential demand for specialist older persons’ accommodation by tenure working on the assumption that social and private renters require affordable rented retirement housing and that home owners require outright sale or shared equity accommodation. ONS census data from 2011 shows home ownership among households aged 65 and over in Reading was 74%⁵⁶, slightly lower than the national average of 75%⁵⁷. 74% of households aged 65-74 in Reading are home owners. For households aged 75 and over the comparable figure is also 74% (75% of households aged 75-84 and 72% of households aged 85 and over).

⁵¹ Housing Lin <http://www.housinglin.org.uk/Topics/type/resource/?cid=8654>

⁵² Based on a comparison of the total number of specialist older persons housing units at July 2015 (Source EAC) with the total number of households aged 65 and over taken from Household projections England 2012 table 414 <https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections>

⁵³ “Downsizing for older people into Specialist Accommodation” Janet Sutherland for Housing LIN February 2011

⁵⁴ Michael Ball: Housing Markets and Independence in Old Age fig 4.7

⁵⁵ A very small number of households aged below 65 live in McCarthy and Stone retirement properties. This is because McCarthy and Stone will accept households aged 60 and over. Households aged below 65 have been excluded from this calculation.

⁵⁶ DC4201EW - Tenure by ethnic group by age - Household Reference Persons – includes home owners with a mortgage

⁵⁷ DC4201EW - Tenure by ethnic group by age - Household Reference Persons

The Contact Consulting Model

- 3.4 The Contact Consulting Model⁵⁸ is based on anticipated levels of care or support needs among older persons. Drawing on data relating to limiting long term illness (LLTI) and difficulty in performing personal care and household tasks, it establishes norms for people who have assessable support and care needs, estimating that 251 per thousand people aged 75 and over would benefit from a move to specialised housing. The estimate of 251 persons per thousand population is then applied to households on the same basis (i.e. 25%)⁵⁹.
- 3.5 Care and support needs and the ability to manage LLTI conditions within this group will differ and requires a range of different solutions. This model provides a more detailed breakdown of demand by type of specialist housing required, distinguishing between:
- Sheltered housing for rent and sale
 - Enhanced sheltered housing for rent and sale
 - Extra Care housing for rent and sale
 - Dementia housing.
- 3.6 The proposed tenure split used in the Contact Consulting model for sheltered and Extra Care housing is 2:1 sale to rent; for enhanced sheltered it is 50:50 sale to rent. This tenure split is based on historic national norms for existing tenure of older persons living in general needs housing. We have undertaken the analysis using both the historic norms and the figure of 66% home ownership among households aged 75 and over from the 2011 Census data.

Results from the RHG Model

- 3.7 Table 3.1 shows potential demand for specialist older persons' housing provision in Reading using the RHG Model at 20% of older person households (aged 75+) and 2.5% of households aged 65-74. The table is based on projected household data for 2018 (the earliest date by which a McCarthy and Stone scheme in Reading is likely to be available). **1,631 existing households require specialist retirement housing.**

⁵⁸ Detailed information about how the model operates can be found in "Housing in Later Life"

⁵⁹ The Contact Consulting model forms the basis for the Housing LIN/ADASS Strategic Housing for Older People (SHOP) Resource Pack and SHOP@ analysis tool produced by the Housing LIN and endorsed by the Department of Health

Table 3.1. RHG model potential demand for specialist older persons housing 2018

RHG MODEL @ 20% 2018				
Household age	Aged 65-74	Aged 75-84	Aged 85+	Total
No of households (Source DCLG household projections area 9)	7,275	4,922	2,323	14,520
Requiring specialist retirement housing	2.50%	20%	20%	
RHG model estimate of potential demand from existing households	182	984	465	1,631
Requiring home ownership - based on proportion of home owners in 2011 Census	74%	75%	72%	
RHG model estimate of demand for home ownership	134	738	333	1,205
Assume all under 75s and 72% of 75 and over require sheltered with support (1)	134	531	240	905
Current supply of sheltered for sale (EAC)				696
Requirement for newbuild sheltered for sale				209

Note 1: Contact Consulting percentage of households requiring Sheltered Housing

- 3.8 The 2011 Census for Reading provides data on tenure by age. We have used this data to calculate the proportion of older person households requiring home ownership. It is therefore anticipated that of the 1,631 older person households who might require older persons housing, 1,205 households will require sale or shared equity housing. If the Contact Consulting split between sheltered and enhanced sheltered/Extra Care (72:28) for over 75s was applied to this figure then potential demand for sheltered housing for home ownership is 905 units.
- 3.9 Current supply of older persons accommodation in Reading⁶⁰ is 742 sale units (696 of which are housing with support and 46 housing with care) and 785 social rented units (541 of which are housing with support and 244 housing with care). Total specialist older persons housing amounts to 1527 units. The RHG model would suggest that **there is an overall shortfall of 209 sheltered for sale units including a requirement for shared equity.**

Results from the Contact Consulting Model

- 3.10 We have used the Contact Consulting methodology as outlined in “Housing in later life” to provide an alternative estimate of potential demand for specialist housing for older people, including a more detailed estimate by type of specialist accommodation required. This looks at total population aged 75 and over and makes estimates of demand for a range of types of specialist housing based on frailty and inability to perform routine domestic and personal care tasks. It assumes that 251 persons per thousand will require specialist accommodation. When expressed as the same percentage of households (25%) this indicates demand 1,818 **units of specialist older persons accommodation.**
- 3.11 **Using historic national tenure norms** the Contact Consulting methodology suggests that there is potential demand for 869 units of sheltered housing for home ownership or shared equity purchase compared with current supply of 696 units: **a shortfall of 173 units** (see Table 3.2 below). There is potential demand for 217 units of extra care housing for home ownership or shared equity purchase, plus 72 units of enhanced sheltered housing for sale or share equity purchase, compared with current supply of 46 units: **a combined shortfall of 243 units** (see Table 3.2 below). There is also a shortfall of specialist dementia care units. There is a surplus of sheltered housing for rent.

⁶⁰ Based on EAC data for supply Reading taken from “Statistics on Specialist Housing Provision for Older People in England” 2015

Table 3.2. Contact Consulting Model: Potential demand for older persons accommodation - household based estimate using historic tenure patterns

		Current provision	Increase or decrease required	Target number of units required	Target provision per 1k households 75+ 1,818
SH to rent		541	-106	435	60
SH for sale/shared equity (SE)		696	173	869	120
Enhanced SH	Rent	0	72	72	10
	Sale/SE	0	72	72	10
Extra Care	Rent	244	-135	109	15
	Sale/SE	46	171	217	30
Dementia Housing		0	43	43	6
TOTAL		1,527		1,818	251

(Note figures may not add due to rounding)

- 3.12 **Using more recent Census data for Reading** the Contact Consulting methodology suggests that there is potential demand for 964 units for sheltered housing for home ownership or shared equity purchase compared with current supply of 696 units: **a shortfall of 268 units** (see Table 3.3 below). There is potential demand for 241 units of extra care housing for home ownership or shared equity purchase, plus 107 units of enhanced sheltered housing for sale or share equity purchase, compared with current supply of 46 units: **a combined shortfall of 302 units** (see Table 3.2 below). There is also a shortfall of specialist dementia care units. There is a surplus of sheltered housing for rent.

Table 3.3. Contact Consulting Model: Potential demand for older persons accommodation – household based estimate using 2011 Census tenure patterns

		Current provision	Increase or decrease required	Target number of units required	Target provision per 1k households 75+ 1,818
SH to rent		541	-201	340	47
SH for sale/shared equity (SE)		696	268	964	133
Enhanced SH	Rent	0	38	38	5
	Sale/SE	0	107	107	15
Extra Care	Rent	244	-159	85	12
	Sale/SE	46	195	241	33
Dementia Housing		0	43	43	6
TOTAL		1,527		1,818	251

(Note figures may not add due to rounding)

Conclusions

- 3.13 We have appraised potential demand for specialist retirement housing using two alternative models, one of which is driven by the scale of potential need from persons who would

potentially benefit from a move to specialised housing, the other looking at propensity to move by age group.

- The RHG model suggests a need for **209** units of sheltered housing for sale or shared equity.
- The Contact Consulting model points to a need for **173** units of sheltered housing for sale or shared equity using historic national tenure norms and **268** units of sheltered housing using the current (2011) tenure split for Reading.

APPENDIX 1: THE CASE FOR SPECIALIST OLDER PERSONS' HOUSING PROVISION

Key Issues

- The older population will increase dramatically over the next 30 years – particularly the 'older old' aged 85 and over. Many more older people will face challenges to continued independent living due to health, location, financial circumstances or a combination of these factors.
- At present about 10% of older people move to specialist housing but there is potential for this figure to grow.
- There is a general undersupply of specialist housing for older people. This shortage is greatest in the private sector.
- National planning policy explicitly recognises the need to plan to meet the housing needs of older people. Local authorities are encouraged to assess those needs and to consider an appropriate range of options which should be encouraged in local planning policy.
- The provision of specialist retirement housing, particularly for home ownership, has a range of financial advantages enabling individuals to live more economically and to fund the cost of their own care.
- Improved health and wellbeing of older people, due to living in a safer and more socially interactive environment has a wider impact, reducing costs to health and other public services.
- Specialist housing enables older people to maintain their involvement in family and community life.

Definition

For the purposes of this report, specialist housing for older people is defined as housing built or available only for older people and usually featuring support or care services and other communal facilities.

Demographic change

1. **The older population is continuing to increase as a proportion of the population as a whole. Many more older people will be aged 85 and over, will live alone and/or will live in rural areas – all factors with implications for their ability to live independently⁶¹. At present almost 10% of older people move to specialist housing. The current supply of just over 500,000 units of specialist accommodation⁶² is inadequate to meet this level of demand (and there is evidence to show that demand could be substantially higher).**
2. **The latest UK population projections⁶³ show that the number of people aged 75 and over is projected to rise by 89.3%, to 9.9 million, by mid-2039. During that period the number of people aged 85 and over is projected to more than double, to reach 3.6 million and the**

⁶¹ Strategic Housing for Older People Resource Pack, Housing LIN, December 2011 (quoting a range of official sources)

⁶² Statistics on Specialist Housing Provision for Older People in England, Elderly Accommodation Counsel, 2015

⁶³ 2014-based population projections, Office of National Statistics, published October 2015

number of centenarians is projected to rise nearly 6 fold, from 14,000 at mid-2014 to 83,000. By mid-2039 more than 1 in 12 of the population is projected to be aged 80 or over.

3. According to current estimates⁶⁴, the number of households in England is projected to grow to 24.3 million in 2021, an increase of 2.2 million (10%) over 2011. This equates to around 221,000 households per year. The highest increase in the number of households is projected to be for those headed by someone between 55 and 64 years old (23% of total increase). **More than half (54%) of the increase in households is projected for households headed by someone aged 85 or over.**
4. Many older people live alone – a situation with implications for the ability to live independently and for mobility outside the home. The increase in the number of single person households is set to continue as the population ages with total single person older households projected to increase to 3.25m by 2021 (see Table A1). Many single older people are female: analysis of 2011 Census data shows that 87% of women aged 85 and over are widowed, single, separated or divorced⁶⁵. **In 2010, 61% of women aged 75 and over were found to live alone⁶⁶. This is the gender and age group that typically moves into McCarthy and Stone Retirement Living developments. In doing so they free up family housing which is currently under-occupied. 70% of owner-occupiers in England aged over 50 are under-occupying a family property⁶⁷.**

Table A.1. Single older person households in England – 2011-2021 (Source: 2011 household projections).

	2011	2021
Single person older households aged 65-74	989,000	1,040,000
Single person older households aged 75 and over	1,903,000	2,210,000
Total aged 65 and over (% change 12%)	2,892,000	3,250,000

National Housing and Planning Policy and Guidance

5. The Housing White Paper 2017 restated the Government's recognition that appropriate housing for older people should play a key role in enabling continued independent, good health and wellbeing in older age and releasing larger homes onto the market⁶⁸. Proposals include the development of a standard methodology for the local assessment of the housing needs of older people.
6. **Local authority planning policy should be in line with the National Planning Policy Framework⁶⁹ (NPPF) which refers specifically to the needs of older people and seeks to**

⁶⁴ Household Interim Projections, 2011 to 2021, England, DCLG, April 2013

⁶⁵ What the Census Tells Us about the Older Old, ONS, December 2013

⁶⁶ Page 10, A Better Fit, Shelter, 2012

⁶⁷ A Better Fit, Shelter, 2012

⁶⁸ Fixing Our Broken Housing Market - Housing White Paper, Department for Communities and Local Government, February 2017

⁶⁹ National Planning Policy Framework, Department for Communities and Local Government, March 2012

“boost significantly the supply of housing.” The NPPF states that: *“To deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities, local planning authorities should plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes) and identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand.”*

7. The NPPF recognises that older people are a diverse group requiring a range of different types of housing: *“Older people: People over retirement age, including the active, newly-retired through to the very frail elderly, whose housing needs can encompass accessible, adaptable general needs housing for those looking to downsize from family housing and the full range of retirement and specialised housing for those with support or care needs.”* (NPPF Glossary)
8. **National Planning Practice Guidance (NPPG) published in March 2014 reinforces the message that older people are an important group whose housing needs should be assessed and planned for in order to support their own wellbeing and the effective use of the housing stock. The NPPG sets out clearly how the housing needs of older people should be considered when assessing housing need and the benefits of doing so.** *“The need to provide housing for older people is critical given the projected increase in the number of households aged 65 and over accounts for over half of the new households (Department for Communities and Local Government Household Projections 2013). Plan makers will need to consider the size, location and quality of dwellings needed in the future for older people in order to allow them to move. This could free up houses that are under occupied⁷⁰.”*

The guidance requires the full range of need for older persons’ accommodation from *“particular types of general housing, such as bungalows”* through sheltered, enhanced sheltered, Extra Care, to registered care to be assessed and broken down by tenure.
9. National policy recognises the importance of the housing needs of older people while, through the Localism Act⁷¹, placing greater responsibility on local authorities to identify and plan to meet the housing needs of people in local communities.
10. Nick Boles, Planning Minister between 2012 and 2014, overtly recognised the need for specialised housing for older people, speaking out about the need for local authorities to encourage it and ensure that local policies do not act as a deterrent to development⁷².
11. The All Party Parliamentary Group on Housing and Care for Older People (HAPPI2) Plan for Implementation⁷³ found that it is vital to offer older people choice and opportunity

⁷⁰ How should the needs for all types of housing be addressed? Paragraph: 021 Reference ID: 2a-021-20140306 , NPPG, March 2014

⁷¹ Sections 6 and 7, Localism Act 2011

⁷² Building Magazine, 1 October 2013

⁷³ All Party Parliamentary Group on Housing and Care for Older People, November 2012

including the right housing and care solutions at the right time. It underlines the value of creating high quality retirement housing which is well-designed, accessible, companionable, manageable, secure and care-ready.

12. To help local authorities plan for housing an ageing population, a toolkit, “Housing in Later Life: planning ahead for specialist housing for older people” was published in December 2012⁷⁴. Developed by public and private sector bodies with expertise in retirement housing and with the support of the Department for Communities and Local Government, the toolkit provides advice for local planning authorities on how accommodation for older people can be delivered in line with the requirements of the NPPF. It also spells out the processes that could help the HAPPI2 objectives to be met. The analysis of older persons housing demand and supply employed in this report uses two of the methodologies recommended in “Housing in Later Life”: the Retirement Housing Group and Contact Consulting models.

Financial advantages of providing specialist older persons housing

13. **Specialist accommodation for older people can offer financial advantages for individuals, public services and for the economy at local and national level.**
14. **For individual older households, a move to a specialist property which is smaller, more accessible or easier to manage can generate savings on costs such as heating, repairs, home insurance, disabled adaptations, council tax, garden maintenance and personal care services.** Downsizing to a two-bedroom retirement property can relieve pressure on a household with a limited income by generating savings of around £1,500 per year after making provision for service charges and future maintenance costs⁷⁵.
15. **Equity released through downsizing can enable home owners to maintain their preferred lifestyle, meeting the cost of any care services they require without the need to apply for local authority-funded assistance or welfare benefits.** Evidence from a number of sources indicates that downsizing is growing in popularity among older homeowners. Research for Lloyds Bank⁷⁶ found that 45 per cent of [all] homeowners planning to sell within the next three years would like to downsize. More than a third of homeowners considering downsizing are doing so in order to support retirement plans and 29 per cent are doing so earlier than they expected. A separate survey⁷⁷ found that around one in five (18%) of over-55s – around a million people – plans to downsize in the next five years. While not all downsizers will move directly to specialist accommodation, this new evidence suggests that attitudes to moving home in older age are changing and the market for smaller and specialist housing will be correspondingly greater.
16. A new approach to the public funding of care will have implications for many older people. The Conservative General Election campaign in 2017 threw into question the implementation of Care Act 2014 provisions for financial support by the state for people

⁷⁴ Published jointly by the National Housing Federation, Tetlow King Planning, McCarthy & Stone, Contact Consulting and the Housing LIN

⁷⁵ Sizing Up the Situation, the advantages of downsizing, Hanover Housing and PriceWaterhouse Coopers LLP, July 2013

⁷⁶ Lloyds Bank press release 19 November 13

⁷⁷ Press release, Key Retirement Solutions, 29 April 2013

whose care costs exceed £75,000. The uncertainty arising from this may influence decisions about downsizing or moving to specialist accommodation. A desire to keep care needs and costs to a minimum may be a driver for moving to more accessible or manageable accommodation.

17. “Top of the Ladder”⁷⁸, a report analysing the combined impacts on individual wellbeing, the economy and the housing market of failing to tackle the supply of housing for older people, identified the potential to stimulate the housing market as a whole and the benefits of doing so for individuals and public services.

It said, “The chronic undersupply of 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.”

18. Key economic benefits identified by the “Top of The Ladder” report are:
- Provision of employment opportunities (“Developers calculate that a 40-unit scheme puts around £5 million into the local economy, with 50 people directly employed during construction and 17 jobs created in a typical Extra Care development.”)
 - Increased consumer spending
 - Self-funding of care
 - Preventative health benefits
 - The annual cost saving of delayed admission to residential care, estimated at £28,080.
19. Specialist housing also delivers benefits to local economies and communities, helping to sustain local shops and services. Research by Professor Michael Ball⁷⁹ found that 80% of retirement housing residents surveyed used the local shops almost daily or often and over 40% used the library or post office almost daily or often.
20. Capital investment in specialist housing has been shown by research by Frontier Economics⁸⁰ to result in a net benefit to the economy of £444 per older person per year. **The provision of specialist housing was found to result in reduced use of public services, particularly health and social care. In many cases, further moves to residential or nursing care were not required at all, representing a saving (at 2011 values) for the individual or the public purse of around £26,000 per person per year⁸¹.**
21. Reducing or preventing ill health in older age through provision of specialist housing also offers substantial potential savings for the National Health Service: older people account for 55% of GP appointments, 68% of outpatient appointments and 77% of hospital admissions. Falls and resultant fractures in people aged 65 and over account for over 4 million bed days

⁷⁸ Top of the Ladder, Demos, September 2013

⁷⁹ “Housing Markets and Independence in Old Age: Expanding the Opportunities” Professor Michael Ball, May 2011

⁸⁰ Financial Benefits of Investment in Specialist Housing for Vulnerable and Older People, Frontier Economics for the Homes and Communities Agency, 2010

⁸¹ Downsizing for older people into Specialist Accommodation Janet Sutherland Viewpoint 19 Housing LIN 2011

each year in England. Healthcare costs associated with fragility fractures are estimated at £2 billion a year⁸².

22. More suitable accommodation for older people can make the greatest impact on health services and budgets by⁸³:
- Enabling hospital patients to return home or to respite accommodation more rapidly (80% of emergency admissions who stay for more than 2 weeks are patients aged over 65)
 - Removing the source of chronic health conditions caused or exacerbated by housing conditions e.g. heart disease, mental health, stroke, pulmonary/ respiratory conditions, arthritis and rheumatism.

Quality of Life - Health and Wellbeing

23. **It has become increasingly accepted that specialist housing has beneficial impacts on mental and physical health, safety and security, enabling older people to live independently and continue or resume daily activities with greater confidence and sense of wellbeing. Studies show that the mental, emotional and physical health of residents often improves following a move to specialist accommodation.**
24. Companionship is an important feature of specialist housing. It has positive health impacts which older people living alone or with reduced mobility (e.g. due to loss of the ability to drive) may miss out on due to increasing isolation. A high proportion of older people, particularly those aged 75 and over, do and are projected to live alone. So, as the older population increases, the numbers of people affected in this way can be expected to rise. Studies show that acute loneliness and social isolation can impact gravely on wellbeing and quality of life. Health impacts identified include a significant and lasting negative effect on blood pressure, depression (either as a cause or as a consequence) and higher rates of mortality⁸⁴.
25. Findings from on-going JRF research⁸⁵ show older people are often the population group most at risk of suffering from loneliness. According to the Institute of Public Care (IPC)⁸⁶, one in four older people have symptoms of depression that require treatment. It is estimated that among those aged over 65, between 5% and 16% report loneliness and 12% feel isolated⁸⁷. Interventions to increase social participation, physical activity, continued learning and volunteering, and reduction of fuel poverty can prevent depression, particularly in older

⁸² Strategic Housing for Older People Resource Pack, Housing LIN, 2011

⁸³ Care and Repair England

⁸⁴ Various sources referenced in Preventing loneliness and social isolation among older people, Social Care Institute of Excellence, May 2012

⁸⁵ Neighbourhood Approaches to Loneliness, JRF, 2012

⁸⁶ Identifying the health gain from retirement housing, Institute of Public Care, Oxford Brookes University, June 2012 (quoting Heywood F and Turner L (2007). Better outcomes, lower costs. School for Policy Studies, University of Bristol on behalf of the Office for Disability Issues, Department for Work and Pensions.

⁸⁷ Greaves, C.J. and Farbus, L. (2006) "Effects of creative and social activity on the health and well-being of socially isolated older people: outcomes from a multi-method observational study", The Journal of the Royal Society for the Promotion of Health, vol 126, no 3, pp 133–142 as reported in Preventing loneliness and social isolation among older people, Social Care Institute of Excellence, May 2012

people. Improved mental health was found to be the most consistent health outcome of 'housing interventions'.

26. The IPC report concluded that improved health and wellbeing are likely to have the effect of prolonging independent living. A more recent survey⁸⁸ of residents of Retirement Villages with Extra Care showed that the vast majority of respondents hardly ever or never felt lonely, isolated, left out, or lacking companionship. Responses showed a lower level of loneliness than people living in the community.
27. Housing, loneliness and the effects of falls are seen as so important to the wellbeing of older people that the International Longevity Centre UK has recommended that Health and Wellbeing Strategies should incorporate plans for action on these issues.⁸⁹
28. Evidence that health improves and care needs reduce when frail older persons move to more accessible accommodation is also presented in "Some social consequences of remodelling English sheltered housing and care homes to Extra Care"⁹⁰ and the English House Condition Survey⁹¹.
29. **This evidence is supported by Professor Michael Ball's research⁹² which found 92% of residents of owner occupied retirement housing were very happy or contented with 93% being generally happier as a result of having moved. The great majority would recommend the accommodation to others. They play an active part in their local community and in most cases have family and friends in the locality.**
30. The Frontier Economics report⁹³ also showed that living in specialist housing contributes to reducing crime and fear of crime. Moving to accommodation with a higher level of security can dramatically reduce the rate of burglaries.
31. Features of specialist accommodation which contribute to good quality of life can be summarised from Professor Ball's findings as:
 - Location
 - Proximity to relatives and friends
 - Ease of living in accommodation
 - Sociability and security
 - Having a house manager present
 - The local environment
 - Good health facilities
 - Ease of travelling elsewhere.

⁸⁸ Village Life - Independence, Loneliness, and Quality of Life in Retirement Villages with Extra Care, Brian Beech for ILC-UK, 2015

⁸⁹ Public Health Responses to an Ageing Society, International Longevity Centre UK, November 2014

⁹⁰ Some social consequences of remodelling English sheltered housing and care homes to Extra Care, Wright Tinker et al. in *Ageing and Society*, Jan 2009

⁹¹ The English House Condition Survey 2007: Annual Report, Department for Communities and Local Government

⁹² Housing Markets and Independence in Old Age: Expanding the Opportunities, Professor Michael Ball | May 2011

⁹³ Financial Benefits of Investment in Specialist Housing for Vulnerable and Older People, Frontier Economics for the Homes and Communities Agency, 2010

Sustainability

32. **Specialist accommodation can contribute to overcoming the longstanding shortage of housing in England while minimising the impact on the environment.**
33. The supply of new housing of all types has persistently failed to keep pace with the estimated level of demand. Only in 2006-07 and 2007-08 did the housing supply increase⁹⁴ by more than the 190,000 homes per year required (as estimated by the Government of the day). The rate of housing growth nationally has since deteriorated as house building has slowed and public investment in new affordable housing has been reduced.
34. **The provision of more, smaller homes, better suited to the requirements of older people can provide greater choice, encourage downsizing from family homes for release back into the market and reduce the amount of land required for new homes. Around 60% of older householders have multiple bedrooms despite having no dependent children⁹⁵.**

Strengthening Communities

35. Specialist housing for older people can be developed in relatively small communities such as market towns. This can deliver benefits for residents and communities including:
- Ability to move while remaining in a familiar setting
 - Proximity to friends, family and social activities
 - A customer base for local shops and services
 - Employment opportunities for local people.
36. The provision of specialist housing in a community creates the opportunity for shorter-distance moves, enhancing the mix of age groups and community sustainability. Older people can retain their social and service networks, reducing the degree of adjustment required and hence the stress of moving. Proximity to family members enables mutual support including child care, shopping, transport to activities and appointments.

Older People's Preferences

37. **For specialist housing to appeal to older people, it must offer accessible, well-located, safe and secure accommodation with companionship and help at hand. To overcome the 'pull' factors which act as a strong deterrent to moving, it must reflect these criteria that older people themselves see as important.**
38. Research including A Better Fit and the NHF's Breaking the Mould⁹⁶ provides strong direct evidence of what older people look for in specialist housing. They want a home that:

⁹⁴ Annual net additional dwellings, Department of Communities and Local Government

⁹⁵ Housing in Later Life: planning ahead for specialist housing for older people, Housing LIN and others, December 2012

⁹⁶ Breaking the Mould, Re-visioning older people's housing, National Housing Federation, February 2011

- Is accessible
 - Is spacious and attractive
 - Is safe and secure
 - Is in an age-friendly environment
 - Offers freedom, choice and flexibility
 - Has help at hand
 - Provides flexible, personalised support
 - Lets people socialise and feel included
 - Allows individuals to make decisions.
39. It is also important to both the 55-64 age group and the over-65's that their local neighbourhood is safe and secure, close to family and friends and enables access to shops, services and transport⁹⁷.
40. These preferences are reflected in ILC-UK research into motivations to move⁹⁸. Over half of respondents said that their decision was motivated by the independence of the housing (52.8%) and a desire to maintain an active lifestyle (53.3%). Nearly a half of respondents also highlighted the desire to downsize (48.2%), with many comments valuing relief from the responsibilities of homeownership such as maintenance of the physical structure and garden.
41. The recommendations of the HAPPI Panel⁹⁹, which reflect these preferences, are widely acknowledged as the standards to be aimed for in designing specialist housing. The HAPPI2 Plan for Implementation¹⁰⁰ updates the original report, underlining the value of creating high quality retirement housing which is well-designed, accessible, companionable, manageable, secure and care-ready.

Availability of Suitable Specialist Housing

42. The proportion of older people moving into specialist accommodation is limited by undersupply, lack of choice and absence of information about what is available.
43. The House of Lords Select Committee on Public Service concluded that the housing market is delivering far less specialist housing for older people than is needed. The Select Committee recommended that *“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.”*¹⁰¹

⁹⁷ A Better Fit, Shelter, 2012

⁹⁸ Pp 14-16, Village Life - Independence, Loneliness, and Quality of Life in Retirement Villages with Extra Care, Brian Beech for ILC-UK, 2015

⁹⁹ Housing Our Ageing Population: Panel for Innovation (HAPPI), Homes and Communities Agency, 2009

¹⁰⁰ All Party Parliamentary Group on Housing and Care for Older People, November 2012

¹⁰¹ Ready for Ageing?, House of Lords Select Committee on Public Service and Demographic Change, March 2013

44. **'Top of the Ladder'**¹⁰² suggests that potential demand for retirement/ downsizer accommodation has been severely underestimated and that the housing wealth that could be released could help tackle pensioner poverty and have wider economic benefits: *"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, 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, freeing up 3.5 million homes."*
45. Modern Retirement Living (sheltered) accommodation offers an advance in design quality. Older social rented and leasehold sheltered accommodation schemes are not fully accessible, often having internal steps and stairs, and sometimes shared bathrooms and bedsitting rooms unsuited to the provision of aids and medical equipment. Providing a warden or scheme manager has become increasingly uneconomic with many local authority services being withdrawn.
46. More recently Extra Care schemes, providing access to 24-hour care and a wider range of amenities have been developed, mainly for affordable or mixed tenures, often with capital investment from the Department of Health. While Extra Care can be an excellent option for people with care needs, it is an expensive choice for those who do not need it. As discussed above when considering quality of life, the benefits of all forms of specialised housing are broader than the availability of care: security and companionship are valued by older people and have a positive impact on health - particularly mental health - and wellbeing.
47. As indicated at paragraph 3 above, at the current rate of moves, 800,000 new units of specialist accommodation will be required by 2030 with a range of options needed to meet the diverse needs, preferences and financial circumstances of the growing numbers of older people.
48. A Housing LIN estimate of future demand for different types of specialist accommodation suggests that the greatest demand is for leasehold sheltered housing for sale: 120 people out of every thousand aged 75 and over need some form of care or support and would benefit from this type of accommodation¹⁰³.
49. The Housing LIN suggests¹⁰⁴ that demand may be higher than estimated and that current preferences of older people may be influenced by limited choice rather than by a real preference or awareness of what is available or suitable. In the Netherlands there is a wider choice of specialist accommodation for older people and the proportion of older people wishing to move to alternative accommodation is greater than in the UK. Similarly fewer older people move to specialist older housing in England than in the USA, Australia and New Zealand¹⁰⁵. Professor Ball comes to a similar conclusion: *"at present the elderly have limited options and, so, moves are suppressed for that reason."* Research for the Peabody Trust Older People's Strategy 2015-2020 found that 79% of over 65's *"haven't seen any older*

¹⁰² Top of the Ladder, Demos, September 2013

¹⁰³ Strategic Housing for Older People Resource Pack Housing Learning Improvement Network, December 2011

¹⁰⁴ *ibid*

¹⁰⁵ Downsizing for older people into Specialist Accommodation Janet Sutherland, Housing Learning Improvement Network 2011

people's housing schemes" and therefore are not aware of what they offer. The true level of demand by 2030 may therefore be substantially higher than the 800,000 estimated here.

50. The Wanless Review¹⁰⁶ identified sheltered housing as a strong preference for older people unable to remain in their 'family home'. 27% of people stated they would consider a move to sheltered housing with a warden and 25% to sheltered housing with a warden and other social and care services. Extra Care accommodation was a very new concept when the report was published and views of older people now may differ. However, the Housing LIN points out that Extra Care remains a small proportion of specialised provision and lack of awareness of this option continues to be a problem¹⁰⁷.

Tenure requirements

51. **The majority of sheltered accommodation is social rented but most older people in the future will be home owners and are likely to want to continue to own their home. At present, only about 113,000 such homes nationwide are provided for sale¹⁰⁸ – less than a quarter of the total specialist stock. The remainder is social rented accommodation. This is a striking mismatch when the majority of older households are owner occupiers to whom it is extremely important that they retain the security and equity attached to being a homeowner¹⁰⁹.**
52. Only a relatively small proportion of older people is likely to wish to move to leasehold retirement housing (it will not be affordable or the default choice for everyone). The current supply nonetheless falls significantly short of what is required to meet demand.
53. **The existing supply of housing for older people is weighted in favour of affordable housing: in many parts of England there is already a surplus or adequate supply of social rented sheltered housing but a shortage of the equivalent for home ownership.**

¹⁰⁶ Securing Good Care for Older People, 2006

¹⁰⁷ Strategic Housing for Older People Resource Pack Housing Learning Improvement Network, December 2011

¹⁰⁸ Statistics on specialist housing provision for older people in England, Elderly Accommodation Counsel, 2015

¹⁰⁹ A Better Fit, Shelter, 2012

APPENDIX 2: GLOSSARY

This appendix describes the different forms of retirement housing which are currently available, either as historic provision or new/emerging forms of provision.

Models of housing for older people

Retirement Housing is used to describe all forms of specialised housing for older people, including sheltered and Extra Care, provided for sale or rent.

Sheltered housing is a form of housing intended for older people. It was developed in one of two styles: “Category Two” Sheltered Housing consisted of flats and/or bungalows with enclosed access, a communal lounge and some other limited communal facilities such as a shared laundry and a guest room. Support was provided by one or more “wardens” who were normally resident on site. “Category One” Sheltered Housing has many of the same features but might not have enclosed access, might have more limited communal facilities and would not normally have a resident warden. This model has evolved over time and approaches to providing support are now more varied.

Very sheltered housing is a term now largely disappearing from use that was used first in the mid to late 1980s to describe sheltered schemes that sought to offer some access to care services and some additional social and care facilities.

Enhanced sheltered housing is the term that has largely replaced Very Sheltered Housing to describe sheltered housing that provides more in facilities and services than traditional sheltered housing but does not offer the full range of facilities, services and activities to be found in an Extra Care Housing Scheme.

Retirement Living is a variant of the Sheltered Housing model, incorporating all the key features of the model and offered for leasehold sale by McCarthy & Stone Ltd. It includes high standards of design and accessibility in individual apartments and in communal areas with generous space standards. Onsite support from a house manager is available during office hours, backed up by a 24-hour monitored emergency call system for residents.

Extra Care Housing is the term used for a complex of specialised housing for older people which is designed to be accessible and provides a range of “lifestyle” facilities that cover the provision of care, support, domestic, social, community or other services. Care services are provided in a style that can respond flexibly to increasing need. In most Extra Care Housing schemes people move into their own self-contained accommodation (where they have security of tenure) and care services are delivered into that unit as a resident's needs increase. The McCarthy & Stone Retirement Living Plus product is a form of Extra Care Housing. A member of staff is available on site to provide support twenty-four hours a day every day of the week. A restaurant offers residents a daily main meal and can offer catering support to those who need it in their own apartments.

Continuing Care Retirement Community is a variant of the Extra Care Housing model in which higher levels of care are generally delivered by transfer within the scheme from an independent

living unit in which low to moderate care is delivered into a specialist unit or care home. This pattern is sometimes referred to as the “campus” model of Extra Care.

Registered Care Home is the form of institutional provision that in the past would have been referred to as either a “Residential Care Home” or a “Nursing Home”. All are now referred to as “Registered Care Homes” and differentiated as either “Registered Care Home providing personal care” or as a “Registered Care Home providing nursing care”.

Other technical terms

Bedroom standard – the number of bedrooms required for a household, taking into account age, gender and family relationships.

Decent Homes Standard – a minimum standard for the condition of existing social housing. To meet the standard a dwelling must achieve all of the following:

- be above the legal minimum standard for housing, and
- be in a reasonable state of repair, and
- have reasonably modern facilities (such as kitchens and bathrooms) and services, and
- provide a reasonable degree of thermal comfort (effective insulation and efficient heating).

HEDNA/ Housing and Economic Development Assessment – introduced into NPPG in March 2015, the HEDNA brings together objective assessment and evidence of development needs for housing (both market and affordable); and economic development (which includes main town centre uses). The HEDNA includes the Strategic Housing Market Assessment requirement as set out in the National Planning Policy Framework.

HHSRS/ Health and Housing Safety Rating System – a risk assessment tool used to assess potential risks to the health and safety of occupants in residential properties in England and Wales. It came into effect in 2006 and replaces the Housing Fitness Standard.

JSNA/Joint Strategic Needs Assessment – strategic assessment of the health, care and wellbeing needs of a local population used to inform the direction of service delivery. Production of a JSNA is a statutory responsibility of the Directors of Adult Social Services and Children's Services and the Director of Public Health.

NPPF/ National Planning Policy Framework – government requirements that should be observed by local authorities when developing planning policy.

NPPG/ National Planning Policy Guidance – Government guidance designed to assist local planning policy development.

Vulnerable households – defined in the English Housing Survey 2010 as households in receipt of at least one of the principal means tested or disability related benefits.

SAP/ Standard Assessment Procedure – the government’s rating for energy efficiency on a scale of 1 (poor) to 100 (excellent).

SHMA/Strategic Housing Market Assessment – an assessment of housing need and demand across all tenures within a housing market (often spanning several local authority areas) which can inform the development of local housing and planning policies. Particular consideration is to be given in the SHMA to the housing needs of specific groups including older people.