



BRIEFING PAPER

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Housing an Ageing Population (England)

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Inside:

1. An ageing population
2. How accessible is England's housing?
3. Specialist housing options
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Summary

With an ageing population, the question of how to address the UK's housing crisis for older people is an acute one. Build rates are generally substantially lower than forecast need and the issue is exacerbated further for older people; who must also consider accessibility and current or potential future care requirements.

This paper opens in section one with a summary on the current context in the UK, beginning with details on build figures and population numbers for the older demographic. It progresses to set the scene in terms of tenure type for the older population; emphasising the disproportionate level of home ownership among over-55s, particularly in comparison to younger people in the 16-24 age range.

Section one also covers the topics of home ownership and under-occupation among older households and the potential benefits which could be realised through downsizing. These benefits include the making available of housing stock for families and a reduction in the costs and difficulty of home maintenance for older people. The section discusses the challenges associated with implementing this option; including a lack of attractive stock into which older households want to move and the under-provision of accessible housing of all types.

In section two, discussion moves to housing accessibility and the tensions which exist between the desire to remain in one's home with the need to adapt to altering needs in later life. The lifetime homes design criteria, a set of sixteen measures to improve housing accessibility, are detailed along with an account of their implementation in England and the work still to be done, with only 1 in 20 homes fully accessible by the Government definition. Funding for adjustments are detailed in the same section, including information on the Disabled Facilities Grant (DFG) which is provided by local authorities to those in need of home adaptations. Concerns over the level of funding and the integration of DFGs into a larger funding pool are also covered, as are the difficulties faced in implementing adjustments to communal areas in leasehold properties.

Subsequently, section three provides information on specialist housing (including a glossary of definitions); along with discussion on the current standing of the sector, the analysis and recommendations that have been made as to its utilisation and the positive impact that specialist housing can have from the perspective of the NHS. Concerns with retirement leasehold property around charges and perceived 'sharp practices' are also addressed. The section contains a short analysis of the sector's prospects for future development.

The following section four outlines a number of further issues and initiatives, including the Homeshare scheme, which looks to facilitate intergenerational partnerships for mutual gain; with younger people living in the homes of older people for minimal rent in exchange for assistance with household chores and companionship. Detail on the scheme's history and implementation is provided, including its role in the UK. Section four also covers the prevailing perception of a relatively asset rich but cash poor older demographic; with a brief discussion on how the picture may not be as clear cut as it seems. Skewed figures, which provide an image of a fairly robust financial standing in the demographic are proven misleading when the detail is analysed. Consideration is also given to whether older people's assets could be released to assist in potential care costs and home maintenance; and the hurdles that may be faced in doing so.

The paper closes with section five, which considers the factors which a successful older peoples' housing strategy might address.

1. An ageing population

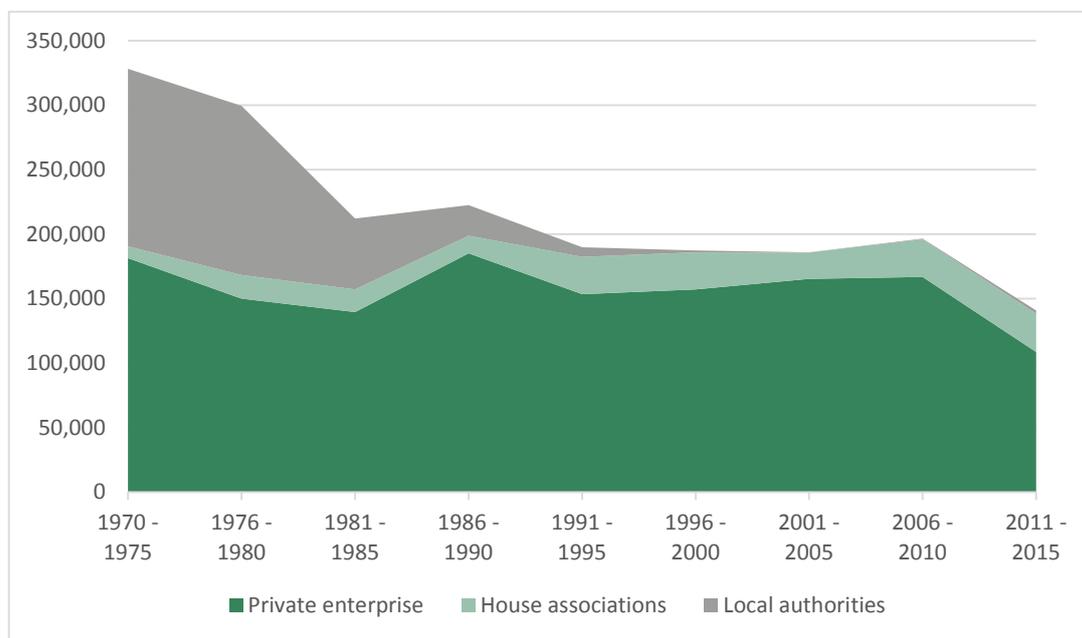
Lord Ahmad of Wimbledon: We are committed to addressing the challenge of our ageing population. The Government is working to help older people to plan ahead and to provide them with choice over the housing that best meets their needs. This could help people to live independently for longer, and reduce costs for health and social care services.

Helping older people to remain in their own homes and preventing or delaying the need to go into hospital or residential care can help improve the quality of life for older people and reduce costs to local services. Providing more options for older people to move to more suitable housing, when they want to, can also help to free up larger homes for use by families.¹

The combination of an ageing population with the recognition that inadequate housing for older people could cost the state billions means that the challenge of addressing the housing needs of older people is an acute one – with implications not only for housing but also for social care, health services and community cohesion.

1.1 How many houses and how many older people?

Box 1: House building: permanent dwellings completed by provider across all UK 1970 – 2015 (five year block averages)²

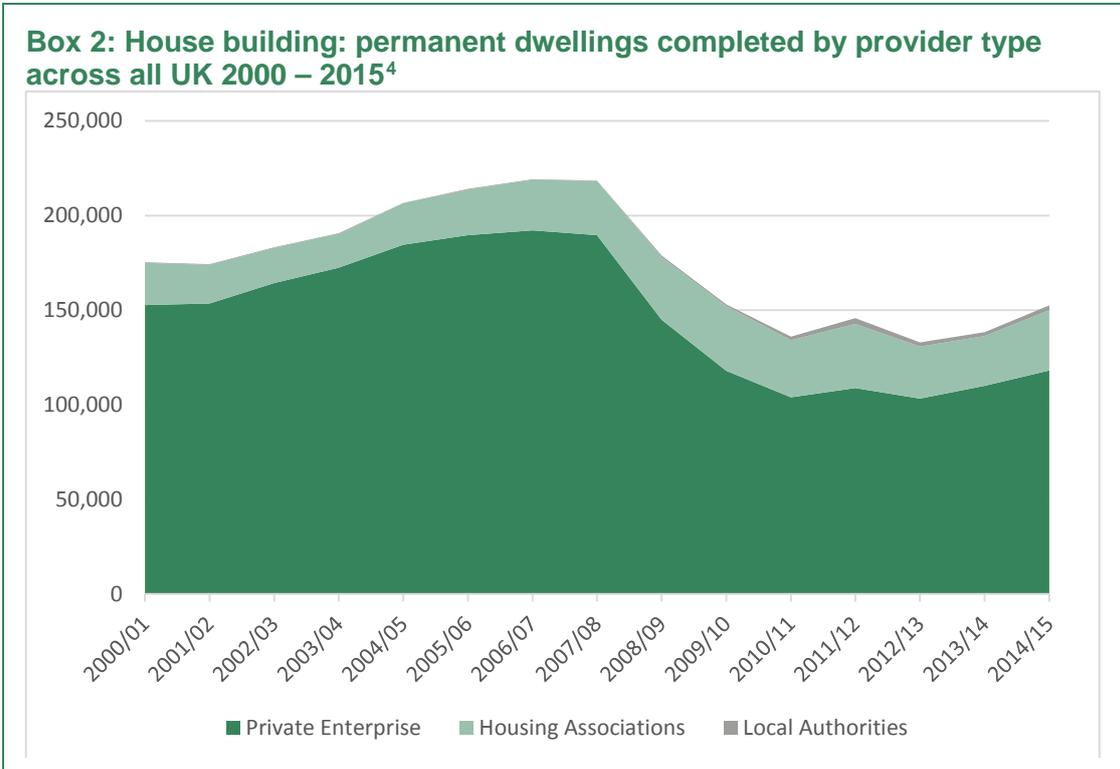


The long-term failure of successive Governments to build enough housing to meet growing need is widely accepted. Estimates put the need for house-building in England at around 250,000 units per year.

¹ [HLWS419](#), 23 March 2015

² [DCLG, Live tables on house building - Table 209: permanent dwellings completed, by tenure and country](#), 19 November 2015

In contrast, since the millennium, house-building has not exceeded a 2007 high of 219,080; with an average build per year of 174,593 since 2000, and only 141,098 since 2010.³ This is substantially lower than in previous decades, 1970 for example seeing 378,320 completions (with private enterprise and local authority accounting for an almost equal proportion of the majority).



Within this context, the availability of sufficient housing to cater for an ageing population poses particular issues and challenges. The increase in the numbers of older people is demonstrated in figures published by the Office of National Statistics (ONS):

In terms of increases in the number and proportion of older people in the UK population, the population aged 65 and over has grown by 47% since mid-1974 to make up nearly 18% of the total population in mid-2014 while the number of people aged 75 and over has increased by 89% over the period and now makes up 8% of the population.⁵

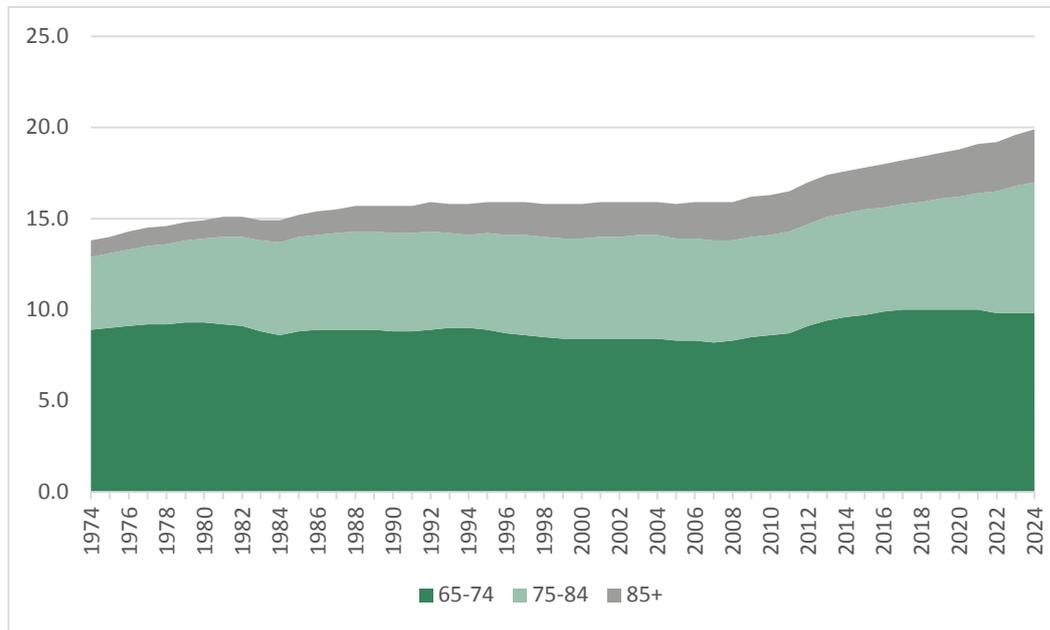
³ Ibid.

⁴ Ibid.

⁵ ONS, [Ageing of the UK population](#), June 2015

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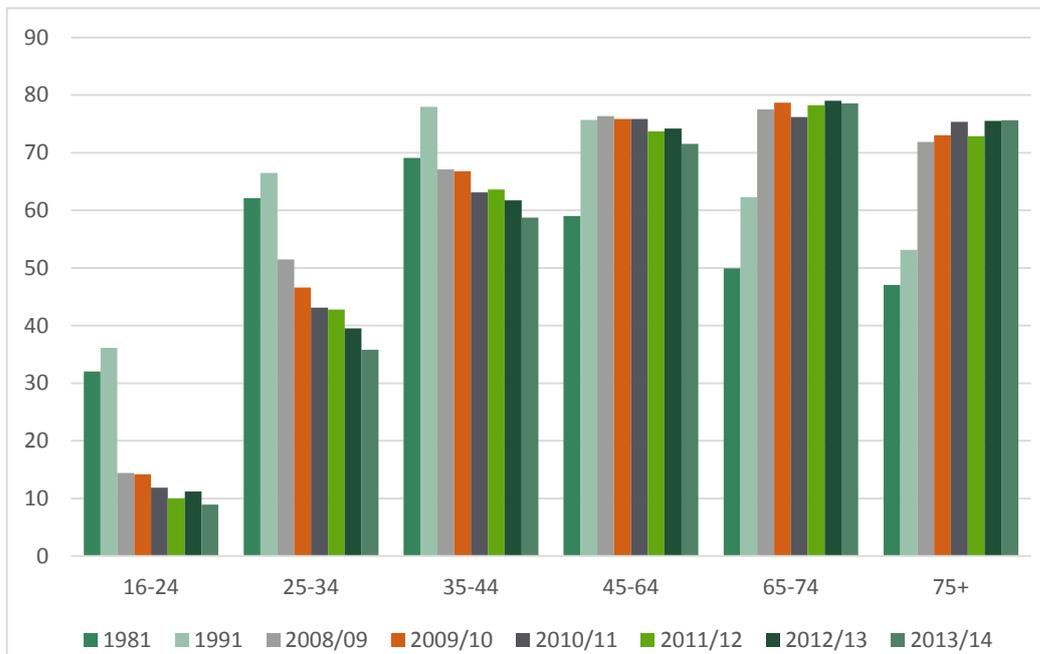
Box 3: Genuine and projected (from 2015) percentage of the population at 65-74; 75-84 and 85+ since 1974⁶



1.2 Older people and tenure

Higher levels of home ownership

Box 4: Owner occupation by percentage of each age group since 1981⁷



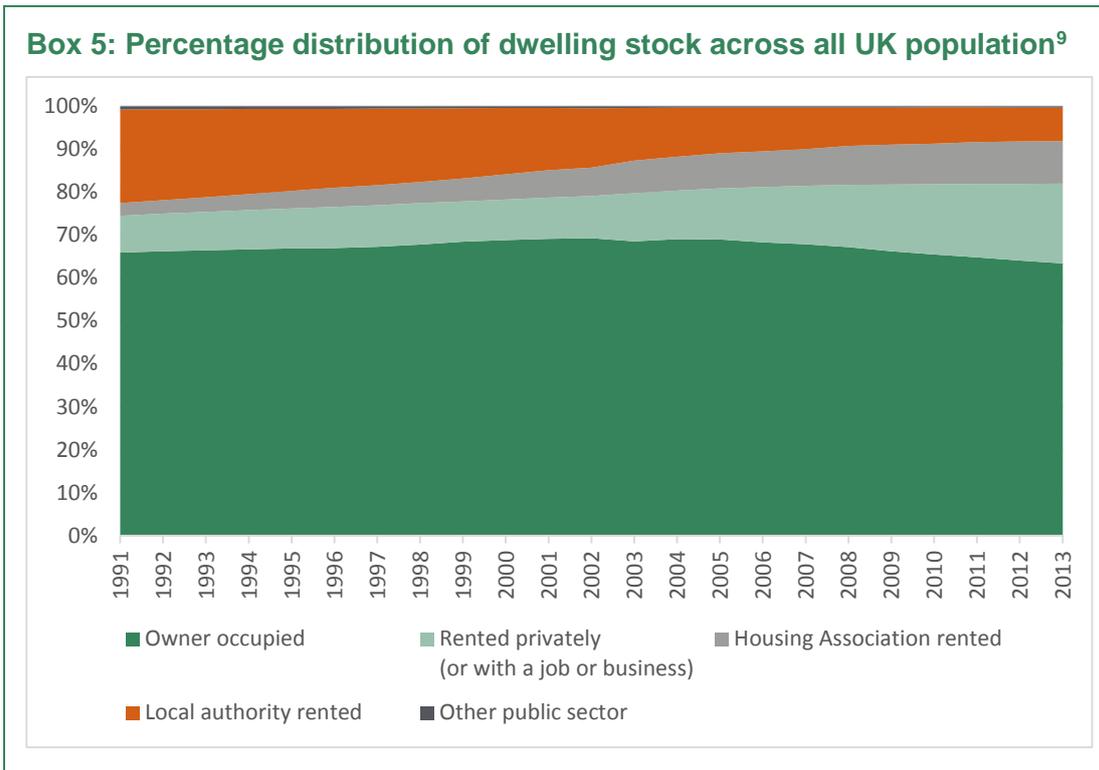
⁶ Ibid. up to 2014. Projection from 2015 from ONS, [National Population Projections, 2014-based projections](#), 29 October 2015

⁷ DCLG, Table FC2101 (S370), [Owner occupiers, recent first time buyers and second homes](#), last update 11 August 2015

While owner occupancy since the 1990s has seen a gradual decline in the 16-24, 25-34 and 35-44 age brackets; the 65-74 and the 75+ groups have remained fairly high and reasonably consistent despite the economic crisis of 2008.

Home ownership amongst 65-74 year olds stood at 79% in the 2013/14 financial year compared to only 9% for 16-24 year olds, and 36% for 25-34 year olds.⁸

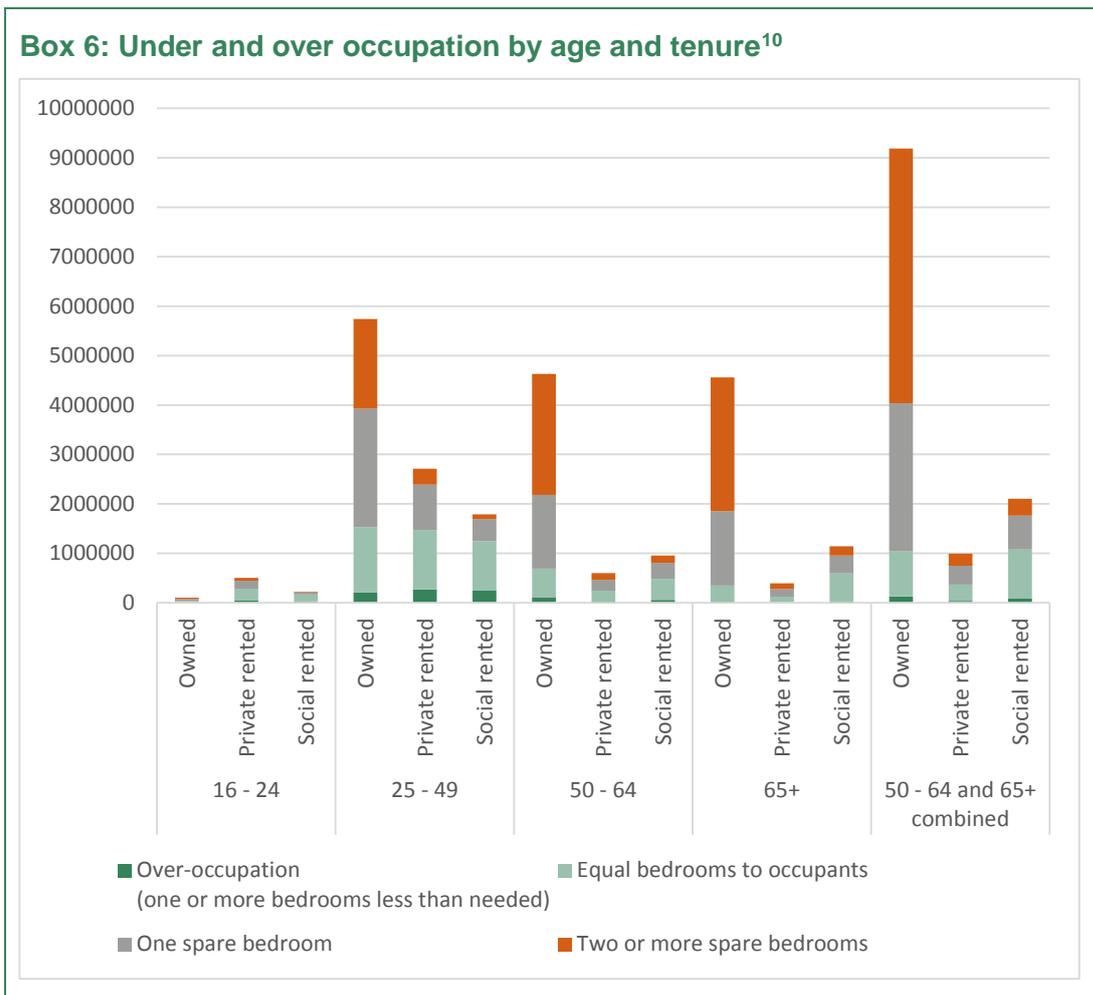
This is in the context of a general decline in owner occupied dwellings coupled with a rise in privately rented property.



⁸ ONS, [Housing and home ownership in the UK](#), January 2015

⁹ DCLG, [Live tables on dwelling stock](#), 12 November 2015

1.3 Under-occupation by tenure



Fears that older people may be ‘under-occupying’ large properties that could accommodate younger families have led to calls for initiatives to encourage older people to downsize¹¹ some of which have been met with charges of ‘social engineering’ by older people’s groups.¹²

Nevertheless, the benefits of freeing up ‘under-occupied’ housing stock currently inhabited by older residents could be wide reaching. Beyond the health and social care boons resulting from older people relocating to specialist accommodation (as referenced in section 3.1); a domino effect of availability could be initiated for all rungs of the housing ladder. Larger accommodation could be freed up for families, who would in turn vacate property for younger buyers looking to get into their first owned homes.¹³

‘A better fit?’ – Shelter policy report

‘The market is currently stagnant, but it operates on swaps, chains and cycles, with households trading up and so allowing others to enter at the bottom of the ladder.

If more households were to downsize they would obviously need somewhere to move to. While there are potentially enough smaller homes in the market they are not necessarily the right kind, in the right tenures or the right areas. Building more homes that are suitable for older people could help to stimulate the market by increasing their propensity to downsize.’

¹⁰ ONS, [CT0101 – Age by occupancy rating \(bedrooms\) by tenure](#), 8 October 2013

¹¹ Telegraph, [State to help elderly downsize as Government tackles housing crisis](#), January 2012

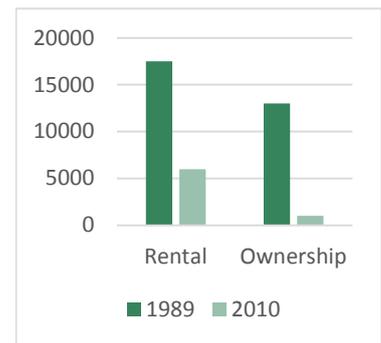
¹² This is Money, [Outrage at plans to push elderly people into smaller homes to ease UK housing shortage](#), January 2012

¹³ Demos, [The top of the ladder](#), September 2013

A further benefit could be a significant release of housing wealth. It is estimated that £400 billion is tied up in properties owned by over 60s who are interested in downsizing.¹⁴ Releasing these assets could contribute to lower housing costs for older buyers with money to spare for care costs where required.¹⁵ The prospect is encouraged further by the suggestion that a third of older people would consider living in specialist housing according to a February 2012 YouGov poll for Shelter.¹⁶

A survey of 1,500 over 60s carried out by Demos found further evidence of a viable market. A considerable appetite among over 60s for a move to a new property was identified, with those in larger and more expensive properties more likely than average to say that they would consider moving. One quarter of those surveyed (increasing to 41% between 76-81 years old) were interested in buying a purpose-built specialist property, and 25% said that they would consider renting one on an assured tenancy. Moreover, 57% of the 58% interested in moving wanted to downsize (the equivalent of 4.6 million nationally). This figure rose to 76% for those occupying three, four or five bedroom houses. Only 1% of those occupying five or more bedroom houses did not want to downsize. Two bedrooms appeared to be the preferred choice, providing space for family; carers; storage; hobbies or separate bedrooms for a couple. This preference has implications for retirement housing development, with much of the existing stock offering only one bedroom.¹⁷

Build rate for retirement housing in 1989 and 2010.



There are however substantial barriers to large-scale downsizing by older owner-occupiers, not least the lack of available suitable property on the market. Only 3.4% of homes have the four basic recommended features to enable someone with mobility problems to visit (level access, flush threshold, WC at entry level and circulation space)¹⁸ and there is only enough specialist housing to accommodate 5% of the over-65 population (not all of which is available for purchase).¹⁹

In terms of social housing, the exemption of tenants who have reached [State Pension Credit age](#) from the under-occupancy deduction from Housing Benefit, more commonly known as the 'Spare Room Subsidy' or 'bedroom tax,' is also worth considering.

A local authority limits a social tenant's Housing Benefit entitlement if they are shown to be under-occupying their property; reducing it by 14% for a single spare bedroom and 25% for two or more. The tenant is expected to make up the shortfall in rent themselves. A *Telegraph*

¹⁴ Ibid.

¹⁵ The Demos report [The top of the ladder](#) forecasts an 80% increase in people aged over 65 with dementia in England and Wales by 2030 compared to 2010 and 10.7 million people are currently expected to have inadequate retirement incomes.

¹⁶ House of Lords, [Ready for Ageing?](#), 14 March 2013.

¹⁷ Ibid.

¹⁸ Age UK, [Housing in later life](#), July 2014

¹⁹ Joseph Rowntree Foundation, [Supported housing for older people in the UK: an evidence review](#), Dec 2012

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article in February 2015 suggested that local authorities could save £400 million per year if people of Pension Credit age were included in the under-occupancy charge.²⁰ The exemption led Ed Miliband, then Labour Party Leader, to accuse the Coalition Government of stoking a generational war in search of a 'grey vote.' However, it's been suggested that applying the Housing Benefit deduction to people of pensionable age would be inappropriate given that one of the policy aims is to encourage Housing Benefit claimants of working age into employment.²¹ Others fear that far from inducing downsizing, extending the charge to older people would simply exacerbate pensioner poverty.²²

Older people living in private rented properties that are deemed to be too large for their needs have been subject to Housing Benefit deductions since 1989.

²⁰ *The Telegraph*, [What if pensioners paid the bedroom tax?](#), 26 February 2015

²¹ *Ibid.*

²² Demos, [The top of the ladder](#), September 2013

2. How accessible is England's housing?

Lord Best: Speaking as chair of the HAPPI group—Housing our Ageing Population: Panel for Innovation—and as co-chair of the Housing and Care for Older People APPG, I want to concentrate on the housing and health equation as it affects older people. So many older people spend virtually every hour of every day inside their home. It can be a trap, a virtual prison, if mobility problems mean that steps and stairs become an insuperable barrier, or if your spouse or your carer must carry you upstairs for a bath. If your central heating has not worked for years because you cannot afford to replace the old system and if the two steps at the front door get icy in bad weather, sooner or later your home will let you down—or indeed, may be the death of you.²³

Perhaps unsurprisingly, the vast majority of people prefer to remain in their own homes as they age. Older people are reluctant to give up homes they've lived in for many years and fear that they will be forced out by poor accessibility provisions.²⁴ Paul Gamble, chief executive of the accessible homes housing association Habinteg, has suggested that it is the general housing stock that will take the strain of the ageing population, with only 6% of older people living in specialist accommodation.²⁵ This raises questions around how accessible England's housing stock is and the ease with which owner occupiers and tenants can secure adaptations to their homes to enable them to continue to live independently.

According to an Institute for Public Policy Research (IPPR) North report, only 1 in 20 homes is fully accessible by Government definitions, and 1 in 4 have no accessibility features at all.²⁶ Despite this, 44.1% of owner occupied households where the oldest person was 55 or over included someone suffering from mobility issues.²⁷

2.1 Building to accessible standards

Local planning authorities should, under the [National Planning Policy Framework](#) (NPPF) plan to create safe, accessible environments and promote inclusion and community cohesion. This includes buildings and their surrounding spaces. They should take account of evidence that demonstrates a clear need for housing for people with specific requirements and plan to meet these wherever possible.

After carrying out a housing needs assessment, it is the responsibility of local planning authorities to set out how they intend to tackle meeting the need for accessible housing development, as detailed in the following guidance:

²³ [HL Deb](#) 26 November 2015 c896

²⁴ Guardian, [New homes must be more accessible to cope with demand](#), July 2013

²⁵ Ibid.

²⁶ IPPR, [Innovative approaches to joining up housing and health](#), October 2014

²⁷ DCLG, [English housing survey 2013 to 2014: household report](#), Annex Table 3.19, [Chapter 3: tables, figures and annex tables](#), 16 July 2015,

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Based on their housing needs assessment and other available datasets it will be for local planning authorities to set out how they intend to approach demonstrating the need for Requirement M4(2) (accessible and adaptable dwellings), and / or M4(3) (wheelchair user dwellings), of the Building Regulations. There is a wide range of published official statistics and factors which local planning authorities can consider and take into account, including:

- The likely future need for housing for older and disabled people (including wheelchair user dwellings).
- Size, location, type and quality of dwellings needed to meet specifically evidenced needs (for example retirement homes, sheltered homes or care homes).
- The accessibility and adaptability of existing housing stock.
- How needs vary across different housing tenures.
- The overall impact on viability.²⁸

Illustratively, the Parliamentary Under Secretary of State for Communities and Local Government, James Wharton, responded to a written question on the subject in November 2015:

Daniel Kawczynski MP: To ask the Secretary of State for Communities and Local Government, what steps his Department is taking to encourage the building of bungalows and other homes accessible to people with limited mobility.

James Wharton MP: National planning policy sets out clearly the need for local authorities to plan for the housing needs of all members of the community and that planning should encourage accessibility. In March this year the Department published further planning guidance to make clear how councils can plan ahead to meet the needs of an ageing population, and consider the types of homes they would need to build locally. This can include bungalows and homes designed with older people in mind offering for example, step-free access, downstairs bathrooms, or wider halls and doorways.

New Building Regulations came into force in October which included a new standard for accessibility, higher than the current national minimum standard, which a local authority can apply where needs and viability tests are met.²⁹

²⁸ Planning Practice Guidance, [Accessibility and wheelchair housing standards](#), 2015

²⁹ [PQ 15795](#), 19 November 2015

Lifetime Homes Standard

A campaign to promote building homes to a [Lifetime Homes Standard](#) was initiated in the early 1990s by a group of housing experts, including Habinteg and the Joseph Rowntree Foundation. The standard they developed set out 16 design criteria that could be universally applied to new homes at minimal cost. The aim was to ensure that new homes would be inclusive, accessible, adaptable, sustainable and good value.

In October 2015, new national housing standards were introduced which largely put the Lifetime Homes Standard in place. Following the introduction, Habinteg published a briefing to help clarify the transition:

Technical standards have been introduced in England from 1 October 2015. This briefing, aimed at local authority planners, developers, architects and access professionals, compares the technical specification provided in the new 2015 Building Regulations M(4) Category 2, 'accessible, adaptable dwellings' with the 16 design criteria set out in its predecessor, the Lifetime Homes Standard.

The legacy of the Lifetime Homes Standard will now be broadly taken forward through Building Regulations in the form of the M(4) Category 2 standard, as shown in this briefing. Habinteg have also contributed their expertise to the transition of these optional access standards with a briefing - [7 points about the new Housing Standards 2015](#) - published as the standards came into force in October.³⁰

Announcing the new briefing, Habinteg Chief Executive Paul Gamble said:

We welcome the new standards being brought into Building Regulations for the first time. However, as long as these standards are optional, the inclusive principles behind Lifetime Homes and the campaign for increasing the supply of accessible homes goes on.³¹

Since 2004, the Greater London Authority has required that all new homes be built to the Lifetime Homes Standard.³² [The London Plan 2015](#) states that all new homes should be built to the Standard, while 10% should be wheelchair accessible or easily adaptable for residents who are wheelchair users. Paul Gamble of Habinteg welcomed London's approach as a positive move but has cautioned that the real challenge will be in enforcement and monitoring.³³ Indeed, the 2015 Plan records a fall in the number of homes completed to the Lifetime Home Standard in 2013-14:

- In 2013/14 75% of new homes approved in London were designed to the Lifetime Homes Standard and 8% were

Lifetime Homes Design Criteria

1. [Parking \(width or widening capability\)](#)
2. [Approach to dwelling from parking \(distance, gradients and widths\)](#)
3. [Approach to all entrances](#)
4. [Entrances](#)
5. [Communal stairs and lifts](#)
6. [Internal doorways and hallways](#)
7. [Circulation Space](#)
8. [Entrance level living space](#)
9. [Potential for entrance level bed-space](#)
10. [Entrance level WC and shower drainage](#)
11. [WC and bathroom walls](#)
12. [Stairs and potential through-floor lift in dwelling](#)
13. [Potential for fitting of hoists in bedroom / bathroom](#)
14. [Bathrooms](#)
15. [Glazing and window handle heights](#)
16. [Location of service controls](#)

³⁰ [Habinteg release Accessible Housing Standards 2015 briefing](#), 12 November 2015

³¹ Ibid.

³² Guardian, [London could be the blueprint for truly accessible housing for disabled people](#), 20 February 2014

³³ Guardian, [London could be the blueprint for truly accessible housing for disabled people](#), 20 February 2014

wheelchair accessible, both figures down from recent years.

- These figures include not just new build but also conversions and changes of use, which can be very challenging to carry out to high accessibility standards. Changes to permitted development rights have also made it more difficult for boroughs to require or monitor compliance on change of use schemes. When conversions and changes of use are excluded, 93% of new build homes approved in 2013/14 were Lifetime Homes and 10% were wheelchair accessible.³⁴

2.2 Funding new accessible housing

The Homes and Communities Agency (HCA) is the non-departmental public body that funds new affordable housing in England. They currently encourage providers to bring forward proposals for housing that meet the needs of vulnerable and older people through the [Affordable Homes Programme](#)³⁵ as well as through the [Care and Support Specialised Housing Fund \(CASSH\)](#).³⁶

Further to their funding provisions, the HCA has an expert advisory group that supports its board in meeting the needs of vulnerable and older people. It looks to work with local stakeholders and the local authorities in their role as strategic identifiers of local need.³⁷

The HCA invested £1bn in supported housing and housing for older people through the National Affordable Housing Programme 2008–2011 – delivering 18,500 new homes. It was anticipated 9.5% of the homes developed under the Affordable Homes Programme 2011–2015 would be Affordable Rent (up to 80% of market rents) specifically targeted at meeting the housing needs of vulnerable and older people.

The HCA provided the following guidance for developers seeking funding for specialist housing development:

Capital Funding

We encourage providers to bring forward proposals for housing that meets the needs of vulnerable and older people through the [Affordable Homes Programme](#) and the [Homelessness Change Programme](#) (previously Places of Change). Our [Supplementary information - housing for vulnerable and older people](#) provides additional information for the Affordable Homes Programme which may be useful for Investment Partners in preparing to submit packages which include housing that meet the needs of vulnerable and older people including supported housing and housing for older people, for both rent and low cost home ownership.³⁸

The HCA also administers the Department of Health's Care and Support Specialist Housing Fund:

³⁴ [London Plan 2015](#), GLA, September 2015

³⁵ HCA, [Vulnerable and Older People](#), undated

³⁶ Gov.uk, [Housing update, March 2015](#), 20 March 2015

³⁷ Ibid.

³⁸ HCA, [Vulnerable and older people](#), [accessed on 29 November 2015]

Over five years from 2013/14, the Department of Health is making available £160m capital funding for specialist housing providers to bring forward proposals for development of specialist housing to meet the needs of older people and adults with disabilities outside of London. This funding may be supplemented by up to a further £80m capital funding in the first two years of the programme. The programme will be delivered and managed by the Homes and Communities Agency.

There is also £40m (up to £60m) capital funding available for developments in London, to be delivered by the Greater London Authority.³⁹

The Autumn Statement 2015 contained a commitment to deliver 400,000 affordable home starts by 2020-21 with a focus on low cost home ownership to include 'at least 8,000 specialist homes for older people and people with disabilities.'⁴⁰ In order to facilitate this build rate, the Chancellor announced that restrictions would be relaxed to allow private providers to bid for grants to build affordable housing.⁴¹

2.3 Adapting existing housing

Disabled facilities grants (DFGs)

Local authorities provide Disabled Facilities Grants (DFGs) in England⁴² to fund home adaptations for older and disabled people in order to facilitate access into and within the home. It is estimated that DFGs help over 44,000 disabled people every year, including a high proportion of older people.⁴³

DFGs are mandatory in certain circumstances and are paid subject to a means test. In England, grants can be made up to £30,000 (Wales: £36,000; Northern Ireland: £25,000; Scotland: unavailable) and payments are either by instalments or in full on completion of work.⁴⁴

Disquiet over the level of funding for DFGs has previously been raised, including from the DCLG's own Building Research Establishment (BRE) which, in 2011, estimated that £1.9bn (at 2005 rates) would have been needed to provide for those theoretically eligible. This represented more than ten times the available total allocated to England in 2009-10 at £157m.⁴⁵

£220m funding for DFGs is secured for 2015-16 as part of the Government's Integration Transformation Fund (now the Better Care Fund)⁴⁶ however concerns have been raised that incorporation of DFGs into the Better Care Fund⁴⁷ may lead to rationing that will apportion greater weighting to higher need categories at the expense

³⁹ HCA, [Care and Support Specialist Housing Fund](#), [accessed on 29 November 2015]

⁴⁰ Gov.uk, [Spending review and autumn statement 2015](#)

⁴¹ Ibid.

⁴² Also in Wales and Northern Ireland.

⁴³ Age UK, [Housing in later life](#), July 2014

⁴⁴ Gov.uk, [Disabled Facilities Grants - what you'll get](#), September 2015

⁴⁵ DCLG, [Disabled Facilities Grant allocation methodology and means test](#), February 2011

⁴⁶ House of Commons Library, [Disabled facilities grants \(DFGs\)](#), December 2013

⁴⁷ Gov.uk, [2010 to 2015 government policy: housing for older and vulnerable people](#),

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of those with lower needs for whom the grant could play a key preventative role.⁴⁸ Age UK makes the point that only a small proportion of older people who need help actually receive it and that the process can involve some lengthy waiting times.⁴⁹

The Autumn Statement 2015 contained a commitment to provide £500m in funding by 2019-20 for DFGs to cover 85,000 home adaptations in that year. This funding will, it is estimated, prevent 8,500 people from needing to move into a care home in 2019-20.⁵⁰

The pressure on DFGs is illustrated in a report published by the Leonard Cheshire Disability Charity in April 2015, [The Long Wait for a Home](#). The report's key findings include that:

- Over the previous year 62% of councils failed to fund agreed adaptations within the one year deadline;
- 44% of councils had people waiting over two years for a grant while 8 recorded waits of over four years;
- Every year over 2,500 disabled people wait over a year for adaptations to make their homes accessible;
- Demand for DFGs is growing faster than councils' ability to meet it. Applications have risen by 6% since 2011/12 but the amount of adaptations funded has only risen by 3% over the period.⁵¹

The report also stated that one in twelve (8%) councils had failed to spend their full DFG funding ; with their two examples, Greenwich and Bolsover, only spending 71% and 46% respectively in 2014.⁵²

Home improvement agencies

In addition to DFGs, local authorities work with home improvement agencies and local handyman services to provide work for elderly and disabled people as needed. Between 2011 and 2015 DCLG provided £51 million towards handyman services to deliver small home repairs and adaptations.⁵³ It also sponsors [Foundations - the National Body for Home Improvement Agencies and Handyman Services](#).⁵⁴

Over £2 million has also been given to the Elderly Accommodation Council advice service: [FirstStop](#), which offers free, independent advice to help older people make informed decisions on housing, care and support options.⁵⁵

Adapting communal areas (flats)

Long leaseholders in blocks of flats who seek permission to carry out disabled adaptations in communal areas can often face resistance from the freeholder and other long leaseholders. The *Equality Act*

⁴⁸ Age UK, [Housing in later life](#), July 2014

⁴⁹ Ibid.

⁵⁰ [Autumn Statement 2015, para 1.109](#)

⁵¹ Leonard Cheshire Disability Charity, [The Long Wait for a Home](#), April 2015

⁵² Ibid.

⁵³ Gov.uk, [2010 to 2015 government policy: housing for older and vulnerable people](#), May 2015

⁵⁴ Ibid.

⁵⁵ Ibid.

2010 sought to address this issue by making it unlawful to discriminate against, harass or victimise a person when disposing of or managing premises, including on the basis of the cost of alterations. It provides that, where a lease entitles a tenant to request improvements, landlords may not unreasonably withhold consent for disability-related alterations.

Section 36 and Schedule 4 of the 2010 Act (if in force) would enable disabled people to request disability related alterations to physical features in common areas and sets out a process that must be followed by the person responsible for the common parts (who is either a landlord or, in the case of commonhold land, the commonhold association) if a disabled tenant or someone on their behalf requests an adjustment (i.e. it is not an anticipatory duty). This process includes a consultation exercise with others affected (e.g. other residents) which must be carried out within a reasonable period of the request being made. If the responsible person decides to make an adjustment to avoid disadvantage to a disabled person, a written agreement must be entered into between them setting out their rights and responsibilities.

Schedule 4 of the 2010 Act (if in force) would make it unlawful for a controller or responsible person to victimise a disabled tenant because costs have been incurred in making/approving a reasonable adjustment. When the adjustment involves the common parts of dwellings the landlord would be able to charge the tenant for the cost of the alteration.

The relevant provisions have not been brought into force. The Coalition Government decided to review the Equality Act as part of its [Red Tape Challenge](#) initiative with a view to identifying any improvements in the light of, amongst other things, potential burdens on business. It is not clear if/when these provisions will be brought into force.

3. Specialist housing options

Earl Howe: This country faces major demographic and economic challenges as a result of an increasingly ageing population. We welcome the committee's report, which shares the Government's ambition of making this country a great place in which to grow old. If we think about what such a country should look like, it is a place where older people get excellent care and support when they need it, where people are supported to live independently, where people plan and save to ensure a good retirement income in later life and where we make the most of the skills and talents everyone has to offer.⁵⁶

Box 7: Housing terminology

A number of terms are in regular use with relation to housing for older people, many (or all) of which are often used interchangeably. The following are the most commonly occurring:

- **General Needs Housing** – The standard housing stock suitable for any member of the public.
- **Specialist Housing** – A catch all term used in this briefing for any non-general needs housing for older people aside from care homes (i.e. all accommodation where exclusive occupation of property is provided and where support provisions of varying degrees are available.) This includes retirement housing; sheltered housing; enhanced sheltered housing and extra care homes (see below).
- **Retirement Housing** – A group of flats or bungalows where all residents are older people. Schemes almost always provide self-contained homes with their own front doors, along with some common facilities open to all residents (lounges; guest suites; gardens etc.). Many schemes also have managers or 'wardens' – hence the alternative name: 'warden assisted'. The term 'retirement housing' has generally superseded 'sheltered housing', although the latter is still in use.⁵⁷ Retirement / sheltered housing can be provided by local councils, housing associations or private providers. Most property available to rent is provided by the former two, while property to buy is usually provided by the latter.⁵⁸ 'Retirement housing' is sometimes used as a catch all term for all non-general needs housing for older people (aside from care homes).
- **Sheltered Housing** – Another term for retirement housing, offering shared facilities and management.
- **Enhanced Sheltered Housing** – Sheltered Housing with a greater number and range of facilities and services, though not offering enough support to qualify as an extra care scheme.
- **Extra Care Homes / Schemes** – retirement housing that also provides care in a style that can flexibly respond to increasing need without jeopardising one's role as a community member.⁵⁹
- **Residential / Care / Nursing Home** – A residential setting where a number of people, usually living in single rooms, have access to on-site care. Some care homes only offer 'personal care' (help with washing, dressing and taking medication etc.) while others offer nursing care, with on-site 24 hour qualified nurses available.⁶⁰

⁵⁶ [HL Deb](#) 17 October 2013 c768

⁵⁷ Elderly Accommodation Council, [FirstStop - Retirement housing](#)

⁵⁸ Age UK, [Housing choices](#), 10 June 2015

⁵⁹ Demos, [The top of the ladder](#), September 2013

⁶⁰ Elderly Accommodation Council, [FirstStop - Care Home](#)

Only 5% of housing for older people is made up of specialist homes, despite evidence of much higher demand.⁶¹ A report by the Demos think-tank reported that 25% of over-60s would be interested in buying a specialist housing property, while 33% were interested in downsizing.⁶²

Nevertheless, local authorities have been accused of a reluctance to approve development plans for specialist housing (which would, by its very nature, provide greater accessibility) out of a fear of increased care costs resulting from the [Care Act 2014](#).⁶³ Dave Tobutt, property development manager for the older people's housing association Anchor, warns that councils could be accused of 'discrimination' as a result of this reluctance.⁶⁴ However, in its 2014/15 business plan, Camden Council warned that the introduction of the care cap⁶⁵ could 'present significant new burdens for councils that will either be underfunded or not funded at all.'⁶⁶

McCarthy & Stone, a private sector retirement homes developer, suggests that planning constraints have caused the UK's retirement housing provision to lag behind other developed countries; with build rates lower than in the 1980s. In 2010, 6,000 units for rent and 1,000 for ownership were built, compared with 17,500 for rent and 13,000 for ownership in the same time frame in 1989.⁶⁷

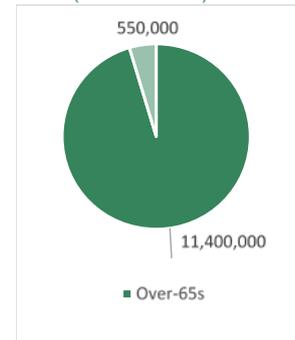
3.1 Specialist housing and NHS savings

Over a rolling period of 12 months between 2012 and 2015, research conducted by Aston University demonstrated that residents living in properties run by the Extra Care Charitable Trust cost the NHS £1,115 less per person, per year compared to costs incurred by comparable residents in the surrounding area. This represented an NHS spend reduction of 38%.⁶⁸

The research encompassed 192 assessments from 96 residents (compared to a control group of 33 in the local community) and further found a reduction in unplanned hospital stays: from 8 – 14 days down to 1 – 2.⁶⁹ It also saw a 14.8% reduction in depressive symptoms and a 64.3% reduction in 'clinical level' depression over an 18 month period.⁷⁰

Others have suggested further potential health benefits from developing elderly housing in the midst of family homes in order to tackle issues around isolation. City West has taken this approach with its Amblecote Gardens care facility in Salford, offering personal health

Over-65 population against available retirement housing stock (Source: ONS)



⁶¹ IPPR, [Innovative approaches to joining up housing and health](#), October 2014

⁶² Demos, [The top of the ladder](#), September 2013

⁶³ *Inside Housing*, [Councils resist retirement housing](#), February 2014

⁶⁴ *Ibid.*

⁶⁵ Introduction of the care cap has been deferred to 2020.

⁶⁶ *Inside Housing*, [Councils resist retirement housing](#), February 2014

⁶⁷ Demos, [The top of the ladder](#), September 2013

⁶⁸ *Inside Housing*, [Elderly care housing cuts NHS costs, study shows](#), June 2015

⁶⁹ *Ibid.*

⁷⁰ Extra Care Charitable Trust, [Key findings](#)

plans to its residents while looking to encourage relationship building within the wider community. Colette McKune, the group deputy chief executive of For Viva (of which City West is part) suggests that this form of housing is more attractive than the traditional offer, which sees 'many people choose to remain in their own home ahead of selecting more suitable supported living options.'⁷¹

The 2012 All Party Parliamentary Group (APPG) report: HAPPI2 summarised the range of savings that could be made possible by a move to specialist housing; ranging from a reduction in the risk of falls to combating mental health problems.⁷² It further pointed out that specialist housing can often delay (or even prevent) the need for residential care. According to the Demos think-tank, each year a person postpones residential care can save the state an average of £28,080, representing a major cost benefit.⁷³

Notwithstanding the evidence above, direct scientific research into the benefits health services could experience from specialist housing mitigating the need for older people to draw on their provisions is in relatively short supply, despite the consensus on its value from specialist housing providers. As health services face increasing budgetary pressures; a closer working relationship between health; social services and housing is considered paramount by many in the field.

Further information, including a number of propositions on the best approach, is available in a 2014 report from the Institute for Public Policy Research North: [For future living: innovative approaches to joining up housing and health](#).

3.2 HAPPI and HAPPI 2

In 2008, the Labour Government published their strategy for housing an ageing society, [Delivering Lifetime Homes, Lifetime Neighbourhoods](#). The document promised to increase the stock of mainstream and specialised housing for older people over the subsequent three years; as well as to increase investment in social housing and equity sharing.⁷⁴ The strategy argued in favour of making it easier and safer for older people to remain in their own homes, within their communities; while also outlining a positive vision for specialised housing that, they hoped, would be somewhere people would aspire to live.

Little materialised out of this strategy and so in June 2009 the Homes and Communities Agency established the [Housing our Ageing Population: Panel for Innovation \(HAPPI\)](#) to build on the work.

HAPPI was made up of a panel of 13 sector experts and focused on assessing how to improve the quality of life for older people; change

⁷¹ Guardian, [Better housing for older people can ease NHS pressures - but who will fund it?](#), July 2015

⁷² Housinglin.co.uk, [Housing our Ageing Population: Plan for Implementation](#), November 2012

⁷³ Demos, [The top of the ladder](#), September 2013

⁷⁴ Ibid.

perceptions around mainstream and specialist housing for the demographic; raise aspirations for higher quality homes and spread awareness of the range of options available.⁷⁵ Among a number of recommendations, it urged developers to recognise the commercial opportunities in developing appropriate new housing for older people. It suggested that being liberated from domestic and childcare responsibilities ‘adds up to an opportunity – to downsize and to rediscover social life.’⁷⁶ Again, however, on account of both the economic downturn and the change of Government, many of HAPPI’s recommendations were not taken forward.⁷⁷

As a result, the All Party Parliamentary Group (APPG) [HAPPI 2: Plan for Implementation](#), was published in November 2012. Recognising the effects of economic and policy uncertainty on its predecessor; as well as concerns around austerity measures, HAPPI 2 urged the Government to take positive action – detailing how better housing options for older people could have economic benefits in the form of reduced health and social care costs, and increased housing options for younger people if older people could be encouraged to downsize.⁷⁸ The authors warned:

It will remain the case that older people will so often be reluctant to downsize even where the family home is now expensive to maintain, costly to heat, contains hazardous steps and stairs and maybe isolated and insecure. Only if the alternative is of sufficient size and attractiveness, with all the HAPPI components, will this drive for meeting the housing needs of young and old alike be realised.⁷⁹

The report recommended that 100,000 new retirement, supported housing and extra care homes be built every year to HAPPI design standards.⁸⁰

3.3 Leasehold retirement housing: issues and concerns

While there is certainly a market for leasehold retirement housing, the sector is not without its challenges, with concerns in particular over its reputation for what some call ‘sharp practices’.⁸¹ Retirement housing offered for sale has faced criticism for representing a potentially heavy financial risk to its residents. Sebastian O’Kelly, a former property journalist who now runs the charity [Carlex \(the Campaign Against Retirement Leasehold Exploitation\)](#) has described retirement housing as ‘the single worst financial investment you ever make’.⁸²

⁷⁵ Gov.uk, [HAPPI - Housing our Ageing Population: Panel for Innovation](#), December 2009

⁷⁶ Ibid.

⁷⁷ Demos, [The top of the ladder](#), September 2013

⁷⁸ Ibid.

⁷⁹ Housinglin.org.uk, [Housing our Ageing Population: Plan for Implementation \(HAPPI2\)](#), November 2012

⁸⁰ Demos, [The top of the ladder](#), September 2013

⁸¹ Carlex, [Oldies should sell up and boost retirement housing, says Demos \(in report paid for by developers\)](#), 12 September 2013

⁸² *The Telegraph*, [The hidden costs of retirement properties](#), 8 April 2015

Three major concerns have been raised: their propensity to drop in value; relatively high service charges which remain payable in perpetuity until a property is resold; and associated exit fees. Should the lease on the property have fewer than 80 years left to run, it can be very expensive to renew, and the value of the property can continue to decrease while the lease runs down. An article from *The Telegraph* (April 2015) referred to one case in which a retirement flat in Banbury Road, Oxford (one of the most expensive streets in the city) was on the market in 2012 for £15,000, and was eventually returned to the freeholder free of charge having failed to sell, despite being on the same road as non-retirement flats that could sell for £500,000.⁸³ According to Sebastian O’Kelly, the previous owner had died, however service charges of £10,000 per year had remained payable on compulsory meal and laundry provisions.⁸⁴

In terms of exit fees, payable when the resident leaves the property (for whatever reason, including death), these are typically capped at 10% of the original purchase price; however in some cases can be as high as 30%.⁸⁵ The [Law Commission](#), who are currently investigating the issue, report that ‘bereaved families inheriting a property may have no idea that a fee is due when they sell it, let alone how high the fee could be’.⁸⁶ Age UK have claimed that the purpose of exit fees is not always clear, with their policy advisor Joe Oldman saying that they are ‘added on as profit – pure profit – as part of the business model they use’.⁸⁷ Richard Davis, CEO for LifeCare Residences UK, a New Zealand owned company providing retirement villages denies this claim. He says of LifeCare Residences UK’s 30% exit fee that it is used to subsidise on-going service charges; the company being ‘very much focused on ... peace of mind, keeping the living costs low’.⁸⁸ The Associated Retirement Community Operators (ARCO), an industry body for retirement villages, supports Davis’s claim; saying that exit fees can typically help reduce weekly maintenance charges from £100 to £60. ARCO does however concede that such charges need to be made clear prior to purchase.⁸⁹ On account of this business model, some have referred to the arrangement as ‘enjoy now, pay later’.⁹⁰

The Office of Fair Trading (OFT, now the Competition and Markets Authority) carried out an investigation into exit fees between 2009 and 2013. The subsequent report set out a number of general principles that OFT expected all landlords to comply with.⁹¹ Its investigation was formally closed with the following remarks in April 2013:

⁸³ Ibid.

⁸⁴ Ibid.

⁸⁵ BBC, [Retirement villages: Nice places, but what's the catch?](#), 13 November 2015

⁸⁶ Ibid.

⁸⁷ Ibid.

⁸⁸ Ibid.

⁸⁹ Ibid.

⁹⁰ Ibid.

⁹¹ [OFT investigation into retirement home transfer fee terms](#), February 2013, chapter 8

The OFT has now written to the remaining businesses whose cases it placed 'on hold' earlier in its investigation, drawing their attention to the OFT's published findings report and in particular the general principles it expects all landlords to comply with if they make use of transfer fee terms. The OFT reserves the right to consider whether to take action against a landlord under the Unfair Terms in Consumer Contracts Regulations 1999 should they not abide by these general principles, in light of all the facts before it, current overall priorities (see also the OFT's published [Prioritisation Principles](#)) and appropriate legal considerations.

Although the OFT has now closed its formal industry-wide investigation, it will keep the sector under review in order to monitor compliance with the undertakings given by some landlords, and will have specific regard to any new evidence or changes in the law that may arise.⁹²

Overall, the OFT concluded that 'transfer fee terms, as typically currently drafted, are likely to constitute unfair terms under the UTCCRs.' The OFT decided, however, not to test this, saying:

We have, however, decided not to test this in the courts at this stage on the basis that the landlords we have reached agreement with have either voluntarily dropped the transfer fee, replaced it with a flat fee, or agreed to make various changes to the way they enforce such terms with a view to mitigating what we consider to be their inherent unfairness. We have reserved our position on certain remaining concerns to see if the mitigating factors are sufficient.⁹³

Nevertheless, Age UK has called for increased regulation within the sector:

There should be sufficient levels of regulation to curb bad practice in the leasehold sector and ensure there is a healthy and competitive market for retirement housing. Providers do not operate on a level playing field. Some are not clear enough about potential charges, which makes it difficult for older people to compare schemes, or check they have the means to cover charges over the longer term. The Office of Fair Trading (OFT) found anticompetitive practices in the contracting of services and its successor, the Competition and Markets Authority has embarked on a new investigation of service charges.⁹⁴

As noted above, the Law Commission is now considering the matter of hidden fees in lease agreements for retirement housing.⁹⁵

3.4 Prospects and challenges for the future

Despite guidance from a range of policy documents and advisory bodies; a concerted effort to focus on supported/retirement housing and to aim housing strategy at the older end of the market has not occurred. The Home Builders Federation (HBF) cast doubts over the effectiveness of strategic housing market assessments (studies

⁹² [OFT Press Release](#), 9 April 2014

⁹³ [OFT investigation into retirement home transfer fee terms](#), February 2013, chapter 8

⁹⁴ Age UK, [Housing in later life](#), July 2014

⁹⁵ Law Commission, [Transfer of Title and Change of Occupancy Fees in Leaseholds](#), October 2015

conducted by local authorities into the functioning of the housing market to inform build planning and housing strategy) claiming that they 'vary greatly; they are often deficient, looking mainly at the housing needs of younger people, first time buyers, and those in the social sector.'⁹⁶

Demos, in its 2013 report on housing for older people, [The top of the ladder](#), referred to the experiences of two housing providers, one of which was looking to develop extra care facilities while the other wanted to build traditional owner-occupied housing. The former found it relatively easy to gain planning permission, with local authorities generally accepting the link between public sector housing with care models and a reduction in demand for care services. The latter, conversely, faced consistent challenges with local authorities fearing additional pressure on local health services.⁹⁷ The implication from these examples is a local authority focus on care provision as opposed to preventative models of housing. As Hanover Housing Trust put it: 'local authorities focus strategy on older people with care needs, which only constitute 5 per cent of all older people'.⁹⁸

Concerns over planning rules have also been highlighted, including the fact that private retirement housing is subject to section 106⁹⁹ and Community Infrastructure Levy (CIL) contributions despite its social value.¹⁰⁰ Housing quotas for private retirement developers have also been cited as a concern, with such an approach stifling innovation and provision of alternative models (such as cooperative housing or cohousing).¹⁰¹

Ultimately on the supply side, the middle-ground territory that retirement housing occupies between residential care homes and general needs housing threatens to leave it with a branding crisis. It is commonly beleaguered with the downsides of each: wrongfully appearing care focused and a stifle to independence on account of its unjust association with residential care, while suffering heavy planning and development costs due to being counted alongside general needs housing.

In terms of demand, Hanover Housing have noted an aversion to 'age segregated' housing and communities among over 60s in the UK; with fears surfacing that retirement housing represented 'ghettoisation'.¹⁰² Older, less adequate stock appears also to have damaged the reputation of the sector, with private developers expressing concern that demand is lacking on account of the image problems caused by sub-par historic public sector provision.¹⁰³

Confusion over terminology has also been cited as a concern, with 'retirement', 'sheltered' and 'warden assisted' used interchangeably

⁹⁶ Demos, [The top of the ladder](#), September 2013

⁹⁷ Ibid.

⁹⁸ Ibid.

⁹⁹ [Town and Country Planning Act 1990](#)

¹⁰⁰ Demos, [The top of the ladder](#), September 2013

¹⁰¹ Ibid.

¹⁰² Ibid.

¹⁰³ Ibid.

and 'extra care homes' wrongfully assumed to be residential care homes.¹⁰⁴ This lack of clarity can make it difficult for older people to fully understand the options available. There is a general dearth of information on the different options available and their specific provisions.

Psychological barriers can also stand in the way of older people moving home. These include concerns over the stress and upheaval of moving as well as fears that the move will end up being too expensive. The suggestion that older people may desire to remain property owners for a greater sense of stability is noteworthy, particularly given that 83% of over 60s living in England, and 91% of 76-80 year olds are currently owner occupiers. Given that only 23% of retirement housing is for sale, this could also be a factor in the reluctance of the demographic to embrace the specialist housing sector.¹⁰⁵

¹⁰⁴ Ibid.

¹⁰⁵ Ibid.

4. Other issues and initiatives

Lord Wei: Clearly, the challenges and opportunities of an ageing society are mammoth and will require contributions from all quarters. How will we facilitate new kinds of start-up businesses, for example, that explicitly incorporate the wisdom and experience of part-time or non-executive semi-retirees along with young unemployed graduates and apprentices? How do we enable even more brokering of non-monetary means of bartering and support between those in later life and the wider population so that even those with limited means can still have a decent life? What role might housing design and building play in enabling young and old to live near each other and to support each other in their respective challenges, along Shared Lives and Homeshare lines, or is policy to lead inadvertently to a dangerous ghettoisation of different generations? These and many more questions and ideas need exploring if we are to have a step change in our understanding of later life and what is possible from both a wider public and public policy perspective.¹⁰⁶

4.1 Homeshare

Homeshare is an intergenerational housing scheme which looks to match an older person with living space with another person, who provides an agreed amount of support in exchange for a low rent level. The other person is often a student, or a younger person undertaking an unpaid (or low paid) internship. Specific and qualified care is not provided. Rather, companionship and general help are the primary means of support offered.

Homeshare originated in the USA, where Maggie Kuhn (founder of the 'Gray Panthers' – an elder rights movement) established the first programmes in 1972. The first UK programme was launched in 1993 and similar arrangements are currently in place across Europe, with pilots beginning in Japan in 2013.¹⁰⁷

In the UK, the Homeshare Association is administered by [Shared Lives Plus](#), who maintain a record of all programmes running across the UK.¹⁰⁸ In June 2015, Lloyds Bank Foundation and the Big Lottery Fund each invested £1m in the Homeshare National Programme with pilot schemes taking place in Oxfordshire and greater London.¹⁰⁹

According to the Homeshare international website:

- Householders are typically in their 80s, though the ages range from 70 to well over 90.
- Most are women and most live alone, though some have a family member living with them.

¹⁰⁶ [HL Deb](#) 17 October 2013 c749-750

¹⁰⁷ Homeshare international, [The history of homeshare](#)

¹⁰⁸ Homeshare international, [United kingdom and Ireland](#)

¹⁰⁹ Big Lottery Fund, [UK's First National Homeshare Programme Promises Solutions to Social Issues for Young and Old Alike](#), 15 June 2015

- Some of these older people have other helpers or carers, paid or informal, and for some, homesharing is part of a package of support.
- Homesharers generally have to be 23+ years old and the average age is 27. A high proportion of UK homesharers are from Australia, New Zealand, Eastern Europe and other countries and are visiting the UK to broaden their experience. Some are mature students but many are working. For them, homesharing offers low-cost accommodation in expensive cities like London.
- Most householders need help with domestic tasks like gardening, shopping, cooking, or cleaning.
- Increasingly older people like to use computers for communication to far-flung family, but need technical support to get online.
- Many need companionship.
- For significant numbers, the real benefit of homesharing is the security of having someone in the house at night.¹¹⁰

Both parties are expected to pay a small monthly fee to the Homeshare programme, with each programme setting its own charge scales.¹¹¹

Further information on homesharing is available on the [Homeshare International website](#)

An August 2015 study by Housing LIN, which covers homesharing in the context of intergenerational living generally (including shifting design standards to accommodate multi-generational family homes) is available online: [Bricks, Mortar and Policy Perspectives for Intergenerational Living](#).

4.2 Asset rich/cash poor

Paying for care

With a growing population, the pressure on care services and the wider NHS is expected to markedly increase in the future. This is likely to be worsened by the fact that planning for potential care costs is less than comprehensive, with only 21% of all homeowners aged over 55 having thought about paying for the potential cost of care; and only 15% considering it a major priority.¹¹²

Given the prevalence of home ownership among the older demographic, the suggestion that housing asset wealth be utilised to cover future care costs has been widely accepted. On average, those aged 65 or over hold £250,000 of property wealth; £250,000 of pension wealth and £100,000 of financial wealth.¹¹³ As the National Housing Federation (NHF) puts it:

¹¹⁰ Homeshare international, [United kingdom and Ireland](#)

¹¹¹ Ibid.

¹¹² National Housing Federation, [Can our homes pay for the care we need in older age?](#), 1 April 2015

¹¹³ Ibid.

there is growing acceptance that people will need to make better use of their property wealth to adapt and manage care needs as they age [...] it feels reasonable and fair to expect people who have benefitted from the generational windfall of asset wealth to use this to pay for the cost of care.¹¹⁴

The NHF cautions however that such a practice might not be as clear cut as it seems. While average wealth among older people may appear relatively high, this is heavily skewed by those at the top. The median value is much lower, and the lower quartile disproportionately so. Unprecedented inequality in incomes and wealth¹¹⁵; coupled with an assumption that social care is free at the point of use (like the NHS) could lead to growing difficulties down the line. The DWP estimates that one in six people (10.7 million) in the UK can currently expect an inadequate retirement income.¹¹⁶

This situation could be exacerbated further by current and future generations of younger people facing increased contributions for health and social care; higher housing costs and later homeownership. Once these generations move into the older demographic they may face deeper difficulties than the current over 55s.¹¹⁷ Illustratively, according to a survey conducted by Raglan Housing, one in three 40 – 50 year olds believe they will not be able to pay their rent or mortgage on retirement, with 47% of those surveyed having no plans as to how to handle this situation should it arise.¹¹⁸

Though reliance on housing wealth may seem an obvious solution to care needs; the picture becomes markedly more complicated once the distribution of wealth is factored in. The relative abundance of housing wealth in the south, and in London in particular, means that a different proportion of wealth will be needed to fund the same care requirements across the country. According to NHF figures, based on care costs of £100,000 (equal, on average, to around six years for someone with Alzheimer's Disease), someone in the North East would need to contribute 32% of their total wealth against only 13% for someone in London. A significant discrepancy between healthy life expectancy between the north and south further suggests that it is those in most need of care who bear the greatest proportional brunt in terms of their assets.¹¹⁹

Home maintenance

An Age UK report in May 2015 detailed research suggesting that 21% of homeowners aged 60 and over felt the cost of home maintenance

¹¹⁴ Ibid.

¹¹⁵ Ibid.

¹¹⁶ Ibid.

¹¹⁷ Ibid.

¹¹⁸ Inside Housing, [One in three 'middle-agers' unable to afford current homes after retiring](#), 2 June 2014

¹¹⁹ National Housing Federation, [Can our homes pay for the care we need in older age?](#), 1 April 2015. Note that the *Care Act 2014* was due to introduce a cap on lifetime care costs at £72,000 for those of retirement age in April 2016, however this has now been delayed to April 2020. There are questions however on affordability even at the capped rate.

was their major concern for later life.¹²⁰ According to the report, anxiety over costs coupled with 'significant worries about being able to carry out every day jobs' (35% of respondents), had led to maintenance work being put off; thereby putting older residents at risk and potentially invalidating future insurance claims.¹²¹

In order to make funds available for these repairs, as well as for other reasons of necessity or leisure, many older people have turned to equity release as a means of supplementary funding in support of pensions and other assets. Demonstrably popular, the sector achieved a second successive quarter of growth in quarter three of 2015; releasing £452.6m of funding¹²² (a 21% increase from quarter two, which itself saw an 18% jump from the previous quarter¹²³).

There are two main types of equity release plan available: lifetime mortgages and home reversions.

Lifetime mortgages

By far the most popular option, accounting for 99% of the market, lifetime mortgage plans provide a loan secured against the home of the recipient. The loan accumulates compound interest over time and must be repaid from the sale of the recipient's home; either at death or when moving into long-term care.¹²⁴

Some providers offer 'drawdown' facilities, which provide money from the loan in gradual payments as opposed to an upfront lump sum¹²⁵ and all members of the main trade body, the [Equity Release Council](#), offer a 'no negative equity guarantee', which ensures that no matter what happens to the housing market (or however much interest the loan accrues), the recipient will never owe more than the value of their property.¹²⁶

Some loans offer 'inheritance guarantee' pots, which secure an amount of money for the older person to pass on after death; however these can lessen the amount of funding available through the plan.

Home reversions

The less popular of the two equity release options (although it too has experienced increased lending¹²⁷) is home reversion.

This involves the older person selling their home, or part of it, to a reversion company who will in turn provide a lease allowing the older

¹²⁰ Age UK, [Cost of home maintenance key concern for over 60s putting their home insurance at risk](#), 18 May 2015.

¹²¹ Ibid.

¹²² Financial Times, [Equity release has biggest quarterly rise for 11 years](#), 27 October 2015.

¹²³ BT, [Record amounts of equity 'released' from property](#), 28 July 2015

¹²⁴ Age UK, [Equity release](#), 4 June 2015.

¹²⁵ Ibid.

¹²⁶ Guardian, [Is equity release a sensible way to provide for your old age?](#), 1 August 2015

¹²⁷ BT, [Record amounts of equity 'released' from property](#), 28 July 2015

person to remain in their home rent-free (or for a token rent), either until death or movement into a care home.¹²⁸

The reversion company will only provide a percentage of the property's market value, as opposed to the full amount, on account of the years they may have to wait prior to receiving a return.¹²⁹

A good idea?

An influential 2013 House of Lords select committee report: [Ready for Ageing?](#) suggested that:

[O]ne way to address the current imbalance [between generations] would be for more older people to consider unlocking housing wealth. Equity release could enable more people to use their assets to help pay for the cost of their social care, to adapt their homes, and to support their incomes. While equity release might impact on the inheritance of the children of wealthier parents and on people in areas where house values have increased most, older age still needs to be paid for. The Committee considers that it is right for those who have benefited from windfall gains to contribute to the costs of their longer lives through equity release, rather than for the full costs to be pushed to future generations.¹³⁰

The committee proposed 'state support for social lending, possibly coupled with some grant help' along with 'independent financial information and advice'¹³¹ to combat what was then a product suffering poor commercial take-up.

Some commentators were sceptical of the proposal, including Patrick Collinson; the money editor for the Guardian, who suggested that this was a 'woefully wrong-headed recommendation'.¹³² Collinson's major concern was the compound interest attached to equity release loans, which he pointed out could reach 'staggering' sums after a number of years; particularly given that equity release packages can be made available to people as young as 55. He pointed out that a loan of £80,000, paid at a 7.1% APR (in line with the market rate at the time of writing), would result in £627,000 being owed after 30 years (a reasonable estimate for a 55 year old with a life expectancy of 85 years).¹³³ As a result, Collinson suggested that equity release 'only works over very short periods, and for the extremely elderly'.¹³⁴ He posited downsizing as a better solution to the problem of funding ageing.¹³⁵

¹²⁸ Age UK, [Equity release](#), 4 June 2015

¹²⁹ Ibid.

¹³⁰ House of Lords, [Ready for Ageing?](#), 14 March 2013

¹³¹ Ibid.

¹³² Guardian, [Equity release is not the solution for older people who need extra cash](#), 16 March 2013

¹³³ Ibid.

¹³⁴ Ibid.

¹³⁵ Ibid.

5. Solutions?

Integration between Health and Housing

A number of bodies, including the aforementioned HAPPI2 and the retirement housebuilder McCarthy & Stone, have called for greater integration between the health and housing communities. HAPPI2 recommended a Cabinet Office task force bringing together the Departments of Health (DH) and Communities and Local Government (DCLG); while McCarthy & Stone recommended a ministerial working group on specialist housing for older people that would unite the key decision makers from the aforementioned two departments.¹³⁶

Demos have argued for housing providers to be represented on health and wellbeing boards in recognition of the important role housing plays in public health generally.¹³⁷

The House Builders Federation (HBF) have called for a housing, health and planning working group to be established in order to develop a greater understanding of the link between health and housing; and to identify the role that planning can play in this.¹³⁸

The HBF has also encouraged local authorities to review the need for specialist housing for older people across all tenures, and to consider the National Planning Policy Framework (NPPF) requirement to look ahead over the next 15-years in strategising to meet local housing need, which will inevitably be heavily impacted by a growing older population.¹³⁹

Planning considerations

Planning has been identified as a major concern in providing adequate supply of retirement housing, with costs being driven up locally on account of a lack of coordination between the local and national level, as well as housing and health teams; and an absence of strategic direction on the role of retirement housing, private providers of which are still subject to section 106 and CIL contributions.¹⁴⁰

The University of Reading have concluded that owner-occupied retirement housing should be treated as affordable housing and given 'enhanced planning status' alongside low-cost home ownership plans for younger buyers.¹⁴¹

Financial incentives and penalties

Financial concerns were mentioned previously as a prohibitive psychological barrier when considering moving for some older people. It must also be noted that in some parts of the UK, 'downsizing' to retirement housing can actually be a more expensive option than staying put. Karen Croucher of York University has

¹³⁶ Demos, [The top of the ladder](#), September 2013

¹³⁷ Demos, [Under one Roof](#), 2012

¹³⁸ Demos, [The top of the ladder](#), September 2013

¹³⁹ Ibid.

¹⁴⁰ Ibid.

¹⁴¹ Ibid.

illustrated the point with an example from Barnsley, where a 3 bedroom ex-council house was worth £70,000 compared to £120,000 for a 1 – 2 bedroom bungalow.¹⁴²

To mitigate this, the Intergenerational Foundation, among others, have suggested scrapping Stamp Duty for downsizers. The Institute for Public Care (IPC) have similarly advocated reducing Stamp Duty and/or Council Tax for downsizers or for buyers of specialist retirement housing generally.¹⁴³

The IPC has also suggested financial support for legal and conveyancing fees (with concerns around the expressed fear of stress caused by moving in mind) as well as an extension of Help to Buy for older buyers who are downsizing / moving to retirement housing.¹⁴⁴

Penalties have also been proposed, including the extension of the Removal of the Spare Room Subsidy or '[bedroom tax](#)' to older people in social housing¹⁴⁵; and the withdrawal of the Council Tax discount for single occupation, which the Intergenerational Foundation describes as 'a perverse incentive which currently encourages single occupants to remain in large houses'.¹⁴⁶ The think-tank Demos cautions against such a 'stick' approach, saying:

The spare room subsidy (or bedroom tax) has proven extremely controversial, leaving many families in a dire financial situation. It is likely that such policies will more effectively exacerbate pensioner poverty than induce people to downsize. For those who do downsize, a forced move is unlikely to reap the benefits associated with voluntary and planned moves, such as improved wellbeing and sense of security. In short, penalty systems may deliver some benefits to the housing chain, but the negative impact on older people's health and wellbeing would far outweigh these.¹⁴⁷

5.1 Concluding remarks

Addressing the myriad challenges around housing an ageing population is made all the more difficult in the context of a general and sustained housing shortage which puts pressure on all sections of society. The suggestion that a focus on the needs of the older demographic could go some way towards a general solution is welcomed within the sector, though must be carefully addressed.

Competing interests and the balancing act between respecting a person's right to remain in a home that they have worked to own with the need to economise and find room for families and younger people is a challenge with no silver bullet solution. Working to better standards of adaptability, in the form of the lifetime homes design criteria, could provide a wider pool of options for older people;

¹⁴² Ibid.

¹⁴³ Ibid.

¹⁴⁴ Ibid.

¹⁴⁵ Ibid.

¹⁴⁶ Intergenerational Foundation, [Hoarding of Housing](#), 19 October 2011

¹⁴⁷ Demos, [The top of the ladder](#), September 2013

however care must be taken to ensure that the right sort of housing is provided which both meets accessibility needs and is attractive to its target demographic.

The benefit to the NHS and social care of better suited housing for the older demographic has been indicated in studies such as the 2015 Extra Care Charitable Trust example conducted by Aston University, however tighter budgets for all parties and concerns around pressures on amenities would need to be addressed before a workable tripartite service could be implemented.

How to facilitate movement once options are available is also a consideration, with indications that financial; physical and psychological barriers are of concern in helping older people transition into specialised accommodation (or in adapting their current homes). The available options need to be fully understood so that older people do not inadvertently enter into arrangements that can leave them facing difficulties or financial hardship.

Suggestions exist, including the aforementioned join up of health, social care and housing; along with alterations to planning requirements for specialist housing and financial incentives or penalties. Advocates of these 'solutions', however, stress the need for care in order to ensure that actions designed to help do not inadvertently result in unintended social costs.

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