

Retirement housing (England)

July 2019

Older people should have access to a range of different retirement housing options that match their individual needs and aspirations



“ . . .there is a shortfall in supply of specialist homes . . . ”

Housing, Communities and Local Government Select Committee.

Key issues

There are approximately 514,340 units of specialist retirement housing in England^{iv}, but this figure covers different types of provision offering varying levels of care and support. It includes 70,114 units of housing with care^v, much of which could be described as extra care housing (i.e. self-contained accommodation, normally offering 24 hour support with a care element). Although the Government has provided capital funding for supported housing there is concern over revenue funding to meet the ongoing costs of both sheltered and extra care housing.

Key statistics

400,000

is the estimated shortfall in purpose built housing for older people by 2035ⁱ

Only 70,114

units of specialist retirement housing offer a care elementⁱⁱ

96%

of older households live in mainstream housingⁱⁱⁱ

Retirement housing (England) July 2019

There is debate over how far specialist retirement housing can offer an alternative to residential care homes^{vi} and encourage more older people to downsize. However, even with significant growth in the sector the vast majority of older people will continue to live in ordinary mainstream housing. There needs to be an appropriate balance between supporting retirement housing options, while at the same time backing measures to help older people live independently in their existing homes or mainstream alternatives.



There is still some uncertainty about long term revenue and capital funding for retirement housing in both the social and the private sector which affects investment and the supply of new homes.

Social rented sector

Sheltered housing in the social rented sector is still an important housing option for many older people on modest incomes who want to live independently with some level of support. However, the ending of the Supporting People Programme and reductions in Area Based Grant mean levels of housing support in sheltered schemes have continue to decline, with rising service charges to help fill gaps in funding. The deployment of floating support, remote monitoring and assistive technology is being used to replace scheme managers and other forms of onsite support. However, the Government's social housing green paper seems to signal a change in direction on social housing and gives emphasis to the importance of listening to tenants. In addition, there has been cross-party support for Shelter's Housing Commission which is calling for 3.1 million new social rented homes over the next 20 years.

“Sheltered and extra care housing provide safe, secure housing designed to provide a home for life and enable the delivery of flexible support and care services ...”

*The value of sheltered housing
- National Housing Federation*

In August 2018 the Government dropped its controversial proposal to implement a cap on Housing Benefit payments for supported housing. Instead, the Government is negotiating future funding with the National Housing Federation to be based on an agreed 'sheltered rent'. Despite this we have seen further cuts to housing support staff with local authorities redeploying resources away from sheltered schemes to services to support people at home – although these services themselves have also been subject to cutbacks. It seems likely that a decline in sheltered housing and housing support services will place more pressure on residential care and the NHS.

Private leasehold sector

A survey^{vii} of older people found that 58% were interested in moving. However, of these potential movers only a quarter said they were interested in a retirement property, indicating they would also consider mainstream housing such as a smaller house, bungalow or an ordinary flat. (It is worth noting that many older people live in mainstream leasehold flats – making up some of the total 2.9m leasehold tenants^{viii}).

There is a general consensus that more leasehold retirement housing is needed to meet projected demand. It is argued that an expansion in retirement housing would allow more older people to downsize, freeing up family housing for younger buyers and generally benefiting the local housing markets. However, regional differences in house values and the availability of affordable retirement schemes mean that your choices depend on where you live. The retirement housing industry is calling for measures to boost retirement housing. This includes concessions on stamp duty and planning gain exemptions for new retirement housing. However, financial incentives to encourage wealthier older homeowners to downsize might be questioned at a time when subsidies to the social rented sector for lower income groups are being cut back.



Reforms of the leasehold system

The Law Commission has set out recommendations to reform the charging of exit fees in retirement properties¹. These are charges (often hidden in the small print) made when the leaseholder sells their flat and are based on a percentage of the market value of the property, which can be as high as 30 per cent. The Law Commission wants greater transparency on exit fees and better legal protection so that residents can make informed purchasing decisions. The Government has now agreed to implement the Commission's recommendations and is considering further leasehold reform and measures to promote a new form of tenure, called commonhold, which gives residents greater rights. Although the Government proposes to restrict ground rents for leasehold housing they will still be allowed for retirement housing, although with certain conditions attached to prevent overcharging.

Age UK believes the Law Commission reforms, while positive, do not go far enough. Reform of leasehold retirement housing still needs to address problems with service charges, exit fees and anti-competitive tendering by managing agents. Residents' groups are demanding greater transparency on all charges and want to make it easier to gain control of managing agents.

Public Policy Proposals

- All types of retirement housing should be part of an age-friendly neighbourhood approach, offering easy access to transport, local services and facilities.
- Older people should have access to independent housing advice and information to help them evaluate the range of retirement housing options available to them.

The private sector alone cannot deliver the range of retirement housing that should be available to older people. Local authorities and housing associations need both capital and revenue funding to extend the provision of specialist retirement housing with care and particularly extra care housing.

Social sector

- The Government must consult older tenants in deciding the appropriate levels of funding needed to provide core care and support services in sheltered schemes.
- Funding must cover the actual costs of managing sheltered housing, and restore housing support previously provided under the Supporting People Programme.
- The Government should review the role of sheltered housing in the context of any proposals for the reform of social care and clarify the core support all residents should receive, regardless of local authority area.
- A dedicated scheme manager (warden) or housing support worker should be attached to sheltered housing as a defining feature of this type of housing.
- More investment should be available to adapt and refurbish existing sheltered schemes, to give parity with current investment in extra care housing and other forms of specialised housing.
- The Government should continue investment in extra care housing to help reduce the demand on residential care and at the same time promote independence, privacy and control in all types of retirement housing.
- Housing providers need to clearly define core and optional services to residents and the long term cost implications for residents.
- Decisions by providers and commissioners on housing support services should be based on a regular assessment of individual schemes and the needs of residents - rather than the application of blanket policies.
- Residents should have the opportunity to influence the design and management of schemes.

Retirement housing (England)
July 2019

Private leasehold sector

- The Government should end the charging of exit fees or ground rents unless they are linked to a service or benefit to the resident.
- Greater legal protection should be provided to leasehold residents to prevent exploitation as a result of unfair service charges (and other fees).
- More retirement housing should be built to offer older people more choices. The Government should investigate the obstacles that impede this sector and the social rented sector.

Want to find out more

Age UK has policy positions on a wide range of issues. Our policies cover money matters, health and wellbeing, care and support, housing and communities. There are also some crosscutting themes, such as age equality and human rights, age-friendly government and information and advice

Further information

You can read our policy positions here; www.ageuk.org.uk/our-impact/policy-research/policypositions/ Individuals can contact us for information or advice here; www.ageuk.org.uk/informationadvice/ or call us on 0800 169 8787

Further information

Specialist housing for older people [factsheet](#) (Age UK). Policy positions on *Housing Design, Adaptations and Support, Older Homelessness and Age-Friendly Communities*.

ⁱ Local Government Association (2017) Housing our ageing population. Available at: https://www.local.gov.uk/sites/default/files/documents/5.17%20-%20Housing%20our%20ageing%20population_07_0.pdf

ⁱⁱ Pannell, J. Aldridge, H and Kenway, P (April 2012). Market Assessment of Housing Options for Older People. NPI.

ⁱⁱⁱ BRE briefing paper. Available at: https://www.bre.co.uk/filelibrary/Briefing%20papers/86749-BRE_briefing-paper-PHE-England-A4-v3.pdf

^{iv} Mickelborough, P (2018). Retirement Communities – Market Report 16th Edition 2018 (Kingsbury Hill Fox)

^v *ibid*

^{vi} DEMOS (2014). The Commission on Residential Care.

^{vii} DEMOS (2013). Top on the Ladder. Available online at <http://www.demos.co.uk/files/TopoftheLadder-web.pdf?1378922386>

^{viii} DCLG (2017). Available online at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/646152/Estimating_the_number_of_leasehold_dwellings_in_England__2015-16.pdf