

Introduction

By 2050, one in four people in the UK will be over 65. The majority will continue to live in mainstream housing, most of which has already been built. Currently only 0.6 percent of the population live in specialist housing models that integrate support and care compared to around 6 percent in the USA, Australia and New Zealand where the sector is more developed. However, even if the UK is able to grow this specialist model to such a scale, most people will still need or prefer to continue to live within mainstream housing and often within their current home.

Planning for the housing, health and care needs of our ageing population must therefore encompass solutions that support people to move should they wish to do so, whether to smaller and more accessible mainstream housing - looking at how adaptations, technology and domiciliary care can be provided - as well as increasing the provision of specialist housing models. In addition, national and local strategies for housing solutions and choices for our ageing population should encompass how existing retirement housing can be part of the picture. This is particularly the case where older retirement housing is still in demand due to location and community involvement but requires significant refurbishment to meet up to date quality.

Within that broader context of increasing housing choice and solutions for our ageing population, there is significant capacity and value in growing the retirement and extra care housing model *across all tenures*, particularly in the light of the number of ageing single person households; [Ageing Without Children \(AWOC\)](#) demonstrate that by 2030, 2 million people over 65 will not have children, and there will be an 80 percent increase in the number of single people requiring care by 2032. Furthermore, older single adults are 25 percent more likely to enter residential care and at an earlier age than older people with children. Added to this is the growing [awareness](#) of the implications and costs of loneliness, and the drive to support/ create connected communities becomes even more important. Where retirement housing can support this, there are clear benefits for older people as well as for public services, notably health and social care.

Research over many years has indicated the benefits from specialist housing - to help people maintain healthy and independent lives for longer with appropriate support, and the savings this brings to public services. Extra Care Charitable Trust's longitudinal [study](#) revealed savings to the NHS of 38 percent for its residents, and a reduction in planned GP visits of 46 per cent, whilst 86.5 percent of residents reported that they were 'never or hardly ever lonely', amongst other positive outcomes. More recently, [analysis](#) for Anchor Hanover has estimated the social value of its retirement tenancy is £2,800 a year. The added value from combating loneliness has been estimated at £3,000 per person per year.

This is the bigger context within which CIH addresses the specific questions of the inquiry below.

1. How can the market for shared ownership for older households best be scaled-up, and what should the priorities for the future be?

Research by the Housing LIN for the Local Government Association in 2017, [Housing our ageing population](#), references the Elderly Accommodation Counsel's estimated shortfall of specialist housing for older people of 400,000 units by 2035. Drawing on the experience of local authorities and housing providers which were developing housing solutions for older people across their localities, the report identified some key characteristics which, if supported by a strong national strategic, planning and regulatory framework, could enable more development of appropriate housing at scale across the country. These steps would also enable local authorities and their partners to understand in greater detail what the specific priorities are, and include:

- Establishing a clear vision for housing provision across the local area, and promoting the appropriate housing solutions
- Planning effectively for their ageing population, with more granular data and analysis of household projections, and housing, care and health needs, and clear priorities for action agreed with their older population
- Delivering and enabling delivery of social and private housing solutions, including for example, through use of public land
- Developing an integrated approach to housing health and care - something that the recent adult social care white paper, [People at the heart of care](#), seeks to support with the commitment of additional funding of £300 million to develop integrated strategic plans across these sectors.

Establishing a strategic national framework, including the requirement for an integrated and strategic planned approach locally, to be reflected in Local Plans, would be a significant step forward to facilitating the development of age-appropriate housing, including retirement and extra care options, and would provide confidence to increase private investment in these housing models. Currently 50% of Local Plans do not have any provision for retirement housing ([Knight Frank](#)).

Anchor's recent publication, [Fragmented UK](#), highlights research that demonstrates delivery of only around 7,000 new units of retirement housing each year compared to the estimated need for 30,000; there is clearly a case for more retirement and extra care housing provision within a broader approach to increasing housing options for people to age safely in their local communities.

2. The extent to which the level of public understanding is a barrier - do potential purchasers understand the older person's shared ownership offer?

Shared ownership can be a complex tenure; clear information on how it operates and what choices people have (in terms of equity share, impacts on rent required, repairs responsibility etc) is necessary from the outset and is best given repeatedly during the marketing, sales and after-sales process, including the multiple charges

that apply - potentially a mortgage payment, rent, service charges etc, and how these may increase at different rates over time.

There are the elements whereby shared ownership for older people differs from the mainstream offer, notably the lack of rental charge if the maximum of 75 percent is purchased under the government's older people's shared ownership scheme, plus variations on the scheme that are run by some specialist providers, that can have other advantages for some households (for example a buy back guarantee).

Added to this is misunderstanding/ lack of awareness of what retirement housing is and what it can provide, which is still an issue amongst older people, their families and the wider public. [Research](#) for Anchor Hanover highlighted that only 20 per cent of people 'fully understand' what housing options were available for older people, and a previous [study](#) for Shakespeare Martineau revealed a gap between what the public perceived to be the offer of retirement housing compared to what was available.

Taken together these provide a significant barrier for the sector to overcome, although arguably an increase in availability of retirement housing of all tenures, including shared ownership, across all regions may help to break down the misconceptions of this housing option. It would also be beneficial if the housing sector, both social and private developers and managers of schemes, could cohere around a clear brand and marketing strategy to address misunderstandings. We note the work of ARCO to establish a [consumer code](#) to which all of its members subscribe to ensure clear and transparent information for applicants which could provide a useful basis for further development around a shared ownership model, for example.

3. Are the Government's new Older People's Shared Ownership scheme (and Home Ownership for People with Long Term Disabilities scheme) working?

Both the older people's shared ownership scheme and home ownership for people with long term disabilities are valuable schemes for some households, but awareness of these is limited amongst the public. Both schemes could benefit from greater marketing and access to clear information, via independent information and advice agencies, alongside information and support to make decisions about care and support services, particularly in view of the ambitions of government, as set out in [People at the heart of care](#): adult social care reform white paper, to make 'every decision about care a decision about housing'.

There are viability challenges to develop schemes with leasehold options in some low value areas, where existing home owners would struggle to be able to purchase a retirement home; shared ownership can be a way to increase the opportunities for more households, although it would still require significant grant funding in many cases and/ or the contribution of land at low/ no cost from councils or other public bodies.



4. Are the regulations covering services and leasehold arrangements fair and fit for purpose?

Government has committed to introducing significant changes to leasehold arrangements which will also apply to specialist housing, such as longer leases, removal of ground rent etc. However, the sector has called for more tailored regulation and legislation that better fits the retirement housing model, which would provide greater clarity and security for older people looking to purchase a retirement home, as is the case in countries with a significantly larger retirement housing sector. This would reinforce the work already being developed in the sector to improve the clarity and transparency of information available for prospective residents.

5. Is the opportunity to 'staircase up' and acquire a larger share inhibiting investment into the sector?

It is unlikely that the potential for staircasing upwards would in itself be a significant barrier, although there is not much data available to the sector and its funders/ investors to inform decisions on this. More data on factors such as staircasing was a key factor in supporting the increase of mainstream shared ownership including increasing investment in schemes, and the number of mortgage lenders for potential shared owners. (This was one of the key recommendations from CIH's [research](#) with Orbit on increasing shared ownership in mainstream housing, and would be valuable application to increasing the model for retirement housing as well.)

Establishing a supportive framework for retirement housing, for example with a clear drive for robust and detailed needs assessments and inclusion of specialist housing in Local Plans, plus a strong regulatory system that gives confidence to purchasers thereby increasing demand, would be effective in drawing in further investment.

6. Can more shared ownership developments enable shared owners to 'staircase down'?

Some providers have the facility for residents to staircase down, or to reduce their asset by other means but this is usually as an exception. Facilitating downwards staircasing would make the option more flexible and advantageous for older people, giving reassurance around affordability in the face of unexpected life occurrences, but in practice it can be difficult to provide due to the financial constraints and available resources of most providers, particularly where they are looking to invest in further schemes. Although a substantial increase in the availability of shared ownership within the model may give additional flexibility to enable some providers to do this (balancing overall equity sales across a scheme or cluster of schemes for example) this may remain a relatively limited opportunity.

7. Are resale issues a major disincentive to older people acquiring a shared ownership property, and if so, how can the issues be overcome?

Historically both shared ownership, and retirement housing, have anecdotally had some difficulties in relation to resales, which may have weighed against the models reputationally. For mainstream shared ownership, the availability of more homes, increased awareness of the model and the opportunities it gives, and some modifications have led to improvements. Recent [analysis](#) by the EAC in relation to retirement housing and resales demonstrate that successful resales (value and reasonable timeframes) are linked to good location for services and facilities and an effective scheme manager, plus some understanding of and skills in marketing this specialist model.

8. What are the opportunities for new markets, for example, for those in LGBTQ+ and ethnic minority communities?

The opportunity for new markets should be identified through robust needs assessments across housing, care and health in local areas. Where this is identified the sector, and public sector partners, together with community groups would need to identify the best ways to reach communities to raise awareness of the potential for this as a positive option for people in these communities, including the development of culturally appropriate services.

9. What are the barriers to developing new shared ownership schemes for older people, such as planning and design?

We are aware that government is undertaking work more broadly on the issue of exempt accommodation, and here we note that it is important that the outcome of this work does not produce unintended problems for the ongoing development of retirement and extra care housing; CIH welcomes the way that government is working with the housing sector to ensure this.

The National Planning Policy Framework (NPPF) includes [guidance](#) for local authorities to assess and plan for policies to address the housing needs of older and disabled people. However, it does not mandate this and not all local authorities have detailed plans. If these were in place that would provide stronger guidance and assurance for providers to invest in developing such housing provision. CIH welcomes the government's commitment in its adult social care reform white paper to supporting local areas to have a strategic plan to meet the housing health and care needs of local populations as well as increased investment to develop innovative solutions (see also questions 3 and 10).

Consideration should also be given to how possible changes to the use class categories would support more provision, given the confusion that can arise in respect of specialist provision falling between the current C2 (residential institutions) and C3 (dwellings) definitions.

In terms of design and quality standards, it is positive to see higher accessibility standards, and quality and design standards such as the HAPPI standards already being incorporated increasingly across the sector. Many providers are careful to review the success of each development to learn from existing residents and applicants to refine their design standards to ensure that they are meeting the aspirations of older people. Encouraging and incentivising these standards through local strategies and Plans provides a level approach for all specialist developments.

10. Is the grant funding under current housing and health programmes sufficient or does it need to change?

Homes England have set the aim for 10 percent of current programme funding to be directed to specialist housing, including housing for older people. Given the ageing demographic of the population, this could be increased with a particular focus on funding for older people, and the flexibility to provide some additional support where viability is challenging but the need/ demand for retirement and extra care housing can be demonstrated through robust assessments.

The commitment of £300 million funding over three years to develop strategic plans across health, social care and housing could also be useful to evidence the housing and care needs across local populations that can be addressed through more retirement and extra care housing options for older and disabled people, and to find new and innovative models of support that can be delivered within accessible and well-designed housing models. This, coupled with the commitment to an older people's housing taskforce made in the Levelling Up white paper, should drive a greater focus on developing older people's housing strategies, and designation of opportunities within Local Plans.

11. What is the potential for attracting additional private finance? Is there a case for new incentives to invest?

Evidence of the scale of need and demand for more retirement and extra care housing, including the potential demand for shared ownership models, through robust needs assessments, and better data of how the model work in practice for older people, would be valuable to demonstrate the opportunities to investors. Establishing a strong regulatory framework and clear strategic approach nationally and locally would give confidence to potential residents as well as investors. Anecdotally many providers are confident about further investment where a strong national framework supports the model and enables it to be delivered at scale.

CIH's submission to the inquiry of the All Party Parliamentary Group on housing and care for older people - Making retirement living affordable: the role of shared ownership housing



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About CIH

The Chartered Institute of Housing (CIH) is the independent voice for housing and the home of professional standards. Our goal is simple - to provide housing professionals and their organisations with the advice, support, and knowledge they need. CIH is a registered charity and not-for-profit organisation. This means that the money we make is put back into the organisation and funds the activities we carry out to support the housing sector. We have a diverse membership of people who work in both the public and private sectors, in 20 countries on five continents across the world.

Further information is available at: www.cih.org

CIH contact:

[Sarah Davis](#), Senior policy and practice officer

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