

## Briefing Note

16/10/2023

Ref No : 390

### Introduction

The following comments are the submission that DLP/SPRU submitted to the Department of Health and Social Care Older People's Housing Taskforce, Call for Evidence. These responses, which are limited, have been informed by DLP's extensive experience in this sector, SPRU's detailed research work, and our promotion of developments and engagement with important actors in this sector.

### People

#### *What are the most important issues that the taskforce should seek to address?*

Older households, because of age, are vulnerable to change, and likely to be risk adverse. The decision to move into specialist accommodation, therefore, needs to be de-risked.

In most areas, choice is extremely limited and there is little or no specialist older persons market housing with care. Accordingly, such housing is simply not a choice. Relying on the responses of older people as a measure of future need will risk underestimating future need and consolidating continued under provision (DLP/SPRU "Older Persons Housing Model First Review").

"Unlocking the retirement opportunity in a post-pandemic world" found 80% of respondents had not considered moving to a retirement community (33% could not identify what they were, and 21% thought they were similar to a care home). The Study found once the concept was explained more than 1 in 4 respondents would consider moving into a retirement community.

Decision makers and others are often wrongly concerned that specialist accommodation will increase the cost of, and/or overload services in their area. Research demonstrates that purpose built accommodation and 24/7 onsite care reduces costs to health and care services.

Existing middle income models include "Retirement Living Plus" by McCarthy, and premium providers are proposing middle income models offering private rent and shared ownership as alternatives. Improved understanding and a reduction in the risk/cost of the planning process would assist delivery and improve supply for lower and middle income households.

#### *Do you have specific recommendations for the taskforce to consider?*

Introduce legislation similar to that in the USA or New Zealand (Retirement Villages Act 2003) that allows residents to purchase a "license to occupy". This guarantees a 'resale' back to the operator at a discounted value and de-risks the process.

Update NPPG Paragraph: 004 Reference ID: 63-004-20190626, by removing reference to the outdated SHOP model and require assessments of need take into account actual trends (local and national) in how older households are making decisions (as explained in "Older Persons Housing Needs Model – First Review").

Decisions makers should be required to consider the individual benefits of schemes (see Example Economic Benefits of an Integrated Retirement Community), and recognise the disparities between rural communities and that their needs should be met within the rural area, either as part of a wider catchment rather than a single rural settlement, or in an adjoining urban area.

Economies of scale should be recognised as should the benefits of this in terms of greater sustainability This would require a further amendment to NPPG Paragraph: 004 Reference ID: 63-004-20190626.

### Products

#### *What are the most important issues that the taskforce should seek to address?*

One of the existing issues regarding confidence in the sector is resales values and the time taken to resell. The DLP research "Older Persons Housing Model" identifies the exponential growth in the need for specialist older persons market housing with care (Extra Care), as derived from the actual decisions made by older households about what type of housing they wish to occupy as they age. This is contrary to Housing LIN (14July 2023) which states that their "primary research about their likely propensity and likelihood of moving to alternative housing has increasingly not corroborated assumptions about continuing growth in the specialist housing market".

### Contact us:

Ground Floor V1 - Velocity, Tenter Street, Sheffield, S1 4BY

t 0114 2289190

f 0114 2721947

e [sheffield@dlpconsultants.co.uk](mailto:sheffield@dlpconsultants.co.uk)

[www.dlpconsultants.co.uk](http://www.dlpconsultants.co.uk)



As highlighted in the DLP response, the results obtained from in-person interviews and questionnaires is entirely dependent upon the respondents' knowledge and understanding of alternative types and tenure of housing. As highlighted by research the response can change significantly if such knowledge is increased.

Evidence of housing activity suggests that the number of moves for households over 55 years reduces substantially. Therefore, the "offer" has to be substantially more appealing to overcome the inertia of staying in-situ. The importance of a dwelling being adaptable and the ability to bring in, or scaling up care when required is going to be an important consideration if this is the final move of the household.

***Do you have specific recommendations for the taskforce to consider?***

Issues around resale values might be overcome, reviewing tenure, e.g. purchasing a licence to occupy that is then purchased back by the operator at a set discounted price (as occurs in New Zealand), you thus removing the anxiety of both the household and their relatives.

A mix of dwelling types and tenures based upon responses from existing cohorts are, in DLP's opinion, likely to underrepresent the likely needs for the newer types of more flexible specialist housing for older people, and over emphasize the need to accommodate "aging in situ" because for many at present this is the only option. It is important in considering the future mix of types and tenures that a wider approach is taken catering for a diverse range of needs but which allow for increasing care as may be required (DLP's "Older Persons Housing Model – First Review")

It needs to be recognised that for all older people, and especially homeowners, that the nature of future provision displays clear advantages to overcome the inertia of staying within the family home and increased under occupation.

Even if the level of new specialist provision is made in accordance with DLP's research, the majority of homeowners will still age in situ. This will place an increasing burden on the health and other services to retro fit these homes not just with mobility enhancements but other technology to allow for "just in time" care provision.

**Property**

***What are the most important issues that the taskforce should seek to address?***

There is growing interest in the provision of purpose built specialist older persons housing, but a significant barrier is the planning system, and the misunderstanding of many decision makers of newer forms of housing. Many treat housing as a monoculture and confuse, for example extra care with care homes, and consider part M mobility housing as meeting older persons housing needs.

These outdated approaches and the reliance on surveys of existing older persons who have no knowledge of newer types of housing provision are combining to seriously underestimate the need for specialist older persons housing.

Local Plans fail to recognise that the provision of specialist older persons housing with care has ongoing costs as part of delivering significant and wide long term benefits. LPA's also have little knowledge of the financial models supporting this provision and hence planning policy undermines supply as a result, as providers, because of the costs associated with this type of development cannot compete for residential land at full market value. This means that land allocated simply for residential development can rarely be acquired by providers of specialist accommodation.

Local Plans often now require provision of affordable housing within schemes (which is difficult to achieve) or make substantial financial contributions to off-site affordable housing (not age specific).

***Do you have specific recommendations for the taskforce to consider?***

The Government introduce a new class order of specialist older persons housing with care Class C2(b). This will allow Local Plans to allocate specific sites and reduce the landowners price expectation for these sites.

Require Local Plans to identify the need for specialist older persons housing and where possible to make specific allocations to accommodate this need. If need cannot be met in full then Local Plans should have an exceptions policy.

As part of monitoring how this need is being met LPAs should:

1. Publish a 'Specialist Older Persons Housing Register' reporting what sites have been submitted for Older Persons housing, and an assessment of these sites as potentially (un)suitable (and why) and their planning status.
2. Report completions and commitments by type and tenure of specialist Older Persons housing (not just buried somewhere in the HLS Report).
3. Commitments should be deliverable as defined by the NPPF.

Review planning costs such as requirement to fund affordable housing, education, SANGS and other recreational facilities. This will reduce cost of delivering market tenure specialist older persons housing and improve accessibility for medium and lower incomes.

Remove stamp duty for those moving into older persons specialist accommodation.

Increase regulation of the sector to enhance confidence in the sector.

Add the provision of older persons housing with care as a further "exception" in paragraph 149 of the NPPF.

Add a New Homes Bonus payment for the provision of specialist older persons housing similar to that for affordable housing.