

# The key to unlocking UK housing

1 February 2019

**If the UK housing sector is to meet its needs, it must engage with an ever-increasing elderly population who may be interested in downsizing, writes Nick Sanderson**

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Awareness of the UK's ageing demographic is nothing new, and neither is the crisis in the housing market. However, appreciation of the societal challenges and demands of future generations has led to growing recognition of the importance of retirement housing.

In providing care to people in their own homes as and when they need it, retirement villages are starting to have their time in the sun. After a long period of emphasis on 1st-time buyers the political focus is changing, and the sector is at the heart of housing, health and social care discussions, with the [2017 housing white paper](#) for the 1st time compelling the housing secretary to issue guidance for local authorities on how to address older people's housing needs.

The vital role that this housing model can play in easing pressure on the NHS is expected to be explored in a social care green paper, although this has been put back several times. Originally scheduled for summer 2017, it was further delayed until the end of 2018, and there is still no firm date for its publication.

Even realising that such scrutiny is necessary is indicative of the government's recognition of this sector's growing importance, both now and in the future. The facilities on offer, coupled with suitably adapted properties, mean that those living in retirement villages are less likely to be admitted to hospital or enter a care home at all, as [the NHS social care and support guide](#) makes clear. [Research in 2015 by Aston University](#) found that, on average, costs for lower-level social care needs were 18 per cent less than in general accommodation, and 26 per cent less for high-level social care needs.

In addition to these clear societal benefits is the older generation's willingness to downsize. [Those over the age of 65 account for 40 per cent of the nation's wealth, possessing more than ?1.7tr worth of mortgage-free housing](#) , and [48 per cent of them ? 5.7m ? would consider downsizing](#) . Interestingly, [more than half ? 51 per cent ? of homes in England owned by people of all ages, not just the over-50s, are underoccupied](#) , revealing an element of uncertainty about both the individual benefits and the process itself.

Downsizing is after all a major decision, regardless of whether it represents a realisation that a family home has become too big to manage or releases equity to enjoy life. While doing research can help to alleviate some people's initial concerns, my organisation finds that informal local events can help both to raise awareness of downsizing and offer practical advice to those considering a move. They provide an opportunity to speak to a range of experts, while those who have successfully made the move can share their experiences.

Specialists can also help with the relocation process.

- Companies such as the [Senior Move Partnership](#) can see people through the whole process; they will take care of the details from planning where all furniture will go to packing everything up on the day.
- Solicitors can guide prospective movers through the finer details of inheritance tax alongside other financial considerations specific to the older generation. Once the decision has been taken to move, using a solicitor who understands the process of buying a property in a retirement village makes things significantly easier.
- If there is any worry that the selling of the former property may cause delays, part-exchange can help minimise stress and avoid estate agent fees, as well as offering flexible moving dates.
- Technology is increasingly part of the downsizing process and can help future owners to visualise themselves there. Computer-generated images provide flythroughs of the interiors and exteriors, and virtual reality rooms offer a more immersive experience. Interactive models can let prospective buyers see a detailed, physical model and select their preferred plot. While technology cannot necessarily take the place of a visit in person, it offers a glimpse of the future and therefore an element of control for those struggling to come to terms with leaving their home.

The standard of design should not be overlooked at any point. Given that, according to [Audley Group's own research](#), 99 per cent of senior citizens do not want to live in a care home, quality is vital. Retirees want the place they live as they age to be adaptable to changing health needs.

Subtle features such as wide doorways, walls reinforced to accommodate grab rails if required and discreet alarm systems alongside round-the-clock care allow people to remain in the same property for the long term. The baby boomer generation today is more demanding of the options available to them. But there is further work still to be done to show that retirement housing can properly fulfil people's aspirations.

This work has already begun: the sector is beginning to dominate conversations from institutional investors and media to the political sphere. Indeed, the [government has announced plans](#) for £76m to be invested annually in new properties designed for those who are frail, elderly or disabled. Housing developers will be able to bid for funds, and 1 scheme is already using this to develop flats with on-site facilities including a spa, beauty salon and bistro. Recognition of the benefits of accommodation that enables independent living as people age is welcome, if long overdue.

## Striving for supply

The JLL [Housing with Care index 2017](#) provides some interesting statistics. In mid-2016 there were 12.4m people of pensionable age, a figure set to rise to 16.3m by 2041. Furthermore, the number of people aged 85 and over is projected to double from 1.6m in 2016 to 3.2m in 2041. However, there are still only 725,000 purpose-built retirement units in the UK, and the number of housing-with-care units is much smaller, at around 66,700. The number of new units built annually would need to be more than double the current rate to maintain existing levels of provision as [the number of older people increases in coming years](#). Audley Group and other providers are striving to develop the momentum to achieve this.

Since launching in 1991, Audley has championed and reinvented the retirement property market. Its model means it not only builds and develop the villages, it also manages them. This puts it in control of all aspects, and assures property owners there that its priorities and values are aligned with their own.

The success of the organisation would not be possible without a deep understanding of its

customers. By using extensive consumer research and insight, it creates aspirational properties with strong design values in desirable locations across the UK. It then undertakes a carefully planned sales and marketing programme using direct marketing, local and national advertising and online activity, including search engine marketing and social media campaigns.

This market insight ensures the group's services, products and offerings are in line with changing customer needs, and allowed it to determine the potential for contemporary mainstream retirement accommodation. The result is the launch of [Mayfield Villages](#), which taps into the underserved mid-market representing around 4.5m British consumers – nearly twice the size of the luxury retirement sector. Despite its scale, the mid-market has only 1/5 of the 0.5 per cent penetration of the luxury market.

Others are now recognising the potential in the sector. New entrants over the past few years include institutional investors such as L&G and AXA. Overall, retirement properties are ranked as the 2nd-highest sector for investment in PricewaterhouseCoopers' 2018 [real-estate trends report](#), behind only logistics facilities and above student housing and private rented residential properties.

The UK needs to continue to engage with the downsizing generation, to evolve and address any remaining concerns, because otherwise it will be unable to realise the potential of the retirement housing sector. More could still be done in terms of education about the benefits, both at an individual and a systemic level.

For the Audley Group's part, it began with a vision: to create retirement living options that would improve older people's lives. That vision continues to drive it as it grows and expands into the mid-market. Change is about more than 1 company, though. I believe it's the role of the whole sector, supported by the [Associated Retirement Community Operators](#) of which I am chair. Scale in the sector would help to raise awareness, so we welcome all new entrants, and it is encouraging to see the growing political recognition that will inevitably support the growth of retirement living.

**Nick Sanderson is CEO of [Audley Group](#)**

## **Further information**

- Related competencies include: [Housing strategy and provision](#), [Planning and development management](#), [Purchase and sale](#)
- This feature is taken from the [RICS Property journal](#) (January/February 2019)
- Related categories: [Care homes](#); [Residential owner-occupier transactions](#)