



# THE OLDER PERSONS HOUSING NEEDS MODEL

**Prepared by**

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## The Older Persons Housing Needs Model

Review of evidence of need for Old Persons housing  
and findings on future national and local levels of need

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**DLP have long and extensive experience in the planning for older persons housing/accommodation, advising a range of private clients, investors, RSL's and operator companies on sites proposed for specialist accommodation for older people. DLP are advising a range of landowners, promoters/developers and operating companies with regard to the potential of sites for specialist accommodation for older person and their delivery through the planning system.**

The Strategic Planning Research Unit (SPRU) is a specialist team within DLP that provides expert technical assistance across a range of demographic and economic matters and in the case of elderly persons housing models the future level of older persons housing needs as well as how supply fits within overall housing land strategy.

SPRU have a long and well established record in the modelling of future housing needs across a range of sectors and have experience of presenting their findings at both development plan examinations and planning Inquiries. SPRU utilises a number of population and housing models (POPGroup and Chelmer) in responding to development plans, and evidence to support appeals.

SPRU developed the Older Persons Housing Needs Model as their ongoing work on the future needs of older persons specialist housing identified the dated nature of much of the evidence that many consultants and decision makers have relied upon. This new research builds upon previous research but incorporates up to date analysis of the changes in the nature of provision both in terms of tenure and type that SPRU have noted over the last decade.

In particular this model seeks to address the issue of making projections of future need more responsive to local circumstances, an element that was missing from earlier models.



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# EXECUTIVE SUMMARY







# The importance of Prevalence Rates for older peoples specialist accommodation.

The government have stated that the need to provide housing for older people is now critical (National Planning Policy Housing for Older and Disabled People (Paragraph 001))

This Report seeks to quantify the level of future need for specialist older persons housing. The level of provision for both existing and future specialist older persons housing is described by the Prevalence Rate. This being the number of specialist units per 1,000 of the population who are over 75 years old.

Prevalence Rates provide a measure of specialist housing supply for older persons against a population.

This measure is particularly important as it highlights how the overall number of units of specialist accommodation has been increasing but has not kept pace with the aging population.

This disparity between the level of supply and aging population is reflected in the fall in prevalence rates for England from 146 units per 1,000 of the population of 75 or over in 1991 to 133 units per 1,000 of the population of 75 or over in 2021.

Based upon our research it is considered that the minimum level of future provision should be based on a prevalence rate of 275 units per 1,000 of the population who are 75 or over, as this is considered to better represent the future needs of the population and would be achievable based upon recent evidence of delivery



## a. Introduction

- 0.1 Where assessments have been undertaken these are often based upon extrapolating existing levels of provision based upon population projections. This approach assumes the existing level of provision is meeting current needs in full. Our analysis strongly suggests that this is not the case.
- 0.2 Although the overall numbers of specialist housing for older persons have increased, the current rate of increase fails to match the growth in the overall numbers of elderly people. Further, whilst the rate of provision for most types of social housing (general and specialist) has fallen behind the rate of population change, the increasing rates of delivery of market housing in this sector, which has started from a low level, provides some assistance in offsetting the impact of lower rates of delivery in the social sector. The rising number of older people, coupled with a lower level of overall provision of specialist older persons housing has meant that since the early 1990's, when there were some 155 specialist older persons units per 1,000 over 75 (in 1994), the level of overall provision has decreased to 133 specialist units per 1000 (in 2021).
- 0.3 In this context, the increase in the rate of delivery of market enhanced sheltered housing and extra care, is particularly striking, and together with market sheltered housing is partially offsetting the impact of the underperformance of the social sector.
- 0.4 Notwithstanding, the upturn in the delivery of market units if present build rates do not significantly increase, the level of provision of specialist housing will continue to fall short of the needs of the growing aging population. This may be acute for those who reside in the market sector who have a much lower level of provision of specialist older persons housing units compared to the availability of units for those who reside in the social sector.
- 0.5 The legacy of the nature of past provision of older persons housing is that there is presently a considerable mismatch between the level of supply between different tenures of older persons housing when compared to the overall number of people residing in those tenures.
- 0.6 Some 82% of those over 75 who presently reside in market tenures, however there are just 47 market units per 1000 for those over 75 who are residing in market tenures. This compares to 516 social units per 1000 persons over 75 who are presently residing in social tenures.
- 0.7 The differential of the existing supply of specialist older person housing between tenures is significant.
- 0.8 Whilst there may be numerous reasons to explain some of this discrepancy, the outturn of this position, coupled with the increased focus on care in later years and changes in funding criteria, has spurred a rapid rise in the provision of market accommodation, and this is especially the case in the provision of market extra care, where the growth has been exponential.
- 0.9 Notwithstanding this long history of provision, the need for specialist housing for the older person has now become a pressing issue for the planning system, with government policy stating that the need for such housing is of "critical importance".
- 0.10 So far as the planning process is concerned, there is still a significant gap in understanding either the need case, or in reconciling how this can best be addressed. Planning policy appears to focus on meeting of elderly persons housing needs as a general housing issue. This fails to grapple with the economics of development (of specialist elderly persons housing), the most common approach being for individual housing allocations to make some provision for the needs of the elderly, often by requiring housing to improved mobility standards. This approach does not address the need for specialist accommodation.
- 0.11 Where assessment have been undertaken these are often based upon extrapolating existing levels of provision based upon population projections. This approach assumes the existing level of provision is meeting current needs in full. Our analysis strong suggests that this is not the case.
- 0.12 The basis of planning for future specialist housing provision for the older population, is establishing a better means of defining future need, and making this relevant to local circumstances. The challenge for this Report is to consider the future trends in the need for specialist older persons housing and in particular, the role of the market-based solutions may have in meeting the needs of the growing older population. Without the market playing a stronger role in the provision of specialist older persons accommodation then the level of provision (in terms of the number of units per 1000 of persons 75 and over) will continue to fall.



## b. Survey Review

0.13 There have been several surveys undertaken to illustrate the likely need for specialist housing for older persons and while none are definitive all of them suggest that the level of potential need for specialist older person housing is in the range of 250 to 470 units per 1000 population 75+. It should be noted that the higher prevalence rates that may be derived from these results are in the same ballpark as the levels of existing provision in the US (calculated as 367 units per 100 population 75+) and Australia and New Zealand (calculated as 281 units per 100 population 75+). In summary the conclusions of these surveys are set out below:

a) Commission for Social Care Inspection 2004<sup>1</sup>: If percentages expressed across all age groups were consistent across the age groups these would represent a level of potential need equivalent to a prevalence rate of between 250 units to 350 units per 1000 population 75+.

b) "Last Time Buyer"<sup>2</sup>: If a third of homeowners considering downsizing would suggest a potential market equivalent to a prevalence rate of 333 per 1000 population 75+ for market specialist housing for older people.

c) Senior Living Survey<sup>3</sup>: The proportion of respondents 75+ who found the idea of living in a retirement village either 'fairly attractive' or 'very attractive' was 38% amongst owner occupiers and 43% for private renters and most would prefer to retain their present tenure (71% owner occupiers and 82% private renters). This suggests a potential prevalence rate of 380 per 1000 population 75+ for owner occupiers and 430 per 1000 population 75+ for private renters.

d) Perceptions of Retirement Living Clarke Wilmott Later Living Report 2021: In respect of an indicator of potential need the 47% of respondents that considered living in a retirement development either attractive or very attractive would convert to a prevalence rate of 470 units per 1000 population 75+.

0.16 This approach provided a specific response to the question – 'what would the level of age specific housing requirement be, if either the current level of provision locally was extrapolated into the future, or if in the future the local level of local provision were to match the existing levels of provision in England as a whole'?

0.17 It does not provide an assessment of need considering the changes to the type and tenure of specialist accommodation that is now being delivered.

### ii) Housing markets and independence in old age

0.18 The model developed by Professor Ball in "Housing markets and independence in old age" (University of Reading)<sup>5</sup> looks at how the need for all types of Owner-Occupied Retirement Housing (OORH) can be forecasted by considering population projections and making assumptions of activity limitation, affordability and how future owners might seek to address their needs. The output of this model was to increase the level of owner-occupied Retirement Housing from 105,000 (2% of the total number of homes for those aged 65 and over) to 465,700 (313,600 + 152,100) which would be 5% of the total number of homes occupied by those aged 65 and over<sup>6</sup>.

0.19 Professor Ball recognises that his forecast contains several essentially arbitrary statements but to argue that, is to miss the point of the exercise, which was to suggest that a large potential demand exists on plausible estimates of who might benefit from living in OORH. He goes on to state that the assumptions made are quite conservative in their nature and that different assumptions can obviously be used but such variations are still likely to show a substantial potential demand, which is much greater than the current market share of OORH.

0.2 This model illustrates that there is substantial potential need but does not consider the evidence of demand that is now available a decade on from his work.

### iii) The Extra Care Demand Assessor

0.21 The Extra Care Demand Assessor (ECDA) has similar shortcomings and simply measures potential need by reference to the current level of existing provision in the top 100 local authorities. Therefore, this is not a measure of future need.

### iv) Housing in Later Life

0.22 The "Housing in Later Life Report"<sup>8</sup> provides benchmark prevalence rates for the case study area of Bury. However, these benchmarks are understood to be derived from the move towards equity of provision between the tenures based upon the existing prevalence rates for England as calculated using Elderly Accommodation Counsel (EAC) data and the 2001 census.

## c. Summary of guidance on calculating future need

### i) The Strategic Housing for Older People Analysis Tool (SHOP)<sup>4</sup> model

0.14 The Planning Practice Guidance refers to the 2011 SHOP model produced by Housing LIN, but this is now out of date and is available as an archived record only.

0.15 The approach taken by SHOP advised the modelling of future needs from population data, extrapolating 'crude' estimates of future need. It also noted that the results were heavily influenced by the range of accommodation and services that were already on offer within a location, and could only be used as a baseline.



0.23 As such, not only does it represent a benchmark for Bury, but has become used for England as a whole, albeit there will be quite wide-ranging differences in the level of need across the country especially with regard to market tenures. The prevalence rates contained in Housing in Later Life have been used to calculate and justify the need for extra care housing in both planning applications and appeals. It is noted that many Inspectors, on appeal, have accepted the prevalence rates for extra care, albeit others have concluded that these may not be ambitious enough<sup>9</sup>.

0.24 Given the date of Housing in Later Life, it is the case that much of the base data is now outdated, having been founded in part upon the 2001 census.

#### v) Conclusion on calculating future needs

0.25 It is acknowledged that the prevalence rates in the “Housing in Later Life” report still have currency in terms of planning decisions, and also the advantage of being both relatively simple to understand and apply.

0.26 It is nevertheless somewhat outdated, and unreflective of recent changes in tenure and typology, and it is appropriate to now review the approach taken based on a more up to date analysis of the changes in the rates of delivery since 2011, and the different typologies or tenures that are evident in the supply.

0.27 It is also worth revisiting the differences between the level of provision between tenures which may be indicative of unmet need. There is other evidence from the United States, Australia and New Zealand, which have a longer history of providing market-based housing solutions for their elderly population which may provide insights into the future level of need as these products become more prevalent in England.

### d. The approach of this research

0.28 This Report starts by assessing the changes in the typology and tenure of specialist provision for older persons housing from 1991 (a date at which annual records of provision were starting to be collected).

0.29 While it is acknowledged that other approaches have implicitly or explicitly attempted to bring into the projection, issues such as activity limitations and affordability, this research has taken the approach that modelling the rates of past provision and the changes to those rates, incorporates these issues in terms of reflecting effective demand.

0.30 This analysis identifies several trends in terms of the rate of future provision as already described above but these are both tenure and type specific.

0.31 The level of shared ownership is small, and although it has been increasing as a share of the market, this has not been modelled separately but is included as part of the market projections.

0.32 The approach considers 10, 20, and 30-year trends, in the rate of provision by typology and tenure and relates these back to both the 75+ population to calculate prevalence rates which can be used at a local level for projecting need (the prevalence rate being units per 1,000 population who are aged 75+).

0.33 Three types of projection have been considered. These are:

a) Average Annual Growth Rate (AAGR) – This calculates the percentage growth between each year and then averages these percentage changes over each of the three time periods (10, 20 and 30 years).

b) An exponential Growth projection (Growth) – This calculates the predicted exponential growth by using existing data for each of the three time periods (10, 20 and 30 years).

c) The application of the Average Annual Build Rate (AABR) – this is a linear projection that simply adds the average number of units that have been built over the period (10, 20 or 30 years) to the total units in the preceding year.

0.34 These results have been considered against the tenure specific prevalence rates and the degree to which the projections might suggest that there may be an equal need for types of provision across tenures. This is to investigate whether the present mismatch of supply between tenures of the same type of unit when compared to the tenure of the 75 and over population is a permanent characteristic of the market or a legacy of the past nature of the supply.

0.35 The level of potential need that could arise from mobility and poor health was investigated within this Report. It was found that whilst 81 people per 1000 population of 75+ experienced limited activity and/or bad health when residing in social units, an astonishing 256 people of the same population residing in market tenures also experienced limited activity and/or bad health. These results are the opposite to the existing level of specialist housing provision of the older population with the social sector having a prevalence rate of 95 units per 1000, compared to just 35 units per 1000 in the market sector.

0.36 These findings suggests that the level of provision of specialist housing available to those in the social rented sector who experience mobility or health issues is substantial higher than that available to market residents. This reflects a significant level of unmet need in the market sector to address these issues.

0.37 This part of our research concludes the following:

a) That while the level of provision for all older persons housing has increased since 1991, the rate of increase has not kept pace with the growth in the 75+ population and as such the prevalence rate (the number of units per 1,000 75+ has fallen since 1991).



b) The level of provision for those in the social rented sector, who may wish to move into social rented specialist accommodation, is over eight times higher than that available to homeowners who wish to move into specialist accommodation while maintaining their present tenure (in terms of tenure specific prevalence rates there are 47 market units per 1000 population 75+ for those who currently reside in market units compared to 516 social units per 1000 population 75+ for those who currently reside in the social sector).

c) The rate of provision of new market-based specialist accommodation exceeds that of new socially rented provision by a factor of three to one (3,090 social rented completions compared to 9,281 market units).

d) Extra care is the fastest growing type of specialist accommodation across both tenures.

e) Market extra care is growing faster than social extra care and is growing exponentially.

f) Despite the growth in the level of provision the total provision remains below that required to keep pace with the aging population and as such the overall prevalence rates have been falling since the early 1990s.

g) While overall prevalence rates have been falling since the early 1990s this is not the case for all types and tenures with the prevalence rates for market units increasing with the fastest rates of increase in extra care.

h) If recent rates of growth in market units continue then it is possible that for enhanced sheltered and extra care, the level of provision of specialist market units for homeowners will match that currently experienced by those in the social rented sector and may in fact exceed it.

i) Even the highest rates of growth presently projected for extra care home ownership options will not result in the level of provision that is currently experienced in overseas markets such as the United States, Australia, and New Zealand.

j) If those sectors and tenures which are projected to grow perform in line with the higher of the recent projections, then rather than getting progressively worse the overall level of specialist provision for older persons provision may return to the levels experienced in the early 1990s. This will be achieved by the increase in the provision of units for owner occupation and shared ownership across all types of specialist accommodation but particularly enhanced sheltered and extra care.

k) Even if these levels of growth are achieved and the level of provision of older persons accommodation per 1000 population 75+ is returned to levels experienced the early 1990s it will still be below the levels that presently available in the United States, Australia, and New Zealand.

0.38 Taking previous changes in the rates of provision into account and noting the evidence from the analysis of tenure specific prevalence rates and the potential need arising from market tenures from those with mobility or health issues, as well as other assessments of need including those based on international comparisons, several general conclusions can be drawn:

a) The crisis in supply identified by the government will progressively worsen unless future provision exceeds recent past rates of provision.

b) The market-based housing options have both the most capacity for growth (as they have very low tenure specific prevalence rates) and the proven potential for growth (as illustrated by recent past rates of growth which have exceeded the changes in the social rented sector).

c) Extra care has demonstrated the most potential for growth across all tenures.

## e. Future Need

### i) National prevalence rates

0.39 In considering future need, prevalence rates have been determined in line with the above conclusions as being reflective of the evidence of future need, considering both past experience and the tenure preferences of future occupants.

0.40 For some types of provision all the projections are relatively close, while for others and especially extra care there is a much greater range due to the recent exponential growth (rather than linear growth) in the rate of provision.

0.41 In general, the approach has been to rely upon the projections based upon the most recent period (2011 to 2022), but for market units, this has been moderated where the projected level of growth exceeds the social rented tenure specific prevalence rate. For example, in the case of extra care the Average Annual Growth Rate and the Growth projections would suggest that a prevalence rate of 62 and 74 per 1,000 population 75+ by 2041. The prevalence rate has instead been held at 44 units per 1,000 population 75+ to match the current tenure specific prevalence rate for social extra care.

0.42 However, there are clear indicators that for extra care the 44 units per 1,000 population 75+ maybe a significant under representation of future need. Not only are two of the three projections suggesting that the need might be higher at 62 or 74 units per 1,000 population 75+) but international comparisons provide relevant alternative estimates of between 80 and 100 units per 1000 population 75+ for extra care.

0.43 In addition, evidence on the prevalence rate of health and mobility amongst those presently residing in market units at 256 per 1,000 population 75+ suggest that 44 units per 1,000 population 75+ is far too low. These sources all suggest that the higher projections are entirely plausible.



- 0.44 An adjustment has also been made in respect of the prevalence rate for market sheltered housing. This is in response to the evidence of the mismatch in tenure specific prevalence rates between market and social provision for this type of housing. In acknowledgement that the projected prevalence rates from projections of past provision are lower than that suggested by a prevalence rate that reflects an equalisation between the tenures in the sheltered housing sector then the future tenure specific prevalence rate for market sheltered housing is to increase so that it is half that of the tenure specific prevalence rate for social sheltered housing.
- 0.45 Having made such adjustments, it is important that any assessment of need reflects the local affordability and occupation rates to provide a local focus. The national prevalence rates should therefore be adjusted to reflect the different levels of affordability and occupancy at a local level.

## ii) Local prevalence rates

- 0.46 Having concluded the appropriate national prevalence rates to reflect future need across the different types and tenure of specialist housing for older persons, this research considers how these national rates might be adjusted to reflect local circumstances. These adjustments seek to reflect local circumstances regarding price of housing, tenure and occupancy rate when compared to the national position. This takes account of the impact of these variables upon need for market specialist older persons housing:
- a) House Price: Existing values are a factor in determining the level of potential need for specialist older persons market housing in a local area. This local adjustment applies a ratio based upon whether the median house price is higher or lower than the average for England to reflect the greater ability to afford the move into specialist housing.
- b) Tenure and property size: Existing tenure and property size is a factor in determining the level of need for specialist older persons market housing in a local area. This local adjustment applies a ratio based upon whether the percentage of homeowners over 75 who occupy properties with three or more bedrooms is higher or lower than the average for England. This reflects an important source of need for those seeking the 'right size'.
- 0.47 The local adjustment applies the average of these two ratios to the national derived prevalence rate. It is of note that these two factors can at times counterbalance each other rather than simply reinforce each other.
- 0.48 This local adjustment increases or decreases the national prevalence rates for market older persons specialist housing.
- 0.49 It is recognised that the application of both national and the local prevalence rates are required to reflect the nature of the local housing market. As such it is proposed that a further test should be introduced to further moderate the projected need for extra care.
- 0.50 This test considers the number of properties in the area that sold for over a set figure (£350,000 can be taken as an average, and this can be varied according to the local market) in the last five years. This is considered to be the minimum level of equity needed to enter into extra care homeownership. It then assumes that the percentage of sales is the same as the level of homeownership for this age group (75+). This is then compared to the results of applying the local prevalence rate; if the calculation of need for extra care over 5 years is greater than past sales, then the prevalence rate requires review.

## f. Conclusion

- 0.51 The research undertaken highlights that increases in the levels of provision across all tenures and typologies are required to address the critical shortage of specialist elderly persons accommodation.
- 0.52 Future increases in provision will likely be focused on the development of market-based solutions, reflecting the prevailing levels of home ownership and the desire of people to continue to own their home. The growth in market extra care, reflects this growing market and the desire of people to maintain, so far as they are able, independent living in a home that they own.
- 0.53 Table 1 below updates previous research and in particular builds upon the approach that has found acceptability within the planning decisions, and which seeks greater equity of provision between tenures.
- 0.54 Table 1 also sets out the current prevalence rate (total of 133 units per 1000 population 75+), the future level of provision required to meet need, as calculated in the "Housing for Later Life Approach", based in part on the 2001 census (total of 251 units per 1000 population 75+), and the revised national level recommended to meet the level of need identified by this research (total of 275 Units per 1000 population 75+).
- 0.55 It is important to note that these are the proposed prevalence rates for England, and that in areas with higher levels of home ownership by older people, and with higher rates of under occupation, then the levels of need will be higher than suggested by the rates below. The application of a 'local adjustment' is therefore important in determining the levels of potential need at a local level.



**Table 1.Existing and proposed prevalence rates**

Prevalence rates per 1000 population 75+	Existing 2021	Housing in Later Life Proposed (2011)	DLP proposed 2021
<b>Sheltered Housing</b>			
Social	84	60	56
Market (ownership, shared ownership and private rent)	33	120	146
<b>Enhanced Sheltered Housing</b>			
Social	1	10	2
Market (ownership, shared ownership and private rent)	2	10	7
<b>Extra Care</b>			
Social	10	15	20
Market (ownership, shared ownership and private rent)	4	30	44
Housing based provision for dementia	0	6	0
<b>Total</b>	<b>133</b>	<b>251</b>	<b>275</b>

Source: EAC, Housing in Later Life , 1991 - 2021 MYE, SPRU









# 1

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## | INTRODUCTION

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- 1.1 The provision of specialist housing for the elderly has now become a pressing issue for the planning system, with government policy seeing the need for such housing to be of critical importance. This Report seeks to review the evidence of the future levels of need for specialist older persons housing across all typologies.
- 1.2 We first review the changing patterns of provision, both in terms of net additions to the available stock, but also the rate of provision against the growing number of older persons. For the most part, this Report will consider the level and nature of existing provision against the over 75 population (this is described as the prevalence rate and is expressed as the number of units per 1000).
- 1.3 The Report also reviews published research on the need for, and impact of, specialist housing provision for older persons.
- 1.4 Finally based upon this up-to-date evidence the Report proposes new prevalence rates for the calculation of the future need for Specialist older persons Housing both at a national level and how this maybe adjusted to reflect local circumstances.

## a. Types of specialist older persons housing

- 1.5 The fact that the older persons housing sector has been undergoing considerable change means that different publications have used various descriptions of the type of provision and ways of measuring the level of existing provision.
- 1.6 This Report uses the following definitions based upon the Elderly Accommodation Counsel (EAC) directory of specialist housing which has four main broad categories:
  - i) **Age-exclusive** (i.e., designated for older people, but with no specific support or care provision).
  - ii) **Sheltered housing** for rent, retirement housing for sale, and some shared housing models such as Abbeyfield houses.
  - iii) **Enhanced sheltered housing, and assisted living**; Provides residents with the independence of having their own front door and self-contained flat whilst also having access to some on-site support service. Most developments will have scheme manager and alarm systems in the property, there may also be some personal care and home help services that can be arranged by the management.
  - iv) **24/7 extra care housing** (both care and support are available). These schemes provide a more intensive level of support than traditional sheltered housing for older people who need some personal care or other types of help, but who are otherwise able to live safely and independently on their own. There will usually be at least one member of staff on hand 24 hours a day. Additional facilities are often available to cater for people who are not able to get out regularly, perhaps including a restaurant, shop, gym or hobby room.

## b. The tenure of specialist older persons housing

- 1.7 There are within each of these categories there are potentially four types of tenure these being:
  - i) Social Landlord
  - ii) Private rented
  - iii) Shared Ownership
  - iv) Ownership
- 1.8 For the purpose this Report the types of tenure are simplified for the following reasons.
  - i) Shared Ownership and Private Rented accommodation presently make up a relatively small element of the supply (although as set out in appendix 1 both have a growing rate of provision alongside Ownership).
  - ii) Although both tenures have seen a rapid acceleration in delivery in recent years, they are nevertheless small so their inclusion within the “market tenure” category is considered to be the more appropriate way of projecting future need.
  - iii) Both tenures are often delivered as part of market-based schemes
  - iv) The 2011 census includes shared ownership within the category “Owned: Owned with a mortgage or loan or shared ownership” and this is important in terms of the analysis.
- 1.9 Considering the above this Report uses simply two tenure categories these being:
  - i) Social (including rented from council (Local Authority) and Other social rented)
  - ii) Market (including Ownership, shared Ownership and Private rented)



## c. Prevalence Rates and Tenure Specific Prevalence Rates

- 1.10 In considering how to describe the level of older persons housing provision commentators tend to use one of the following approaches:
- i) **Percentage of population.** This expresses the number of units as a percentage of either the whole population or of a population of a certain age for example
  - ii) **Percentage of accommodation** occupied by all households or households of a certain age i.e., 3% of the accommodation of people aged 65 plus
  - iii) **Prevalence rates.** This expresses the number of units per 1,000 of the population (either in total or of a certain age band) for example 30 units per 1,000 population 75 plus.
- 1.11 This Report expresses the level of provision of specialist older persons housing using prevalence rates as this is the measure that is most commonly used in the planning context. As the report deals with the differences in level of provision between tenures two types of prevalence rates are referred to these are:
- a) **Prevalence Rates.** This expresses the number of units per 1,000 of the population who are over 75 years old. This is referred to for example as Prevalence Rate of 30 units per 1000 population 75+.
  - b) **Tenure Specific Prevalence Rates.** This expresses the number of units of a specific tenure per 1,000 of the population who are presently occupying that same tenure who are over 75 years old. This is referred to for example as a Tenure Specific Prevalence rate of 30 units per 1,000 population 75+.

# 2

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## **BACKGROUND TO THE NEED AND BENEFIT OF SPECIALIST HOUSING FOR OLDER PERSONS**

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## a. Government Policy on the provision of specialist accommodation for older persons

- 2.1 The National Planning Policy Framework<sup>11</sup> ('The Framework') requires the delivery of a wide choice of high-quality homes. The Framework identifies that planning policy should:
- "Support the Government's objective of significantly boosting the supply of homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay."*
- 2.2 National Planning Practice Guidance<sup>12</sup> states that:
- "The need to provide housing for older people is critical. People are living longer lives and the proportion of older people in the population is increasing. In mid-2016 there were 1.6 million people aged 85 and over; by mid-2041 this is projected to double to 3.2 million. Offering older people, a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems. Therefore, an understanding of how the ageing population affects housing needs is something to be considered from the early stages of plan-making through to decision-taking."*
- 2.3 The PPG<sup>13</sup> recognises that these are diverse and states that:
- "For plan-making purposes, strategic policy-making authorities will need to determine the needs of people who will be approaching or reaching retirement over the plan period, as well as the existing population of older people."*
- 2.4 In respect of the evidence to be considered when identifying the housing needs of older people, the PPG<sup>14</sup> states:
- "The age profile of the population can be drawn from Census data. Projections of population and households by age group can also be used. The future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector, for example SHOP@ (Strategic Housing for Older People Analysis Tool), which is a tool for forecasting the housing and care needs of older people. Evidence from Joint Strategic Needs Assessments prepared by Health and Wellbeing Boards can also be useful."*
- The assessment of need can also set out the level of need for residential care homes."*
- 2.5 Both policy and guidance are clear in the importance of addressing the needs of older people which are described as being "critical". It is also clear that there needs to be a widening of the choice of the type of provision of specialist housing for older persons so that a better choice of accommodation is available.
- 2.6 The PPG<sup>15</sup> goes onto require that plans need to provide for specialist housing for older people where a need exists.
- 2.7 There is also a requirement for local authorities to take a positive approach to schemes for specialist housing for older persons where they propose to address an identified unmet need for specialist housing.
- 2.8 The most recent response from the Government to the House of Lords Built Environment Committee report on Meeting Housing Demand states in response to section 1. Housing Demand and Demographics<sup>16</sup> that:
- "We recognise the importance of delivering the right kind of housing for older people and welcome this recommendation from the Committee. Ensuring older people can live in suitable homes tailored to their needs can help them to live healthier lives for longer, retain their independence and feel more connected to their communities. It can also help to reduce pressure on health and social care services."*
- This Government is committed to supporting the growth of a thriving older peoples' housing sector, one that builds enough homes to match growing need, gives certainty to developers and investors, and empowers consumers with choice from a diverse range of housing options"*
- 2.9 The response goes onto state<sup>17</sup>:
- "However, we realise that more needs to be done to meet the housing needs of our ageing population. That is why we are launching a new taskforce on the issue of older people's housing this year, which will look at ways we can provide better choice, quality and security of housing for older people across the country. This includes looking at how to address regional disparities in supply of appropriate and specialised housing for older people"*
- 2.10 In answer to the lack of progress on the provision of housing for the elderly the Government responded<sup>18</sup>:
- "We are committed to further improving the diversity of housing options available to older people. Boosting a range of specialist housing across the country will be key to achieving this.... But we know we need to go further. That is why we are launching a new taskforce on the issue of older people's housing, to work with the sector and our colleagues in the Department of Health"*



and Social Care to explore how we can support the growth of a thriving older people's housing sector.

*Ensuring our planning system supports the growth of specialist housing supply for older people will be crucial to this work.*

- 2.11 It is further noted that as part of the levelling up agenda the Government state<sup>19</sup> Improving housing quality:

*"For older people trapped in non-decent or unsuitable accommodation, the UK Government will work to increase the choices available to them. A new Task Force will be launched shortly to look at ways better choice, quality and security of housing for older people can be provided, including how to address regional disparities in supply of appropriate and where necessary specialised housing."*

- 2.12 The Governments position in 2022 regarding the issue of older persons Housing is that more needs to be done and that planning has a clear role in the delivery of the housing required to meet the needs of the older population.

## b. Benefit of specialist older persons housing

- 2.13 Current provision is largely focused on sheltered housing and care homes. However, these do not address the ever-rising demand from homeowners to access age-appropriate housing, of the same tenure.
- 2.14 The benefits identified from our research include the following:
- a) For occupiers of specialist older person accommodation, improved quality of life by virtue of on-site support, better social networks, safer environment, repairs and maintenance, being independent for longer.
  - b) Benefits to other services in respect of:
    - i) An average saving of some £550 to other services for each older person living in specialist housing
    - ii) For extra care housing, the delay or prevention of a move into residential care providing cost savings to the public purse in the long term of, on average, £28,080
    - iii) Health and social care provision can be streamlined within specialist housing using visiting health professionals.
  - c) Supporting sustainable communities - older persons make greater use of local facilities.
  - d) Reducing fuel poverty.
  - e) Stimulating the housing market including:
    - i) Releasing larger homes for families to occupy, this having a positive knock-on effect, that stimulates the housing chain and ultimately benefits the first-time buyer

ii) This potentially relieves pressure to build on 'greenfield' or 'other policy constrained land, e.g., AONB, Green Belt

iii) Properties vacated are usually re-occupied by younger families, are then refurbished, and made more energy efficient, helping to achieve other sustainability goals

iv) In the affordable housing sector, better housing choices for older people can free up family housing, reducing waiting lists for social housing

- f) Benefits to the economy both through construction and operational phases.

## c. Need for specialist older persons housing

### i) The House of Commons publication "Housing an ageing population: a reading list"

- 2.15 The House of Commons publication "Housing an ageing population: a reading list"<sup>15</sup> reviews the literature on this topic as identifying a range of challenges, including:

a) Older people frequently need support with home maintenance, adaptations and repairs to enable them to stay in their homes for longer. They may also require other support services, such as social care, to maintain their independence and well-being. A supportive local community and social networks are also recognised as important in supporting older people, for example by reducing loneliness.

b) There is a shortage of accessible and specialist housing for older people (for example, retirement housing, sheltered housing and housing with care) in both the private and social sectors.

c) Older people need access to information and advice on housing options and support services, to enable them to make informed and timely choices about how and where they live.

d) Older people are more likely to be under-occupying their accommodation. Barriers to 'downsizing' or 'rightsizing' can include emotional bonds; fear of change; reluctance to lose a principal financial asset; and a lack of choice in appropriate accommodation to move on to.

e) The increase in older people living in private rented accommodation has raised concerns about their living conditions, difficulties in securing necessary adaptations, and ability to live a secure life in retirement.

f) In England, there is a lack of a national strategy on housing for older people to provide a strategic vision and ensure housing, health and social care policies are joined up.

## ii) “Future of an Ageing Population” Government Office for Science 2016

2.16 The Key Findings of the “Future of an Ageing Population”<sup>21</sup> in respect of housing are as follows:

*“By 2037 there are projected to be 1.42 million more households headed by someone aged 85 or over – an increase of 161% over 25 years. Suitable housing can maximise the ageing population’s positive contribution to the success and resilience of the UK, while unsuitable housing is the source of multiple problems and costs. Poor housing creates hazards that cost the NHS an estimated £2.5 billion per year (across all ages), comparable with the cost of physical inactivity (£1 billion) and alcohol abuse (£3.2 billion). Future homes will have an even greater effect on health and wellbeing as technologies develop that mean they are increasingly used as places of work and care. Priorities include:*

- Ensuring there is appropriate housing. Demand for housing that meets the needs of older people will increase as the population ages. Adapting existing housing stock to meet this demand is critical as even by 2050 the majority of housing will have been built before 2000. Ensuring new housing can adapt to people’s changing needs as they age will also be important, reducing demand on health and care services and enabling people to work flexibly and for longer.

- Thinking ‘beyond the building’ to include the neighbourhood and community. Interventions that improve homes are likely to be less effective without similar improvements in the neighbourhood. The ability to socialise and to access services are particularly important

- Preparing for the impact of variable home ownership rates. Housing can be a financial asset, providing financial security, a source of funding for care and being passed on as an inheritance. However, housing can also represent a significant financial burden if individuals still have large mortgages or rent when they enter retirement. Home ownership rates currently vary widely across regions, socio-economic groups and birth cohorts.

2.17 In detail this report highlights that in section 4.1:

*Evidence suggests that there are substantial numbers of people who would like to move to smaller homes but cannot find a suitable property<sup>22</sup>. Without action, the ageing population will exacerbate any existing shortage in housing that meets older people’s needs*

*Residents of specialised housing generally show high levels of satisfaction, improved wellbeing, better health outcomes and reduced healthcare costs<sup>23</sup>. Specialised housing is also likely to be more in-demand as the population ages, with one prediction suggesting a 70% increase in demand by 2033 to 86,000 units per year<sup>24</sup>.*

2.18 Section 4.1 concludes that the policy implications are:

*The ageing population will change demand for housing. In particular, it is likely that more adaptable and specialised housing will be needed*

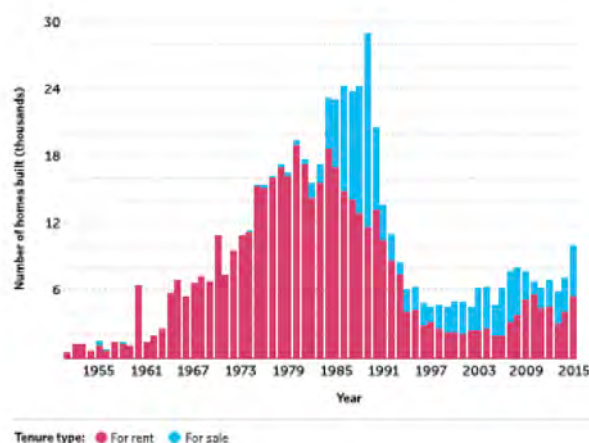
2.19 Section 4.2 considers how to meet the changing demand for housing and suggests:

*Potential ways to meet the changing demand for housing could involve providing suitable new homes, ensuring that the existing housing stock is appropriate and adaptable, and helping people to move to a home that is appropriate for their needs.<sup>25</sup>*

*If current build rates continue (see Figure 4.2), it is likely that the needs of the increasing numbers of older disabled people will not be met. There is a regional element to this – more specialised housing has been built in the South of England than the North relative to the number of older households in those regions.<sup>26</sup> This is despite people in the North being more likely to live with disabilities for longer.<sup>27</sup>*

2.20 The Figure 4.2 in the quote is replicated in Chart 1 below.

**Chart 1. Number of specialist homes built by type (replication of figure 4.2)**



1. “Future of an Ageing Population” Government Office for Science 2016

2.21 The Policy Implications were:

*“Building suitable new homes and supporting the adaptation of the existing housing stock will be critical as the population ages. It is also important that older people can move to a more appropriately-sized home with ease.”*

2.22 The National Policy Institute report referred to by the Government Scientific Office consider the level of future demand in section 3 as follows:

*“The stock of 520,000<sup>28</sup> units of specialist housing is 5.6% of the 9.3 million households with a HRP aged 55. Applying this proportion to the number of households projected in 2033 (5.6% of 13m) there would need to be a stock of 730,000 specialist units by 2033 an increase of 40%, or 210,000 over 20 years (around 10,000 per year). Around 50,000 households move into specialist*



accommodation each year<sup>29</sup>. Data from CORE shows that among households headed by someone aged 55-84, around 0.6% move into specialist accommodation each year. For those with a HRP aged 85+ it is around 1.1%. Applying these proportions to the projected number of households in each age group in 2033 (table 3.9) this would amount to an annual demand of around 86,000 units of specialist accommodation. This is an increase of 70%.”

- 2.23 The report comments that these two methods of projecting the increase in the required stock and flow of specialist accommodation in 2033 give different growth rates and highlights the difference between the two are due to the uncertainty involved in projections. The report goes on to highlight further work undertaken by Ball (2011) which is reviewed below.

### iii) Fixing our broken housing market. February 2017

- 2.24 In this White Paper the government emphasis the need to address the housing needs of an ageing population<sup>30</sup>:

*“Whatever the methodology for assessing overall housing requirements, we know that more people are living for longer. We propose to strengthen national policy so that local planning authorities are expected to have clear policies for addressing the housing requirements of groups with particular needs, such as older and disabled people.”*

- 2.25 The White Paper proposes to widen the choice of homes to meet the housing needs of the older population recognising that increasing the range of available options also results in benefits to the health and social care systems<sup>31</sup>:

*“Offering older people a better choice of accommodation can help them to live independently for longer and help reduce costs to the social care and health systems. We have already put in place a framework linking planning policy and building regulations to improve delivery of accessible housing. To ensure that there is more consistent delivery of accessible housing, the Government is introducing a new statutory duty through the Neighbourhood Planning Bill on the Secretary of State to produce guidance for local planning authorities on how their local development documents should meet the housing needs of older and disabled people. Guidance produced under this duty will place clearer expectations about planning to meet the needs of older people, including supporting the development of such homes near local services. It will also set a clear expectation that all planning authorities should set policies using the Optional Building Regulations to bring forward an adequate supply of accessible housing to meet local need. In addition, we will explore ways to stimulate the market to deliver new homes for older people”.*

- 2.26 The White Paper<sup>32</sup> suggest that government should assist older people to move which include making the move for these older households to be a very attractive option suitable for meeting their needs over a long term.

*“Helping older people to move at the right time and in the right way could also help their quality of life at the same time as freeing up more homes for other buyers. However there are many barriers to people moving out of family homes that they may have lived in for decades. There are costs, such as fees, and the moving process can be difficult. And they may have a strong emotional attachment to their home which means that where they are moving to needs to be very attractive to them and suitable for their needs over a twenty to thirty year period. There is also often a desire to be close to friends and family, so the issues are not straightforward”.*

- 2.27 The Local Government Association in the “Housing our aging population” publication (2017)<sup>33</sup> states that Retirement housing in the UK has evolved over the last 30 years. The principal aim of retirement housing is to provide an alternative to private residential housing and residential care for older households. It targets those older people requiring specialist housing support or care (or will in the future) but who also wish to maintain their independence and can provide a community (with ongoing activities and support provided), not just housing. It goes on to state that the key shared factor of all retirement housing is that occupiers own or rent their own independent property with a shared central core providing communal facilities which vary in size and provision according to the development type. In the UK, the vast majority of over 65s currently live in the mainstream housing market.

- 2.28 The report highlights that only 0.6 per cent of over 65s live in housing with extra care, which is 10 times less than in more mature retirement housing markets such as the USA and Australia, where over 5 per cent of over 65s live in housing with care.

- 2.29 The report states that the suitability of the housing stock is of critical importance to the health of individuals and impacts on the demand for public spending, particularly social care and the NHS.

- 2.30 The report highlights that many retirees want to ‘right size’ (or downsize) and live in retirement Housing in Later Life, but there is a chronic under-supply of high quality, affordable or desirable accommodation in the right locations. The report notes that as of 2017 mid to high end schemes being developed across the UK are being fully sold off-plan, with long waiting lists for existing schemes.

- 2.31 The LGA report goes on to refer to the series of HAPPI reports proved influential in raising awareness of the attractive design features that can make ‘retirement housing’ a product to be desired not dismissed.

- 2.32 In terms of need, the growing number of older people in the population is creating a critical need for new, age specific housing. Many historic research reports suggest there is a chronic undersupply, but few attempt to articulate the scale of the present need, or of the future pattern of need.

# 3

## RETIREMENT LIVING SURVEY RESULTS







## a. Introduction

- 3.1 The purpose of reviewing the results is that while recognising the limitations of such surveys they can nevertheless provide a context in which to consider the various models for determining future need which are reviewed in the next section. What does emerge from this and the next section, as well as from our own analysis, is that a range of need emerges for England that is significantly higher than the present level of provision.
- 3.3 These are percentages expressed across all age groups and if they were consistent across the age groups these would still represent a prevalence rate of between 250 units to 350 units per 1000 75+ population.

## b. Commission for Social Care Inspection 2004

- 3.2 Both Securing Good Care for Older People Taking a Long-Term View<sup>34</sup> and SHOP Resource Pack<sup>35</sup> reference this survey undertaken by the Commission for Social Care Inspection 2004 of 1,049 persons aged 15+ to highlight that the majority of respondents would prefer to receive care in their own home (62%). However, this still found that 35% would consider moving to a smaller property, 27% would consider moving to shelter housing and 25% would consider moving to sheltered housing with additional services (See Table 2 below).

**Table 2. People's Preferences Should They Need Care**

Preference	Percentage
Stay in my own home with care and support from friends and family	62
Stay in my own home but with care and support from trained care workers	56
Move to a smaller home of my own	35
Move to sheltered housing with a warden	27
Move to sheltered housing with a warden and other social care services such as hairdressing and organised social outings	25
Move in with my son or daughter	14
Move to a private residential home	11
Move to a local council residential home	7
Move to a residential home provided by a charitable organisation	3
None	1
Don't know	2

Source: Commission for Social Care Inspection 2004 via Securing Good Care for Older People Taking a Long-Term View (table 15) Note: Base: all respondents aged 15+ (1,049)



## c. “Last Time Buyer” CEBR for Legal & General 2015

- 3.4 This study attempted to quantify the size of Great Britain’s “Last Time Buyer” (LTB) market. The study found that there are 3.3 million last time buyer<sup>36</sup> households across Great Britain, with a combined 7.7m spare bedrooms<sup>37</sup> – equivalent to 2.6 million three-bedroom houses. The study found that properties owned by LTBs are worth a total of £820 billion or 18% of GB’s property market and is projected to reach £1.2 trillion in value by 2020<sup>38</sup>.
- 3.5 The research was commissioned by Legal & General in order to gain an improved understanding of the Last Time Buyers’ property market in Great Britain – older homeowners who live in homes that may now be too large for their needs and who would like to downsize.
- 3.6 The study was released at a time when the UK was (as it still is) suffering from a major housing crisis and helping older homeowners who want to downsize and move to smaller homes could play an important part in the solution – by freeing up more living space for those that need it and allowing older people to access the equity locked up in their homes. The research concluded that a key factor blocking this release of supply onto the market is that there were not enough two-bedroom properties suitable for older residents to downsize to.
- 3.7 Additional key findings of the study:
- a) The typical LTB household lives in a four-bed house, but wants a two-bed property
  - b) Almost a third of older homeowners have considered downsizing in the last five years; but only 7% actually did<sup>39</sup>
  - c) A majority (58%) of downsizers put off moving home until after 70; a quarter until 80 or older.
  - d) The most common reason for considering downsizing by over 55s is that their property no longer meets their needs.
  - e) The most common preferences for LTBs in a new home are being close to family and friends (32%), being near their current neighbourhood (18%), have easy access to healthcare (16%) and being located near shops (10%).
8. A third of homeowners considering downsizing would suggest a potential market which would equate to a prevalence rate of 333 per 1000 75+ for market specialist housing for older people
- 3.8 A third of homeowners considering downsizing would suggest a potential market which would equate to a prevalence rate of 333 per 1000 75+ for market specialist housing for older people

## d. Senior Living Survey Knight Frank 2019

- 3.9 Knight Frank surveyed almost 2,000 homeowners and renters over the age of 65 as part of a wider tenant survey to better assess their priorities. Though customers aged 75+ are the target market for senior living developers, this report did analyse the views of those aged 65+, to incorporate the views of current and future customers.
- a) 56% say location is the most important factor when choosing a property
  - b) 75% of 65+ respondents stated distance from a retirement village to a town centre was important to them
  - c) 37% of 65+ respondents find the prospect of living in a senior living community attractive
- 3.10 It should be noted that 37% of the population 65+ would translate to a prevalence rate of 350 units per 1000 population 65+ if it was all converted into future need.
- 3.11 The survey results were that the proportion of respondents 75 + that found the idea of living in a retirement village either 'fairly attractive' or 'very attractive' was 38% amongst owner occupiers and 43% for private renters and most would prefer to retain their present tenure (71% Owner Occupiers and 82 Private Renters). This suggests a potential prevalence rate of 380 per 1000 75+ for owner occupiers and 430 per 1000 75+ for private renters.

## e. Perceptions of Retirement Living taken from Clarke Wilmott’s Later Living Report 2021

- 3.12 In 2021 the law firm Clarke Wilmot undertook a survey after seeing an uptick in demand for residential developments designed for retirees and older clientele, both in the market and with incoming work to the firm. The purpose was to broaden their insight in relation to this market and to share this with our contacts, clients, and others with an interest in this growth sector. The following provides a summary of the results:
- a) 47% percent found that the idea of living in a retirement development was attractive or very attractive when the time was right.
  - b) In respect of the tenure of the retirement property would suit the respondents best:
    - i) 56.25% preferred Buying Outright
    - ii) 32.81% preferred Privately Rented
    - iii) 10.94% preferred Part Ownership

c) In relation as to the age that respondents considered they might consider moving to a retirement development the majority suggest that this might be before they reach 75:

- i) 1.54% before 54
- ii) 26.04% between 55 – 64 years of age
- iii) 25% between 65 -74 years of age
- iv) 34.38% between 75 – 84 years of age
- v) 13.02% between 85 +

d) In terms of reservations about moving into a retirement development the widest concern was with regard to the cost-of-service charge and ancillary costs (57.99%) the second widest concern was “Feeling old before my time” at 50.35%

e) In respect of location the following factors were listed as being the most important

- i) Close to family (50.52%)
- ii) Close to outdoor space (42.71%)
- iii) Close to town (35.42%)
- iv) Familiar with area (30.73%)
- v) Close to transport links (23.96%)

- 3.13 In respect of an indicator of potential need if the 47% of respondents that considered living in a retirement development either attractive or very attractive would convert to a prevalence rate of 470 units per 1000.

c) “Senior Living Survey” Knight Frank 2019: The proportion of respondents 75 + that found the idea of living in a retirement village either 'fairly attractive' or 'very attractive' was 38% amongst owner occupiers and 43% for private renters and most would prefer to retain their present tenure (71% Owner Occupiers and 82 Private Renters). This suggests a potential prevalence rate of 380 per 1000 population 75+ for owner occupiers and 430 per 1000 population 75+ for private renters.

d) “Perceptions of Retirement Living” Clarke Wilmott’s Later Living Report 2021: In respect of an indicator of potential need if the 47% of respondents that considered living in a retirement development either attractive or very attractive would convert to a prevalence rate of 470 units per 1000 population 75+.

- 3.15 The potential levels of need derived from the above surveys are not definitive, but it should be noted that the higher prevalence rates that are inferred from these results are not out of kilter with the findings of the models for future need reviewed in the next section or indeed the conclusions of this report.

## f. Conclusion on Retirement Living surveys

- 3.14 None of the above surveys are definitive although all of them suggest that the level of potential need for specialist older person housing is in the range of 146 to 470 units per 1000 population 75+

a) Commission for Social Care Inspection 2004: If percentages expressed across all age groups were consistent across the age groups these would represent a level of potential need equivalent to a prevalence rate of between 250 units to 350 units per 1000 population 75+.

b) “Last Time Buyer” CEBR for Legal & General 2015: If a third of homeowners considering downsizing would suggest a potential market equivalent to a prevalence rate of 333 per 1000 population 75+ for market specialist housing for older people.







# 4

## **REVIEW OF MODELLING FUTURE NEED FOR OLDER PERSONS ACCOMMODATION**





## a. Introduction

- 4.1 This section briefly reviews past approaches to projecting the future need for specialist older persons housing.

## b. The SHOP tool kit 2011

- 4.2 This tool kit is now out of date. While the PPG still refers to on-line tool kits, including the 2011 version of the SHOP Resource Pack, this was published by Housing LIN in 2011 and the Housing LIN web site now advises:

*"This 2011 version of the SHOP Resource Pack is now out of date and uploaded as an archived record only. However, the Housing LIN has since worked with many councils individually to further develop and apply them to help produce their local housing strategies for extra care housing and supported housing."*

- 4.3 This approach is therefore not reviewed here but it is noted that it advised that the modelling of future needs could be undertaken from population data, as it is possible to extrapolate crude estimates of future need. It is noted however, that the results were heavily influenced by the existing provision within the area at the time of the assessment and as such could only be a baseline.
- 4.4 This approach provides a response to the question "what would the level of age specific housing requirement be, if either the current level of provision locally was extrapolated into the future, or if in the future the local level of provision was to match the existing levels of provision in England as a whole".

- 4.5 Neither of these constructs provide a true measure of future need, which must take into account the growing need from existing homeowners to secure age-appropriate housing within the tenure which they are both accustomed to, and within which many wish to continue.

- 4.6 The Resource Pack<sup>40</sup> also contained the Table 3 below, but this was not adopted by all users, some of whom did not move beyond extrapolating future needs based on the level of current provision.

- 4.7 This Toolkit is now out of date as confirmed by the inspector in the Sonning Common appeal<sup>41</sup> who stated:

*"44 The Council sought to undermine the Appellant's need case with reference to earlier data from Housing LIN and the @SHOP tool. This on-line tool is highlighted in the PPG as a basis for calculating need. But the fact is it only provides a figure based on existing prevalence and then seeks to project that forward with a proportion increase based on the increase in the 75+ age group in the District. This is not a measure of need."*

- 4.8 It is interesting to note that this publication does comment on the next publication to be reviewed as follows:

*"A more detailed approach is available in 'The older persons' Housing Toolkit'<sup>42</sup> although the assumptions on which it defines its prevalence rates are not included in the paper".*

- 4.9 While this reflects the conclusion below it is nevertheless pertinent that the prevalence rates in the SHOP Resources Pack<sup>43</sup> above effectively replicates the prevalence rates in the "Housing for Life" report reviewed below.

**Table 3. SHOP Resource pack – Proposed Prevalence rates compared to rates that existed at baseline of research (2001)**

Prevalence rates per 1000 population 75+	2001	SHOP Resources Pack 2011
<b>Sheltered Housing</b>		
Social	99	60
Market (ownership, shared ownership and private rent)	33	120
<b>Enhanced Sheltered Housing</b>		
Social	1	10
Market (ownership, shared ownership and private rent)	1	10
<b>Extra Care</b>		
Social	7	15
Market (ownership, shared ownership and private rent)	1	30
Housing based provision for dementia		6
<b>Total</b>	<b>142</b>	<b>251</b>

Source: SHOP Resource pack page 19, EAC, 1991 – 2000 MYE



## c. “Housing in Later Life: planning ahead for specialist housing for older people” 2012

- 4.10 Lord Richard Best Chair of the All-Party Parliamentary Group on Housing and Care for Older People introduced this 2012 report as follows:
- “This toolkit spells out the processes that could help the HAPPI objectives to be met – with particular emphasis on the role of local planning authorities. Our town planners are key to the shifting emphasis demanded by the huge demographic changes in our society.”*
- 4.11 This document was prepared for four reasons:
- *“To help local planning authorities plan for and deliver the appropriate level and type of specialist housing for older people to improve housing choice for a growing ageing population.*
  - *To highlight the benefits of specialist housing for older people and the ways in which local officers can work with housing providers to tackle some of the challenges in delivering this form of housing.*
  - *To provide a route map for local planners to navigate how the new planning and development regime in England can be used to improve housing options for older people.*
  - *To encourage local authorities to join up planning, housing and social care policy”.*
- 4.12 The “Housing in Later Life” report states that there are several approaches to modelling future levels of need, looking at household projections and different population and data sets on frailty, need for care, propensity to move and the availability and suitability of housing. However, none is definitive. The method used in the “Housing in Later Life report” is based on a widely used model and analyses various data sets in a local area including demography; functional and mobility capacity; tenure; and existing supply. This model was designed to be replicated by other authorities and sample tables were provided in Appendix B of the report which was a worked example for Bury Metropolitan Council.
- 4.13 Although Figure 4 of Housing in Later Life highlights the drivers of need and the potential data sources the report provides no indication as to how the data collected in appendix B of the report is then used to arrive at the proposed future prevalence rates in the last column of Figure 6 of the report “Summary of need in Bury”.
- 4.14 While the report analyses various data sets in a local area (the case study is Bury) including demography; functional and mobility capacity; tenure; and existing supply (based on EAC data. ONS Census 2001 and General Household Survey, 2001) there is no indication as to how this data is used to arrive at the proposed future prevalence rates in the last column of Figure 6 which is titled “Summary of need in Bury” (replicated below).
- 4.15 It is understood basis for the proposed prevalence rates in the last column of Figure 6 is to move towards equity of provision between the tenures based upon the existing prevalence rates for England as calculated using EAC data and the 2001 census. This approach is explained by the Author in more recent work<sup>44</sup> as follows:
- “9.26 The provision of leasehold retirement housing is far short of requirements to achieve equity of options between tenures. For those older people who are owner occupiers the ratio of provision for retirement housing for sale per thousand is 67.6 Whilst for those older people who are renters the comparable ratio per thousand is 271.8. Expressed in this way, as a standardised ratio, it is clear that older homeowners in South Oxfordshire are very significantly disadvantaged in securing the specialised accommodation they need.”*
- 4.16 The prevalence rates in Housing in Later Life<sup>45</sup> are indicative levels of future provision of various forms of accommodation for older people in the Metropolitan Borough of Bury. However as explained above the approach in terms securing equality of options between tenures is based upon the then (2001 census based) prevalence rates calculated for England as a whole. These are shown in table 4 below.

**Table 4. Housing in Later Life – Existing and proposed future prevalence rates**

Prevalence rates per 1000 population 75+	Housing in Later Life Existing (England 2001)	Housing in Later Life (Bury 2012) Proposed
<b>Sheltered Housing</b>		
Social	101.2	60
Market (ownership, shared ownership and private rent)	28.4	120
<b>Enhanced Sheltered Housing</b>		
Social		10
Market (ownership, shared ownership and private rent)		10
<b>Extra Care</b>		
Social	8.8	15
Market (ownership, shared ownership and private rent)	3.2	30
Housing based provision for dementia		<b>6</b>
<b>Total</b>	<b>141.6</b>	<b>251</b>

Source: Housing in Later Life Appendix B tables 18 and 19

- 4.17 In commenting upon the results in table 19 the report states:

*“While no model is definitive, the results of these particular data sets show a need to increase provision for all types of specialist housing for older people. For the example given in the sample tables provided in the appendices (for Bury Metropolitan Council), the need is especially strong in the owner-occupied sector, as well as an increased need of provision of extra care housing for both rent and ownership. However, different authorities will have different outcomes. The table below summarises the results of the data analysed here and set out in the appendices.”*

- 4.18 The data collected in the “Housing in Later Life” process assists the judgement as to whether the future prevalence rates produced for Bury in 2012 a suitable basis on which to plan for provision in the area being considered. In this respect the “Housing in Later Life” prevalence rates are not a projection of future need but an estimation of future potential need.

- 4.19 Table 4 above illustrates that these future estimated rates combine to produce a rate of 251 (245 plus 6 for dementia care) per 1,000 75+, which is still below the levels of potential need suggested by the various surveys reviewed in section 2 and that which is already being provided in the US (367 units per 1000 population 75+) and Australia and New Zealand (281 units per 1000 population 75+). In addition, at just 30 per 1,000 75+, the prevalence rate for market extra care is substantially below what is likely to be required by reference to the various surveys highlighted in section 2 and is considerably below that which currently available US and Australia and New Zealand which are between 82 and 100 units per 1000 population 75+.

- 4.20 It is recognised that the prevalence rates contained in Housing in Later Life have been used to calculate future need for extra care housing to justify new extra care provision in both planning applications and appeals. Inspectors at appeal have adopted the prevalence rate of 45 units per 1000 persons for extra care and 30 per 1000 for market extra care as highlighted in the Sonning Common decision letter<sup>46</sup> which states:

*“38. Mr Appleton sets out a provision rate for private extra care of 30 per 1,000 of the 75 and over population in the District based on a total provision of 45 extra care units per 1,000 (4.5%) across both the affordable and private sectors, but split on a ratio of one third for social rented and two thirds for sale. This takes into consideration the research in “More Choice: Greater Voice” and revisions in “Housing in Later Life”. I note that the 45 units per 1,000 is to be divided as suggested in order to bring supply into closer alignment with tenure choice among older people.”*

- 4.21 In confirming his preference for this evidence, the inspector also highlighted that these prevalence rates were not ambitious enough stating<sup>47</sup>:

*“40. In my view, there is a strong case that Mr Appleton’s 45 per 1,000 overall, with 30 per 1,000 to market extra care, should be far more ambitious given not only the true tenure split in the District but also what it could mean for the ability to contribute towards addressing the housing crisis.”*

- 4.22 The argument that there should be a better balance or equalisation of provision between the level of extra care provision for social rented and home ownership to justify the higher prevalence rates appears to have been broadly accepted.



- 4.23 The evidence in Housing in Later Life is now two decades as it is reliant in part on the 2001 census and as such it does not reflect the changes in the rate of provision between tenures and typologies of specialist housing for older people. The approach of seeking equity of provision across tenures has been generally accepted and it provides a simple and yet understandable method for the calculation of future need that can be updated.
- 4.24 Furthermore, as will be demonstrated in the later sections of this report, the exponential growth in the provision of extra care for home ownership demonstrates that there would appear to be a need in the homeownership sector to that of the social rented sector.

## **d. Housing markets and independence in old age: expanding the opportunities**

### **Professor Michael Ball May 2011 (University of Reading)<sup>48</sup>.**

- 4.25 This report outlines the findings of a major piece of research on housing for older people who live in specialist private retirement accommodation, called Owner Occupied Retirement Housing (OORH). This type of housing is purchased, on a leasehold basis, and found in specially designed blocks of apartments which have communal facilities, house managers and other networks of support integrated within them. This is now referred to as extra care.
- 4.26 This report highlights the impact of supply-side issues relating to the restriction of land availability, land taxation in the form of affordable housing requirements, etc. and a range of other regulatory burdens<sup>49</sup>, which increase the cost of OORH (extra care) which impact on demand.
- 4.27 The approach starts with a stock-based assessment which models forward demand based on the fact that OORH (extra care) has a market share of 2% of the accommodation of people aged 65 plus in Britain and applies this to the official forecasts of the future number of older households. This calculation suggests some 5,300 new OORH (extra care) dwellings will be required annually in England over the next 20 or so years
- 4.28 Professor Ball notes that this assumption of a fixed market is likely to be unduly pessimistic but provides a useful benchmark against which to compare other forecasts. He goes on to state<sup>50</sup> that:
- "However, if interest in living in OORH grows even moderately, this will raise the share of this type of property in overall future accommodation for the elderly. Figure 3.5 shows the impact of such changes on annual rates of newly built retirement accommodation. A 5% share of all accommodation for those 65 and over, which is by no means unfeasible, would lead to build requirements of over 16,000 new OORH dwellings a year, which is over four times the build rate achieved prior to the 2007/8 downturn. What is more, pent-up demand*

*grows faster at these higher market shares if building does not reach the levels required to meet such demand."*

- 4.29 In respect of drivers of demand the report<sup>51</sup> highlights as being:
1. A likely reduction in the share of retirement accommodation provided through social housing and proportionately greater private provision.
  2. Important potential for increases in the demand for OORH concerns greater recognition amongst the population as a whole and the elderly in particular of the benefits of living in specialised accommodation
  3. Affordability is another factor of great significance, as was discussed previously. If public policy was changed, there are reasonable grounds to think that the affordability of OORH could be considerably improved. This would not only lower entry costs but also provide and incentivise those that moved with a greater probability of being able to withdraw equity from their previous house at the time of the move.
  4. Fluctuations in the state of the housing market were shown above to be important influences on sales of OORH. If liquidity in the market could be improved during times of market difficulty, this would enable older people to sell their existing homes and move to OORH on a timelier basis in relation to their needs. That would also have the effect of expanding and smoothing out demand for this type of housing.
- 4.30 The report<sup>52</sup> undertakes a further forecast of demand as follows:
- "1. Household forecasts. The basis of the estimates is the official 2008-based forecast of household numbers by age group up to 2033.*
- 2. Age profile. It is assumed that the number of people benefiting from moving into OORH rises with age up to 85. It is then assumed that older age groups have a rising proportion of those that need more intensive care, so that the share benefiting from living in OORH is somewhat less than for younger age groups.*
- 3. Activity constraint. People benefiting from living in OORH are, in line with experience, determined by the expected degree of activity constraint they face. In aggregate, this is estimated by the shares of specific activity limitation category in an age range. The forecasts put greater weight on the mild activity constraint measure rather than on the none or the severe categories, because the active have a much higher probability of staying in their own home and severely constrained ones are likely to require extra care. However, isolation plays a part in people's living choices, so some share of the active category is included as well.*

4. Owner occupation. In order to buy an owner-occupied retirement home it is generally necessary to have a prior owned dwelling to sell in order to raise sufficient funds. So, homeownership shares in each age group are an important determinant of OORH demand. In this context, it is assumed that the already high homeownership rate will remain constant for those below 75 over time but will rise over time amongst those aged over 75, because of the higher current homeownership rates amongst younger households.

5. Affordability. Affordability issues suggest that owner occupiers with existing properties in the lower end of the house price distribution will not be able to afford to purchase OORH at its current price point in the market. For this reason, a percentage of lower house price homeowners are excluded. Similarly, owners with particularly expensive dwellings may choose other more expensive housing and care options if they move or be able to afford a package of substantial adaptation of their current home and extensive personal care, so a deduction is also made for them.

6. Household type. The attractiveness of living in OORH is likely to differ between one and two-person households. On the one hand, there is a greater chance that they will remain in their existing accommodation, because isolation factors are less for couples and, if one person suffers an activity constraint, the other is there to assist them. These factors would suggest that couples are likely to be relatively less represented in OORH than are single person households. On the other hand, there may be an encouragement factor as well, when spouses find OORH attractive because their partners are constrained in what they can do. However, on balance, an assumption of greater attractiveness of OORH for singles seems most plausible."

4.31 Professor Ball acknowledges<sup>53</sup>:

"It could be argued that the assumptions made in this forecasting exercise contain a number of essentially arbitrary statements. But that is to miss the point of this exercise, which is to suggest that a large potential demand exists on plausible estimates of who might benefit from living in OORH. The assumptions made are quite conservative in their nature. Different assumptions can obviously be used but such variations are still likely to show a substantial potential demand, which is much greater than the current market share of OORH."

4.32 This looks at how demand for all types of owner-occupied Retirement Housing (OORH) maybe calculated by considering population forecasts and making assumptions activity limitation, affordability and how future owners might seek to address their needs.

4.33 The output of this model is to increase the level of owner-occupied Retirement Housing from 105,000 (2% of the total number of homes for those aged 65 and over) to 465,700 (313,600 + 152,100) which would be 5% of the total number of homes occupied by those aged 65 and over (table 3.2<sup>54</sup>).

4.34 The report states that the results of this forecast do not imply a wholesale movement of the over 65s into this type of accommodation but, instead, a rather modest increase in its role. The forecasts shown in Table 3.2 of the report<sup>55</sup>, for example, would only raise the sector's share of housing to 5%.

4.35 Applying this assumption to the latest household projections (2018) then a five percent of total number of households 65 + would be 347,641 (5% of 6,952,821) which against the 5,017,371 persons of 75 and over (from the equivalent 2018 SNNP) would suggest a prevalence rate for owner occupied specialist older persons housing of 69 units per 1000 population 75+.

4.36 In conclusion, Professor Ball argues that Britain's population is ageing, yet the range of living options for the elderly has shrunk at the same time, as data on the new building of specialist housing for the elderly show. He notes that 50 years ago specialist housing was based on a public rental housing and social service agenda. Rising living standards, the growth of owner occupation amongst the elderly and changing perceptions of the role of government at national and local levels have changed all that. But the private sector has not been able to expand the accommodation it offers to any great extent. In fact, the amount built for sale in the past decade is far less than it was in the 1980s.

## e. Market Assessment of Housing Options for Older People – Shelter and JRF (2012)

4.37 This report<sup>56</sup> puts forwards two models for calculating future demand for specialist housing Level of demand which considered either the stock of specialist housing required, or the size of the flow into it.

- The stock of 520,000<sup>57</sup> units of specialist housing is 5.6% of the 9.3 million households with a HRP aged 55. Applying this proportion to the number of households projected in 2033 (5.6% of 13m) there would need to be a stock of 730,000 specialist units by 2033 an increase of 40%, or 210,000 over 20 years (around 10,000 per year).

- Around 50,000 households move into specialist accommodation each year<sup>58</sup>. Data from CORE shows that among households headed by someone aged 55-84, around 0.6% move into specialist accommodation each year. For those with a HRP aged 85+ it is around 1.1%. Applying these proportions to the projected number of households in each age group in 2033 (table 3.9) this would amount to an annual demand of around 86,000 units of specialist accommodation. This is an increase of 70%.



- 4.38 The first of these two approaches is to replicate the existing level of provision for the future increased population and as such it would perpetuate the prevalence rates at that time of 146 units per 1000 population 75+  $((520,000 + 210,000) / (3m + 2m \text{ table 3.11}^{59}))$ . The second approach would result in an increase in the prevalence rate to 444 units per 1000 population 75+  $((520,000 + (86,000 \times 20)) / (3m + 2m \text{ table 3.11}^{60}))$ .

## f. Housing Our Ageing Population: Positive Ideas HAPPI 3 (2016)

- 4.39 The All Parliamentary Group on Housing and Care for Older People reported that just 1% of Britons in their 60s live in tailor-made retirement properties, compared to 17% in the US and 13% in Australia and New Zealand<sup>61</sup>.
- 4.40 The report also notes that homes built specifically for older people have fallen from 30,000 in the 1980s to fewer than 8,000 in recent years.
- 4.41 Table 5 below converts the percentages for the US, Australia and New Zealand and compares them to the current prevalence rate for all purpose-built accommodation in England. This

suggests that the overall levels of provision of specialist housing for older persons is between 2 and 2.7 times higher in these countries as compared to England. As will be set out in detail in the next section at the present levels of provision England is moving even further away from these exiting prevalence rates.

- 4.42 It is important to note that this comparison includes all type of older persons purpose-built accommodation and as such the differences are not dependant of different tenure splits.
- 4.43 As highlighted above the Local Government Association in "Housing our aging population" 2017 only 0.6 per cent of over 65s live in housing with extra care, which is 10 times less than in more mature retirement housing markets such as the USA and Australia, where over 5 per cent of over 65s live in housing with care. This comparison is updated in Table 6 below using the latest (2020 based) population projections.

**Table 5. Comparison of English Prevalence rates for older persons housing (both existing and proposed) to existing prevalence rates in the US**

Country	Percent	Age	England Population for age group 2021 SNPP 2020	Calculate Units	England 75+ population 2021 projections for 2021	Equivalent UK prevalence rate for 75+	Existing Prevalence Rates
Ave HH size for specialist accommodation				1.3			
US	17	60+	13,902,446	1,818,012	4,979,943	365	133
Australia and New Zealand	13	60+	13,902,446	1,390,245	4,979,943	279	133

Source: All Party Parliamentary Group on Housing and Care for Older people in their publication "Housing Our Ageing Population: Positive Ideas HAPPI 3 (2016), 2020 Population Projections ONS, Ave HH size for specialist accommodation (ARCO Fact pack)

**Table 6. Housing our aging population LGA comparison of provision of housing with care (Extra Care / Retirement Communities)**

Country	Percent	Age	England Population for age group 2021 Population Projections for 2021	Calculate Units	England 75+ population 2021 projections for 2021	Equivalent UK prevalence rate for 75+	Existing Prevalence Rates
Ave HH size for specialist accommodation				1.3			
US/Australia	5	65+	10,611,657	408,141	4,979,943	82	17

Source: Local Government Association in "Housing our aging population" 2017, 2020 National Population Projections ONS, Ave HH size for specialist accommodation (ARCO Fact pack)

- 4.44 In considering future levels of future need for specialist Housing for older persons both the All Parliamentary Group on Housing and Care for Older People and the Local Government Association refer to the levels of provision in the US and Australia. These countries already have a significantly higher level of overall provision which would equate to the prevalence rate of between 279 and 365 units per 1000 population 75+ when compared to just 133 units per 1000 population 75+ in England.
- 4.45 The difference in terms of the level provision of housing with care is even more stark with the levels in US and Australia equating to the prevalence rate of 82 units per 1000 population 75+ when compared to just 17 units per 1000 population 75+ in England.

## g. Older people's housing, care and support needs in Greater Cambridge 2017-2036 Sheffield Hallam University CSESR 2017

- 4.46 The results of the Older people's housing, care and support needs in Greater Cambridge 2017-2036<sup>63</sup> research was the development of a new tool Housing for Older People Supply Recommendations<sup>64</sup> (HOPSR) by Centre for Regional and Economic Social Research (CSESR) to help local authorities understand the requirements for older people's housing in their area.
- 4.47 HOPSR uses national data from the Elderly Accommodation Counsel (EAC) about older people's housing schemes. Looking specifically at the local authorities with the highest level of current supply, the research uses this as the basis to recommend a level of supply for each local authority, accounting for local demographic, health, and place trends.
- 4.48 The CSESR model uses the aggregate rate of supply for the 100 local authorities with the highest level of provision, but then adjusts these by reference to localised data - for example, the proportion of people aged 75 years and older with a limiting long-term health condition or disability in the case of specialist housing. In addition, the model allows adjustments based on the current balance between the provision of sheltered and extra care housing.
- 4.49 The authors state<sup>65</sup> that this model has several strengths and weaknesses:

*Its strengths are that it is based on the realities of supply and demand in other local authorities, and it provides a distinctly grounded and realistic estimate of what supply is possible. One criticism of models based purely on future projected demand is that they can be viewed as somewhat idealistic, and therefore susceptible to challenge on this basis. One might argue that a weakness of employing quantitative estimates based on other local authority provision is that it makes the model merely reactive to what is happening in those other areas, rather than responding to*

*underlying or changing needs. To counter this, the model should be re-run regularly to take account of changing provision which reflects changes to the determinants of demand and supply of specialist housing.*

- 4.50 The authors suggestion that re-running the model on a regular basis will compensate for the fact that it restricts future supply simply to the aggregate rates that are found at present meaning that for those top 100 local authorities at least there will be no improvement in the availability of accommodation (as the rate per 1,000 of older persons housing will remain the same) and the increase in the level of provision will just increase in line with population.
- 4.51 This approach assumes that the market is in equilibrium in the 100 local authorities selected.

## h. Stronger Foundations: Housing-with-Care in the UK and International Contexts” by Dr Brian Beach Turning (2018)

- 4.52 In the “Stronger Foundation” report, Dr Brian Beach Turning explores what the UK can learn from countries such as the US, Australia, and New Zealand, who have been more successful in developing a robust specialist retirement housing and housing-with-care sector. This states that we can make some interesting comparisons among the countries being considered and their housing-with-care markets, despite the variations in specific type and nomenclature.
- 4.53 The report highlights that home ownership rates across the UK, US, Australia, and New Zealand are broadly similar, from 63.5% in the UK to 67.0% in Australia. The report further highlights that there is much greater variation in the provision of alternative housing for people in later life who require care. The example given is that among people living in either residential care or housing-with-care around 48.9% of people in New Zealand live in housing-with-care compared to only 16.1% of those in the UK.
- 4.54 The report states that market penetration for housing-with-care is still comparatively low in the UK, with the proportion of people aged 65+ who live in housing-with-care at only 0.7%. contrasting this to 5.4% in Australia, 5.2% in New Zealand, and 6.1% in the US. This low prevalence also exists in a context where the UK has the highest proportion of its population aged 65+ among these countries (17.9% compared to 14.2-14.8% in 2015), suggesting there is not only a greater need for further development in this area, but potentially higher need.
- 4.55 This report<sup>66</sup> suggests that the full potential of extra care in line with other countries would require extra care to is 5% of over 65 households.
- 4.56 This approach generates a need for extra care units of 41 to 82 units per 1000 population 75+ as calculated in table 7 below.



**Table 7. Need for Extra Care / Retirement Communities as calculated by In Housing-with-Care in the UK and International Contexts**

Country	Percent	Age	England Population for age group 2021 Population Projections for 2020	Calculate Units	England 75+ population 2020 projections for 2021	Equivalent UK prevalence rate for 75+	DLP proposed future prevalence rates (extra care and enhanced sheltered)	UK
Ave HH size for specialist accommodation				1.3				
Meeting the full potential of other countries	5	65+	10,611,657	408,141	4,979,943	82	73	17
Meeting the half potential of other countries	2.5	65+	10,611,657	204,070	4,979,943	41	73	17

Source: In Housing-with-Care in the UK and International Contexts, ARCO Fact pack.

## i. Other estimates of need

- 4.57 Estimates of the level of the increase in provision vary, but include:
- a) A further 725,000 (or 72,500 d.p.a.) housing-with-care homes (now referred to as extra care) to meet need by 2025 (Retirement Living – Where is the Opportunity? JLL 2015).
  - b) That a minimum of 11,000 housing-with-care homes would be needed to sustain the projected 2% annual increase in the number of people aged over 65 (Housing our ageing population: Positive Ideas HAPPI 3)
  - c) Senior Living Annual Review 2020 (Knight Frank) compares the housing with care provision of 78,383 units (calculated 0.82% of over 65's) and forecasts a growth of 48% over the next five years.

## j. Conclusion on forecasting models for need for older persons specialist accommodation

- 4.58 It must be recognised that the prevalence rates in the “Housing in Later Life” report still have currency in terms of planning decisions. It has the advantage of being both simple to understand and apply. Furthermore, as will be shown in the consideration of past trends in the next section that growth in home ownership in this sector and especially in extra care provision has occurred. The Housing in Later Life report proposed an overall uplift in prevalence rates from 141.6 units per 1000 population 75+ (2001 based) to a future rate of 251 units per 1000 population 75+ (2001 based).
- 4.59 For the market sectors this report proposed an increase from 28.4 to 120 units per 1000 population 75+ in terms of sheltered housing and from 3.2 to 30 units per 1000 population 75+ in terms of extra care.

- 4.60 It is noted that the level for extra care is much lower than that suggested by the model developed by Ball which would suggest a prevalence rate for owner occupied extra care of 69 units per 1000 population 75+.
- 4.61 The overall prevalence rate suggested in “Housing in Later Life” is also at the very bottom end of suggested prevalence derived from a range of surveys which considered the potential level of need for specialist housing for older persons.
- 4.62 While prevalence rates in “Housing for Later Life” are still have currency in planning decision making some of the base data is now over two decades old, and it is appropriate to review the approach based on a more up to date analysis of the changes that have occurred in terms of the type and rate of provision and specifically to consider new indicators of need including the actual changes in the rate of delivery since 2001 of different typologies or tenures. It also considered to be worth revisiting the differences between the level of provision between tenures which may be indicative of unmet need. There is also other evidence from the surveys reviewed in section 2 and the experience from overseas markets such as the United States, Australia, and New Zealand, which have a longer history of providing market-based housing solutions for the older population which provide insights into the future level of need as these products become more prevalent in England.
- 4.63 The next section looks at the past rates of delivery for different tenures and typologies of specialist housing for older persons.

# 5

## PAST DELIVERY OF SPECIALIST OLDER PERSONS HOUSING



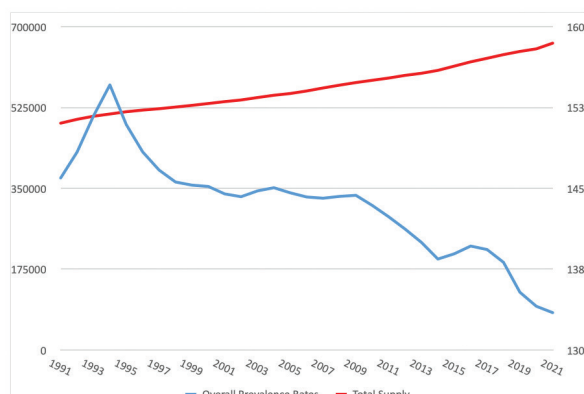




## a. Overall levels of delivery and need

- 5.1 As highlighted earlier, many assessments of future need utilising current prevalence rates assume that the current levels of provision, either locally or nationally, represent an “at equilibrium” position, and that current needs for specialist older persons housing are being met in full. This, however, is not the position that is being reported by commentators and operators, with the Government describing the situation as being “critical”.
- 5.2 Chart 2 demonstrates that while the overall number of specialist housing units has increased, this increase has not kept pace with the increase in the elderly population that requires access to such provision. This results in a falling prevalence rate from a high of 155 units per 1000 population 75+ in 1994 to a new low of 133 units per 1000 population 75+ persons in 2021.
- 5.3 Despite an increasing overall supply of specialist housing for older persons the availability of units measured as units per 1000 of the population 75 years of older has decreased.

**Chart 2: Growth in 75+ population, the supply of specialist housing for the older persons and changes to the prevalence rate.**

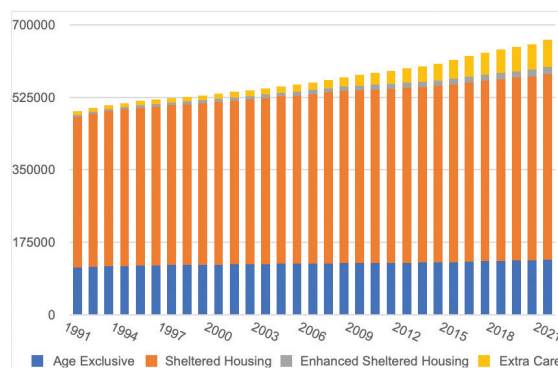


Source: SPRU/EAC database

## b. Nature of past delivery: Type of unit

- 5.4 The pattern of annual average past delivery, since 1991 (when EAC started collecting data on existing stock on an annual basis), is illustrated in Chart 3 below. This shows that over the past three decades, there has been an increase in all types of provision, but this increase has not been across all of types of provision with little growth in age exclusive housing but a clear emergence of enhanced sheltered and extra care housing as new forms of provision.

**Chart 3: Specialist older persons housing: Total provision by year and by type**

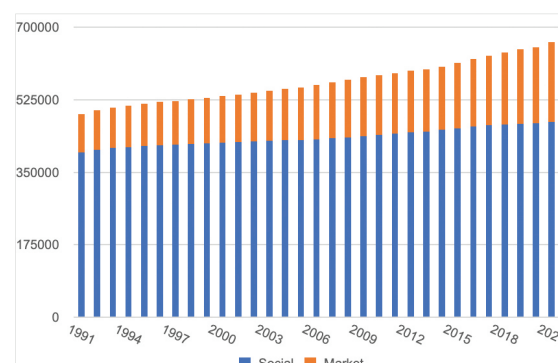


Source: SPRU/EAC database

## c. Nature of past delivery: Tenure

- 5.5 The tenure of the properties being delivered has also changed over the decades, as illustrated in Chart 4 below which shows that market housing is becoming an increasingly important part of the new provision.
- 5.6 The importance of market tenures is shown in Chart 5 which highlights the market tenure has now become the dominant tenure being delivered.

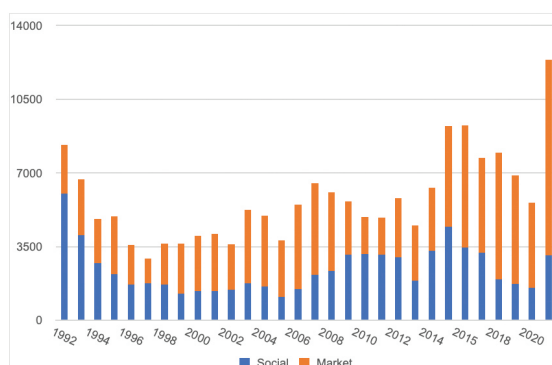
**Chart 4: Specialist older persons housing: Total by year and by tenure**



Source: SPRU/EAC database



**Chart 5: Specialist older persons housing: Average annual additions by tenure**



Source: SPRU/EAC database

## d. Differential prevalence rates between tenures for similar types of accommodation

5.7 The differential growth rates between both tenures and types of units have resulted in a change in the tenure and type of provision that is now available in 2021 to that which existed in 1991. While the existing level of provision is still heavily skewed towards the social sector, this is changing with increased levels of delivery of market options. The analysis below comments briefly on the major changes over the last three decades.

### i) Growth Sector: Extra Care

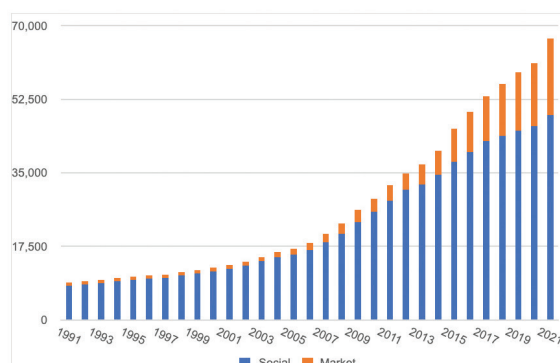
5.8 Since 1991 the growth in extra care provision has been substantial, with the level of delivery increasing from an additional 367 units in 1992 all of which were social rented units to some 5740 units of which half were market units in 2021 (Charts 6 and 7).

5.9 New market provision now exceeds social provision in terms of completions in 202 (Chart 7).

5.10 This is the result in the rate of delivery of market extra care units, which since the early 2000's has been increasing at a much faster rate than social units as illustrated in Chart 8 (social) and nine (market).

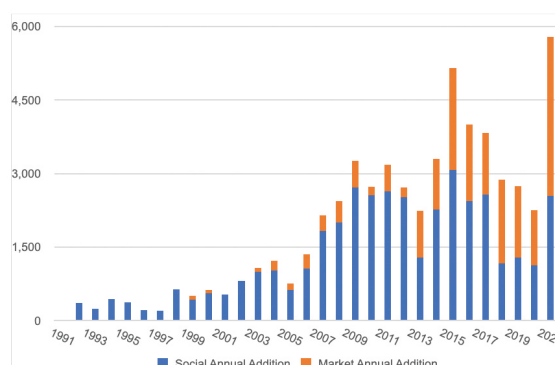
5.11 Market extra care has been growing exponentially in recent years (Chart 9).

**Chart 6: Growth in extra care by year and by tenure**



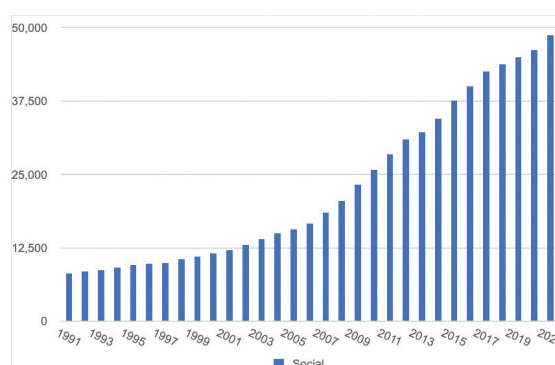
Source: SPRU/EAC database

**Chart 7: Growth in extra care: Annual additions**



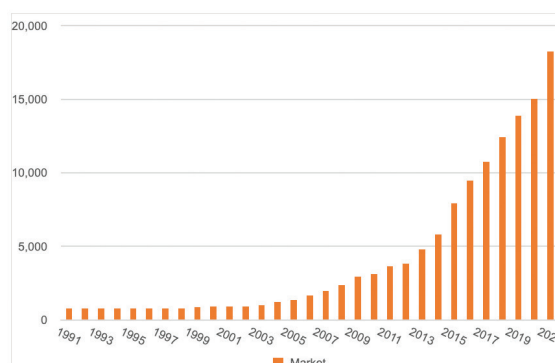
Source: SPRU/EAC database

**Chart 8: Growth in extra care: Social**



Source: SPRU/EAC database

**Chart 9: Growth in extra care: Market**

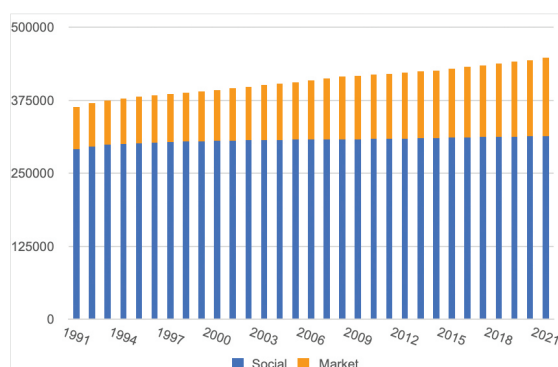


Source: SPRU/EAC database

## ii) Growth Sector: Market Sheltered Housing

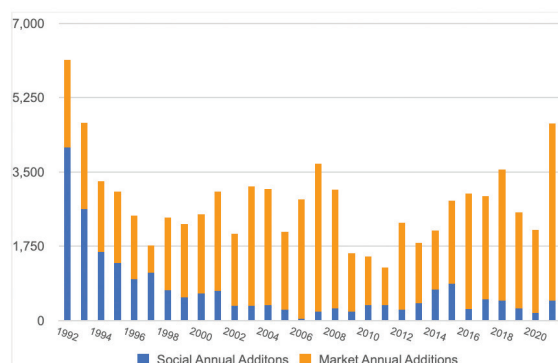
- 5.12 This has, historically, been the main area of activity for those delivering specialist market units for older persons, and as such, there is a greater number of market Sheltered Housing within the existing stock. It has also been a type of unit that has been traditionally delivered by the social rented sector and this still makes up most of the stock (Chart 10).
- 5.13 In recent years the large proportion of the additions to this stock has been delivered by the market (Chart 11).
- 5.14 In terms of total additions, the delivery of market sheltered housing in 2021 of 4,170 units still exceeds the delivery rate for market extra care of 3,239 units in the same year. The rate of growth of market sheltered housing is lower than the rate of growth of market extra care as the latter is clearly growing exponentially at the current time (Chart 9 and 12).
- 5.15 The continued growth in need for market Sheltered Housing maybe affected by homeowners preferring to purchase extra care products as these provide a greater level of security over the longer term.
- 5.16 The rate of growth of market sheltered housing contrasts with the falling rate of provision of social sheltered housing which fell from over 4,000 additional units being added to the stock in 1991 to just 478 units in 2021. There is nevertheless already a large amount of sheltered housing stock already in the social rented sector (Chart 10).

**Chart 10: Total Sheltered Housing Units by year and tenure**



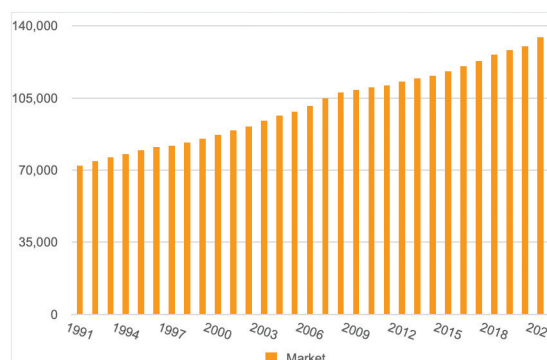
Source: SPRU/EAC database

**Chart 11: Growth in Sheltered Housing Units: Annual Additions**



Source: SPRU/EAC database

**Chart 12: Growth in Shelter Housing: Market**

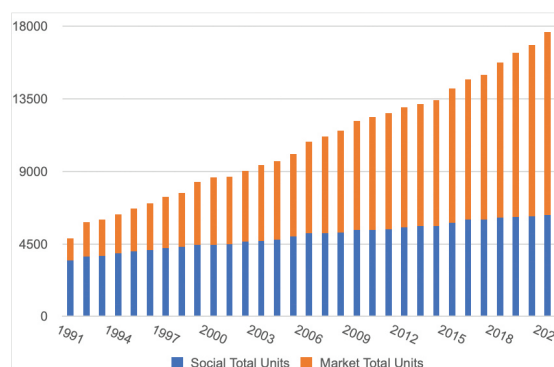


Source: SPRU/EAC database

## iii) Growth Sectors: enhanced sheltered housing

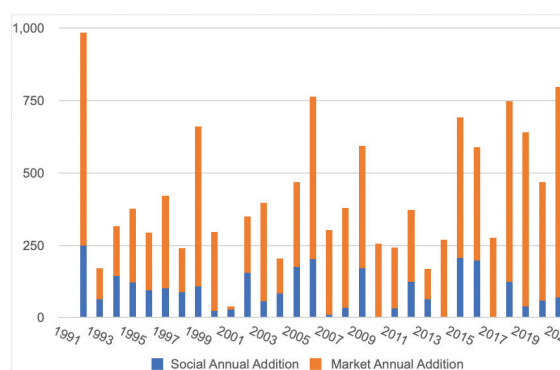
- 5.17 While enhanced sheltered housing makes up a small proportion of the overall delivery of new units in terms of numbers, it has nevertheless seen a considerable uplift in delivery, albeit from a very low base (Chart 13). As at 2021 market units represents the main tenure for this type of provision (Chart 14).
- 5.18 Chart 15 illustrates that market enhanced sheltered housing has grown strongly over the past 30 years.

**Chart 13: Total enhanced sheltered housing by year and tenure**



Source: SPRU/EAC database

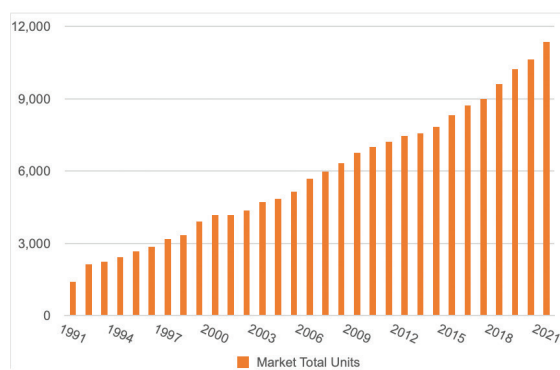
**Chart 14: Growth in enhanced sheltered housing: Annual additions**



Source: SPRU/EAC database



**Chart 15: Growth in enhanced sheltered housing: Market**



Source: EAC, MYE, SPRU

## e. Commentary on past delivery

- 5.19 There has been strong increase in the delivery in recent years of market specialist units for older persons. The sectors that have been delivering this growth are extra care, enhanced sheltered housing and the market sheltered housing. This increased rate of provision by the market sector has not been mirrored by the social sector and now the market is the main source of delivery of units in these sectors.
- 5.20 The next section will consider the above rates of change compared to the growth in the number of people in the 75+ age group.

# 6

## THE DIFFERENCE BETWEEN TENURES AND PAST CHANGES TO PREVALENCE RATES







## a. The difference in prevalence rates between tenures

- 6.1 As highlighted both the SHOP and Housing in Later Life have projected need forward on the basis that the then levels of provision of specialist housing for older persons available to those in the market sector should rise to be similar to that already available to those in the social sector. The basis of this proposition is that while some differentiation between tenures might be expected due to the inertia of households moving from the established family home, this does not explain the very wide disparity between tenures.
- 6.2 These approaches have projected future prevalence rates that would result in an equalisation of the level of provision for households within each tenure. In all cases this has meant raising the prevalence rate for market units so that the ratio of number of market units available to those who reside in market accommodation is equal to the ratio of the number of social units available to those who reside in the social accommodation.
- 6.3 This calculation which concerns itself with the level of provision within the two tenures compared to the population currently residing in those tenures is referred to as a "Tenure Specific" prevalence rate. It is calculated as follows:
- Tenure Specific Prevalence Rate = Number of units within specific tenure occupied by those 75 and over / number of residents 75 and over within specific tenure x 1000*
- 6.4 Table 8 below calculates the tenure specific prevalence rate for each type of older persons accommodation and then converts this to a general prevalence rate per 1000 75+ population.

- 6.5 Table 8 also highlights the degree of mismatch between the level of provision for the population that currently reside in social rented accommodation and the level of provision for those who currently homeowners.
- 6.6 The comparisons are as follows:
- a) For Age Exclusive Accommodation there are over 16 times the number of units for those in the social rented sector compared to those in the market sector (113 units per 1000 compared to seven units per 1000).
- b) For Sheltered Housing there are over 10 times the number of units for those in the social rented sector compared to those in the owner occupation sector (344 units per 1000 compared to 33 units per 1000).
- c) For enhanced sheltered housing there are over twice the number of units for those in the social rented sector compared to those in the owner occupation sector (7 units per 1000 compared to three units per 1000).
- d) For Extra Care housing there are almost 13 times the number of units for those in the social rented sector compared to those in the owner occupation sector (53 units per 1000 compared to four units per 1000).
- 6.7 The final column of table 8 is the overall prevalence rates (calculated as units per 1000 of the whole population who are aged 75+) required to achieve an equal level of provision of units across each tenure for each type of unit.

**Table 8. Tenure Specific Prevalence Rates and resulting overall prevalence rates.**

Type	Tenure	Units in 2021	Est 75 + Population in Tenure	Existing Tenure Specific Prevalence Rate	75 + Population total	Prevalence Rate for total population 75+	Tenure Specific Prevalence Rates to "level up"	Units required to level up (tenure specific PR x Tenure Specific population)	Prevalence Rate for total population 75+ to Equalise level of provision across tenures
Age Exclusive	Social	102,878	912,907	113	4,979,943	21	113	102,878	21
Age Exclusive	Market	30,136	4,067,036	7	4,979,943	6	113	458,326	92
Sheltered Housing	Social	313,594	912,907	344	4,979,943	63	344	313,594	63
Sheltered Housing	Market	134,474	4,067,036	33	4,979,943	27	344	1,397,074	281
Enhanced Sheltered Housing	Market	6,297	912,907	7	4,979,943	1	7	6,297	1
Enhanced Sheltered Housing	Market	10,264	4,067,036	3	4,979,943	2	7	28,053	6
Extra Care	Social	48,708	912,907	53	4,979,943	10	53	48,708	10
Extra Care	Market	18,262	4,067,036	4	4,979,943	4	53	216,996	44
<b>Total</b>		<b>664,613</b>			<b>4,979,943</b>	<b>133</b>		<b>2,550,170</b>	<b>516</b>
Total	Social	471,477	912,907	516	4,979,943	95	516	471,477	95
Total	Market	193,136	4,067,036	47	4,979,943	39	516	2,100,449	422
<b>Total</b>		<b>664,613</b>	<b>4,979,943</b>		<b>4,979,943</b>	<b>133</b>		<b>2,571,925</b>	<b>516</b>

Source: EAC/SPRU



6.8 In this respect the resulting prevalence rate of 44 extra care owner occupation units per 1000 population 75+ is simply an update of the “Housing in Later Life” figure of 30 extra care Owner occupation units per 1000 75+ population. The increase is attributable to the increase in the level of social rented extra care units of this type which has occurred since the “Homes in Later Life” calculation which has increased the tenure specific prevalence rate for social rented extra care so matching this increased social rented rate requires an increase in the owner occupation tenure.

6.9 While the outcome of this approach of equalising the level of provision across tenure would produce an overall prevalence ratio of 516 per 1000 population 75+ this is just the existing tenure specific prevalence rate for all specialist social rented accommodation. In these terms the resulting prevalence rates for owner occupation are simply reflecting the present level of need in the social rented sector.

## b. The appropriateness of seeking equalisation of tenure specific prevalence rates

### i) Past rates of provision

6.10 Recent evidence on the rate of completions for market units supports the contention that there is a substantial unmet market need for specialist older persons housing.

6.11 As Chart 7, 11 and 14 in section 5 illustrate the market sector is now the main provider of new units in the Sheltered, enhanced sheltered and extra care sectors.

6.12 In respect of enhanced sheltered housing the market is now the dominant tenure.

6.13 The next section will consider if the past patterns of growth and future trends across the tenures and types of specialist older persons housing support the proposition that recent changes in the rates of delivery of market units will in turn result in a move towards an equalisation of provision across tenures.

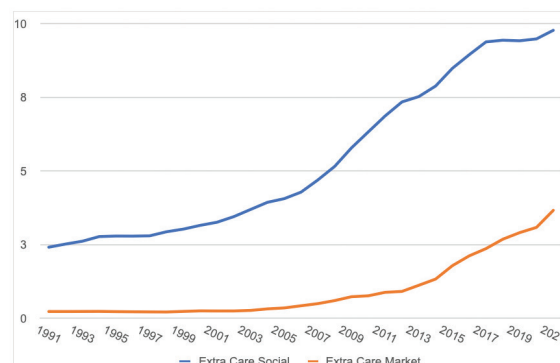
### ii) Past changes in prevalence rates

6.14 The earlier analysis has highlighted, the overall prevalence rate has been falling not because of a reduction in supply but because supply has not kept pace with the growing population in the 75+ age group.

6.15 The three charts below illustrate how the interaction of increased supply and an uplift in the population who are 75+ has resulted in the Prevalence Rate for market extra care, enhanced sheltered and sheltered increasing over time. This is an illustration of the increase in supply of these units exceeding the growth in the over 75 population.

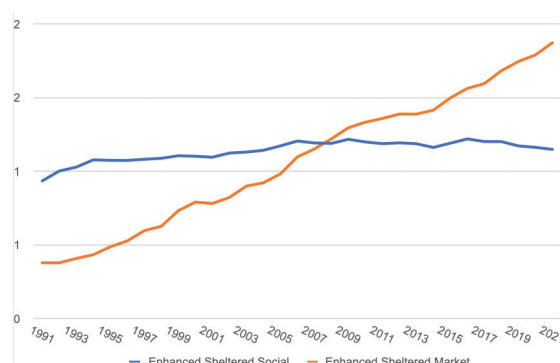
6.16 Chart 16 also shows that the prevalence rate for social extra care has, in contrast to other types of social provision, also has exceeded the rate of growth of the 75+ population.

**Chart 16: Changes in extra care prevalence rates**



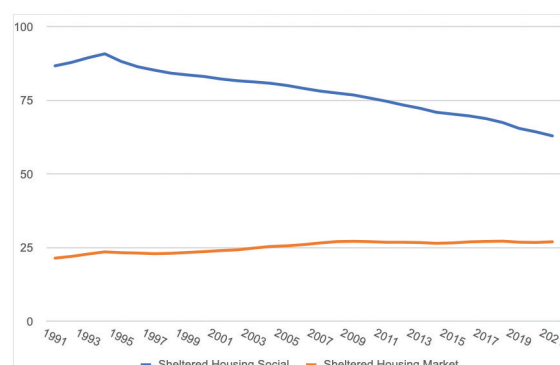
Source: EAC,MYE, SPRU

**Chart 17: Changes in enhanced sheltered housing prevalence rates**



Source: EAC,MYE, SPRU

## 18.Changes in Sheltered Housing prevalence rates

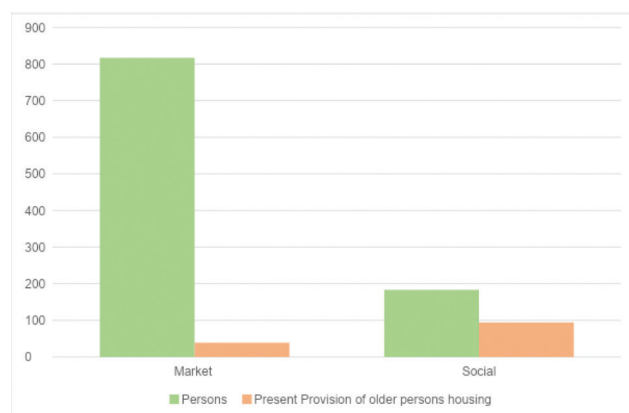


Source: EAC,MYE, SPRU

### iii) Further justification to support an increase in the prevalence rates for market provision of specialist housing for older persons

- 6.17 The extra care Demand Assessor and the SHOP model (as used by some) took the existing prevalence rates and simply extrapolated this forward. The use of existing prevalence rates assumes that the market is (i) in equilibrium and (ii) that market demand will not change with the introduction of different products. In the case of specialist older persons housing, however, it is clear from the preceding section that the market is in flux and that new products, such as extra care and enhanced sheltered housing have increased availability of market options which have increased demand in recent decades.
- 6.18 Both the “Housing in Later Life” and “Housing markets and independence in old age” highlight the substantial difference between the prevalence rates for the different tenures within the same type of accommodation as well as the overall difference. Both approaches seek to address these differences by proposing an increase in the level of future provision of market units.
- 6.19 Chart 19 below illustrates the prevalence rate of the those living in each tenure compared to the level of provision per 100 of the 75+ population in total. The misalignment of provision is substantial.

**Chart 19: Tenure compared to current provision of older persons specialist housing: Persons per 1,000 pop 75 +**



Source: ONS CT0228, EAC, 2020 Population Projections, SPRU Market Assessment of Housing Options for Older People

- 6.20 The report “Market Assessment of Housing Options for Older People<sup>67</sup>” considered tenure requirements both now and in future noting the 70%/30% tenure split of social rented/private market specialist housing. It further stated that almost all of those moving into private specialist housing will have previously lived in a private tenure home (on the assumption that those living in social rented accommodation will usually be unable to afford a private move). It found that of those moving into social rented specialist housing, 30% are from private tenures and 70% move within the social rented sector<sup>68</sup>.

- 6.21 The report goes on to comment that around 80% of older person households belong to private tenures and 20% are social renters so that overall, there is an imbalance between this overall tenure mix among older person households and the previous tenure mix of those entering specialist housing<sup>69</sup>. It is suggested that there could be several reasons for this.

1. *“People in social rented sector households are more likely to experience ill health and require specialist housing; likewise, they are more likely known by the housing services. This would mean that the current situation reflects both need and demand.*

2. *Few older person households want to move into specialist housing but those in the social rented sector do not have a choice because of the limited housing available to them.*

3. *Many private tenure older person households want to move into specialist housing but are unable to because the stock available does not meet their requirements.”*

- 6.22 The report states that evidence can be found in support of each reason<sup>70</sup>.

1. “The English Housing Survey shows that around 60% of older person households in social rented tenures contain someone with an illness or disability, compared with around 40% of households in private tenures. Whilst this explains some of the difference, it is not sufficient to explain it all. It must also involve reasons 1 and/or 3 which implies an imbalance in the supply of, and demand for, the current stock.

2. Our interviews found that few older person households choose to move into specialist housing as a lifestyle choice, and most are the result a change in one’s situation (e.g., ill-health, bereavement). Owner-occupiers are more likely to be able to adapt their home to need their needs whilst this option may not be available to social renters and may be encouraged to move into specialist housing. This implies that the imbalance reflects this wide range of alternatives (to a move into specialist housing) open to owner occupiers.

3. People in the private sector who choose to move into specialist housing suggesting that it is preferable for some households. For those in private tenures the stock of specialist housing available to them is relatively limited. Many may choose to stay put if they do not want, or are not eligible, to move to social rent, or cannot afford the costs of the private alternatives. The discussion in sections 1 (on the limited type of specialist housing available in terms of tenure, support and size) and 2 (on what older people look for in a dwelling) suggest that this is likely to account for a considerable part of the imbalance observed.”

- 6.23 The report concludes that it’s likely that all three reasons are contributing to the imbalance between this overall tenure mix among older person households and the previous tenure mix of those entering specialist housing<sup>71</sup>. This results in the presentation that older people in the social rented sector do have higher levels of ill-health and



less choice in how to respond to it, other than moving to specialist housing, whilst those in the private sector who may benefit from specialist housing have few desirable options and instead choose to stay put. The report notes that this is a far from desirable situation.

6.24 To correct this the report states that there would need to be an increase in the proportion, as well as the overall number of units, of specialist housing that are available to older people in private tenures<sup>72</sup>. The report states that a diversification in the tenure products available is essential and that what is needed is a broader range of tenure options to accommodate preferences and financial capacity of the older person households in private tenures that are not being met.

6.25 In considering possible scenarios for the future supply of specialist housing<sup>73</sup> highlights that at the time of producing the report (April 2012) it was extremely difficult to predict what would happen but set out four scenarios these being:

*“1. No change: a lack of public funding and a lack of confidence in the market continue to limit the expansion of the housing stock with the number of new dwellings falling short of 10,000 per year.*

*2. Housing market recovery: the return on investment in the housing market becomes more certain, giving private developers the incentive to build units for the growing numbers of older households in private tenures.*

*3. Increased investment from the public sector: additional public funding is provided to boost building of specialist housing for older people, predominantly affordable housing.*

*4. Both 2 and 3: there is a marked increase in the number of affordable units and private units added to the specialist housing stock.”*

6.26 While the report notes that the housing market is not expected to make a sudden recovery and that there will be little incentive for private

developers to develop on the scale identified earlier in the report, which was between 10,000 and 86,000 units a year, the situation now a decade later has changed and as section 4 of this report illustrates there is a growing level of provision being made by the market sector with over 9,000 completions in 2021<sup>74</sup>.

6.27 In respect of tenure the report states that in theory around 70%+ of specialist housing units will need to be suited to households in private tenures<sup>75</sup>.

6.28 As “Market Assessment of Housing Options for Older People” notes (together with Ball and Housing in Later Life) the level of ill health and the ability to perform tasks around the home will impact upon the need for specialist housing.

6.29 Table 9 below highlights that there is a difference between tenures in terms of those who have either limited ability to undertake day to day activities or are suffering from bad or very bad

health. This suggests that while some 33% of residents of market units may fall within this category this rises to 47 % of those residing in the social units.

6.30 Table 10 converts these into prospective prevalence rates to allow comparison. This is not to suggest that all residents in these categories will seek to satisfy their housing needs by moving into specialist housing although if they do then these residents are like to focus on enhanced sheltered and extra care provision.

6.31 These prevalence rates will not consider the need that arises from those potential residents who wish to move for other reasons than health or mobility.

6.32 Taking the above into account this would suggest that the potential source of need for enhanced sheltered and extra care provision is in the region of 256 units per 1000 population 75+.

**Table 9. Health and Activity of 75+ residents by tenure**

England	All categories: General health	Fair Health but day to day activities Limited	Percentage of residents	Bad and very bad health	Percentage of residents	Prevalence Rate for Day to day activities limited and Bad and Very Bad Health
All categories: Tenure	7,658,124	1,343,939	18%	1,403,954	18%	36%
Owned outright	5,251,250	882,768	17%	802,864	15%	32%
Owned with a mortgage or loan; or shared ownership (part owned and part rented)	529,672	90,760	17%	116,506	22%	39%
Social rented: Rented from council	748,064	149,015	20%	208,324	28%	48%
Social rented: Other social rented	655,798	133,793	20%	169,462	26%	46%
Private rented or living rent free	473,340	87,603	19%	106,798	23%	41%
<b>Market</b>	<b>6,254,262</b>	<b>1,061,131</b>	<b>17%</b>	<b>1,026,168</b>	<b>16%</b>	<b>33%</b>
<b>Social</b>	<b>1,403,862</b>	<b>282,808</b>	<b>20%</b>	<b>377,786</b>	<b>27%</b>	<b>47%</b>

Source: ONS CT0228 - Tenure by age by general health by long-term health problem or disability

**Table 10. Health and Activity of 75+ residents by tenure: Implied Prevalence Rates**

England	All categories: General health	Fair Health but day to day activities Limited	Prevalence rate for fair health but limited day to day activities	Bad and very bad health	Prevalence rate for Bad and very bad health	Prevalence Rate for Day to day activities limited and Bad and Very Bad Health
All categories: Tenure	7,658,124	1,343,939	165	1,403,954	172	337
Owned outright	5,251,250	882,768	108	802,864	99	207
Owned with a mortgage or loan; or shared ownership (part owned and part rented)	529,672	90,760	11	116,506	14	25
Social rented: Rented from council	748,064	149,015	18	208,324	26	44
Social rented: Other social rented	655,798	133,793	16	169,462	21	37
Private rented or living rent free	473,340	87,603	11	106,798	13	24
<b>Market</b>	<b>6,254,262</b>	<b>1,061,131</b>	<b>130</b>	<b>1,026,168</b>	<b>126</b>	<b>256</b>
<b>Social</b>	<b>1,403,862</b>	<b>282,808</b>	<b>35</b>	<b>377,786</b>	<b>46</b>	<b>81</b>

Source: ONS CT0228 - Tenure by age by general health by long-term health problem or disability

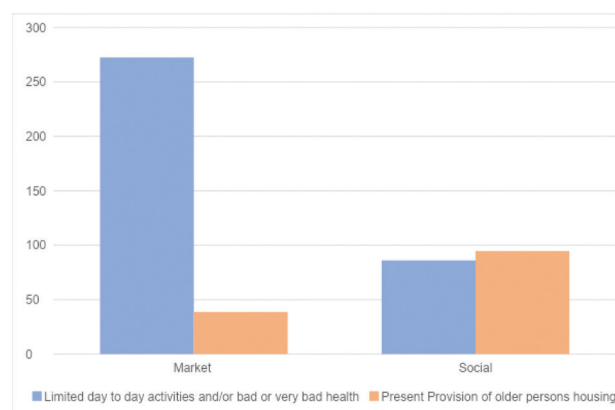
6.33 In addition, Table 9 and 10 demonstrates is that despite the higher level of occurrence of limited activity and bad or very bad health amongst the social sector residents there is still a much greater level of potential need from those who reside in the market sector who exhibit the same characteristics.

6.34 The much higher prevalence rates for market units are driven by the much higher number of residents of market units who are 75 years or older.

6.35 A further point to note is that the prevalence rate generated for meeting the needs of all those in the rented sector with of limited activity and bad or very bad health (table 10) is 81 units per 1000 population 75+ while the present (2021) prevalence rate for the social sector is higher at 95 units per 1000 75+. This demonstrates that the overall level of need for specialist accommodation is likely to also include several residents who are not displaying signs of poor health or mobility.

6.36 Chart 20 below illustrates the number of person per 1000 who have limited day to day activities and/or very bad health who reside in each tenure and compares this to the current provision of older persons specialist housing in each tenure. This shows quite dramatically how the ratio of the provision for specialist housing in the social sector compared to those with mobility or health issues is substantially better than the ratio in the market sector.

**Chart 20: Persons with limited day to day activities and/or very bad health who reside compared to current provision of older persons specialist housing by tenure**



Source: ONS CT0228 EAC, 2020 Population Projections, SPRU

6.37 This demonstrates that the overall level of need for social specialist older persons housing units is likely to also include several residents who are not displaying signs of poor health or mobility.

6.38 In contrast the prevalence rate generated for meeting the needs of all those in the market sector with limited activity and/or bad or very bad health is 256 units per 1000 population 75+ while the present (2021) prevalence rate for the market sector is just 39 units per 1000 population 75+.

6.39 While this is lower than the figure of 422 units per 1000 population 75+ produced by the equalisation of prevalence rates discussed earlier in this section at 256 units per 1000 population 75+ it is unlikely to represent the full scale of the need given the example of the prevalence rates for the social sector highlighted above that suggest not all of the need for specialist older persons housing will come from those experiencing issues with mobility or health.



## **c. Conclusion on the equalisation of prevalence rates**

- 6.40 The differential in both the rate of provision of new units between type and tenure in section 4 illustrate that there are significant change occurring in the nature of the provision of specialist housing for older persons.
- 6.41 There has been a considerable growth in the level of provision being made by the market sector which now delivers most completions.
- 6.42 There has also been a considerable rate of growth in the provision of types of market provision most notably extra care, enhanced shelter and sheltered. The rate of provision of which exceeded the rate of growth of the 75+ population.
- 6.43 These changes suggest there remains a considerable level of need for market units across all types of specialist accommodation.
- 6.44 In addition, analysis of the potential level of need driven by the health and mobility of residents also suggest much higher prevalence rates are required to address existing levels of need for market units.
- 6.45 Lastly it is clear Government policy that both the overall quantum and range of specialist housing for older persons should be increased as set out in Section 2 of this report.

# 7

## **ESTIMATING FUTURE NEED FOR OLDER PERSONS HOUSING**





## a. Introduction

- 7.1 This analysis starts by assessing the trends in the changes in the typology and tenure of specialist provision for older persons housing from 1991 (a date at which annual records of provision were started to be collected).
- 7.2 It is acknowledged that while other approaches have implicitly or explicitly attempted to bring into the projection issues such as activity limitations and affordability this research has taken the approach that modelling the rate of past provision and the change to those rates incorporates these issues in terms of reflecting changes in effective demand. The issue of affordability is, however, addressed further as part of the local correction factor which is outlined in Section 7. Issues around mobility and health have been further explored in Section 5 and support a much higher level of provision of market units than currently exist.
- 7.3 Section 4 of this report highlighted that historically there have been very different patterns in the rates of provision and changes in the rates of provision between both types of units and tenures of units.
- 7.4 Section 6 of this report highlighted that there are significant differences between the level of provision of specialist older persons accommodation for those wishing to move within the social sector and those wishing to move with the market sector.
- 7.5 Section 6 also updates the previous approach in “Housing for Later Life” in that it reevaluates the level of market provision based upon the most recent evidence on tenure specific prevalence rates. This “equalisation” of provision has been widely accepted and as such forms the starting point for the consideration of future rates. These future rates are sense tested against three projections based on the past rates of provision of different types and tenures. There is then a further assessment against both previous assessments of need and the experience from the USA, Australia, and New Zealand.
- 7.6 Three types of projection have been considered over three time periods (10, 20 and 30 years) these are:
- a) The application of the Average Annual Build Rate (AABR) – this is a linear projection that simply adds the average number of units that have been built over the period to the total units in the preceding year.
  - b) Average Annual Growth Rate (AAGR) – This calculates the percentage growth between each year and the next and then averages these percentage changes over each of the three time periods.
  - c) An exponential Growth projection (Growth) – This calculates the predicted exponential growth by using the complete range of data for each of the three time periods.

- 7.7 The results are then presented as a projected change in the overall level of provision of specialist older persons housing and prevalence rate. Both results represent a sum of the individual projections.
- 7.8 The total number of units resulting from the individual projections for each type of unit and tenure are set out in table 11. The resulting individual prevalence rates (calculated using the 2020 national population projections) are set out in table 12.

## b. Projecting forward past increases in build rates

- 7.9 If the average number of additional units for the three time periods is projected forward, then this will add 5782 units per year (30-year average) to 7562 units a year (10 year average?) to the present total resulting in a total between 780,262 and 815,859 units by 2041.
- 7.10 The results from all three projections are relatively close and will result in a continued fall in the prevalence rates. The resulting fall in prevalence is from the 133 units per 1000 in 2021 to between just 100 to 104 units per 1000 in 2041 (30-year Average Build Rate and 10 year Average Build Rate) suggesting a continuing decline in the overall rate of provision when compared to the growth in the population who are 75 and over.

## c. Average Annual Growth Rate (AAGR) Projection

- 7.11 This calculates the percentage growth between each year and the next and then averages these percentage changes over each of the three time periods.
- 7.12 The individual projections are varied as the change in the past rate of provision is being reflected so the combined result is a total need for specialist older persons Housing is higher reflecting the strong growth in some sectors. The total future projected need across all types of older persons housing is projected to be between 1,055,336 and 1,336,225 units by 2041 (Table 11).
- 7.13 The resulting prevalence rates are a projected increase from the 133 per 1000 in 2021 to between 137.7 per 1000 to 170.8 units per 1000 (Table 12) (30-year Average Annual Growth Rate and 10 year Average Annual Growth Rate).
- 7.14 The 30-year Average Annual Growth Rate projection suggests that if the rates of increase in the provision of owner occupied enhanced sheltered housing and in both tenures of extra care housing continue then this increase may offset the rates of provision of other types and tenures which are not keeping pace with the projected increase in the population aged 75+.



7.15 The higher prevalence rate of 170.1 units per 1000 is a result of the 10-year Average Annual Growth Rate projecting forward the increasing rate of provision of extra care housing for owner occupation and shared ownership from four units per 1000 in 2021 to 64 units per 1000.

7.20 The higher prevalence rate of 181.7 units per 1000 population 75 + is a result of the 10-year Growth projection increasing rate of provision of market extra care units from 3.7 units per 1000 population 75+ in 2021 to 73.8 units per 1000 population 75+.

## d. An exponential Growth projection (Growth)

- 7.16 This calculates the predicted exponential growth by using the complete range of data for each of the three time periods.
- 7.17 The individual projections are varied as the change in the past rate of provision is being reflected. The combined result is a total need for specialist older persons housing that is higher reflecting the strong growth in some sectors. The total future projected need across all types of older persons housing is projected to be between 1,055,431 and 1,417,654 units by 2041 (Table 11).
- 7.18 The resulting combined prevalence rates are projected to increase from the 133 per 1000 75+ to between 170.6 and 181.7 per 1000 population 75+ (Table 12) (30 year and 10-year Growth).
- 7.19 In the 30-year Growth projection the projected rates of increase in the provision of market enhanced sheltered housing and both tenures of extra care housing offsets the fall in the rates of provision of other types and tenures which are not keeping pace with the projected increase in the population aged 75+.

## e. Conclusion on overall level of projected future provision

- 7.21 The past performance of delivery in specialist older persons housing suggests that if the current level of provision is to be maintained then the continuation of past completion rates will not be able to deliver sufficient dwellings.
- 7.22 Looking at the changes in the rate of provision it is possible that improvements to the overall level of provision could be achieved if the growth sectors of enhanced sheltered housing and extra care continue to grow in-line with recent increases with either average annual growth rates or an exponential trend. This would also require the rate of provision of owner-occupied Sheltered Housing to keep pace with the projected increase in the 75+ population. The next section considers the results of these projections in the context of defining the future level of need for specialist housing for older persons.

**Table 11. Growth in sheltered units: Annual additions**

			30 yr Ave Build	20 yr Ave Build	10 yr Ave Build	AAGR 30 yr	AAGR 20 yr	AAGR 10 yr	Growth 30 yr	Growth 20 yr	Growth 10 yr
	1991	2021	2041	2041	2041	2041	2041	2041	2041	2041	2041
<b>Age Exclusive</b>											
Social	94,858	102,878	108,225	106,184	106,842	108,608	106,270	106,749	107,567	106,368	107,904
Market	18,395	30,136	37,963	38,524	41,904	41,926	41,795	45,162	37,851	38,321	45,854
<b>Sheltered Housing</b>											
Social	291,935	313,594	328,033	320,857	322,536	328,944	321,369	322,591	325,926	320,975	323,476
Market	72,182	134,474	176,002	179,536	181,346	203,695	203,537	193,351	203,284	195,900	194,305
<b>Enhanced Sheltered Housing</b>											
Social	3,464	6,297	8,186	8,105	8,073	9,402	8,760	8,404	9,435	8,877	8,729
Market	1,404	10,264	16,171	17,324	18,416	39,259	31,351	27,511	43,234	31,321	25,231
<b>Extra Care</b>											
Social	8,125	48,708	75,763	85,272	89,260	161,957	192,404	155,705	194,747	247,859	147,051
Market	777	18,262	29,919	35,597	47,482	161,546	285,611	476,753	133,387	184,644	565,104
<b>Sum of separate projections</b>	<b>491,140</b>	<b>664,613</b>	<b>780,262</b>	<b>791,399</b>	<b>815,859</b>	<b>1,055,336</b>	<b>1,191,096</b>	<b>1,336,225</b>	<b>1,055,431</b>	<b>1,134,265</b>	<b>1,417,654</b>

Source: SPRU, EAC and ONS

**Table 12. Summary of prevalence rates resulting from projections**

Tenure					30 yr Ave Build	20 yr Ave Build	10 yr Ave Build	AAGR 30 yr	AAGR 20 yr	AAGR 10 yr	Growth 30 yr	Growth 20 yr	Growth 10 yr	Equalisation of PR across Tenures
	1991	2001	2011	2021	2041	2041	2041	2041	2041	2041	2041	2041	2041	
<b>Age Exclusive</b>														
Social	28.2	26.7	24.4	20.7	14.1	13.9	13.9	14.2	13.9	13.9	14.0	13.9	14.1	21
Market	5.5	5.8	5.9	6.1	5.0	5.0	5.5	5.5	5.5	5.9	4.9	5.0	6.0	92
<b>Sheltered Housing</b>														
Social	86.8	82.3	74.7	63.0	42.8	41.9	42.1	42.9	41.9	42.1	42.5	41.9	42.2	63
Market	21.5	24.0	26.8	27.0	23.0	23.4	23.7	26.6	26.6	25.2	26.5	25.6	25.4	281
<b>Enhanced Sheltered Housing</b>														
Social	1.0	1.2	1.3	1.3	1.1	1.1	1.1	1.2	1.1	1.1	1.2	1.2	1.1	1
Market	0.4	0.9	1.5	2.1	2.1	2.3	2.4	5.1	4.1	3.6	5.6	4.1	3.3	6
<b>Extra Care</b>														
Social	2.4	3.3	6.9	9.8	9.9	11.1	11.7	21.1	25.1	20.3	25.4	32.4	19.2	10
Market	0.2	0.2	0.9	3.7	3.9	4.6	6.2	21.1	37.3	62.2	17.4	24.1	73.8	44
<b>Sum of separate projections</b>	<b>146.0</b>	<b>146.0</b>	<b>148.4</b>	<b>133.5</b>	<b>99.7</b>	<b>101.0</b>	<b>104.1</b>	<b>137.7</b>	<b>130.9</b>	<b>170.8</b>	<b>132.1</b>	<b>144.0</b>	<b>181.7</b>	<b>516.5</b>

Source: SPRU, EAC and ONS







# 8

## THE OLDER PERSONS HOUSING NEEDS MODEL





## a. Introduction

- 8.1 The results of the projections in the previous section suggest that the overall level of provision of units per 1000 population 75+ is likely to continue to fall if the supply only increases by the average number of units built in the past.
- 8.2 Trends from the last three decades suggest that the market sector is keeping pace or exceeding the rate of growth of the 75+ population with market age exclusive and sheltered housing provision generally keeping pace with ageing population and market enhanced sheltered and extra care provision exceeding the rate of growth of the 75+ population.
- 8.3 The growth in market enhanced sheltered and extra care provision reduces the impact of the under provision in the social sector level which has failed to keep pace with the growth of the 75+ population.
- 8.4 It is only the extra care sector where the growth in social tenure units is projected to growing at a rate commensurate with the growing 75+ population.
- 8.5 Unlike the market sector the provision of units to meet need is not just a function of effective demand but also a function of funding and as such the reduction in funding for social housing in general and social housing for older persons will have impacted on past rates of delivery. As such care will need to be taken in terms of the interpretation of the results of these projections in respect of being an indicator of the need for social units.
- 8.6 The DLP approach does not only consider the appropriate level of future need to plan for considering the projections from past rates of delivery as an indication of need. The evidence also considers changes to past prevalence rates, the evidence on the tenure specific prevalence rates and the evidence with regard to the potential substantial unmet need from the market sector in terms of the provision of accommodation to address those who have limitations to their day-to-day activities and/or have bad or very bad health.
- 8.7 In arriving at the DLP approach the resulting projections have also been considered against the measures of need that have been previously used including the proposed prevalence rates in Housing in Later Life and the output of other models reviewed in section 4. It will also consider estimates of need derived from the survey results reviewed in Section 3.
- 8.8 Lastly the recommended national prevalence rates will also be considered in the context of the international experience of in what some refer to as “more mature markets” such as the USA, Australia, and New Zealand in order to further sense check the projected levels of future need.
- 8.9 A summary of the outcomes of the projections is set out in the Table 13 on the next page. This also includes the highest and lowest projection, an average of the projections and the equalisation prevalence rate (i.e., the rate that would be required to achieve an equal level of provision between the tenures).



**Table 13. Summary of Projections and Equalisation Prevalence Rates**

Type	Tenure	2021	Equalisation of Prevalence Rates across Tenures	Highest	Lowest	Average of projections	DLP Proposed Prevalence Rates
<b>Age Exclusive</b>							
	Social	21	21	14	14	14	14
	Market	6	92	6	5	5	6
<b>Sheltered Housing</b>							
	Social	63	63	43	42	42	42
	Market	27	281	27	23	25	140
<b>Enhanced Sheltered Housing</b>							
	Social	1	1	1	1	1	2
	Market	2	6	6	2	4	7
<b>Extra Care</b>							
	Social	10	10	32	10	20	20
	Market	4	44	74	4	28	44
<b>Total</b>		<b>133</b>	<b>516</b>	<b>203</b>	<b>101</b>	<b>139</b>	<b>275</b>
Type	Tenure	2021	Equalisation of Prevalence Rates across Tenures	Highest	Lowest	Average of projections	DLP Proposed Prevalence Rates
	Social	95	95	91	67	77	78
	Market	39	422	112	34	62	197
<b>Total</b>		<b>133</b>	<b>516</b>	<b>203</b>	<b>101</b>	<b>139</b>	<b>275</b>

Source: SPRU, EAC and ONS

## b. Social Housing

### i) Age Exclusive (Social)

- 8.10 All the projections for age exclusive housing (social) indicate a falling level of provision from a rate of 28 units in 1991 down to 21 units in 2021 to a projected 14 units per 1000 population 75+ by 2041.
- 8.11 This is a well-represented type of unit with the social tenure with a tenure specific prevalence rate (113 units per 1000). It is one of the earlier and more basic models of older persons housing and it is expected that there will be a movement of towards the newer types of provision that provide a greater range of services and facilities for those requiring social units such as the enhanced sheltered and extra care model if social units are available.
- 8.12 It is recognised that the decreasing prevalence rate may also be attributable to a decrease in funding for social units as the prevalence rates did not decrease substantially in the period 1991 to 2001. Since this time the impact of funding and a wider range of provision will have impacted on the need for this type of housing.
- 8.13 Considering this the level of need should be modelled at the average of the projections which is 14 units per 1000 population 75+.

### ii) Sheltered Housing (Social)

- 8.14 The existing prevalence rate is 63 per 1000 down from 87 per 1000 in 1991 and all the projections are for this to decrease to 42/43 units per 1000 population 75+ by 2041.
- 8.15 Those already in this tenure already have a much greater opportunity to take up this type and tenure of housing compared to those in market tenure. The tenure specific prevalence rate for social Sheltered Housing is the highest for any type of unit across all tenures at 344 units per 1000 population 75+. As such, it is not considered this will be a strong area of growth in future need.
- 8.16 This is one of the earlier models of older persons housing and it is well established. But it is expected that where there are better facilities available, there will be a movement towards these newer types of provision, that provide a greater range of services and facilities.
- 8.17 The rate of past provision will have been impacted by the reduction in funding as the prevalence rates only falls slightly in the first decade of the period (1991 to 2001) but more steeply since.

- 8.18 It is noted that the prevalence rate in "Housing in Later Life" utilises a combined prevalence rate of 60 per 1000 for social Age Exclusive and Sheltered Housing. The highest output of the projections for these two types combined in the social tenure is 57 units per 1000 population 75+.
- 8.19 There is little difference between the projections for social Sheltered Housing but given the government policy to increase supply the highest projection of 43 units per 1000 population 75+ is recommended.
- 8.20 The prevalence rate of 45 per 1,000 75+ population is recommended (this results in a combined rate of 57 per 1000 population 75+ between Age Exclusive and Sheltered Accommodation).

### iii) Enhanced Sheltered Housing (Social)

- 8.21 The existing prevalence rate of 1.3 is up from 1.0 units per 1000 population 75+ in 1991, the projections suggest that the level of provision will not keep pace with the projected growth in the 75+ population and the prevalence rate might fall back to one unit per 1000 population 75+.
- 8.22 The prevalence rate in "Housing in Later Life" utilises prevalence rate of 10 per 1000 for enhanced sheltered Housing. This is not supported by the evidence of delivery in the previous decade.
- 8.23 This is nevertheless one of the main sectors that has experienced growth and as such in line with the government policy to increase the range of supply of specialist older persons units it is considered to increase the prevalence rate slightly above that suggested by the projections to two units per 1,000 population 75+.
- 8.24 The prevalence rate for social enhanced sheltered housing has been maintained at two units per 1,000 population 75+.

### iv) Extra Care (Social)

- 8.25 For social extra care the existing prevalence rate of 10 per 1000 is considerably higher than the 1991 rate of two units per 1,000 population 75+.
- 8.26 All the projections from past delivery rates suggest that future supply will be above that required to maintain the present prevalence rates and project future prevalence rates of between 10 and 32 units per 1000 population 75+.
- 8.27 While there is clearly growth in need for this type and tenure the highest projection (20 year average growth) is higher than the projections based on the last 10 years which is 12 and 20 units per 1000 population 75+. The use of the higher rate of 32 units per 1000 population 75+ would not be reflective of these more recent trends.
- 8.28 There is clearly potential for significant growth for this type of unit and tenure this is reflected by the strong growth in the supply for market units of this type.
- 8.29 Considering this evidence provision at the average level of projected prevalence rates is considered to be appropriate as it reflects the more recent trends.

- 8.30. This results in a prevalence rate of 20 units per 1,000 75+ population.

## c. Market

### i) Age Exclusive (Market)

- 8.31 The prevalence rate for owner occupied Age Exclusive housing has remained at six units per 1,000 75+ population between 1991 and 2021. This level of provision has continued to match the growth in the 75+ population.
- 8.32 The projections provide little variation with the resulting rates between five and six units per 1000 population 75+.
- 8.33 There is however a considerable mismatch between the level of provision available to those who are socially renting compared to owner occupation. The tenure specific prevalence rate for social Age Exclusive units is 113 units per 1000 75 + population for the social tenure compared to six per 1000 population 75+ in market tenure. Equalising the level of provision would suggest a general prevalence rate for market Age Exclusive units of 92 units per 1,000. This suggests that there might be further need if these tenure specific rates became more aligned.
- 8.34 There is potentially a significant opportunity for increased provision. However, as with the social tenure of Age Exclusive housing the potential for increased prevalence rates should be tempered by the fact that this is one of the earlier and more basic models of older persons housing. There is likely to be a movement towards the newer types of provision, which provide a greater range of services and facilities as well as care. Homeowners are likely only to want to make a single move and therefore a relocation to a facility that provides care, even if it is not strictly required at the time of the move, may well be more attractive for many.
- 8.35 For this reason, it is considered that the prevalence rate should be roughly aligned with the projections resulting in a prevalence rate of six per 1,000 75+ population.

### ii) Sheltered Housing (Market)

- 8.36 The prevalence rate for market Sheltered housing has increased from 20 to 26 per 1,000 population 75+ between 1991 and 2021.
- 8.37 The projections provide a consistent picture of between 23 and 27 units per 1000 population 75+ suggesting that growth may keep pace the growth in the 75+ population.
- 8.38 The difference in the tenure specific prevalence rates is substantial as there are 344 social units per 1000 population 75+ for those residing in social units while there is just 33 market units per 1000 population 75+ for those residing in market units.



- 8.39 The differential in tenure specific prevalence rates suggest that there could be a considerable level unmet need for this type of market unit. Like the Age Exclusive category above, this potential high level of need should be tempered by the fact that newer types of provision that provide a greater range of services and facilities, as well as care, and are likely to be more attractive to Homeowners who are likely to make a single move. As such, a facility that provides care may well be more attractive for many and the needs highlighted by the tenure specific prevalence rates might actually transform themselves into higher levels of need for enhanced sheltered and extra care market units.
- 8.40 The prevalence rate to achieve an equal level of provision across tenures would be 281 per 1,000 75+ population.
- 8.41 It is considered that the substantial under provision of this type of unit, which is one of the mainstays of the older persons housing provision, should be addressed. For this reason, it is considered that the prevalence rate should be increased substantially above the current projections to provide a far greater opportunity for homeowners to enter market Sheltered Housing. The level being proposed 140 units per 1000 population 75+ is just under half the rate that would be required to achieve an equalisation of tenure specific prevalence rates (which would be 281 units per 100 population 75+).
- 8.42 It is noted that the prevalence rate in "Housing in Later Life" utilises a combined prevalence rate for Age Exclusive and Sheltered Housing of 120 units per 1000 population 75+. The highest output of the projections for these two types of units for the market sector is considerably lower at just 33 units per 1000. The justification given for the change in the prevalence rates between social and market was the strong need from the market sector highlighted by the "ratio of units per 1k of population 75+ in tenure"<sup>76</sup>. The same justification applies at the national level although the ratios are different as here, we are considering the provision within this unit type as well as tenure, but the argument remains valid.
- 8.43 The past rates of provision have managed to maintain prevalence rates and increased the prevalence rate from 1991. There is also a considerable level of potential unmet need and while some of this might transfer to market units which offer greater levels of support there would appear to remain a substantial of unmet need. The proposed prevalence rate significantly increases the ability of homeowners to access sheltered accommodation but is still only about a half the level of the provision that is available to those who presently reside in social units.
- 8.44 The combined prevalence rate (Age Exclusive and Sheltered Housing) would be 146 (6 + 140) units per 1000 population 75+.
- 8.45 The proposed prevalence rate is 140 units per 1,000 population 75+.

### iii) Enhanced Sheltered Housing (Market)

- 8.46 The prevalence rate for owner occupied enhanced sheltered housing has increased from a very low level in 1991 to a rate of two units per 1000 population 75+ in 2021.
- 8.47 The projections suggest that the future levels of need might be between two and five units per 1000 population 75+. This suggests that that there remains unmet need for this product.
- 8.48 It is noted that the general prevalence rate for market enhanced sheltered housing is above that for social enhanced sheltered housing however the tenure specific prevalence rates for social units (at 7 units per 100 population 75+) is still twice that for market tenures (at three units per 1000 population 75+) (see Table 13). This suggests that there is still the potential for further unmet need in the market sector for this type of unit.
- 8.49 The table 9 and 10 in section 6 highlights that the very high level of potential unmet need from those in the market sector who have either limited ability to undertake day to day activities and/or are suffering from bad or very bad health. The provision of all market specialist housing older persons is at present just 39 units per 1000 population 75+. This is balanced against the fact that there are 256 persons per 1000 population 75+ who have either limited ability to undertake day to day activities and/or are suffering from bad or very bad health. Clearly this particular type of market provision would address this need directly and as such a prevalence rate that at least reflects the level currently available to the social rented sector is considered to be appropriate although it may be a considerable underestimation of actual need.
- 8.50 Taking the above into consideration the proposed prevalence rate should be seven units per 1,000 75+ population.

### iv) Extra Care (Market)

- 8.51 There were only 758 market extra care units in 1991. This increased slowly to 908 in 2001, but after this time the rate of delivery increased so that there were some 3,486 by 2011. However, the major uplift has occurred in the last decade with the level of provision rising to a total of 18,262 in 2021 with some 3,239 additions being recorded in the year 2021. This rate of provision exceeds the rate of provision on the social sector which was 2,541 in the same year.
- 8.52 The present prevalence rate is four units per 1000 population 75+ compares to 0 in 1991 and one unit per 1000 population 75+ in 2011.
- 8.53 As highlighted in Section 5 this type of provision and this tenure in particular has grown exponentially in the last decade. This results in a very wide variation in the projected levels of future prevalence rate from four units per 1000 population 75+ based upon the average number of units built over the last three decades to 74 units per 1,000 population 75+ based on the Growth projection.

- 8.54 There is a considerable difference between the tenure specific prevalence rates for extra care (table 13) and to achieve a comparable level of provision between tenures would require a general prevalence rate of 44 units per 1000 population 75+ for market extra care.
- 8.55 Two of the three projections based on the last decade suggest a higher prevalence rate than the 44 units per 1000 75+ population (Average Annual Growth and Growth projections respectively project 62 and 74 units per 1000 population 75+).
- 8.56. There is clearly a significant potential for unmet need for this type of unit and tenure.
- 8.57 All the projections suggest a substantial degree of growth, and this is supported by reference to the rate at which the industry has started to deliver this type of accommodation, especially over the last decade.
- 8.58 These facilities are often more modern than some of the earlier models of specialist older persons housing considered above and as such will appeal to a wider audience as well as potentially diverting need away from those facilities that do not offer care as well (such as Age Exclusive and Sheltered Housing).
- 8.59 The prevalence rate in "Housing in Later Life" for market extra care is 30 units per 1000 population 75+ although the equivalent calculation for equalising the level of provision between tenures is now 44 units per 100 population 75+. The Housing in later Life projection is lower than four of the projections being recommended here by DLP. The justification given for the change in the prevalence rates between social rented and owner occupied was the strong need from the owner-occupied sector. The same justification applies at the national level although the ratios are different as here, we are considering the provision within this unit type as well as tenure, but the argument remains valid.
- 8.60 As set out in the case for market enhanced sheltered housing above there is a very high level of potential unmet need from those in the market sector who have either limited ability to undertake day to day activities and/or are suffering from bad or very bad health. The provision of all market specialist housing older persons at just 39 units per 1000 population 75+ compares very poorly to the 256 persons per 1000 population 75+ who have either limited ability to undertake day to day activities and/or are suffering from bad or very bad health. Even the provision of 44 units per 1000 population 75+ as proposed here would only make a moderate contribution to meeting the need from these people who presently reside in market units.
- 8.61 Clearly market extra care would address this need most directly and as such a prevalence rate that at least reflect the level of supply currently available to the social rented sector is appropriate although it may be a considerable underestimation of actual need.

- 8.62 There is a strong justification for the prevalence rates to reflect the higher projected levels of need (at 62 and 74 units per 1000 population 75+) however it is recognised that this type of provision is sensitive to issues of affordability. It is therefore proposed at the national level the prevalence rate should be set at the level which provides for an equal level of provision across tenures as existed at 2021. Further consideration should therefore be given at the local level as to the likely affordability of this option which will be reflected in the need for this type of tenure at the local level.
- 8.63 The local correction factor is discussed further in the following Section.
- 8.64 Taking all the above into account it is recommended that the prevalence rate for market extra care should be 44 units per 1,000 75+ population.

## d. Testing of projections against alternative need projections

- 8.65 The resulting projections have been considered against the both the Housing in Later Life estimates of need and those generated by other assessments of future need, including the inferred prevalence rates from the surveys reviewed in section 3.

### i) Comparison to "Housing in Later Life" and other estimates of future need.

- 8.66 Table 14 below sets out the comparison between the projections of need recommended by DLP against the earlier estimations of need in the "Housing in Later Life". There are of course some distinct similarities not least because both are influenced by the need to address what appears to be a past under representation of market units when compared to social units (the comparison of tenure specific prevalence rates).
- 8.67 The increases are supported both by the changes in the tenure specific prevalence rates and the exponential growth of extra care units for both market and social tenures.



**Table 14. Comparison of DLP and Housing in Later Life estimates of future older persons Housing Need**

Prevalence rates per 1000 population 75+	Existing Prevalence Rate 2021	DLP proposed national Prevalence Rates	Housing in Later Life Existing (England 2001 fig)	Housing in Later Life (Bury 2012) Proposed
<b>Sheltered Housing</b>				
Social	84	56	101.2	60
Market	33	146	28.4	120
<b>Enhanced Sheltered Housing</b>				
Social	1	2		10
Market	2	7		10
<b>Extra Care</b>				
Social	10	20	8.8	15
Market	4	44	3.2	30
Housing based provision for dementia				6
<b>Total</b>	<b>133</b>	<b>275</b>	<b>141.6</b>	<b>251</b>

Source: SPRU, Housing in Later Life

8.68 It should be noted that the above is a national comparison and at the local level the approach seeks to adjust the level of market provision with reference to other market indicators (this is set out in detail in the next Section). This is important as the evidence suggest that the actual level of need might exceed that being recommended.

8.69 In respect of Professor Ball's<sup>77</sup> approach for calculating the need for OOH (now referred to as market enhanced sheltered and extra care) the application of the 5% of all over 65 households to the latest household projections (2018) result in a combined prevalence rate for market and enhanced sheltered and extra care of 69 units per 100 population 75+. This compares with this report's recommended prevalence rate for of 73 units per 1000 population 75+.

8.70 The other approaches based on international comparisons is reviewed after the comparison with retirement surveys.

## ii) Comparison with results of Retirement Living surveys

8.71 The list below compares the prevalence rates inferred from the surveys in section 3 and the conclusion of this report:

a) Commission for Social Care Inspection 2004: If percentages expressed across all age groups were consistent across the age groups these would represent a level of potential need equivalent to a prevalence rate of between 250 units to 350 units per 1000 population 75+. This compares with this report's recommended total prevalence rate of 275 units per 1000 population 75+

b) "Last Time Buyer" CEBR for Legal & General 2015: If a third of home owners considering downsizing would suggest a potential market equivalent to a prevalence rate of 333 per 1000 population 75+ for market specialist housing for older people. This compares with this report's recommended total prevalence rate for market units of 197 units per 1000 population 75+

c) "Senior Living Survey" Knight Frank 2019: The proportion of respondents 75 + that found the idea of living in a retirement village either 'fairly attractive' or 'very attractive' was 38% amongst owner occupiers and 43% for private renters and most would prefer to retain their present tenure (71% Owner Occupiers and 82 Private Renters). This suggests a potential prevalence rate of 380 per 1000 population 75+ for owner occupiers and 430 per 1000 population 75+ for private renters. This compares with this report's recommended total prevalence rate for market units of 197 units per 1000 population 75+

d) "Perceptions of Retirement Living" Clarke Wilmott Later Living Report 2021: In respect of an indicator of potential need if the 47% of respondents that considered living in a retirement development either attractive or very attractive would convert to a prevalence rate of 470 units per 1000 population 75+. This compares with this report's recommended total prevalence rate of 275 units per 1000 population 75+

8.72 These surveys suggest that the future levels of need being recommended by DLP are towards the lower level of need that maybe inferred from these surveys.

### iii) Comparison with International Markets

- 8.73 As set out in section 3 both the All Party Parliamentary Group on Housing and Care for Older people in their publication "Housing Our Ageing Population: Positive Ideas HAPPI 3 (2016) and the Local Government Association<sup>78</sup> make reference to the levels of provision of specialist housing in the USA, Australia and New Zealand as providing context to the assessment of need in England.
- 8.74 This approach of comparison with International Markets was developed into a method for calculating future extra care need by "Strong Foundations" which sets a target of 2.5% to 5% of all housing occupied by 65 and over should be in the form of units with care.
- 8.75 There are also other reports that refer to the USA, Australia, and New Zealand<sup>79</sup> and at times refer to these countries as representing 'more mature markets' for older persons housing and especially for "extra care". This reflects that this type of provision has been provided over a longer period than it has in England where our earlier Sections identified it as a relatively new type of provision. These reports are as follows:
- a) The Retirement Living Where is the Opportunity? JLL Healthcare Research Report (November 2015) highlights the comparison with more mature retirement living markets in the USA and Australia, where more than 5% of over 65s live in Housing with Care. That figure is only 0.6% in the UK and would equate to a prevalence rate of 50 extra care units per 1000 population 65+.
  - b) The Association of Retirement Community Operators (ARCO) Fact Pack (2018) makes the following comparisons:
    - i) In the UK, only 0.6% of people over 65 live in Retirement Communities.
    - ii) In the US, 6.1% of people over 65 live in Retirement Communities (JLL (2017) Housing with Care Index)
    - iii) In New Zealand, 5.4% of people over 65 live in Retirement Communities (JLL (2018) New Zealand Retirement Village Database)
    - iv) In Australia, 4.9% of people over 65 live in Retirement Communities (Property Council Australia)
  - c) Grant Thornton - Care Homes for the elderly: Where are we now? (2018) notes that experts predict that the extra care sector in the UK, could grow by up to 5%, as it has in Australia and New Zealand.
  - d) Senior Living Annual Review 2020 (Knight Frank) compares the housing with care provision of 78,383 units (calculated as 0.82% of over 65's) and compares this with penetration rates for housing with care schemes in Australia, New Zealand and the United States of 5%, 5.5% and 6% respectively. For the UK, to match the lowest of those figures, would require nearly 400,000 additional housing with care units.
  - e) The Association of Retirement Community Operators (ARCO) and the County Councils Network Planning for Retirement (2020) states that UK has less provision than similar countries – currently only 0.6% of over 65s in the UK live in retirement communities offering care and support. This is about one tenth of the level on offer in similar countries, with New Zealand and Australia being closer to 6%.
- 8.76 The equivalent prevalence rates for England derived from the evidence in the above reports is set out in the table 15 below. These reports are just addressing the potential need for extra care housing but do all suggest a relative narrow band of future potential need of between 82 and 100 units per 1000 population 75+.
- 8.77 In respect of the need for extra care, the present level of 17 units per 1000 population 75+ is considerably lower than the equivalent prevalence rates that are presently occurring in other countries. The DLP proposed rates will meet more than half of the potential need as suggested by "Housing-with-Care in the UK and International Contexts" but will not address the potential in full.
- 8.78 In the case of the comparison countries, it is important to note that the majority of the extra care is being provided in the form of Retirement Villages which are meeting the need for owner occupation from existing homeowners. The prevalence rate used in the table 15 for the DLP projection is made up of the recommended prevalence rates for market and social units for both extra care and enhanced sheltered Housing. This totals 73 units.
- 8.79 The overall prevalence rate proposed by DLP for housing with care (73 units per 1000 75+ population) is comparable and possibly conservative in terms of future need and that this is particularly true of the prevalence rate for market extra care at just 44 units per 1000 population 75+ which could be considerably underestimating need in some locations.
- 8.80 This supports a more nuanced approach when considering the application of the proposed prevalence rates at a local level taking into account the potential affordability of market specialist older persons housing, which as a consideration would increase or decrease need in that location.
- 8.81 In comparative terms there is significant potential for growth and especially for extra care.



**Table 15. Comparison of English Prevalence rates for enhanced sheltered and extra care (existing and proposed) to existing prevalence rates in the US, Australia and New Zealand as set out in various publications**

Report	Country	Percent	Age	England Population for age group 2021	Calculate Units	England 75+ population	Equivalent UK prevalence rate for 75+	DLP proposed future prevalence rates	Existing UK Prevalence Rates
<b>Ave HH size for specialist accommodation</b>					<b>1.3</b>				
In Housing-with-Care in the UK and International Contexts	Meeting the full potential of other countries	5	65+	10,611,657	408,141	4,979,943	<b>82</b>	73	<b>17</b>
	Meeting the half potential of other countries	2.5	65+	10,611,657	204,070	4,979,943	<b>41</b>	73	<b>17</b>
Housing our aging population LGA	US/ Australia	5	65+	10,611,657	408,141	4,979,943	<b>82</b>	73	<b>17</b>
Retirement Living Where is the Opportunity?	US/ Australia	5	65+	10,611,657	408,141	4,979,943	<b>82</b>	73	<b>17</b>
Associated Retirement Community Operators (ARCO) Fact Pack (2018)	US	6.1	65+	10,611,657	497,932	4,979,943	<b>100</b>	73	<b>17</b>
	Australia	4.9	65+	10,611,657	399,978	4,979,943	<b>80</b>	73	<b>17</b>
	New Zealand	5.4	65+	10,611,657	440,792	4,979,943	<b>89</b>	73	<b>17</b>
Senior Living Annual Review 2020	US	6	65+	10,611,657	489,769	4,979,943	<b>98</b>	73	<b>17</b>
	Australia	5	65+	10,611,657	408,141	4,979,943	<b>82</b>	73	<b>17</b>
	New Zealand	5.5	65+	10,611,657	448,955	4,979,943	<b>90</b>	73	<b>17</b>
The Associated Retirement Community Operators (ARCO) (2020)	Australia and New Zealand	6	65+	10,611,657	489,769	4,979,943	<b>98</b>	73	<b>17</b>

Source: 2020 interim projection ONS, Ave HH size for specialist accommodation (ARCO Fact pack)

## e. Conclusion

8.82 The conclusion from the above analysis of projections, tenure specific prevalence rates and other indicators of need is that the prevalence rates in table 16 below should be used as a starting point for the calculation of future need for specialist older persons housing.

8.83 It is important however that these nationally produced prevalence rates are adjusted to reflect indicators of local affordability as this will impact on the local need. It should be noted that the prevalence rate for market extra care has not been set at the level suggested by the highest projection (74 units per 1000 75+ population) although such rates may well be appropriate at the local level. This is developed in detail in the next Section.

**Table 16. Proposed prevalence rates for planning future provision of specialist accommodation for older people.**

Prevalence rates per 1000 population 75+	Existing 2021	DLP proposed
<b>Sheltered Housing</b>		
Social	84	<b>56</b>
Market	33	<b>146</b>
<b>Enhanced Sheltered Housing</b>		
Social	1	<b>2</b>
Market	2	<b>7</b>
<b>Extra Care</b>		
Social	10	<b>20</b>
Market	4	<b>44</b>
<b>Total</b>	<b>133</b>	<b>275</b>

# 9

## LOCAL ADJUSTMENTS TO NATIONAL PREVALENCE RATES





- 9.1 This research has highlighted that existing prevalence rates are unlikely to reflect the full need for specialist older persons housing at present and are therefore not a reliable basis for calculating future need.
- 9.2 The national rates proposed in the Table 16 above consider the differential growth rates of the last decade, the level of unmet need suggested by tenure specific rates as well as evidence of unmet need by reference to those who have limited day to day activity and/or bad or very bad health.
- 9.3 The proposed national prevalence rates have been sense checked against other models of need and by reference to international comparisons.
- 9.4 As such the national prevalence rates provide a starting point for the calculation of future need in a way that would maintain and improve the existing level of provision available to the older population in accordance with the Government's policy. The availability of specialist older persons housing would still not catch up with the existing level of provision in the USA, Australia or New Zealand.
- 9.5 These rates, like those proposed in "Housing for Later Life", will not reflect the local circumstances in terms of need. This is especially the case with regard to the need for market units as the local level of need for such developments will be influenced by a number of factors including house prices, the number of people in the target age group, the level of homeownership and the existing size of accommodation occupied by the 75 + population.
- 9.6 To reflect these local factors, the use of two adjustments is proposed these are:
  - a) The ratio of the local median house price to the median house price for England. This provides an adjustment either upwards or downwards depending upon whether the area is more or less expensive than the country as a whole. This is indicative of the ability to fund a move into market specialist housing.
  - b) The ratio of the local percentage of owner occupiers over 75 who reside in properties that have three or more bedrooms compared to percentage for England as a whole. This provides an adjustment either upwards or downwards depending upon whether there are more or less owner occupiers aged 75+ who reside in properties that have three or more bedrooms than the country as a whole. This is indicative of the households who might wish to choose to 'right size' into market specialist housing.
- 9.7 The national ratios have been set in the national context and, as such, do not reflect the fact that the need for market solutions will be greater in locations where the house prices are higher, meaning that there are increased incentives to downsize and to realise present levels of equity in the family home. It is proposed that in those locations where there is a higher level of median house price, then the ratio of the local price to the national price is used to model an uplift in need. But where the local house price is lower than the ratio produces a reduced level of future need.
- 9.8 As well as house price being an influence on future need so will the overall proportion of older homeowners of larger properties. To reflect this, with the second factor, we compare the percentage of homeowners who are 75+ and occupy properties with three bedrooms or more compared to that which occurs in England as a whole. This is used to adjust the prevalence rate to reflect percentage of households which are most likely to wish to move into market based older persons housing.
- 9.9 The final prevalence rate is generated by taking the average between the two projections produced by these local ratios.
- 9.10 The resulting increase or decrease in the local ratios is therefore reflective of the relative position of the individual local authority on these factors and their use provides a more locally focused assessment of existing and future need.
- 9.11 While it was considered whether a similar local adjustment should be made to the social rented sector this was dismissed based on three reasons. First, as highlighted earlier, the provision for this tenure is already significantly higher than that for the market sector and as such there is less opportunity for, or evidence of, growth in this tenure. Secondly house prices are not such a direct indicator of likely need for social rented property. Lastly, far fewer persons aged 75+ occupy social units of three or more bedrooms (just 0.5% nationally compared to 6% for those in market tenures of the same age).
- 9.12 Some caution will be required in applying locally adjusted rates for while evidence suggests that up to 60% of residents may be local (within 10 miles)<sup>79</sup> other drivers (especially moves to be near family) will mean that there will also be a wider need that should not be discounted.
- 9.13 It is important that these local adjustments do not result in unrealistic levels of projected need for extra care and so a final test is suggested. This is based on the number of sales in the last five years in the local area above £350,000 divided by the number of households with a Household Reference Person of 75 or above to estimate the number of sales by 75+ households that might be above £350,000. This figure is then compared to the projected need for extra care in the first five years. If the projected figure is above the estimated number of sales in the last five years, then it is recommended that further work is undertaken to justify the projected rate, or a lower rate is adopted. The figure of £350,000 has been adopted as an estimate of the level of equity that a household might need to be able to enter into extra care accommodation.



- 9.14 Lastly, it should be noted that individual operators will undertake their own commercial assessment of the viability of a development which will consider a number of the above factors in order to establish the viability of their own product in a specific market. Such assessments may well rely upon different areas (rather than District boundaries) and different metrics in terms of the cost of their product and its affordability. These are clearly indicators of market need but do not provide a general assessment of the level need that is required to assist plan makers and decision takers in the operation of the planning system. The national prevalence rates and the local adjustment factors set out by DLP are an attempt to provide such guidance.
- 9.15 Two examples of how this local calculation resolves itself, are given below. For Central Bedfordshire, the higher median price and greater number of 75+ homeowners occupying properties of three beds or more, results in an increase on the national projected prevalence rates (table 17). Conversely for Newark and Sherwood, the impact of the lower median house price and fewer 75+ homeowners, occupying properties of three beds or more, results in a reduction of the national projected prevalence rates table 18).

**Table 17. Central Bedfordshire Local Prevalence Rates**

Factor			Factor		
Median House price	England	249,000	Percentage Home Ownership of 3 beds + by 75 +	England	6%
Median House price	Central Bedfordshire	312,000	Percentage Home Ownership of 3 beds + by 75 +	E41000055 Central Bedfordshire UA	6%
	Ratio	1.25		Ratio	0.98

**Calculation of Local Prevalence Rates for Market Units**

Type	Tenure	Proposed Prevalence rates	Proposed Local Prevalence rates (Median House Price ratio)	Proposed Local Prevalence rates (ownership & occupancy ratio)	Proposed Local Prevalence rates (combined ratio)
Age Exclusive	Social	14	14	14	14
	Market	6	8	6	7
Sheltered Housing	Social	42	42	42	42
	Market	140	175	137	156
Enhanced Sheltered Housing	Social	2	2	2	2
	Market	7	9	7	8
Extra Care 24/7 support	Social	20	20	20	20
	Market	44	55	43	49
Sum of individual projections		275	325	271	298

**Application of Local Prevalence Rates for Market Units- Units required**

Type	Tenure	Proposed Prevalence rates	2021	2026	2031	2041
Central Bedfordshire	75 +		24,799	30,399	33,517	42,371
Age Exclusive	Social	14	347	426	469	593
	Market	7	166	203	224	284
Sheltered Housing	Social	42	1,042	1,277	1,408	1,780
	Market	156	3,873	4,748	5,235	6,617
Enhanced Sheltered Housing	Social	2	50	61	67	85
	Market	8	194	237	262	331
Extra Care 24/7 support	Social	20	496	608	670	847
	Market	49	1,217	1,492	1,645	2,080
Sum of individual projections		298	7,384	9,052	9,980	12,617



Application of Local Prevalence Rates for Market Units - Increase in Units required				
Type	Tenure	2026	2031	2041
Age Exclusive	Social	78	44	124
	Market	37	21	59
Sheltered Housing	Social	235	131	372
	Market	875	487	1,383
Enhanced Sheltered Housing	Social	11	6	18
	Market	44	24	69
Extra Care 24/7 support	Social	112	62	177
	Market	275	153	435
Sum of individual projections		1,668	929	2,636
Increase in need	Social	437	243	691
	Market	1,231	685	1,946
	Market (Enhanced Sheltered and Extra Care)	319	177	504

Test for Market Extra Care		Projected need for Extra Care in next 5 years	Test
Sales above 350,000 in last 5 years in LPA	10,161		
Percentage Home Ownership by 75 +	9%		
Sales above 350,000 in last 5 years in LPA from 75 + population	940	275	PASS

**Table 18. Burnley Local Prevalence Rates and calculated future**

Factor			Factor		
Median House price	England	249,000	Percentage Home Ownership of 3 beds + by 55 +	England	6%
Median House price	Burnley	97,500	Percentage Home Ownership of 3 beds + by 55 +	E41000149 Burnley	8%
	Ratio	0.39		Ratio	0.98

**Calculation of Local Prevalence Rates for Market Units**

Type	Tenure	Proposed Prevalence rates	Proposed Local Prevalence rates (Median House Price ratio)	Proposed Local Prevalence rates (ownership & occupancy ratio)	Proposed Local Prevalence rates (combined ratio)
Age Exclusive	Social	14	14	14	14
	Market	6	2	8	5
Sheltered Housing	Social	42	42	42	42
	Market	140	55	189	122
Enhanced Sheltered Housing	Social	2	2	2	2
	Market	7	3	9	6
Extra Care 24/7 support	Social	20	20	20	20
	Market	44	17	59	38
Sum of individual projections		275	155	344	250

**Application of Local Prevalence Rates for Market Units - Increase in Units required**

Type	Tenure	Proposed Prevalence rates	2021	2026	2031	2041
<b>Burnley</b>	<b>75 +</b>		<b>7,559</b>	<b>9,082</b>	<b>9,712</b>	<b>11,581</b>
Age Exclusive	Social	14	106	127	136	162
	Market	5	39	47	51	61
Sheltered Housing	Social	42	317	381	408	486
	Market	122	922	1,107	1,184	1,412
Enhanced Sheltered Housing	Social	2	15	18	19	23
	Market	6	46	55	59	71
Extra Care 24/7 support	Social	20	151	182	194	232
	Market	38	290	348	372	444
Sum of individual projections		250	1,886	2,266	2,424	2,890

Application of Local Prevalence Rates for Market Units - Increase in Units required				
Type	Tenure	2026	2031	2041
Age Exclusive	Social	21	9	26
	Market	8	3	10
Sheltered Housing	Social	64	26	79
	Market	186	77	228
Enhanced Sheltered Housing	Social	3	1	4
	Market	9	4	11
Extra Care 24/7 support	Social	30	13	37
	Market	58	24	72
Sum of individual projections		380	157	467
Increase in need	Social	119	49	146
	Market	261	108	321
	Market (Enhanced Sheltered and Extra Care)	68	28	83

Test for Market Extra Care		Projected need for Extra Care in next 5 years	Test
Sales above 350,000 in last 5 years in Burnley	182		
Sales above 350,000 in last 5 years in LPA from 75 + population	8%		
Percentage Home Ownership by 75 +	15	58	FAIL



# 10

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## **CONCLUSION ON PAST PROVISION AND FUTURE NEED FOR HOUSING FOR OLDER PERSONS.**

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- 10.1 The conclusion of this Report is that despite the continued development of specialist housing for older people, and the increased diversification both in terms of product and tenure, the level of provision of specialist accommodation for older persons as measured in terms of units per 1,000 population 75+ has fallen since 1991.
- 10.2 This is a stark reminder that the use of existing national or local prevalence rates for the future projection of older persons housing needs is unsuitable as it simply maintains this reduction in provision.
- 10.3 The research also highlights that the extrapolation of existing linear based trends in build rates will continue this decline in the overall level of provision as the population is ageing faster than the overall level of provision is projected to increase.
- 10.4 This decreasing prevalence rate of provision per 1000 persons aged 75+ runs counter to the evidence that there is a growing need and need for specialist older persons accommodation.
- 10.5 A decreasing prevalence rate also runs counter to the Government's objective of increasing the choice of specialist housing for older persons.
- 10.6 The overall prevalence rate for all specialist older persons accommodation in England is now (2021) 133 units per 1000 population 75+. This is substantially below the level in other countries which are regarded as having a more mature market for this type of specialist accommodation.
- 10.7 However, the general picture is too simplistic. The tenure specific prevalence rates for social units, for example, are much higher than those for market units. This indicates a much lower level of availability for those in market tenures who wish to access specialist older persons accommodation whilst retaining their present tenure, compared to those in social units who wish to enter socially rented older persons accommodation. The difference in the inertia to move between the tenures can only be a small part of the explanation of these starkly different tenure specific prevalence rates.
- 10.8 This is particularly the case when consideration is given to the availability of specialist housing to meet the needs of those who have limited day to day activity and/or bad or very bad health. For the 81 persons per 1000 population 75+ who reside in social units who have limited day to day activity and/or bad or very bad health there are some 95 social units per 1,000 population 75+. This compares with the 39 specialist market units per 1000 population 75+ to meet the needs of the 289 persons per 1000 population 75+ who have limited day to day activity and/or bad or very bad health. This is clearly another significant indicator of unmet need.
- 10.9 Market units are the fastest growing tenure with the rates of growth that are exceeding the growth in the 75+ population which is indicative of continued unmet need in this tenure. This is an indication that when provision is made to meet the specific needs of the market tenures then these are being taken up at an increasing rate, which in turn is increasing the prevalence rate for market units. This suggests that a degree of equalisation between the provision for each tenure, is already taking place, but that this has not yet fully resolved. This equalisation of provision across tenures is something that earlier models have predicted.<sup>80 81</sup>
- 10.10. Considering this analysis, the "critical" issue identified in Government policy of meeting the need for older persons accommodation will not be addressed by simply planning to meet the projected levels of future provision as modelled by the trend projection of past build rates.
- 10.11 To address the need as required by Government policy will need a significant change in the rate of delivery of specialist housing for older persons.
- 10.12 This Report highlights that extra care (in both tenures), and other market units, represent the clearest way to address this critical issue because
  - a) The market sector is significantly underrepresented in the present stock (both by comparison to social tenure and the experience in other countries) and, as such, have considerable potential for future growth.
  - b) This Report highlights that the recent rates of provision for market extra care and enhanced social are not necessarily "linear" and as such provide the best opportunity, not only for retaining the existing rates of provision, but also to improve access to older person housing by increasing the prevalence rates overall and for market units.
- 10.13 Underlying these recommendations, are the assumptions that the falling prevalence rates for social Age Exclusive and social Sheltered Housing will continue, but at a rate slower than that suggested by past delivery. The justification for this is the indication that there is a growing preference for enhanced sheltered housing and extra care provision within this tenure.
- 10.14 The recommended approach builds upon the "Housing in Later Life" report that has been accepted by inspectors on appeal but updates the prevalence rates on the basis of up-to-date information on tenure specific prevalence rates. The approach also considers the recent patterns of growth, the evidence of unmet need in the market sector in terms of mobility and health, other models of need, the results of surveys regarding future need as well as international comparisons.
- 10.15 In summary, the starting point for considering the level of future provision required to meet specialist older persons housing needs is set out Table 19 below.
- 10.16 This, of course, is a starting point in terms of the consideration of future needs and two points are important to be kept in mind when applying these prevalence rates. These are as follows:



a) The rates for market units will be sensitive to affordability criteria and maybe considerably higher in areas of greater affluence and retained equity.

b) There may be only limited movement between tenures, so over provision of social units against these rates is unlikely to meet the market need, so planning to meet the likely need for each tenure is important.

c) The rates are still lower than those of comparative countries or suggested by other estimates of need in the case of extra care the rate is also below that suggested by two the three projections based on the most recent rates of delivery (2011 to 2021) and as such are likely to present an underestimate of overall potential need.

**Table 19. Future prevalence rates for planning to meet the need for specialist older persons housing**

Prevalence rates per 1000 population 75+	Existing 2021	DLP proposed
Sheltered Housing (including Age Exclusive)		
Social	84	<b>56</b>
<b>Market</b>	33	<b>146</b>
Enhanced Sheltered Housing		
Social	1	<b>2</b>
<b>Market</b>	2	<b>7</b>
Extra Care		
Social	10	<b>20</b>
Market	4	44
<b>Total</b>	<b>133</b>	<b>275</b>

Source: EAC, ONS, and SPRU

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- 9 APP/Q3115/W/20/3265861 Little Sparrows, Sonning Common, Oxfordshire RG4 9NY para 40
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- 29 New Policy Institute analysis of turnover within the specialist housing stock using CORE
- 30 Fixing our broken housing market. February 2017 paragraph 1.16
- 31 Ibid Paragraph 4.42
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- 33 Housing our ageing population September 2017, Local Government Association
- 34 Securing Good Care for Older People Taking A Long-Term View - table 15
- 35 SHOP Resource Pack (page 14)
- 36 Last time buyers are defined as home-owning households living in under-occupied homes (2 or more spare bedrooms), where the head of the household is over-55 and who have expressed a preference to downsize.
- 37 Calculation based on an average of 2.3 unused bedrooms in LTB homes
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- 39 These findings are derived from a survey carried out by YouGov which provided insights into the downsizing preferences of LTB households in Great Britain. The total sample size was 762 GB adults aged 55 and over, of which 621 were homeowners (owning either outright or with a mortgage). Fieldwork was undertaken between 21st – 24th November 2014. The survey was carried out online. The figures have been weighted and are representative of all GB adults aged 55 and over
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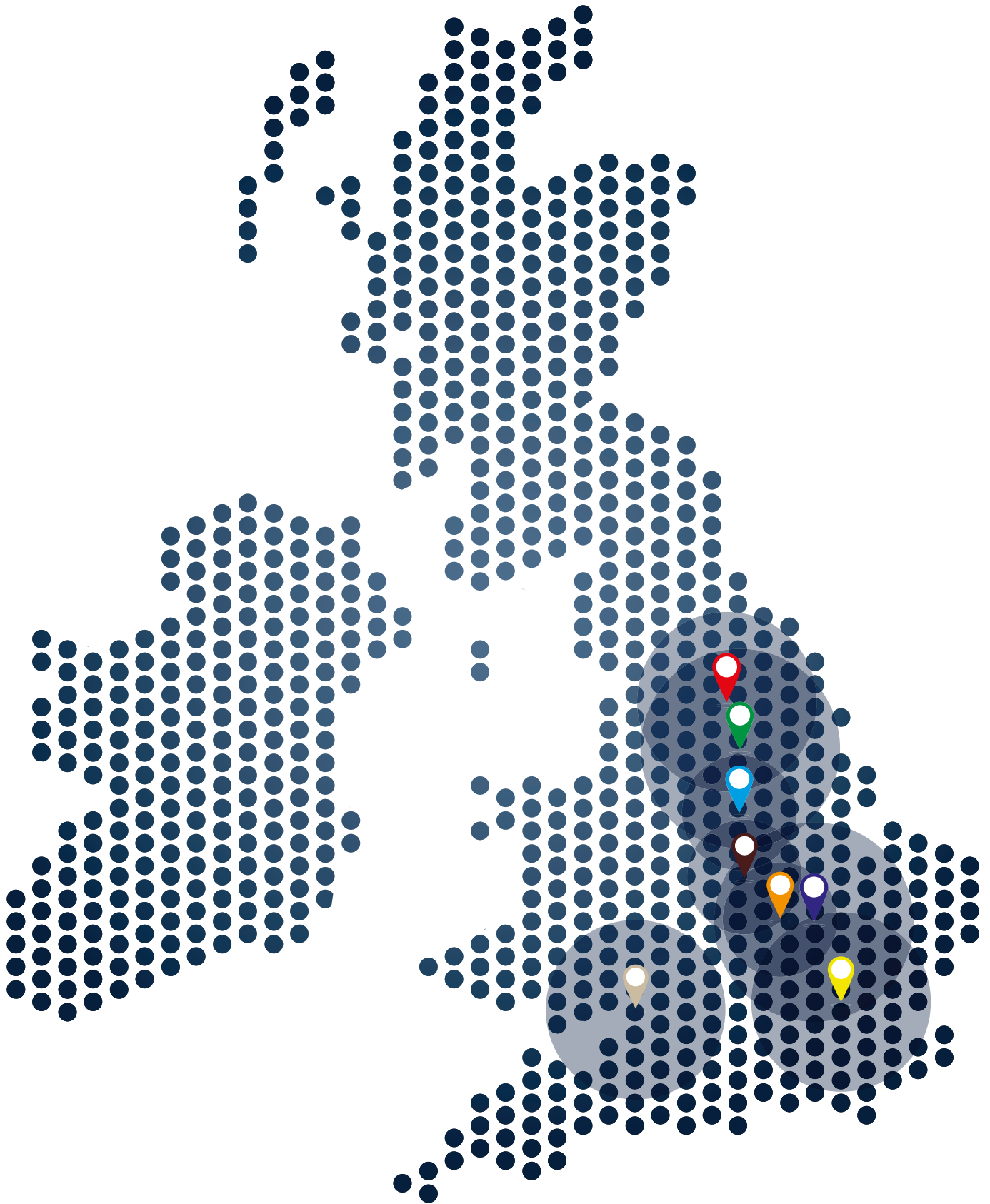
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