

SPECIALIST HOUSING

Third Housing Commission Roundtable Discussion Paper

*“Housing is central to care and to our lives. Every decision about care is also a decision about housing.” James Bullion, President of the Association of Directors of Adult Social Services, 2021.*¹

Historically, specialist housing has largely referred to residential care for elderly or disabled people. In recent decades, however, there has been a huge expansion of specialist housing and a wide variety of new models emerging: the growth of BTR specialist housing for students (and young professionals), co-living models, key worker developments, other models for over-55s, multifamily developments, etc. This paper will try to cover them all - but only when it concerns *groups* of people.

THE SITUATION:

Issue 1: **People are too often not able to ‘rightsized’.**

One cause of the UK housing shortage is the number of people living in inappropriate properties. This may be people in properties they cannot maintain, leading to dilapidated housing stock: older individuals and couples still living in large family homes (is this inappropriate?), those with one set of needs living in specialist housing designed for another, students in HMOs distorting the private rental sector and driving up rents for all (this is about supply: the properties may not be inappropriate for the use?) young professionals unable to buy, and so on. For older people we need an estimated 38,000 units for rent a year, of which 22,000 will need to be social and affordable.²

Another estimate puts the need at about 30,000 - about a tenth of the government’s target of 300,000. But actual production has been running at less than 8,000 a year – down from over 20,000 throughout the 1980s.³

Other numbers:

Percentage of over-65s who currently have the opportunity to live in an integrated retirement community in the UK: 0.6% (compared to at least 5-6% in New Zealand, Australia, and the USA).⁴

Number of over-65s living in the UK: 12.5m (increasing to 16.5m by 2036).⁵

According to analysis by BNP Paribas Real Estate, the shortfall in older people’s housing units now runs at: 487,000+.⁶

According to parallel research by Strutt & Parker - which is no longer online - those over the age of 66 who would prefer to rent their next home: 48%.⁷

¹ Quoted in APPG on Housing and Care for Older People (2024), evidence to this commission.

² National Housing Federation (2024): ‘Making the case for specialist homes for older people’, Feb 20: <https://www.housing.org.uk/resources/making-the-case-for-specialist-homes-for-older-people/>

³ APPG on Housing and Care for Older People (2024), *ibid*.

⁴ <https://www.arcouk.org/key-sector-facts>

⁵ ONS Population Projections (2020).

⁶ <https://www.realestate.bnpparibas.co.uk/uk-senior-living-shortage-reveals-scale-housing-crisis/>

⁷ <https://www.homecareinsight.co.uk/new-data-reveals-scale-of-senior-living-shortage/orizons>

Issue 2: *The failure to help older people into more appropriate homes creates need for care and bed blocking strain on NHS.*

The wrong housing creates the need for care. The right housing can prevent it. In fact, when the home presents insurmountable barriers, it can be impossible for someone to be safely discharged from hospital. Across England, the cost to the NHS of unsuitable housing is estimated to be £1.4bn.⁸ ARCO, the Association of Retirement Community Operators, put the figure higher: average unplanned hospital stays go down from 8-14 days to 1-2 days, when older people live in retirement communities. A total of £5.6bn in cost savings will be made for health and social care if 250,000 over-65s live in housing with care by 2030.⁹

Issue 3: *The absence of advice.*

There is a dearth of readily-available advice and guidance for older people, their carers and families, on housing and care opportunities. Unlike the position for pension advice, it is hard to find an independent source of free guidance on the options for housing and care.

Issue 4: *Poor housing conditions*

Almost one in five of the homes occupied by those over pension age are classified as ‘non-decent’ – with hazards that endanger the health of those living there.¹⁰ The majority of these are in ordinary – not specialist – housing and most older people in unsatisfactory housing are owner occupiers. And since old people spend nearly all their time in their home – it has to be life-enhancing.¹¹

Issue 5: *Isolation and loneliness.*

The number of older people living alone has risen by two thirds in the decade to 2019, which means that 3.8 million people – 1.3 million of them men – aged 65 and over live alone. Loneliness is said to be a problem of epidemic proportions, with research showing it leads to poorer health and decreased longevity. It can be particularly acute for the many older people without adult children in a position to help.¹² This also impacts on the need for paid carers.

Issue 6: *Living with dementia*

One in 14 of us aged over 65, and one in 6 of us aged over 80, will find ourselves living with dementia. In most cases the condition worsens over time. Housing can hinder or help those with this condition.¹³

⁸ National Housing Federation (2024), *ibid.* <https://www.housing.org.uk/resources/making-the-case-for-specialist-homes-for-older-people/>

⁹ <https://www.arcouk.org/key-sector-facts>

¹⁰ *Definitions:* the presence of a serious hazard (called Category 1) which poses a risk to the health of the occupant(s) – Not providing a reasonable degree of thermal comfort (not having effective insulation or efficient heating) – Being in disrepair – Not having sufficiently modern facilities – e.g a bathroom more than 30 years old or a kitchen more than 20 years old. (https://www.housinglin.org.uk/_assets/Resources/Housing/OtherOrganisation/Non-decent-homes-and-later-life-in-England-Headline-statistics.pdf).

¹¹ See reports by HAPPI, the Housing our Ageing Population Panel for Innovation:

<https://www.housinglin.org.uk/Topics/browse/Design-building/HAPPI/>

¹² APPG on Housing and Care for Older People (2024), *ibid.*

¹³ APPG on Housing and Care for Older People (2021): Housing for those living with Dementia

<https://www.housinglin.org.uk/Topics/browse/HousingandDementia/appg-inquiry-housing-and-dementia/>

City West Housing Trust in Manchester has built its Amblecote Gardens extra care facility, which opened in 2014 in Salford, using the principle of putting older people's housing at the heart of neighbourhoods and creating better links between those in need of additional support, health services and the wider community.¹⁴

The development is surrounded by more than 100 newly built family homes, and offers services to the wider community to encourage relationship building, while each resident has a personal health plan that links in with local health services.

Issue 7: *Diverse housing for social minority needs.*

Older generations are becoming more diverse. For example, the Muslim elders population is expected to increase fourfold between 2011 and 2036. Housing conditions faced by minority groups are markedly less satisfactory than for the wider population with reduced life expectancy and more time with ill-health. We note the work of the Muslim Council of Britain with Age UK, and of Kirklees Council with the Housing LIN, in highlighting these issues.¹⁵

The assumption that older members of BME communities will be looked after by their younger relations is now outdated. Suitable homes for later living will be just as important for these senior citizens as any others, with the added requirement for sensitive design and management of new homes in respect of cultural, dietary and faith requirements.

Issue 8: *Some resources could come from pension funds.*

That seems to be the main implication of agreements between developers, local authorities and the NHS.¹⁶ This could help them recruit and retain the staff they need without a lack of decent, affordable housing being a barrier. NHS trusts currently have a shortfall of more than 154,000 staff, with reports suggesting this could more than triple by 2036. In a survey at one trust, 68 per cent of staff said that lack of affordable housing would be a key driver in deciding to leave their current employment within the next two years.

Issue 9: *The new generation may not be very interested in home ownership.*

This isn't just because they can't afford to buy anything - it's that they don't want to tie up their capital in one single property in a mortgage. They love the flexibility and the opportunity to flip from city to city - it gives them the ability to get in and out really quickly. Anecdotally, it's when they have children that it changes.

They don't want to risk ever being in equity deficit, which is why they choose a rental model. They're the ones that have only known purpose-built student accommodation and really enjoy that space. So they move into the next iteration of the rental model. So it might be multifamily in the city, then they want to move out to suburbia and they'll move into a single family home.

Issue 10: *Local misconceptions about costs.*

Some local authorities have expressed a fear that supporting a retirement housing development will attract new people to the area who will make demands on hard-pressed care services. This

¹⁴ <https://www.theguardian.com/healthcare-network/2015/jul/09/housing-older-people-pressure-nhs>

¹⁵ APPG on Housing and Care for Older People (2024), *ibid.*

¹⁶ <https://www.constructionnews.co.uk/buildings/government-forms-taskforce-to-push-nhs-housebuilding-27-06-2023/>

view is based on a false assumption: surveys repeatedly show not only that the vast majority of those moving into retirement accommodation come from the same locality, vacating family homes to do so, but also that their care needs diminish as a result of the move.¹⁷

PRINCIPLES WE MIGHT APPLY:

Specialist housing could play a vital role in increasing mobility and productivity by making housing more affordable and using space more effectively – ‘rightsizing’ - it might allow more flexibility for home working. But others are concerned its appeal is ‘niche’, will lead to ghettoisation, and its potential is not well understood either by individuals or policy makers.

Other principles might include:

- We want people to manage their own transitions between housing types, as far as possible - which would imply providing better advice and guidance?
- If it is practical to monetise the damage that not having the right specialist housing causes our institutions, so that they can pay for new homes for rent instead, we should do so?
- We are in favour of innovation, and unexpected juxtapositions of types of people - students and old people, for example - and back experimental ideas like co-living?

QUESTIONS WE NEED TO ANSWER:

Note about unintended consequences: *we need to think about unintended consequences from any policy. If we are too successful getting older people to sell, after all, the price of large houses may fall, making their moves harder (though good of course for younger).*

Older people

1. How do we keep up with increasing demand for housing for older people?

And how do we make sure it is affordable enough to drive movement through the housing market? A minimum of two 2.5 family homes are released for each one where older people are persuaded to move.¹⁸ Other estimates suggest that it is more likely to be in the range of 1.5 bedrooms that are released.

2. How might we get more shared accommodation?

We are now moving out of the baby boomers era, in the sense that people are sitting on very wealthy assets and have got big pots of capital to release. That might encourage more multi-generational living, as it has in the Netherlands, and other examples where unrelated people from different generations live together. Are schemes such as Manchester City Council’s purpose-built apartments for LGBTQ+ older people a way forward? How do we cope with the changing housing and care needs of older people?

Are schemes such as Manchester City Council’s purpose-built apartments for LGBTQ+ older people a way forward? How do we cope with the changing housing and care needs of older people?

¹⁷ APPG on Housing and Care for Older People (2024), *ibid*.

¹⁸ That’s what we heard at REIF. Other estimates are around 1.25 bedrooms.

Co-living

3. What is the potential impact of the co-living sector?

What can we learn from other countries' co-living models? And what reforms will facilitate their growth in the UK? It may be that we have to look at how these older people's communities might be made less expensive - like Auriens Chelsea, a block in a plush area of London with 59 flats for sale or rent for over-66s.¹⁹

Part of the solution may be that, by building more diverse communities and households, you are more likely to find people with solutions that they can't do themselves. Older people can watch kids in the daytime or evening. Young people can answer the front door, take deliveries and so on.

We need to make sure that we don't put up bureaucratic or regulatory barriers to this happening more than it does.

Students

4. How do we make sure that specialist student accommodation is an affordable option for domestic as well as international students?

General

5. Could we repurpose official support for homebuyers?

Kayla Friedman, from the University of Cambridge Institute for Sustainability Leadership (CISL), suggests that some of the resources to retrofit specialist homes might come from redesigning the Help to Buy and shared-ownership schemes.²⁰

6. Do we need a bigger diversity of tenures?

7. Do all the different national budgets need to come together at local level?

Because - as was said at the REIF session - without place-based budgets, why would there be any incentive to reduce the social rents?

8. Do we need more legal categories of housing?

For example, a category for long-term renting that is also incentivised. And should all developments at a significant size have a third tenure category, for land to be set up using a multi-tenure approach?

Or do bigger developments usually now have their third-third-third model - a third social housing, a third for market sale and a third build-for-rent? Which would make it pointless.

¹⁹ <https://www.auriens.com/rental/>

²⁰ <https://www.constructionnews.co.uk/sponsored/rethinking-the-housing-crisis-three-radical-ideas-to-fix-the-current-trajectory-15-04-2024/>

9. What other specialist housing models could be used to increase overall housing supply more quickly than traditional housebuilding?

And what reforms are necessary to deliver them? What's the right balance between specialist housing and building readily adaptable homes? That is, homes that could be used by older people and those with disabilities?

10. What's the right balance between specialist housing and building homes which are readily adaptable for older people and those with disabilities?

11. What is the role of planning in delivering specialist housing?

How do we address the needs of older people through the National Planning Policy Framework and how should this inter-relate with local plans? What other specialist housing models could be used to increase overall housing supply more quickly than traditional housebuilding? And what reforms are necessary to deliver them?

12. Do we need a new service to address the emotional and practical complexity of preparing to live safely and well at home into older age?

And to understand the increasing range of services and models of accommodation available, and to face the challenge of navigating an evolving mix of public and private funding?²¹ And providing advice...

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²¹ APPG on Housing and Care for Older People (2024), *ibid.*