

March 2017

Churchill Retirement Living submission for CLG Select Committee inquiry on housing for older people

I About Churchill Retirement Living

- I.1 [Churchill Retirement Living](#) is a leading specialist in the provision of purpose built apartments designed for older people. Its self-contained apartments are located throughout England, are specifically designed to meet the needs of independent retired people, and are provided for sale within a single block. The apartments are sold with a lease containing an age restriction which ensures that only people of 60 years or over, or those over this age with a partner of at least 55, can live in them. The accommodation is managed by Millstream Management Services Ltd, a specialist in the management of retirement developments, and a company wholly owned by Churchill Retirement Living.
- I.2 Churchill Retirement Living is an award-winning, family run British company, voted 'Housebuilder of the Year' at the 2016 WhatHouse? Awards, and 'Most Outstanding Retirement Operator' for the 8th consecutive year in 2016 by the UK Over 50s Housing Awards. The company has also received the maximum five-star rating in the independent HBF Customer Satisfaction Survey 2016 and was ranked 13th in The Sunday Times 100 Best Companies to Work For 2017.
- I.3 As a leading specialist retirement living developer, Churchill Retirement Living strongly welcomes this inquiry and will be very happy to provide any follow-up information the Select Committee may consider useful, including further written or oral evidence in due course.

2 Adequacy of provision of homes for older people and the challenges people face in accessing housing which meets their needs

- 2.1 20 years ago the range of housing choices available to older people was limited, but that has all changed. Retirees of today expect far more choice and greater quality, but the current system makes it hard for developers to meet that demand. As a result there is a severe shortage of suitable housing being built specifically for older people.
- 2.2 According to research from Demos there are 8 million people over 60, in 7 million homes, who are interested in downsizing¹. Crucially though, these downsizers need quality, specialist housing to move into.
- 2.3 Analysis from Knight Frank shows that the stock of private retirement housing accounts for just 0.6% of dwellings in the UK². If current trends continue, the International Longevity Centre UK

¹ C Wood (2013) *Top of the Ladder* <http://www.demos.co.uk/files/TopoftheLadder-web.pdf?1378922386>

² Knight Frank LLP (2016) *Retirement Housing Update: October 2016*
http://www.housinglin.org.uk/assets/Resources/Housing/OtherOrganisation/RetirementHousingUpdate_Oct2016.pdf

(ILC-UK) predicts a shortage of 160,000 retirement housing units by 2030. And by 2050 that could grow to 376,000³.

2.4 In recent years there has been a strong focus on the need for starter homes for first time buyers and young families. Whilst there is no doubt that the demand for this type of accommodation is also high, large national housebuilders who control so much of the pipeline for new housing have been almost entirely focused on this end of the market for several years. This is adding to the problems for older people who need more specialist housing to be built to meet their changing needs.

3 The adequacy of current planning policy and Government initiatives in England in meeting the housing needs of older people

3.1 Current planning policy and Government initiatives are inadequate to deliver suitable housing for older people. There is a significant shortfall in supply of housing for older people with demand outstripping supply. National Housing Federation (2011) state that there are around 560,000 units of retirement accommodation in the UK, whilst Demos polls have identified a demand of approximately 2 million units⁴. This shortfall is a result of a number of issues including, but not limited to, affordability issues, lack of information for potential movers and land supply issues which themselves are a result of inadequate planning policy and a lack of Government initiatives.

3.2 Land prices are a key factor in the price of property. Land values are lower in areas of less valuable housing, although the land can be sold for alternative uses including supermarkets, car dealerships, or offices and as such has a non residential value. This drives land prices up through competition for the acquisition of the site. This results in certain areas of the country that are economically unviable to house builders and limiting the amount of land that is available. At present planning policy does nothing to address this fundamental issue.

3.3 Current Government initiatives specifically for housing for the elderly are totally inadequate. The 'Help to Buy' scheme targets the younger buyers within the market, and enables them to borrow to fill the gap between the purchase price and a maximum loan they can obtain. This gap between purchase price and a maximum loan is a problem shared for older people looking to move from their existing property and the price they need to pay for a retirement apartment, so the extension of this scheme to include older purchasers would also benefit older people looking to move into retirement apartments.

3.4 In addition to a lack of current Government initiatives there is a lack of information provided for older people considering purchasing a retirement apartment; specifically relating to affordability and the perceived costs. Evidence provided to the All Party Parliamentary Group on Housing and Care for Older People shows that there is potential for an average annual saving on utilities, insurance and ground maintenance of £1,530 from moving from a 3 bedroom property (without mortgage) to a two bed retirement property and evidence suggests that ongoing costs may not be a problem and are more of a perceived problem as a result of a lack of information⁵.

4 Whether more housing designed specifically for older people could help address England's wider housing needs

³ International Longevity Centre UK (2016) *The State of the Nation's Housing*
http://www.ilcuk.org.uk/index.php/publications/publication_details/the_state_of_the_nations_housing_an_ilc_uk_factpack

⁴ C Wood (2013) *Top of the Ladder* <http://www.demos.co.uk/files/TopoftheLadder-web.pdf?1378922386>

⁵ Jeremy Porteus, *Housing our Ageing Population: Positive Ideas (HAPPI3)/Making Retirement Living A Positive Choice* (London: All Party Parliamentary Group on Housing and Care for Older People, 2016)

- 4.1 The Demos Report analysis of English Longitudinal Study of Ageing (ELSA) shows that 83% of over 60s living in England own their own home, 64% without a mortgage. This equates to 1.28 trillion in housing wealth being owned by over 60s. 33% of the over 60s are looking to downsize which equates to £400 billion of housing wealth⁶.
- 4.2 In addition to this the number of properties released through older people moving or dying is 189,000 and is made up of 2, 3, and 4+ bedroom dwellings. These properties are released onto the market for potentially younger families. It is clear from the above figures that 4 million older people moving would release 3.5 million homes of varying sizes from 2 bedroom up to larger 4+ bedroom houses. This also has a knock on effect within the chain allowing families to move into larger homes releasing the smaller properties at the bottom of the chain for first time buyers.
- 4.3 An increase in housing specifically designed for the elderly would not only free up billions of pounds worth of under occupied family homes it would also contribute significantly towards provision of housing for the elderly which itself is a growing concern. In addition to this an increased supply of housing for the elderly would also result in increased affordability as production would be able to meet demand. As such an increase in housing for the elderly would help address England's wider housing needs.
- 4.4 Due to the nature of housing for older people appropriate sites are located within sustainable urban areas and will nearly always involve the redevelopment of existing buildings. This approach not only makes efficient use of sites that are currently under utilised but also reduces the pressures on other more sensitive locations such as green belts etc due to the downsizing impact that housing for the elderly has resulting in a large number of family homes becoming available through the existing housing stock.

5 The extent to which improving specialist housing provision in England could improve people's health and wellbeing, and deliver savings in public expenditure.

- 5.1 A good specialist retirement living development comprises more than just a block of apartments, it creates a happier, healthier lifestyle for Owners to enjoy. All Churchill developments have a Lodge Manager to look after Owners' needs and help run regular events for them to socialise, have fun and stay active.
- 5.2 Anecdotal evidence from our Owners shows that they enjoy significant health and wellbeing benefits from the new lifestyle their new apartment facilitates. They no longer have the stress of managing the upkeep of a large property, as everything is taken care of by the Lodge Manager. They also have security and peace of mind that they can leave the property and it will be safe in their absence.
- 5.3 The following selection of customer testimonials underlines the health and wellbeing benefits Churchill Retirement Living's owners enjoy:
- 5.3.1 *"We are a very independent couple but having the added security and benefits of having an on-site Lodge Manager, especially for future peace of mind as we get older, is great. We thoroughly enjoy having the company of the other Owners too and have quickly made new friends."* – Mr & Mrs Lacey, Simmonds Lodge, Drayton
- 5.3.2 *"At my previous home I found I was becoming a bit isolated and then one day I collapsed and my family were really worried about me being on my own. I've made lots of new friends since moving to Nicholls Lodge and there's a great community here. Moving here was the best decision I ever made, it's given me a new lease of life."* – Mrs L, Nicholls Lodge, Bishops Stortford

⁶ C Wood (2013)

- 5.3.3 “It is a great relief to us not to have to worry about the repairs and maintenance of a large house anymore and it is a weight off our children and grandchildren’s minds to know we are safe and secure here. We would encourage anyone who is considering downsizing to visit and find out just how many advantages there are to this way of living.” – Mr & Mrs Carpenter, Summerson Lodge, Portsmouth
- 5.3.4 “The sense of wellbeing that mum feels at the Lodge is more valuable to us than I can express. My brother lives locally so he pops into the Lodge frequently to see mum. The caring support of the Lodge Manager is superb too, whether you’re staying overnight in the Guest Suite as I have, or just popping in for a visit, it’s always a welcoming place with a lovely atmosphere. Mum’s apartment is homely yet manageable for her to truly relax and retire in. My family now think of Tregolls Lodge as a family home, not just a place for mum’s retirement!” – Mark F, son of an Owner at Tregolls Lodge, Truro
- 5.4 Our owners often relocate to be closer to their children and grandchildren, which has proven physical and social benefits too. A recent study by the Max Planck Institute found that grandparents who occasionally help look after their grandchildren will on average live longer lives than those who don’t⁷. If older people’s health does start to deteriorate, having family nearby to help provide care and support can help reduce the burden on social care services, and it can also help address any problems earlier, quicker and more effectively.
- 5.5 Loneliness is a serious problem for many older people and its effect on physical health has been shown to be ‘the equivalent of smoking 15 cigarettes a day in terms of causes of early death’, according to research from the Campaign to End Loneliness in 2015⁸. Loneliness has been shown to increase the likelihood of mortality by 26%, and is associated with an increased risk of developing coronary heart disease and stroke⁹. It increases the risk of high blood pressure¹⁰, and lonely individuals are also at higher risk of the onset of disability¹¹.
- 5.6 When it comes to mental health, loneliness also puts individuals at greater risk of cognitive decline, with one study concluding that lonely people have a 64% increased chance of developing

⁷ Max Planck Institute for Human Development (2016) *Helping pays off: People who care for others live longer* <https://www.mpib-berlin.mpg.de/en/media/2016/12/helping-pays-off-people-who-care-for-others-live-longer>

⁸ Holt-Lunstad J, TB, Layton JB. (2010) Social relationships and mortality risk: a meta-analytic review. *PLoS Medicine* 7 (7) <http://www.plosmedicine.org/article/info%3Adoi%2F10.1371%2Fjournal.pmed.1000316>

⁹ Nicole K Valtorta, Mona Kanaan, Simon Gilbody, Sara Ronzi, Barbara Hanratty (2016) Loneliness and social isolation as risk factors for coronary heart disease and stroke: systematic review and meta-analysis of longitudinal observational studies. *Heart Journal* <http://heart.bmj.com/content/heartjnl/early/2016/03/15/heartjnl-2015-308790.full.pdf>

¹⁰ Hawkey LC, Thisted RA, Masi CM, Cacioppo JT. (2010) Loneliness predicts increased blood pressure: 5-year cross-lagged analyses in middle-aged and older adults. *Psychology and Aging* 25 (1) pp.132-41 <http://www.ncbi.nlm.nih.gov/pubmed/20230134>

¹¹ Lund R, Nilsson CJ, Avlund K. (2010) Can the higher risk of disability onset among older people who live alone be alleviated by strong social relations? A longitudinal study of non-disabled men and women. *Age and Ageing* 39 (3) pp. 319-26 <http://www.ncbi.nlm.nih.gov/pubmed/20208073>

clinical dementia¹². Lonely individuals are more prone to depression¹³, and loneliness and low social interaction are predictive of suicide in older age¹⁴.

5.7 Social networks and friendships not only have an impact on reducing the risk of mortality or developing certain diseases, but they also help individuals to recover when they do fall ill. Specialist retirement housing is the key to providing this for people as they get older.

5.8 This short video provides further evidence and examples of the health and wellbeing benefits specialist retirement housing brings: <https://www.youtube.com/watch?v=L8MoooZvqNk>

6 The availability of finance to help older people ‘right size’ in retirement

6.1 Churchill Retirement Living offers some of its own services to help provide financial support for older people when downsizing, as well as to help ease the stresses and strains of the moving process.

6.2 For example, Churchill Retirement Living’s ‘Selling Made Easy’ service offers the following benefits:

- £2,000 towards Estate Agent's fees
- Aims to achieve a sale in 6 weeks
- Free Energy Performance Certificate (EPC)
- £500 towards Solicitor's fees (when using one of our recommended panel of solicitors)
- Ease and convenience – we liaise with Estate Agents on customers’ behalf to help ensure their property is being well marketed and viewings are being arranged to secure a sale as quickly as possible at a good price

6.3 Churchill Retirement Living’s ‘Home Exchange’ service is another popular solution that provides a simple and effective alternative to selling on the open market, giving customers complete control of the sale of their property. Our dedicated in-house team will obtain three independent valuations for the customer’s property and provide a competitive offer based on a quick completion, plus £500 towards solicitors’ fees.

6.4 Beyond the support Churchill Retirement Living provides, there are an increasing number of Financial Advisers specialising in the over-50s market, and although this age group can generally be resistant to taking finance, the options available are becoming more widely established.

6.5 Organisations such as Age Partnership offer a growing choice of equity release products which can provide financial solutions to suit those who may need it, including Interest Only Lifetime Mortgages, Lifetime “Roll Up” Mortgages, Retirement Mortgages and Home Reversion Plans. This range of products gives downsizers a number of financial options, and includes features such as flexible drawdown, inheritance protection, no negative equity guarantee, flexible payments, lifetime tenure, and competitive interest rates.

¹² Holwerda, T. J. Deeg, D., Beekman, A. van Tilburg, T.G., Stek, M.L., Jonker, C., and Schoevers, R. (2012) Research paper: Feelings of loneliness, but not social isolation, predict dementia onset: results from the Amsterdam Study of the Elderly (AMSTEL) *Journal of Neurology, Neurosurgery and Psychiatry* <http://jnnp.bmj.com/content/early/2012/11/06/jnnp-2012-302755>

¹³ Cacioppo JT, Hughes ME, Waite LJ, Hawkley LC, Thisted RA. (2006) Loneliness as a specific risk factor for depressive symptoms: cross-sectional and longitudinal analyses. *Psychology and Aging* 21 (1) pp. 140-51. <http://www.ncbi.nlm.nih.gov/pubmed/16594799>

¹⁴ O’Connell, H., Chin, A., Cunnigham, C and Lawlor, B. (2004) Recent developments: Suicide in older people *British Medical Journal* 29 pp.895–9

- 6.6 Despite the choices on offer, awareness and understanding of these financial products is generally low, and the general level of mistrust and reluctance is still significant. Government-backed incentives for downsizers could be the solution to enabling a wider take-up of this.
- 6.7 Stamp Duty exemption for downsizers would create a strong financial incentive to move, and industry research has shown this could result in a net revenue increase of around £740 million for the Treasury through increased Stamp Duty receipts from freeing up more housing chains and boosting the wider market.
- 6.8 Some form of practical help and advice to support the moving process would also be a highly effective incentive to enable more people to move and remove the financial barriers that older people face when making this life-changing decision.

7 Whether a national strategy for the support of housing provision specifically for older people is needed

- 7.1 Although we are encouraged by the proposals set out in the recent Housing White Paper, currently planning policy is not fit for purpose when dealing with retirement housing. At present the delivery of such housing is being hampered by a lack of understanding from national and local government. There is a lack of coordination at a local and national level in addition to a lack of a strategic direction over the role of retirement housing. In order for this to happen clearly defined types of housing for older people are required, to allow for local authorities to set housing targets for each type.
- 7.2 A clearer national strategy should also tackle the issue of affordability as discussed above. This could be achieved through policy directly relating to affordable housing, where significant research from University of Reading and several others have concluded that retirement housing should be treated as a form of affordable housing and given enhanced planning status. It should therefore be exempted or considerably reduced in contributing towards affordable housing in the same manner as general market housing.
- 7.3 A national Strategy needs to be put in place that would prioritise older people's housing as part of the wider housing market. This should include targets for local provision along with allocating land specifically for retirement housing that has the presumption that planning permission will be granted through its allocation.

8 Retirement Living Explained: A Guide for Planning & Design Professionals

- 8.1 On 7th April 2017 Churchill Retirement Living will publish a 68-page document entitled *Retirement Living Explained: A Guide for Planning & Design Professionals*, setting out in detail some of the key planning and policy issues that are relevant to our sector, and the key considerations that set this type of development apart. A copy of this document can be made available for the CLG inquiry on request, if necessary in advance of 7th April should it be considered helpful.