

REPORT



RETIREMENT HOUSING AT THE GENERAL ELECTION



April 2015



Retirement Housing at the General Election

This General Election is likely to be one of the hardest fought campaigns in living memory and many of the parties are keen to emphasise housing policies as they seek to attract votes. Mostly, however, the focus in the media and amongst politicians has been on advancing the housing opportunities of young people and first-time buyers in particular. But the population is ageing and the hidden housing crisis that is experienced by older people is beginning to have an impact on the whole housing market.

Almost **60 per cent** of older people in the UK are looking to downsize, and many want to move into modern, high quality retirement housing in convenient locations. The reassurance of nearby care and support services can also be attractive to people in later life. Yet there is a major undersupply of specialist retirement housing that meets these criteria on the market in this country. Only just over **100,000** retirement properties have been built for purchase but there are more than **11 million** people currently aged 65 or over and that number is set to increase by a fifth over the next decade.

The UK has one of the lowest rates of downsizing among its over-65 population of all developed countries, and empty bedrooms in the homes of older people are forecast to exceed **10 million by 2026**. Such inefficient use of our existing housing stock is a major contributor to the country's housing crisis, but more generally we are also missing out on major benefits that retirement housing brings to society.

Ahead of the election, the Home Builders Federation is therefore calling on all political parties to **think long-term**. We must start to consider our changing demographics and what this means for the housing market and the health and wellbeing of older people in society.

A PLAN TO BOOST RETIREMENT HOUSING SUPPLY

1. For too long political focus has been centred only on one end of the housing market. The next government should work with local authorities to **develop and publish a national strategy** that addresses the housing and care needs of older people and outlines means to promote the range of exciting housing options that could be available to older people
2. The current **planning environment** does very little to encourage new providers of specialist retirement housing. To promote investment in the next generation of homes for older people, the planning system must focus positively and pro-actively on how it can support the supply of such housing.
3. Even with equity in existing homes, it can still prove a financial stretch for older people looking at options for downsizing. A new government should explore the **financial incentives for older people** when moving into more appropriate-sized housing. This could come in the form of Stamp Duty exemptions or specific shared equity or mortgage products such as Help to Buy.

ADVANTAGES

More closely meeting the housing needs of older people would bring major benefits for the country as a whole and a variety of groups:



Older people: Reduce isolation and loneliness thus keeping people healthier later into life. 41% of owners and renters in retirement homes report improved health after moving into their homes and 64% say that their sense of wellbeing has improved.



Taxpayers: Alleviate pressure on the public purse caused by rising health and social care bills



The housing market: Release more than 3 million under-occupied family homes worth £400bn back on to the market for families and second-steppers



The wider economy: House building of any kind is a highly beneficial activity for the economy. It is estimated that a typical 40-unit scheme contributes around £5 million to the economy, creating 50 direct construction jobs and 17 additional jobs for an extra care development.



A greener way of living: Retirement developments are often on centrally-located brownfield sites within easy access to public transport, shops and other amenities. This creates new uses for brownfield land and improves the vitality of town centres.

To find out more about HBF's plan to boost housing supply, as well as the many economic and social benefits of house building please visit

www.hbf.co.uk/election2015



About HBF

The Home Builders Federation (HBF) is the representative body of the home building industry in England and Wales. The HBF's members account for around 80% of all new homes built in England and Wales in any one year, and include companies of all sizes, ranging from multinational, household names through regionally based businesses to small local companies.

Contact us

Home Builders Federation Ltd

HBF House

27 Broadwall

London

SE1 9PL

Tel: 020 7960 1620

Fax: 020 7960 1601

Email: info@hbf.co.uk

Website: www.hbf.co.uk



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