

HOUSING THE RETIRED, THE REAL HOUSING CRISIS

“THE U.K. POPULATION IS AGEING RAPIDLY, BUT WE HAVE CONCLUDED THAT THE GOVERNMENT AND OUR SOCIETY ARE WOEFULLY UNPREPARED. LONGER LIVES CAN BE A GREAT BENEFIT, BUT THERE HAS BEEN A COLLECTIVE FAILURE TO ADDRESS THE IMPLICATIONS AND WITHOUT URGENT ACTION THIS GREAT BOON COULD TURN INTO A SERIES OF MISERABLE CRISES”.

LORD FILKIN AND THE HOUSE OF LORDS’ PUBLIC SERVICE AND DEMOGRAPHY COMMITTEE – 2013

DISTRIBUTION

**THE LORD FILKIN
BARONESS GREENGROSS
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BRENTWOOD BOROUGH COUNCIL
PLANNING DEPARTMENT
AGE UK & SAGA GROUP**

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JANUARY 2015

**(WITH INPUT FROM PLANNING CONSULTANTS ALLIANCE
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INTRODUCTION

This short Paper seeks to draw together comment from respected people and organisations regarding the presently inadequate provision of the various types of retirement housing.

Whilst the Borough of Brentwood has been used as the example in the Paper the shortcomings of the development control/land provision system are nationwide.

Around one third of adults in the U.K. are now of 60 years of age and over. Despite the enormous latent demand from potential downsizers an adequate supply of retirement accommodation is not being provided for the reasons set out in this Paper.

ENCLOSURES:

1. DEMOS REPORT (EXTRACT) 2014
2. SAGA GROUP SURVEY JANUARY 2015
3. BARONESS GREENGROSS AND PAUL BURSTOW, M.P., (COMMENT),
RECORDED IN THE DAILY TELEGRAPH 11TH MARCH, 2013
4. "PENSIONERS RESIGNED TO LONELINESS" SUNDAY TIMES 1ST
NOVEMBER, 2012
5. "BOOM IN DOWNSIZING" SUNDAY TIMES 23RD DECEMBER, 2012
6. REFERENCE TO HOUSE OF LORDS' PUBLIC SERVICE AND DEMOGRAPHY
COMMITTEE REPORT – DAILY TELEGRAPH 14TH MARCH, 2013

**RETIRED AND UNABLE TO DOWNSIZE
YOUR HOUSING? - HERE'S WHY**

1. The 2011 Census information for the Borough of Brentwood gave total population of 73,600 people. The ONS neighbourhood figures for 2011 provided a figure of 14,100 people in the Borough aged 65 years and over.
2. Retirement housing for the active retired is available in the Borough through the provision of 333 private dwellings and 691 social dwellings, the latter group owned by the Council or Residential Social Landlords (previously known as Housing Associations). Nursing/Care Homes are not included in the foregoing figures.
3. Some years ago my company engaged DR. MALCOLM PARRY, then of Surrey University, to find out how many people in the 65 to 80 age group, living in privately owned housing, would downsize to housing built especially for the retired. The survey found that at least 15% of this age group would downsize for several main reasons:
 - 1) Their three or four bedroom house was too large with family off-hand.
 - 2) The purchase or rental of a smaller property would liberate capital for retirement.
 - 3) Responsibilities such as external cleaning and gardening would be undertaken by the scheme management company.
 - 4) They would have access to professional management on site for improved access to medical support and shopping support should that become necessary.
 - 5) Instead of being alone they would have the company of people of a similar age.

Apart from the above the majority wanted to remain in their own community.

4. Let us return to the population figure of 14,100 people of 65 years of age and over in the Borough and examine how they are presently housed: In circumstances the 333 existing privately owned sheltered retirement properties in the Borough are occupied, on average by 1.5 persons, 500 people are currently occupying these properties. Upon the same basis of calculation 1,037 people are occupying the sheltered retirement housing available in the social sector. Taking the two figures together, 333 + 691, 1,024 properties built for the retired age group house 1,537 people out of the total 65+ population figure of 14,100.
5. Whilst not all people in their 80's need nursing home care let us exclude all people of 80 years of age and over so as to arrive at a conservative estimate of need for housing designed specifically for the active retired. The total number of people in the Borough of 80 years of age and over amounts to 4,370 (2011 ONS figure). By

deducting 4,370 from 14,100 we arrive at 9,730 people of 65 to 80 years of age of whom 1,537, or thereabouts, already occupy housing built for the needs of the retired excluding nursing/care homes and special needs facilities such as those which specialise in, for instance, Dementia. Of the 9,370 people between 65 years of age and 80 who are not in the 1,024 retirement dwellings that currently exist a percentage will want to move into specialist retirement housing for the reasons set out above. At this point it is also worth bearing in mind that 63% of all properties in Brentwood Borough have 3 or more bedrooms, they are family type houses. It is also a fact that approximately 89% of the population of Brentwood live in privately owned housing. As we have seen above a minimum of 15% of the 65 to 80 age group in privately owned housing will downsize provided their criteria are met. How many people does this amount to?

6. So as to arrive at the number of people who may wish to downsize it is necessary to deduct the 500 already in private retirement type housing and the 1,037 people of 65 and over who already live in social retirement housing, to give a net figure of 7,833 people. Assuming that only the 89% of people who live in private housing are relevant to the amount of private retirement housing to be provided the figure becomes 7,050 people.
7. Assuming that 15% of the 7,050 would downsize to retirement accommodation this gives us 1,058 people, at an average occupancy of 1.5 people per retirement property; with a need for a mix of one and two bedroom retirement properties, we arrive at a need for 705 new properties to satisfy the minimum latent demand for private retirement properties in the Borough of Brentwood for the active retired..
8. Now let us turn to the actual availability of private retirement dwellings suitable for the active retired in Brentwood Borough. There are only 333, whilst investigation has thrown up three further significant points: Firstly there are rarely more than six resales on the market at any one time. Secondly, those in existence are generally too small to be of interest to most people and thirdly, very few sheltered schemes have been built in Brentwood Borough in the last 20 years. Few people used to a three or four bedroomed house will move into the very small retirement apartments that have been built. In other words most of the population of the Borough of Brentwood in private housing, who are 65 to 80 years of age, are excluded from the opportunity to downsize into retirement housing as there are too few properties available and those that are available are too small for the majority of the Borough population.
9. So what is the policy of Brentwood Borough Council to improve the housing situation for the active retired, the 65 to 80 age group? At the present time the policy appears to only support the building of small, high density apartments, in Brentwood town centre. As a relatively small number of people wish to downsize during their retirement into a small "box", the existing provision of private retirement housing excludes the majority of potential downsizers. In addition not everyone wishes to downsize outside of their own community where they have brought up their family and have their friends. Unfortunately nothing new for the retired has become

available in any of the villages around Brentwood for many years, some of the satellite communities have no provision for the retired at all.

10. People are now living much longer than they did even forty years ago. The active retired, with family off hand, need to have an adequate choice of housing in places they wish to live, the current nationally applied planning policies appear to be outdated and unresponsive to the needs of the retired who would like to downsize only to find that appropriate properties are not available. The recent Saga report stated: "Many retirees wanted to move into more practical accommodation (from family type housing) but were prevented by lack of choice". (Please see the attached comment from Demos, Saga, Paul Burstow, the former Care Services Minister, reference to the House of Lords Report, the comments of Baroness Greengross, and Lord Filkin, and those of former Planning Minister, Nick Boles).
11. As I write the Government led requirement for large scale new housebuilding looks likely to be met, so far as Brentwood is concerned, by the development of the new Dunton Garden village, east of Hordon. A proposed community that, due to its position, may become more a satellite of Basildon than of Brentwood. Fine you may think, Brentwood town and all of the area north of the A127 should not be materially affected by this large scale new housing. Hopefully you are correct, however the new Brentwood/Basildon village will do nothing for the active retired in the Brentwood area wishing to downsize.
12. The Borough of Brentwood's built areas are tightly contained by the Green Belt. As a result we can see that whether it is Brentwood town or any of the satellite villages there is not any land for retirement housing. When land does become available it goes for every type of housing other than for the retired. This is because the scarcity of building land causes it to be used for the most profitable dwellings. As retirement housing includes a great deal of additional internal facilities and corridors and is, therefore, relatively costly to build, and as virtually the whole building has to be built before sales complete, it cannot compete for the building land that does become available. In addition should a 35% requirement for Affordable Housing, that is social housing within a retirement scheme be required, the proposal cannot be built as private retirement buyers will not, generally, buy into a mixed private/social scheme.
13. How can the active retired in the 65 to 80 age group in the Borough of Brentwood be adequately housed? The only way is to make land available around Brentwood town and in the satellite villages that can only be developed with housing for the active retired. That is a planning restriction will be required to ensure that only retirement housing is built on any given site and private retirement schemes must not include Affordable Housing. This will require the release of small pieces of land. 705 new retirement dwellings would take up approximately 25 acres of land whilst releasing 705 private and under occupied family dwellings back into the market place, dwellings that built new would take up at least twice the land required for the same number of retirement properties.

14. The figures set out above indicate that a significant proportion of retired people cannot presently move to smaller properties for their retirement because they are either not available or what is available is too small whilst in some places there are not presently any retirement properties at all. Adequate supply appears unlikely to become available as there are no policy proposals to provide sites purely for retirement housing whilst housing land that does come onto the market will go for more profitable types of housing. Housing land for family housing sells at 35% to 40% of final values, retirement housing land at 20% to 25% of final scheme value because of the higher development costs and the longer timescale to realised sales completions.
15. In the United Kingdom today the cost of houses is often three or four times of that in France and Germany in urban and provincial areas. This has come about since the end of the 2nd World War. Our national development control/planning system has artificially restricted the supply of building land. Before the war builders built to demand, today they build where they are told to build. The supply of land provided by the development control system has proved to be inadequate to satisfy demand, hence our very high house prices. Pre the 2nd World War land was often less than 5% of the final value of a house, today it is often in the region of 40% of estimated house value.
16. People may be pleased that their house is worth three or four times the price of a similar house in France or Germany, perhaps they should not be. By making housing prohibitively expensive due to inadequate supply billions of pounds are locked up in houses and the related mortgages that should have gone into business development, education, healthcare and proper pensions provision. Now all our eggs, so to speak, are in the value of our houses.
17. Let us begin by helping our 65 to 80 age group to have adequate availability and choice for their housing needs whether the provision be in individual schemes or in retirement villages. Out of town new villages and a few new towns across the Nation should gradually address more general family housing demand.
18. Unfortunately the damage done by our overly restrictive development control/planning system, since its introduction by the Labour Government in 1947, is going to take years to rectify. In circumstances we do not embark quickly and resolutely to begin to correct the enormous social and financial damage done by our inadequate planning system the people of Britain are heading for trouble. Of course "trouble" has already arrived for the young trying to get onto the housing ladder and for the retired who wish to downsize but cannot do so.

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JANUARY 2015

(The writer has built housing of all types across London and South East England for 40 years. He is a former Royal Air Force Officer and Trustee of three National Charities, a Liveryman of the Honourable Company of Air Pilots and a Freeman of the City of London).

P.S. For the avoidance of doubt land dedicated to retirement schemes, in the Borough of Brentwood, and nationwide, is required so as to avoid the development of retirement type properties being excluded from the market due to the higher value of land for general family housing. Secondly Affordable Housing cannot be included in private retirement schemes as private individuals will not generally buy into a private/social housing mix and thirdly the cost of building one piece retirement schemes is much higher than building family housing due to all of the additional internal facilities and corridors and due to the fact that the building has to be all but complete before the completion of sales can take place. The above indicates why very few private retirement schemes for the active retired have been built in the Borough of Brentwood for many, many years. (As market leader McCarthy and Stone have indicated, the additional cost of the Community Infrastructure Levy (C.I.L.) will further inhibit the provision of housing for the retired).