

Opinion: *Joey Gardiner*



RETIREMENT HOUSING DEVELOPERS MAKE THEIR CASE BUT UNCERTAINTIES REMAIN

A new report sponsored by retirement housing trade body Arco has called for a prompt increase in the number of homes built, especially for older people. This would allow better care for older people, while freeing up existing family homes to tackle the housing crisis, it says.

By 2040, the report says, those aged over 65 in the UK will have 13 million spare bed spaces in their homes, but have a scarcity of options to downsize to. Planning is identified as a major obstacle, with the report concluding “older people are not a priority for local authorities”. Arco’s members claim they can deliver a step-change in supply if freed to do so – 140,000 more homes in the UK in just ten years. So, what could planners be doing to encourage more schemes to come forward?

The issues are not new. Retirement housing has made up just two per cent of all the new homes built in the UK in the last 20 years. Local authorities appear to rarely monitor and predict the age profile of their communities, despite planning practice guidance for England branding the issue “critical”.

Hence few local authorities have plans, policies, targets and allocations in place that will encourage development of such schemes. Law firm Irwin Mitchell last year found that only one in eight LPAs in England have both local plan policies and site allocations. Nearly half – 44 per cent – have neither local plan policies nor site allocation for housing for older people.

This is a sector dominated by state and voluntary provision. But while the private sector owns just 12 per cent of the stock of specialist retirement housing, it accounts for the majority of new development. Private provision ranges from, at one end, age-restricted standard housing and McCarthy & Stone-style retirement housing, in which some communal facilities are provided but few care services; to the growing “extra care” sector where a much greater range of care services are available, and which attracts plentiful institutional money from the likes of L&G, Axa and Goldman Sachs.

These private developers say they need local authorities to appreciate this complexity when forming plan policies. The different models offer different financial returns, which

developers say make it very hard for operators of some types – particularly extra care housing – to compete in the land market against mainstream developers without supportive planning policies. Site allocations can solve this problem, they say, as can policies that set a target for specialist retirement and extra care homes to be built in an area and reduce Community Infrastructure Levy and affordable housing obligations.

Developers add that clarity around the local interpretation of use classes, which can determine whether or not planning obligations are triggered, is vital.

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The developers cause isn’t helped by the fact that different players in the sector make different arguments around viability – where Arco says only extra care schemes need reduced planning obligations, the likes of McCarthy & Stone say all retirement housing should benefit. There is clearly, too, a trust issue, with local authorities worried that developers are simply trying to use viability arguments to boost margins, and won’t deliver on care services promised during the planning process.

The final uncertainty is around whether private homes for older people will be sufficiently in demand post-Covid-19. Arco’s executive director Michael Voges says the lockdown isolation experienced by many older people has led to increased demand for its members’ homes so far – but whether this effect can overcome a likely reluctance of this age group to venture out house-hunting remains to be seen.

Joey Gardiner is special correspondent for Planning

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