

Older persons living needs and 'retirement' homes

[Insight](#)

Offer a 'third way' for the over-65s

By Meriam Lock-Necrews Thu 11 June 2020

Reams have been written about the older generation during the Covid-19 pandemic, but sometimes their own voices are overlooked.

When the government argued that over-70s should self-isolate, fit, healthy and vibrant over-70s such as John Humphrys came out fighting against generalisations about their generation. "To say the over-70s must be looked after because they are vulnerable is an absurd generalisation," he said in his Daily Mail column. "I smoked my last cigarette at 23, drink the occasional half of bitter, run a couple of miles every morning and do a workout in the evening."

Angela Rippon warned of a revolt from the "70-plus, fit and healthy", who will ask: "Why are you making this decision on age?" And 71-year-old Alan Titchmarsh railed against DIY stores with plant sections remaining open while garden centres have only just reopened for business.

So how can the property industry understand this generation better and, as we learn lessons from the pandemic, provide for them?

Riverstone's Boomer and Beyond report, carried out with The Good Care Group, showed that over-70s are highly active, switched on (many at ease with the internet) and well-informed. More than half of our respondents use WhatsApp, with Facebook close behind. Their favourite activities were eating out, sport, exercise and travel.

They prize spending time with family and friends and this is one of the biggest contributing factors when they are considering any property move. Some do not see a need to move, while others wish to downsize, in consultation with family members in particular. Above all, they want the comfort and independence of their own home in a familiar neighbourhood.

For many people as they approach old age, the choice seems to be stark: remain in their own home, possibly living alone and with big maintenance bills to pay, or move to a care home, and lose their independence.

According to Knight Frank research, the number of over-65s in the UK is forecast to increase by 20% by 2027, so it is clear that a third option needs to increase in scale. And this is where retirement communities come in, with self-contained homes for sale, 24-hour on-site staff, facilities including restaurants, leisure and wellness amenities such as gyms, hairdressers, activity rooms, residents' lounges and gardens. Not to be confused with retirement housing – apartments with wardens – or care homes, retirement communities are homes to millions in the US, Canada and Australia.

The UK's Associated Retirement Community Operators (ARCO) has a mission statement that aspires to see 250,000 people in the UK living in retirement communities by 2030. Backed by heavyweights such as Lord Tebbit and Damian Green and Labour MPs Peter Kyle and Bridget Phillipson, the idea is to enhance health and wellbeing through retirement communities across the UK.

At Riverstone, we couldn't agree more: we want to create the very best retirement living in London, with hospitality services ingrained in what we do and best-in-class health and wellbeing services.

It's time to promote a new alternative for Britain's dynamic over-65s. And who would want to pick a fight with John Humphrys, Angela Rippon and Alan Titchmarsh in denying the life they and their contemporaries want to live?

Meriam Lock-Necrews is chief commercial officer at Riverstone

Architects back calls for more retirement housing

By Joey Gardiner 4 June 2020

Report predicts 13 million spare rooms in older people's homes by 2040 because of lack of downsizing options

The failure to build enough retirement housing will lead to a surplus of 13m spare bedrooms in the homes of empty-nesters by 2040 while young people remain trapped in overcrowded accommodation, according to an independent report into housing for older people.

The report, commissioned by the retirement community trade body ARCO and backed by architects, said that the lack of available housing tailor-made for older people prevented them from downsizing, thereby limiting the availability of family homes for the young.

It said an average of just 7,000 homes designed for older people are built each year, compared to a demographic need for 18,000. Less than 3% of the housing stock – 750,000 homes – is designed to cater for older people, equivalent to less than one in 10 older households.

The report, carried out by the Centre for the Study of Financial Innovation (CSFI), said the ageing society meant that the growth in older households – over half of which are one-person – was on course to make up 36% of the total growth in households.

Against an estimated stock of 82m bedrooms in UK houses, the report found that 6.6m were "spare" rooms in the homes of those aged over 65, a figure which will double to 12.8m by 2040 on current trends.

The report's findings were backed by Mark Rowe, principal at Penoyre & Prasad, who said it highlighted a shift towards a more collective way of living – integrating purpose-built accommodation with access to healthcare and facilities that can help maintain independence.

"By integrating healthcare services and good design into purpose-built later living accommodation, hospital admissions, A&E visits and transfers can be reduced," he said. "However, it is vital that healthcare facilities in our towns and cities are designed and built in a way which properly integrate into and enhance communities."

Félicie Krikler, a director at Assael Architecture, added: “As this report makes clear, households have been shrinking in size for four decades, but the way we design new homes has failed to keep pace.

“Our planning system must recognise that well-designed later living housing can transform our lives as we get older by allowing us to age better.

”This is not only by supporting mobility, but also by creating aspirational housing that people choose to move to, not because they have to, and intergenerational places with shared services that sit at the heart of their community.”

Jane Fuller, co-director of the CSFI, said the over-65s had been “the driving force for population growth” for decades, and that with older people more likely to live alone or in couples, the UK’s housing stock of largely family homes with three or more bedrooms, was quickly becoming “unfit for purpose.”

She said: “Surveys have found that up to a third of older people like the idea [of downsizing], but only a small fraction actually does so. There is too little choice.”

Michael Voges, executive director of ARCO, said there was a “small and closing window to transform housing for older people”.

Last month care minister Helen Whately praised retirement community operators for their “phenomenal” work during the coronavirus pandemic, while retirement housebuilder McCarthy & Stone claimed its communities had kept older people safer than average during lockdown.

Two-thirds of existing housing for older people is run by charities, with much of the rest operated by local authorities for those with social housing tenancies. Private-sector retirement communities account for just 12% of the total – a fraction of 1% of the total UK housing stock.

Dentons retirement living roundtable: is retirement living set for a golden age?

By [Emma Shone](#) Fri 1 November 2019 in [PropertyWeek](#)

***Property Week* and Dentons assembled an expert panel from across the retirement living industry to discuss the key challenges the relatively new UK sector must overcome if it is to grow to the larger scale seen in other countries. [Watch highlights of the roundtable](#)**

It is well known that the UK senior living market is lagging behind those in other countries when it comes to the products on offer. Places such as Australia and the US have led the way with retirement communities that people want to be a part of, while in the UK, the sector remains largely undeveloped.

However, it seems that this is about to change. With a societal shift towards rent culture in the UK and [huge investments in senior living product from powerhouses such as Goldman Sachs and Schroders](#), it is starting to look like the golden days of retirement product could be on their way.

Property Week, in partnership with **Dentons**, gathered experts from across the industry to discuss what is driving these changes and what challenges the sector has yet to overcome.

Our roundtable panel discussed topics including:

- What the UK can learn from other countries
- Rental v ownership business models
- How government could help the sector
- The affordable housing challenge
- Intergenerational living schemes
- Mixing retirement living and social care

Panel of experts:

- Helen Jones - Allegra Care
- Richard Jackson - Apache Capital Partners
- Russel Pedley - Assael Architecture
- Stuart Warren - Augustinian Care
- Honor Barratt - Birchgrove
- Deepa Deb - Dentons
- Stephen Ashworth - Dentons
- Gavin Stein - Elysian Residences
- Riccardo Abello - Franklin Templeton
- Jessica Patel - Grant Thornton
- Anthony Oldfield - JLL
- Philip Nell - LaSalle Investment Management
- Kevin Beirne - Octopus Real Estate
- Ashleigh Bryant - Savills
- *Guy Montague-Jones - Property Week (chair)*

There seems to be lack of awareness about the senior living product and work to do on its image. How do people see the sector and how do we improve that?

Anthony Oldfield: I think it's an exciting time for the sector. There's a lot going on and there's a lot in the pipeline. In terms of the image problem, the solution is about building more stock and giving people the choice of what is out there. People don't need to think they'll just wait until they're very old to move out of their house into a care home; we can change that perception to thinking moving into a retirement community is actually a positive thing.

So you think: ‘build it and they will come?’

AO: I do. I think a lot of people like what they see but they’re not seeing it in their towns, where they want to be.

Philip Nell: How do you encourage people to make that transition, though? Selling the family home is an emotive thing to do and the tax system is not in your favour in that situation. So does the tax system need to change to encourage that move?

Kevin Beirne: In the UK, 0.7% of the population lives in a retirement community, which is a very low penetration rate. You’re talking about a generation many of whom signed their mortgage in 1974 and didn’t realise that the little pink slip at the back was actually a lottery ticket they’d won.

And they are now sitting on an unthinkable amount of equity. So the tax question is a sticky mess, but the overall question is about unlocking equity and having proper financial planning for quite a long retirement. It’s probably a much more fluid proposition than thinking ‘how do I avoid stamp duty?’ It’s about thinking: ‘how do I plan 20 years of retirement?’ Time and time again, we find one common thing in a successful retirement community: it’s about cracking the real estate. You need people to walk in and see something that makes them say ‘wow’. Old people don’t suddenly lose all their aspiration and taste; actually it develops. So you need a combination of cracking real estate and the proposition for people who are lifestyle orientated.

AO: Our best sales agents are our existing residents, because they’re proud of where they live so they’ll encourage people to come and visit them there.

How easy is it to sign up residents once you’ve got them through the door?

Honor Barratt: As an industry, I’d say we’re at 10 appointments to one registration. We’re competing against four-bed homes and the current market is tricky, because people often say it just doesn’t feel like the right time to put their house on the market. You can’t really argue with that.

Richard Jackson: We commissioned some research to see what would be the appetite for rent at schemes in Clapham and on the south coast. We thought the latter would be the one where there was the most demand for rental properties, but surprisingly, more than 40% of the people in Clapham said they would rather rent there than buy.

The housing market is the challenge at the moment, so they can’t release the capital they need to move into the home. But you don’t need to sell your house; you could rent it out, so you still have the asset but can meet the cost of the care.

So how do you get that message out to consumers?

Helen Jones: You need consistent messaging. Also, the quality of competition is important, so that when the nine people who come through the door who aren’t right for your product, you’ve got somewhere where you can refer them to that is also a great quality product. That’s how you build faith in the industry.

Deepa Deb: Do you think the fact that we have an NHS in the UK plays a part in why this industry is still so nascent? Unlike the US and Australia, we have a free healthcare system. People don't need to think about what happens next until there's an incident, at which point your family rallies around and finally asks what next, hoping the NHS will step in – and it of course does not have the resources to do so.

HJ: I don't think that attitude is unique to England. That is certainly the slippery slope for 94% of care home residents in Australia, and our health system is completely different. What we need to remember is that our customers, the over 60s, don't want anything different to us. They want their sexy kitchen, they want their girlfriends to envy their shoe cupboard, they want to be able to park their car and, crucially, to be in the right location that allows them to continue being whoever they've been. The worst thing we could do is use their age as the one definition. Actually I think knowing your local NHS clinic and working with them can only do you good.

Do you have a sense of why the Australian market is so far ahead of the UK?

HJ: Well, we started this modern style of village in 1979, because the real estate market was moribund. I don't think we're any smarter or any better, I think we've been making our mistakes for longer. We have a retirement village act of parliament in each state, handled by the office of fair trade. So for any consumer with a concern, there is a legal process for them to go to. But it is just as easy to make mistakes over there as it is here. There's a lot of very good work being done here; some of the non-profit organisations do a cracking product. Perhaps we're a bit too disjointed, though, and have a few too many self-interested groups who should band together to make a stronger presence.

What are the mistakes made in other markets that we should avoid in the UK?

Gavin Stein: The people that have done the best have cared the most about the customer and view it as a service industry. Where people have made mistakes it's generally because they put their own needs and wants first and forgot the customer.

HJ: Many years ago in Australia, there was a large provider that had to shut up shop five weeks before Christmas, leaving 9,000 residents basically homeless, because they had not managed the finances enough to be able to care for the residents. It took a lot of time for the industry to recover from that. Knowing your customer and what they want and need and can truly afford is always going to stand you in good stead. The fact that we use gorgeous apartments and locations to achieve that is secondary. If you don't get the human service right, you're going to struggle.

HB: I totally agree. I have agonised over every cushion that we have. Once I was being tortured by a carpet that was laid badly. So I took Georgina, an 84 year-old lady whose husband has Parkinsons, and said "this is driving me crazy". And she said: "Oh god, Honor, I've never even noticed. What's the cake of the day?" She cares about when her husband dies, because he's going to die with us, and who is going to be there for her. The cushions? Not so much.

KB: I think it varies, though. As you come down the age range, then that real estate proposition is probably more prevalent. People are still focused on the home and a move into great real estate could be the opportunity to have that incredible kitchen they've always wanted. One of the things I've seen develop over the past few years in the sector is that shift towards lots of operators working hard on the real estate front, whereas some early iterations were just reliant on having a care service and central facilities.

Ashleigh Bryant: At a scheme I went to see in Australia, some of the attention to detail in the communal areas was superior to that of the apartments. The residents had told them most of their time was in the communal areas, socialising with everyone, so that became the focus of the development.

Russel Pedley: We need that attention to detail to make it aspirational, so people want to move into these retirement villages. I'm coming to the age where my kids have left and I should be thinking about it before long. If there was a product that was attractive to me now, then I would do it. But there isn't.

HB: I think our company is almost ready to go on record and say **we think rental will become 25% of the market**. I think L&G are committing 10% of their stock [to rental].

KB: We [Octopus Real Estate] aren't doing rental yet, but that's not to say we won't. This is mostly because of structural reasons, first and foremost. It is a bit of a challenge to mix rental in with for-sale and come up with an equal or fair offering between the two different tenures.

RJ: The strategy of our business [Apache Capital Partners] is to create someone's home for rent at all stages of their life. We're going to **trial a mix of rental and for sale on the south coast to see whether we can balance it**. If it doesn't work we can increase the for-sale element or vice versa. We'd never say that we are providing a total solution; we think we're providing parts of a solution.

From the investors' point of view, are you more drawn to the rental model or is there something that works better?

Ricardo Abello: Intuitively I think the rental model is more sustainable outside of the UK, because there is less ownership. When you look at long-term institutional capital on the core lower spectrum, you want to build a sustainable product. So the rental model is offering more long-term core capital with the income stream. If you can find a nice window to sell an owned asset, then it's great, but it's very opportunistic.

PN: From a UK pension scheme perspective, there are lots of barriers to trading. Most of our money [at LaSalle Investment Management] is UK defined benefit, so we can't buy something with the knowledge of onward sale. Therefore, from an institutional, long-term capital perspective, renting is absolutely where we want to be. We've looked at other models of lifetime rent, as opposed to lifetime mortgage.

So are you watching carefully to see if it works?

RA: Senior living is like a b2c relationship rather than traditional commercial real estate's b2b relationship. You need to understand your customer, what they are prepared to pay for and what makes the most marginal and additional value. It might cost you a lot to develop, but people are valuing it a lot in terms of rent. This is really hard at the moment, because there isn't enough data on these things.

GS: Every investor I've ever spoken to prefers income. There is certainly a segment of the customer population that would be open to renting, but I think people's second biggest fear is running out of money. Ultimately, the challenge is about providing the customer with the most value. There will always be a limited number of customers that want to rent, although that may change over time, but I

think it's about providing the best alignment, so everyone wins and the community is just as good in 10 years' time.

Does there need to be more innovation with financial products to help drive rental models, so people can know where to invest their money?

Jessica Patel: Coming from a tax background, I think tax does change consumer behaviour and culture. I've seen how the buy-to-let interest restriction rules have made landlords move away from buying property and renting it out. So I think reforms in stamp duty or whatever it may be could help shift this sector. I also think the pull needs to be there; it needs to be a really attractive proposition for the children as well. My parents are in their early 60s and going through that thought process about what comes next, and myself and my sisters influence them a lot. We want to see that it will be a good experience for mum and dad. My parents are super fit and healthy and I think they will be for the next 10 years, so you have to try and accommodate for the change there.

AB: I think people want to see security for that next generation as well. But this elderly generation also wants to know their money is going into a place where if they do need that extra care it's there – and going into a scheme where they can live on their own.

If you had a wish list of what the government could do to help this sector, what would come first?

DD: You've got to incentivise the elderly to give up their four-bedroom house. Looking back at how BTR came about has some interesting parallels here. BTR really took off when the government had to accept it had a housing crisis and was going to have to address it by kick-starting residential development, including for rent. They realised they had to incentivise developers to build more, so they introduced a specific use class, longer tenures and tax incentives for developers.

KB: It has stopped happening now, but for a long time, if you listened to discussions about social care on *Radio 4's Today* programme, the host would invariably say to whichever government minister was on that old people want to have the right to stay in their own homes. And the minister would say that they didn't want to have to pay for their care home. This created a kind of 'us and them' situation, where all senior living was seen as being not an aspirational choice, but staying in your home was. I think that is unique to the UK; it is about the public purse and the health system, but not in the way you'd imagined when you asked the NHS question, Deepa. We need to unwind that and we need leadership from government and for them to say retirement communities are a good thing. So the fiscal question is as much about directing behaviour.

“We need leadership from government to say retirement communities are a good thing”

Kevin Beirne (Octopus Real Estate)

Secondly, if you look at the number of moves that would be stimulated across the whole housing market as a result of a stamp duty holiday for retirement communities, the overall receipt back to HM Treasury would be greater than it is at the moment. So I think we've got ourselves into a bit of a cul-de-sac. Politicians are worried about the prospect of having a stamp duty holiday. They know it would make sense, but worry about how it would play out.

Stephen Ashworth: What the industry really has to chart is how to deal with the government insistence on home ownership as the way forward. It's inspired lunacy and Esther McVey is the best

and worst for it, but it's deep at the core of the Conservative Party and it's not something we're going to shift easily. This is a battle we will have to fight over the next decade.

RA: If you think about financial 101, it's ridiculous that most households have most of their capital in one asset, in one location, in one sector. They would be better off renting for life and saving money in a diversified portfolio.

RP: We need clarity on the C2 use class.

RA: One of the reasons student housing has been so successful in the UK is because of its special planning class. So a purpose use for this could be a great move in favour of this sector.

SA: Another big point on the planning side is affordable housing, which is going to bedevil the sector moving forwards. It's not a C2 or C3 debate, it's actually whether we can address a desire by politicians to insist that everyone that provides accommodation provides affordable housing alongside it. How do you counter that? The counter argument to date has been to say that the business model doesn't support it. But no one believes that argument. Look what's happened with [plans to redevelop Heythrop College in Kensington](#).

The Mayor of London directed refusal, despite the fact that the Royal Borough of Kensington and Chelsea accepted the financial model and that it's been signed off by four sets of viability consultants. The mayor just says: "I don't trust you because you are clearly spending large sums on sites, then you say you can't afford affordable housing." The industry has to work out how to answer this or provide a model that provides offsite affordable housing or makes some contribution towards it.

GS: If the government weighed up the affordable housing with all the other benefits our sector brings, I think one would see that you're probably getting an equivalent value, even if the headline of affordable housing wasn't there.

SA: I think that's true in principle, but that's exactly what Westfield said when they built their shopping centre. They said: "Look how many jobs we're bringing and the additional VAT we'll create." They didn't win the argument. Why is this sector going to win that argument when others haven't?

GS: Having government just focus on one policy initiative is not long-term policy making. It might not be a fight we can win, but I can't think of a sector in UK real estate or any other country that has as many benefits at a local societal level and ultimately at political level.

DD: Our government is politically motivated and more concerned about winning votes and not actually about the longer-term infrastructure of the country. Senior living provision is a ticking time bomb, but they're obsessed with policies designed to win the most votes.

RJ: We own a site in Kingston which has become particularly challenging as a result of affordable housing. It still stacks up, but we had to work really hard to make it stack up. You've got to factor it in early. If you don't then you're not going to get planning

RJ: There's no consistency in the planning, be it a London borough or the countryside. But I think as an industry, we're quite guilty of saying: "We're not doing it we can't afford it. Take it or leave it". If you go into the planning office and say you're willing to consider affordable housing, you're going to walk in with a better relationship. As an industry, we have to say we will provide it.

RP: Is this something the retirement community enacts in Australia?

HJ: There are enlightened areas in Australia and there are others that aren't. What dismays me most is that here we have planners, politicians and bureaucrats who absolutely do not value the idea of building beautiful homes for people who don't need four bedrooms any more and who are prepared to pay for it. That needs to change.

AO: If you layer affordable onto C2, say, because of the extra amenities and spaces provided, the net to growth in a retirement home is much lower. This historically has been the advantage over residential developers, because yes, you're providing less net to growth, but you can sell what you have to build on without having to pay for affordable housing, so you don't have to compete with residential.

If the mayor insists on affordable, you're not going to be able to build retirement schemes in London because you're not going to be able to afford to buy land – you're going to get outbid. I was speaking to an operator today about affordable housing in London. They approach a landowner/developer that has a large residential site and offer to buy a block from them. But the only way to do that is in a larger scheme. If you're trying to buy a site in isolation, I cannot see how you're going to be competitive.

RJ: We can have that argument but it sure ain't going to get us anywhere. Everyone around this table has different models. Your model might not work on one site, but someone else's will. Six or seven years ago, the government set up a PRS task force. They had some really good quality people in it who were very proactive and went round the whole of England telling councils about BTR and PRS, what it was and why they wanted to encourage it. They educated those councils on concepts they didn't know existed. Now in England if you walk into a council, it will understand that you're not trying to make a cheap planning consent on pure BTR. The government needs to put together a task force, as it did with BTR, to educate, without being patronising, on what our model is trying to do.

RP: The taskforce also commissioned the Urban Land Institute to come up with the good practice design guide, which brought together this disparity of different thoughts and opinions. We're doing the same thing with later living and care – Dentons is going to help us, so what we now need is a later living taskforce.

DD: Maybe we as an industry should take that on. Why wait for our inept politicians?

RJ: I agree, but it needs fundamental government support, they need to be on board. It's not the only solution but we can do as much as we like, if the government isn't on the journey with us – and after the minister's speech at [PropertyWeek's] RESI Convention in September I'm not sure it is – then it won't work.

KB: There's great recognition from government, but they say "just wait for the green paper". Because it's such a big issue, it's not quite like BTR unfortunately, because it's tied up in the healthcare and social care system. **Theresa May put her head above the parapet trying to deal with some of these issues**

in the 2017 election, and that didn't work out so well. So there is an acceptance from politicians that long-term planning is needed but it's always just being kicked down the road that little bit.

"We obsess around first-time buyers, but really the big social issue and the big social impact is about aging"

Kevin Beirne (Octopus Real Estate)

I understand housing is the single biggest chapter in that green paper, but it's been on the shelf now for 18 months. If that is the biggest chapter then brilliant, but let's see it. We also need politicians who are brave enough to see this as a cross-party issue and don't try to score points, and do some proper long-term planning for the UK. Otherwise we're never going to get to a proper, grown-up approach in the UK to managing how we're planning for later life, be it health or housing. We have an aging population, a quarter of our number will be retired by the early 2030s. This is a fundamental shift and we obsess around first-time buyers, but really the big social issue and the big social impact is about aging. We need a minister for old people.

DD: Let's forget the politics and doom and gloom for a moment. From a community and societal perspective, given the way demographics are evolving, what about this notion around intergenerational living? Melding young and old? You've got living examples of this in Japan, where younger people get a rent break because they provide services to the elderly in the building. The elderly pay a bit more because they get the interaction with the younger people.

RJ: In the US they are absolutely uniform in their view that you can have mixed buildings, with senior living and multi-family, but you do not mix the two. They have 90,000 multi-family properties, 24% of their population is over the age of 65.

Stuart Warren: Aren't most communities intergenerational anyway?

RJ: I think it depends where you live. I live in a flat in a block, I hardly ever see the people that live in those buildings. I think if you're curating a community and creating a place with lots of amenities and services, you're giving people the infrastructure to create their own groups and on. It's not just about the physical amenities, it's about giving residents the power to create communities within that building. I think it's much easier to do that if you're in a like-minded community than in that traditional street.

AB: I think the great thing about the UK market is that it's currently relatively small and it offers an opportunity to deliver a variety of different models.

AB: We have worked with a variety of care home operators and if they have that land and operational model they can roll it out to start building these retirement living schemes on top of it; that natural transition makes sense. There is a decent opportunity in the UK for the operators that have that existing operating platform in place if they have the land.

PN: We're seeing extra care models come in, which I think is really interesting from a societal impact perspective. Often one partner degrades quicker than the other and putting your husband or wife into care is a pretty traumatic experience. If you can have a model where you're living together but buying different grades of care that is very powerful. There's one in Bristol that's part of a bigger scheme and they put the village hall in the home, so school children come in and play in the building. There's also a

library in the building, which is used by the whole community. It's hugely intergenerational – these things don't have to be ghettos on the outskirts of towns.

KB: It is a misnomer that retirement communities are rural. Most older people will move not more than 10 miles from a city. That's where their social circle already is. You can't invent social fabric for different people. They've been around 75 years and they want to take that social fabric with them.

HJ: I think it's about integrating into your local community before you open as well, so you know what people actually want. And then having someone whose job is entirely about helping each resident continue those lifelong habits and connections is crucial. You need an integration manager who is essentially every new resident's best friend. Who is always there, who knows this resident likes to go to the theatre so makes sure that happens. This sort of thinking allows us to intergrate people in a way that means they can continue to be who they are.

KB: Lots of retirement communities find the most popular time for the pool is children's hour. You end up with kids begging to go and see grandma in the retirement home because it's a fun thing to do. This is a good piece of social integration and it makes the family experience in retirement something which is a positive.

RA: In Milan we have invested in what I call care home 3.0. It contains a nursery, a gym, a pool and a medical office. The idea is that while you drop your kids off, or if you go to see the doctor, you might drop in and see your parents. It creates good synergies for different age groups to interact. And guess what? From an operating perspective, you have a lot of marginal synergies as well. Doctors can provide care for the elderly and give care to others in the same place. The old people want to be there because it's nice. It's hard to put down a number on how happy they are. But you can feel it in this location, in the corridors, that people are much happier there than on the fringes of town.

DD: Do you think that from an operational perspective, we have a challenge around having the right skill sets for this sector?

HJ: Yes, absolutely. The UK is missing education that lets intelligent adults make informed decisions, to understand risk and what that resident can and can't do. That is where you get genuine person-centred care. I think the level of education in this country for our industry is completely out of date.

DD: In the UK, **senior living has been borne out of traditional resi**, which has always been about build and then sell; take the money and run. So as an industry on the operational side, the people have that mentality, while this is much more about the customer service and hospitality. The stigma around senior living is that no one wants to put their parents into somewhere that's a waiting room for god. Sometimes on the operational side you get the impression that you're putting your parents in the hands of people that just don't care.

KB: I don't buy that really. I've been an investor and an operator of a large business in this area. What unites good returns for investors with good product is where you find operators who are really passionate about what they do. And funnily enough, I wouldn't level that criticism at any one of those. Time and time again I walk into best-in-class villages and I'm a bit bowled over by the quality of their proposition. It can be done, and the best operators do it and have a seamless offering around hospitality and food and beverage. I think it's incumbent upon us to learn from the best in class and say actually,

great customer service is great customer service. Whether we're in hotels or retirement living, those with great customer service are best in class.

RP: I think there's a whole level of skill with care that is different to hospitality. Can you have those in the same person?

HJ: I think the education industry needs to actually keep up with us. I think retirement village management is the toughest job in our industry and there should be a course that brings all of this together and the staff in the communities need to know about care, about dementia, about customer service, about the financials. I can't believe that an industry as large as education here hasn't figured out that we're a great market.

DD: On an honest and serious basis, this really does take me back to about 10 years ago, when people started talking about BTR and all the cynics said it was never going to happen; that British people want to own, not rent and no one would fund it. And some people say that still, but we've absolutely moved on. Senior living is so reminiscent of that for me as a sector. I think if we can keep talking and discuss the challenges and work together, we can drive this sector forwards. A key takeaway from this discussion is that we need to think about lobbying the government and industry collectively to move it from the political agenda to wider society.