



Setting Standards for
Retirement Communities

Retirement Communities

Fact Pack



The Definition of a Retirement Community

Retirement Communities combine high quality housing options for older people with tailored support services. To be an ARCO registered Retirement Community it must:

- Be primarily for older people.
- Offer self-contained accommodation that can be occupied with security of tenure.
- Enable residents to take advantage of personal care that is delivered flexibly, usually by staff based on the premises.
- Have staff available at the Retirement Community 24-hours a day.
- Make domestic services available for residents.
- Make meals available in restaurants or dining areas.
- Offer communal facilities and encourage an active social programme in the community.
- Aim to offer people a home for life and to enable them to 'age in place'.

Retirement communities may also be referred to as retirement villages or extra care housing.

Please note that we do not represent traditional sheltered or retirement housing, or care homes.

ARCO's members use long-term business models that go beyond traditional housebuilding, creating operational businesses and schemes that provide housing, care, hospitality and wellbeing services for our ageing population. As a condition of membership, all ARCO Members sign up to a robust standards and compliance framework which includes external assessments against the ARCO Consumer Code.

Retirement Communities in the UK

Retirement Communities already make a significant contribution to housing and care provision for older people in the UK, and the sector is expanding to meet the needs of our ageing population.

- Around 74,750 older people in the UK live in approximately 57,500 Retirement Community units, with 51,500 units in England, 3,500 units in Scotland and 2,500 units in Wales¹.
- There is an uneven distribution across market segments, with 66% of UK Retirement Community properties available for affordable or social rent. A further 10% are for shared ownership, 1% for middle market rent, 15% for middle market purchase, 8% for high-end purchase and none for high-end rent.



VISION2030 in six key numbers

- 1 Currently about **75,000** people live in Retirement Communities
- 2 In the next 30 years the number of over 75s in the UK will **DOUBLE**
- 3 Our sector's vision is to provide for **250,000** people by 2030
- 4 In achieving this our sector's turnover will be over **£70bn** until 2030 and we'll need to invest **£40bn** by then
- 5 This will deliver **£5.6bn** savings for the UK's health and social care systems until 2030
- 6 And release over **562,500** bedrooms into the general housing market

International Comparisons

Retirement Communities are far less widely available in the UK than in other comparable countries.

- In the UK, only 0.6% of people over 65 live in Retirement Communities.
- In the US, 6.1% of people over 65 live in Retirement Communities².
- In New Zealand, 5.4% of people over 65 live in Retirement Communities³.
- In Australia, 4.9% of people over 65 live in Retirement Communities⁴.

The UK's Ageing Population

We know that there will be rising demand for Retirement Communities in future years.

- There are currently 11.8 million people aged over 65 in the UK⁵.
- The number of people aged over 65 is expected to rise by more than 40% in the next 17 years to over 16 million⁶.
- The number of people aged over 75 is projected to double in the next 30 years.
- The number of people over 85 in the UK is predicted to more than double in the next 23 years from 1.6 million to over 3.4 million⁷.
- The number of older people diagnosed with four or more diseases (multi-morbidity) is expected to double between 2015 and 2035⁸.

Views on Social Care

There is strong support for different models of delivering social care.

- 77% of older people worry about burdening family with their care, 94% don't want their care provided by their children and 66% would prefer a specialist⁹.
- 66% of older people worry about being responsible for the care of older relatives, increasing to 75% of women¹⁰.
- 56% of older people believe the government to be failing on social care, and 40% of older people worry they won't get the care they need¹¹.

Housing Statistics

Retirement Communities can provide great housing for older people, appreciate in value and help free-up larger houses for those that need them.

- The vast majority of older people in the UK are homeowners. 71% of householders aged 65 or over own their house outright without a mortgage¹².
- Over 65s own over £1.5 trillion in housing equity, around 43% of the UK total¹³.
- 80% of re-sales in Retirement Communities increase in value and have an annual average price growth of 6% per annum¹⁴.
- When an older person moves into a Retirement Community unit, they typically move from a larger, under occupied house thereby releasing bedrooms. 76% percent of residents released at least one bedroom when they moved to an ARCO Retirement Community, with an overall average of 1.25 bedrooms released.
- Retirement Communities are often built at higher densities than family homes. For example, Earlsdon Park Retirement Village in Coventry features 262 apartments on 1.13 hectares. Building the same number of family houses would require around 6.4 hectares¹⁵.

The Health and Well-Being Benefits of Retirement Communities

Retirement Communities are good for maintaining mental and physical health and enable more effective and cost-efficient delivery of health and care.

- The cost of providing lower level social care in a Retirement Community has been found to be £1,222 (17.8%) lower per person per year than providing the same level of care in the wider community. The cost of providing higher level social care has been found to be £4,556 (26%) lower per person per year¹⁶.
- Residents in Retirement Communities are less likely to enter hospital, and likely to spend less time there,¹⁷ reducing unplanned stays from 8-14 days to 1-2 days¹⁸.
- NHS costs reduce by 38% for those moving into Retirement Communities providing care and support, an average saving of £1,114.94 per person per year. This relates to GP visits, nurse visits, and hospital visits. Costs for 'frail' residents can fall by 51.5% after 12 months¹⁹.
- People in Retirement Communities are half as likely to enter more expensive institutional accommodation such as residential care homes²⁰.
- Delivery of care in Retirement Communities is more efficient compared to general domiciliary care, saving the 16% of costs spent on travel between visits²¹.
- Retirement Communities deliver high quality social care, with 89% of domiciliary care agencies operated by ARCO Retirement Communities rated Good or Outstanding by CQC.
- Retirement Communities have been found to significantly reduce social isolation and loneliness in older people, with only 1% of residents often feeling isolated²².
- Retirement Community properties are built with adaptations to support independence. Those living in homes with adaptations are 1.5 to 2.8 times less likely to have a fall than those living elsewhere²³.

The Economic Benefits of Retirement Communities

Retirement Communities significantly benefit our economy, creating jobs and investment.

- Each new Retirement Community of around 250 units creates approximately 63 permanent jobs in areas such as housing management, care, grounds maintenance, leisure and retail, domestic services, and marketing and sales. This is a ratio of 1 permanent job created for every 4 units built²⁴.
- For every 50,000 homes built, approximately 75,000 direct construction related jobs are supported²⁵.

Reference notes

- 1 DWP and DCLG (2016) 'Supported accommodation review'.
- 2 JLL (2017) Housing with Care Index.
- 3 JLL (2018) New Zealand Retirement Village Database.
- 4 Property Council Australia, report forthcoming.
- 5 Age UK (2018) Later Life in the United Kingdom, January 2018.
- 6 Age UK (2018) Later Life in the United Kingdom, January 2018.
- 7 Age UK (2018) Later Life in the United Kingdom, January 2018.
- 8 MODEM Project (2018) 'Projections of multi-morbidity in the older population in England to 2035: estimates from the Population Ageing and Care Simulation (PACSim) model'
- 9 Anchor (2018) available at www.anchor.org.uk/media.
- 10 Anchor (2018) available at www.anchor.org.uk/media.
- 11 Anchor (2018) available at www.anchor.org.uk/media.
- 12 Joseph Rowntree Foundation (2012) 'Older people's housing: choice, quality of life, and under-occupation.'
- 13 Savills (2017) 'Spotlight: Housing for Older People.
- 14 JLL (2017) Housing with Care Index.
- 15 Providing 262 family homes would require 6.4 hectares of land, at a generous average of 41 homes per hectare (density for average residential housing in England). Source: CABE. Better Neighbourhoods: Making Higher Densities Work. P.6.
- 16 Holland, C (2015) 'Collaborative Research between Aston Research Centre for Healthy Ageing (ARCHA) and The ExtraCare Charitable Trust'. P.12.
- 17 Kneale, D. (2011) 'Establishing the extra in Extra Care: Perspectives from three Extra Care Housing Providers'. London: International Longevity Centre – UK. P.4-5.
- 18 Holland, C (2015) 'Collaborative Research between Aston Research Centre for Healthy Ageing (ARCHA) and The ExtraCare Charitable Trust'. Aston University. P.8.
- 19 Holland, C (2015) 'Collaborative Research between Aston Research Centre for Healthy Ageing (ARCHA) and The ExtraCare Charitable Trust'. Aston University. P.7.
- 20 Kneale, D. (2011) 'Establishing the extra in Extra Care: Perspectives from three Extra Care Housing Providers'. London: International Longevity Centre – UK. P. 4-5.
- 21 UKHCA estimate that 16% of a fair hourly domiciliary care rate of £16.70 would be spent on travel time and mileage. Source: UKHCA. P.26.
- 22 Beach, B (2015) 'Village Life, Independence, Loneliness, and Quality of Life in Retirement Villages with Extra Care' ILC UK, London.
- 23 Snell, T et al (2012) Building a Business Case for Investing in Adaptive Technologies in England. PSSRU Discussion Paper 2381 cited in Lloyd, J (2016) 'Valuing Retirement Housing', Strategic Society, London. P.15.
- 24 The ratio of units to permanent jobs submitted from ARCO members ranged from 1:1 jobs to units to 1:5 jobs to units – with economies of scale observable for larger operators.
- 25 Home Builders Federation (2015), The Economic Footprint of UK House Building. Ball, M (2005) The Labour Needs of Extra Housing Output: Can the House Building Industry Cope, for CITB Construction Skills and the Home Builders Federation. P.7. Ball estimates that it requires 1.5 people to build one dwelling, based on housing workforce and output levels.

Associated Retirement Community Operators (ARCO)

The Heals Building, Suites A&B, 3rd Floor, 22-24 Torrington Place, London WC1E 7HJ

Email: info@arcouk.org **Twitter:** @ARCOTweets

For more information on ARCO, visit: www.arcouk.org