



Setting Standards for
Retirement Communities

An IRC in Every Town

ARCO's Manifesto for Older People's Housing



June 2023

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About ARCO

Founded in 2012, ARCO (Associated Retirement Community Operators) is the principal body representing both private and not-for-profit operators of housing-with-care schemes in the UK.



Summary

A shortage of Integrated Retirement Communities (IRCs) and lack of support for the sector is resulting in thousands of people in late old age experiencing unnecessary ill-health, loneliness and loss of independence, as well as expensive long-term care fees.

The UK now lags far behind comparable countries in the provision of IRCs.

Every older person should have the option of living in an IRC, wherever they live and whatever their resources.

Change is required in three areas

Affordability

Inadequate support for the IRC sector means that not only is current provision low overall, but it has grown concentrated on older households with either low, or substantial, levels of resources.

Policymakers should:

Work with operators to implement a 20-year strategy to grow the supply of IRCs offering affordable and social rented homes

Support the use of innovative charging models in the sector which allow a broader range of homeowners to afford to live in IRCs

Eliminate the 'planning premium' older people are forced to pay when purchasing a home in an IRC - despite evidence suggesting their move will reduce the use of NHS and social care services.

Planning

Not enough IRCs are being built and not enough people can access one in their area. The principal barrier to improving the supply of IRCs is the planning system.

Policymakers should:

Provide the planning system with a clear definition and guidance regarding what constitutes an IRC

Require every Council to reliably assess local need for housing-with-care and implement a clear local plan to ensure supply meets this need.

Consumer confidence

While current provision is far from enough, even when IRCs are available, some older people lack the confidence to move home during retirement.

Policymakers should:

Improve public awareness of IRCs and the options available

Provide help with barriers to moving to IRCs such as finding reliable moving companies

Introduce a clear consumer code for older people's housing including specific regulation of event fees

Actively support older people's housing models that result in sustainable resale values for homeowners

IRCs are a proven way to transform – and reimagine – late old age.

Other countries have grasped the opportunity of IRCs, but the UK has not and it is older people themselves who have paid the cost.

Everyone should have the option of living in an IRC and securing the benefits of improved wellbeing, reduced loneliness and reduced need for health and social care services.

A Housing Model that Transforms Lives



Every older person should have the option of living in an Integrated Retirement Community (IRC), wherever they live and whatever their resources.

Around the world, IRCs have emerged as a model of housing for older people that transforms lives.

People are living longer than ever before. Many retirees enjoy long and healthy lives in non-specialist housing.

However, a growing number of older people – typically in their mid to late 70s - are choosing to live in IRCs to improve their wellbeing, reduce loneliness, and have better access to services and facilities, as well as the chance to remain independent in their own home for longer.

What is an Integrated Retirement Community?

Sometimes referred to as 'housing-with-care', 'assisted living' or 'extra care', an Integrated Retirement Community is a model of specialist housing for older people.

It is distinct and separate to both residential care homes, as well as traditional models of retirement housing such as 'sheltered housing' with a visiting warden or manager.
















The key features of an Integrated Retirement Community are:

- Every resident has their own front door, kitchen and bathroom
- 24/7 onsite support
- Extensive shared facilities - frequently including lounges, restaurants, gyms, hairdressers, shops and other leisure facilities
- Optional, onsite care and support services designed to support older people to live independently for as long as possible.

Residents either buy, privately rent or social rent their home, depending on their circumstances and the type of scheme.

Operators of Integrated Retirement Communities in the UK are a mix of charities, housing associations and private companies.

How are IRCs different from other types of older people's housing?

 Retirement Housing Also known as: <ul style="list-style-type: none"> • Sheltered housing • Retirement flats or communities 	 Integrated Retirement Communities Also known as: <ul style="list-style-type: none"> • Extra care • Retirement villages • Housing-with-Care • Assisted living • Independent living 	 Care Homes Also known as: <ul style="list-style-type: none"> • Nursing Homes • Residential Homes • Old People's Home
 Offers self-contained homes for sale, shared-ownership or rent	 Offers self-contained homes for sale, shared-ownership or rent	 Communal residential living with residents occupying individual rooms, often with an en-suite bathroom
 Part-time warden and emergency call systems. Typically no meals provided	 <ul style="list-style-type: none"> • 24-hour onsite staff • Optional care or domiciliary services available • Restaurant / Cafe available for meals 	 24-hour care and support. Meals included
 Typical facilities available: <ul style="list-style-type: none"> • Communal lounge • Laundry facilities • Gardens • Guest room 	 Typical facilities available: <ul style="list-style-type: none"> • Restaurant and Café • Leisure Club including: gym, swimming pool, exercise class programme • Communal lounge and/or Library • Hairdressers • Gardens • Guest room • Activity (Hobby) rooms • Social event programme 	 Typical facilities available: <ul style="list-style-type: none"> • Communal lounge • Laundry facilities • Gardens • Guest room
 Typically 40 - 60 homes	 Typically 60 - 250 homes	 Sizes vary considerably

What do residents say about IRCs? Here are quotes from residents of ARCO member schemes:

"You will never be lonely. There is always something going on."

"The friends we have made, the enjoyment we have had and the experiences we have shared with other residents have all helped us by giving us reasons to feel alive again."

"I love the flexibility of your own front door. You can either mingle with people, if you don't you can continue to be as involved as you want. It's that balance that I love."

"I don't think I would be nearly as fit if I didn't do circuit training and line dancing and all of the other things."

"My family know there is a first line of defence for me if something goes wrong."

"If I won the lottery tomorrow, I wouldn't move out of here."

"It's a safe and peaceful place to live."

"I love the people living here and the community spirit that is thriving here. I am free of many of the tiring and boring chores I used to have to do before coming here."

"I love the residents and all the activities. We have made so many friends here."

"We have found interesting people to spend time with and we are happy to have shed many home and garden responsibilities in our later years."

"I am happy to be able to live an independent life in the knowledge that help will be available if required. There is as much company and social activity as I wish to take part in without the feeling that I do not have the privacy I need."

Why do older people like living in IRCs?

IRC's are popular because they are aligned to what older people want from specialist housing.

A survey of 4,000 older people in the UK asked respondents what they would consider important in older people's housing.¹

Around two-thirds highlighted the quality and types of facilities onsite (65%) and no longer needing to worry about property repairs (60%). Half highlighted the availability of care onsite if needed.

Please imagine you were to move to Older Person's Housing (e.g. a retirement village or sheltered housing)... Which, if any, of the following would be important to you? (Please select all that apply)

Base: All UK 65+ year olds who live in own home or shared home or family member's home	2755
Quality and type of facilities onsite	65%
No longer needing to worry about property repairs/maintenance	60%
Public transport links	54%
The availability of care onsite if needed	50%
Distance from town centre	46%
The confidence that I would not have to move again	42%
Feeling of community	40%
Levels of staffing onsite	35%
None of these	7%
Don't know	4%

And which ONE, if any, of the following would be the MOST important to you? (Please select the option that best applies)

Base: All UK 65+ year olds who live in own home or shared home or family member's home	2755
Quality and type of facilities onsite	25%
No longer needing to worry about property repairs/maintenance	14%
The availability of care onsite if needed	12%
Public transport links	9%
Feeling of community	8%
The confidence that I would not have to move again	8%
Closeness to town centre	7%
None of these	7%
Don't know	7%
Levels of staffing onsite	3%

¹Survey of 4016 people aged 65+ in the UK was carried out by YouGov in 2022. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 65+).

Do IRCs really work?

The benefits of community to older people have been understood for centuries. For example, almshouses have existed in the UK for over 500 years and a recent study once again underlined their success in boosting longevity among those from poorer backgrounds.²

Modern IRCs emerged in recent decades from the 'extra care' movement, with the model subsequently spreading and evolving as private sector operators adopted and adapted it to different segments of the older population.

Along the way, multiple studies have highlighted the benefits of IRCs to older people and wider society.

For example, a 2015 study with 162 new residents of the Extra Care Charitable Trust noted "significant continuous improvements across the period in depression, perceived health, memory and autobiographical memory".³ A follow-up study published in 2019, with six additional extra care villages and residents who had lived there for 18 months or more found:⁴

- Significant improvements in the level of exercise
- Improvements in residents' perceived health
- Increase in walking speed
- A reduction in risk of falls over the first 2 years of living in the scheme
- 23% decrease in anxiety symptoms
- Improvements in memory and cognitive skills.

²Benzimra A et al. (2023) Almshouse Longevity Study, Bayes Business School: London, https://www.bayes.city.ac.uk/_data/assets/pdf_file/0011/731297/Almshouse-Longevity-Study-Report.pdf

³Holland C et al. (2015) Collaborative Research between Aston Research Centre for Healthy Ageing (ARCHA) and the ExtraCare Charitable Trust <https://www2.aston.ac.uk/migrated-assets/applicationpdf/lhs/245545-final%20report1.pdf>

⁴Holland C et al. (2019) Integrated Homes, Care and Support: Measurable outcomes for health ageing, <https://www.extracare.org.uk/media/1169231/full-report-final.pdf>

In a separate 2015 study, survey data from 201 residents living across seven different retirement communities, mostly aimed at the more affluent end of the market, found that:⁵

- Over 4 out of 5 (82%) respondents said they hardly ever or never feel isolated. Some 64.2% of respondents could be classified as 'not lonely at all'.
- Some '94.9% of respondents said they often or sometimes feel satisfied with the way their life has turned out, while 83.6% say they never or not often feel left out of things'.

The study also found residents have a higher quality of life and a greater degree of control than comparable non-residents.

More recently, a 2022 study of 741 respondents from 94 schemes found that people living in housing-with-care had lower levels of loneliness than would be expected if they lived in the general community.⁶

The benefits of IRCs do not just accrue to individuals. Significant wider benefits to public expenditure result.

For example, Holland et al. (2019) found that accumulated over 5 years, on average, living in housing-with-care saves the NHS £1991.94 in total per person – or an average of £398.39 per year.⁷ If provision of IRCs in the UK rose to 6% of the older population – an additional 792,000 people – this would save the NHS around £350 million per year in today's prices.

A 2015 study of ARCO members providing social rented and affordable IRCs found that social care costs were estimated to be significantly lower – in the range of £1,200-4,500 lower per person per year, depending upon level of need – for residents compared with domiciliary care in the community.⁸ If provision of IRCs were to rise to around 6% of the older population and one third-of residents require care, this suggests savings could on average be around £750 million per year in today's prices.

⁵Beach, B., 2015. Village Life Independence, Loneliness, and Quality of Life in Retirement Villages with Extra Care. [online] The International Longevity Centre – UK (ILC-UK). Available at: <https://www.housinglin.org.uk/Topics/type/Village-Life-Independence-Loneliness-and-Quality-of-Life-in-Retirement-Villages-with-Extra-Care/>

⁶Beach B et al. (2022) "The Impact of Living in Housing With Care and Support on Loneliness and Social Isolation: Findings From a Resident-Based Survey" in *Innovation in Aging*, Vol. 6, Issue 7

⁷Holland C et al. (2019) Integrated Homes, Care and Support: Measurable outcomes for health ageing, <https://www.extracare.org.uk/media/1169231/full-report-final.pdf>

⁸Holland C et al. (2015) Collaborative Research between Aston Research Centre for Healthy Ageing (ARCHA) and the ExtraCare Charitable Trust <https://www2.aston.ac.uk/migrated-assets/applicationpdf/lhs/245545-final%20report1.pdf>

The ARCO Manifesto: An IRC in Every Town

A shortage of IRCs and lack of support for the sector is resulting in thousands of people in late old-age experiencing unnecessary ill-health, loneliness and loss of independence, as well as expensive long-term care fees.

Every older person should have the option of living in an IRC, wherever they live and whatever their resources.

Change is required in three areas:

- Affordability – IRCs should be an option affordable to all
- Planning – there should be an IRC close to everyone
- Consumer confidence – every older person should have the confidence to move into an IRC.

An Option Affordable to All

2

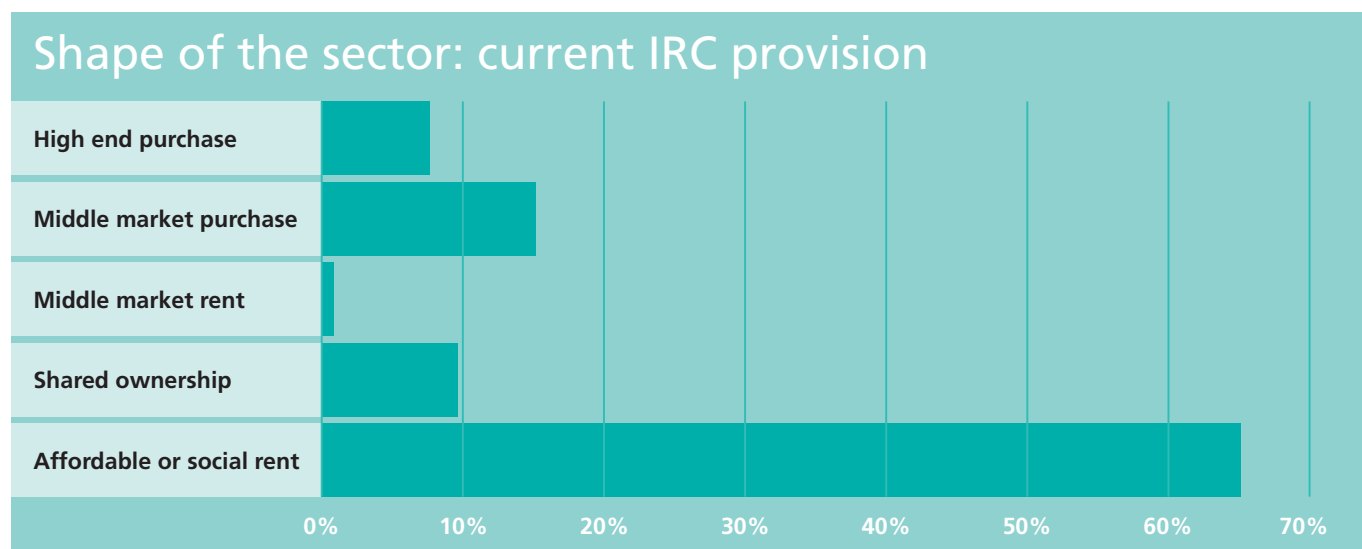
IRCs can transform the lives of older people in late old age, reducing loneliness and improving wellbeing.

IRCs should therefore be an option affordable to as many older people as possible, whether they are own or rent their home.

Growing the supply and diversity of IRCs across the country will help to ensure that living in an IRC is an option for everyone, regardless of their income or wealth.

Expanding provision of affordable and social rented IRCs

Among ARCO members, most homes in IRCs are offered for affordable or social rent.



However, in recent years, growth of this type of provision has slowed down.

Given the limited means of some, if all older people are to have the option of living in an IRC, public sector support is unavoidable. This must include support for the 'bricks and mortar' of new developments, but also for the provision of ongoing care and support services.

In recent decades, various government funding programmes supported the growth of the sector. However, such programmes have been chopped and changed, and support has ultimately fallen away.

Other issues include:

- Downward pressure on the fee rates paid by local authorities for personal care organised by IRC operators has undermined the viability of such services
- Universal Credit rules requiring individuals to be in receipt of three hours of care per week prevent people who need wraparound support – but not care - from obtaining the preventative benefit of moving into an IRC
- Ineffective local authority nomination processes mean that operators cannot quickly fill vacancies.

Recommendations

Work with operators to implement a 20-year strategy to grow the supply of IRCs offering affordable and social rented homes

Affordable and social rented IRCs are the most complex to deliver and sustain given they involve central and local government, adult social care, housing and the benefits system.

Operators need a clear and consistent framework to develop schemes and the confidence that local and central government is committed to their success.

Policymakers should work with operators to develop a comprehensive strategy to sustain the existing sector and enable its expansion.



Charging models that widen access

Most older people own their home and do not qualify for affordable or social rented IRCs.

However, amongst older homeowners, there are wide variations in income and wealth. This means that innovation is required to enable all older homeowners to afford the option of living in an IRC.

Indeed, UK and international experience shows that older homeowners may not want (or be able to afford) high ongoing costs, or may have most of their wealth locked up in their home.

In response, IRC operators in the UK and other countries have enabled lower purchase prices and ongoing costs by offering the option of 'event fees', deferring payment until properties in IRCs are resold to the next resident.

Event fees increase affordability because they reduce the ongoing cost of living in an IRC for those with a limited income. They also mean residents of IRCs have more money in their pocket to pay for other things while living in a scheme.

However, policymakers have not lent their support to event fees. For example, despite involving homebuyers typically aged around 79 who are making financial decisions worth tens of thousands of pounds, event fees are not subject to any specific statutory regulation in the UK.

Recommendations

Support the use of innovative charging models

Giving 'event fees' proper acknowledgement, support and specific recognition in law will underpin and widen their use, improve affordability, as well as attract more investment into developing IRCs - which will also lower prices.

The cost of the planning system to older people

The simplest way for the government to increase the affordability of IRCs is to lower the costs of developing new schemes.

The growing costs of developing IRCs – such as challenges posed by the planning system – have made it harder and harder for operators to develop schemes for older people on a broad range of incomes. This relates to:

- The costs, difficulties and unpredictability imposed by the planning system - made all the more acute by the lack of a consistent definition of IRCs in planning guidance. This means that building an IRC is seen as high risk – leading to higher prices for consumers.
- The complex and evolving range of levies that new IRC schemes are expected to pay.

It is important to underscore that this 'planning premium' older people are forced to pay when purchasing a home in an IRC exists even though their decision will likely reduce NHS and social care costs, for example, enabling rapid discharge following a stay in hospital.

A person's decision to move into an IRC lowers their reliance on public services and this should be recognised in how the planning system treats IRCs.

Recommendations

Eliminate the 'planning premium' older people are forced to pay when purchasing a home in an IRC

Policymakers should look carefully across a range of areas to explore how the costs of developing new IRCs can be reduced, for example, changes to the planning system would lower the cost of applications for new IRCs. Examining the impact of existing and proposed levies on new developments would also increase the viability of IRCs.

An IRC Close to Everyone

3

Not enough IRCs are being built and not enough people can access one in their area.

If the provision of IRCs in the UK matched countries such as New Zealand and the USA, many more thousands of older people could have lived independently for longer over the last decade.

Ensuring local access to IRCs is vital.

When asked to consider a move into older people's housing, the majority want to stay as close as possible to where they live now, or within a few miles.

Please imagine that you were considering downsizing (i.e. moving to a smaller property, separate Older Person's Housing provision)... Which, if any, of the following would you consider moving to? (Please select all that apply)

Base: All UK 65+ year olds who have not downsized	1956
To somewhere as close as possible to where I live now	46%
To another neighbourhood within a few miles of where I live now	20%
More than a few miles away from where I live now, but close to my children/family/friends	24%
More than a few miles away from where I live now, and closer to a town centre	9%
More than a few miles away from where I live now, and to a more rural area	8%
More than a few miles away from where I live now, and closer to the coast	15%
None of these	12%
Don't know	7%

However, the availability of IRCs across many parts of the UK is non-existent or limited to certain types of provision - despite a growing body of analysis suggesting that the UK needs to build far more housing-with-care.

For example, the 2022 Mayhew Review recommended an accelerated programme of retirement housing construction with up to 50,000 new units a year.⁹

Such shortages are especially true of those who do not receive local authority support.

⁹Mayhew L (2022) The Mayhew Review: Future-proofing retirement living, ILC-UK, London

Why aren't there IRCs close to everyone?

ARCO members want to build more IRCs. The principal barrier to developing IRCs is the planning system. Key issues include:

- No recognition of IRCs in national planning policy or clear guidance from central government
- Local variation - IRC operators cannot know how their planning applications will be judged, making it harder to acquire land and pushing up costs, resulting in a 'planning premium' that older people are ultimately forced to pay
- Local Councillors and planning officers who are often wholly unaware of what IRCs are, and some who are prejudiced against 'importing older people'.

The lack of regard given to older people's housing by Councils is not just frustrating to IRC operators.

Older voters are also aware that the planning system does not prioritise them.

Around 4,000 older people were asked whether older people were given sufficient priority in planning decisions for new homes.

Only 8% said yes.

Thinking about the UK generally... To what extent do you agree or disagree with the following statement?" Older people are given enough priority in planning decisions for new home buildings"

Base: All UK 65+ year olds	4016
Strongly agree	2%
Tend to agree	6%
Tend to disagree	35%
Strongly disagree	35%
Don't know	22%
Net: Agree	8%
Net: Disagree	70%

Many older people move into IRCs because they want peace of mind that they will be able to access care and support if it is needed, within their own home.

However, most older people (57%) feel the planning system is not providing enough alternatives to care homes.

Thinking about your local area specifically (i.e. within a 5 mile radius of your current accommodation)... To what extent do you agree or disagree that there are enough alternatives to care homes / nursing homes for older people?

Base: All UK 65+ year olds	4016
Strongly agree	2%
Tend to agree	13%
Tend to disagree	29%
Strongly disagree	28%
Don't know	27%
Net: Agree	16%
Net: Disagree	57%

Indeed, around nine in 10 older people (89%) feel that there should be more alternatives to care homes available.

To what extent do you agree or disagree with the following statement? “There should be more alternatives to care homes / nursing homes for older people”

Base: All UK 65+ year olds	4016
Strongly agree	48%
Tend to agree	40%
Tend to disagree	2%
Strongly disagree	1%
Don't know	9%
Net: Agree	89%
Net: Disagree	2%

Recommendations

A definition of IRCs and guidance from government for planners to work with

Despite the fantastic impact of IRCs on older people’s lives, the government’s ‘National Planning Policy Framework’ does not contain a detailed definition to cover IRCs.

Without such a definition, local planners struggle to incorporate IRCs into local housing plans.

The government’s National Planning Policy Guidance for local planners should also set out the benefits of IRCs and expectations that Councils incorporate IRCs into local plans.

Needs assessments and local plans for housing-with-care as standard

A 2022 survey found that over a third (36%) of local authorities do not have any clear policies in place to support housing for older people.

All Councils should be required to undertake reliable and evidence-based assessments of need for housing-with-care in their area, and should be required to develop and implement comprehensive older people’s housing plans to ensure this need is addressed.

Local authorities should be incentivised to plan for IRCs

Most local authorities charge residents an additional ‘precept’ on their Council Tax bills that is ringfenced to fund adult social care services.

However, most councils make no effort to maximise the preventative benefits of housing-with-care for older people, and in this way, reduce demand for adult social care.

In future, local authorities without a proper plan for meeting local need for housing-with-care should not be allowed to charge the full social care precept in Council Tax bills.

The Confidence to Move

4

Every older person should have the option of living in an IRC, wherever they live and whatever their resources.

Current provision is far from enough and a shortage of IRCs results in thousands of people in late old age experiencing unnecessary ill-health, loneliness and loss of independence.

However, even when IRCs are available, some older people lack the confidence to move home during retirement.

Four areas require attention from policymakers.

Barriers to moving

Moving home can be challenging and expensive at any age. The typical age of people moving into an IRC is around 80 and most are on a fixed income.

Very limited help is available for people considering a move into an IRC - for example, support in locating a reliable moving company or solicitor – and most people are dependent on friends and family.

Recommendations

Help to move: Understanding and promoting what works

Policymakers should analyse and support national and local services to help people in late old age move home, whether provided by the voluntary or public sector sectors. As part of this work, the government should work with local authorities to help inform different types of companies, such as lawyers and financial advisers, about IRCs in order that the distinctive features of IRCs as a model of housing does not impede people moving.

Public awareness

To be confident about moving into an IRC, older people and their families should know about and understand this model of housing.

However, in the UK, public awareness of IRCs is very low compared to other countries. This situation is made worse by the wide range of terms used by public bodies to describe IRCs.

Recommendations

Improve public awareness of IRCs and the options available

The government should use the powerful platforms it has available to promote public awareness of IRCs. For example, information on IRCs should be built into touchpoints with people before and after retirement, such as pension reviews.

The government should also simplify the language used to describe older people's housing and support clearer use of terminology for the sector.

Consumer regulation

The 88,000 IRC units that exist in the UK are far outstripped by the number of age-restricted, sheltered or retirement housing units that have been developed – around 660,000.¹⁰

A hands-off approach from government toward the wider older people's housing sector stretching back decades has resulted in recurring negative headlines and consumer stories.

The result is a level of consumer distrust and suspicion toward specialist housing for older people that is widespread, persistent, deeply embedded – and wholly preventable.

For example, a survey of over older people living in mainstream housing found that 90% of respondents would be concerned about possible hidden fees and charges in older people's housing.

¹⁰Source: BPR/Cushman & Wakefield (2023) Housing for An Ageing Population

Please imagine that you were considering moving into Older Person's Housing... To what extent would you be concerned about each of the following? (Please select one option on each row)

Base: All UK 65+ year olds who don't live in Old Person's Housing	2755
Very concerned	65%
Slightly concerned	25%
Not very concerned	4%
Not at all concerned	1%
Don't know	5%
Net: Concerned	90%
Net: Not Concerned	5%

Four in five (82%) say they would be concerned by unexpected bills:

Please imagine that you were considering moving into Older Person's Housing... To what extent would you be concerned about unexpected bills?

Base: All UK 65+ year olds who don't live in Old Person's Housing	2755
Very concerned	49%
Slightly concerned	34%
Not very concerned	10%
Not at all concerned	3%
Don't know	5%
Net: Concerned	82%
Net: Not Concerned	12%

It shouldn't be this way.

There is nothing intrinsic to specialist housing for older people that should result in such high levels of distrust.

Instead, it reflects the legacy of poor and careless practice in the UK over recent decades and the consistent absence of adequate consumer protection and regulation to protect older people and their families.

This legacy of distrust toward older people's housing is a challenge for all operators of IRCs. It is a significant obstacle to the sector and the benefits it can provide for older people.

Many older people feel deterred from moving into an IRC because of the poor reputation of the wider older people's housing sector.

This has real-world consequences: older people unnecessarily isolated, living in unsuitable accommodation and struggling to remain independent.

ARCO was founded to address these challenges. Since 2015, the ARCO Consumer Code - which only applies to ARCO members - has demonstrated how an effective code of practice for specialist older people's housing can work.

However, the full disclosure of information and transparency that the ARCO Code ensures should be standard across the older people's housing sector.

Older people's housing should be the most trusted housing sector of all.

Recommendations

A clear consumer code for older people's housing including specific regulation of event fees

In the short term, the government should adopt a Code of Practice for the older people's housing sector, building on the work of ARCO's Consumer Code. For example, regulation should be introduced setting out how event fees should be disclosed to customers during the marketing and sales process with legal force so any unlawful practices can be challenged in the courts.

An inquiry by the Law Commission in 2017 noted that event fees "make specialist housing affordable... [but there is an] urgent need to protect older consumers, who are often vulnerable, from event fees that are unfair or imposed in unfair circumstances."

The Government should build on the work of the Law Commission's recommendations in 2019, but then took no action.

Consumer protection for all buyers of a home in an IRC

ARCO's Consumer Code means older people buying a home in an IRC scheme are better protected than people purchasing a mainstream home.

However, ARCO members want to go further. ARCO wants all buyers of a home in IRCs - not just the first purchaser - to benefit from full protection under Consumer Law. This would require a small, cost-neutral change to Stamp Duty liability for IRC operators. We call this approach 'Leasehold Plus'.

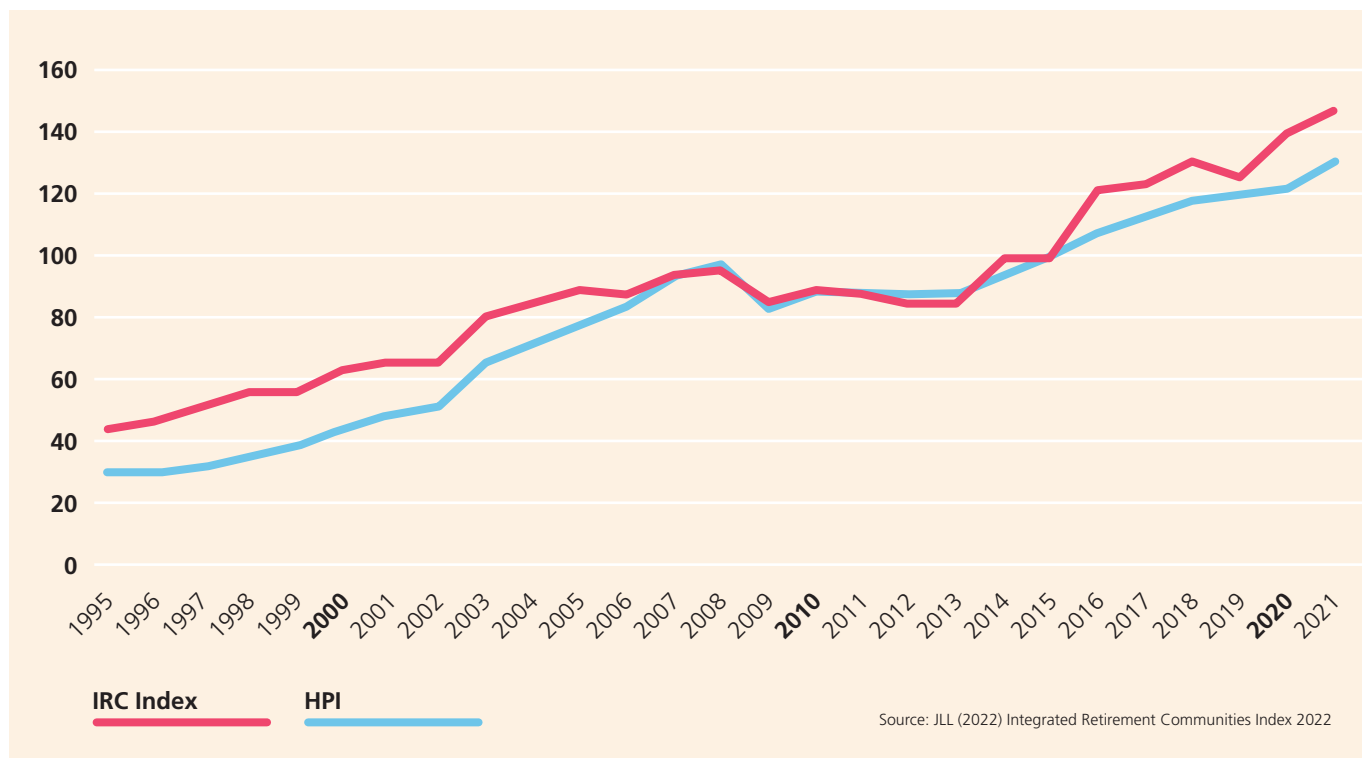
An Integrated Retirement Community Act for the UK

In the long-term, the government should look to accelerate the growth of the IRC sector by adopting a focused piece of legislation, following international case studies such as the Retirement Villages Act 2003 in New Zealand, which galvanised the sector's growth.



The confidence to buy

In the IRC sector, the price of homes has long tracked general house price inflation - as the following chart shows:



This outcome is not a surprise.

The new generation of IRCs has a proven model for maintaining the value of customers' homes and this outcome reflects how the interests of operators of IRCs are aligned with those of their residents. Since the income of IRC operators is determined by the resale price of units, operators work hard to ensure that schemes are well[1]maintained, attractive and popular.

However, in the wider older people's housing sector, the outlook is often very different.

Multiple media reports detail the fall in resale value of many older people's specialist housing schemes that sit outside the IRC sector.

As a result, the older generation - and the wider population - remain wary of buying a home in specialist older people's housing.

In a survey of 4,000 older people, over two-thirds (68%) said they would be concerned about resale values.

Please imagine that you were considering moving into Older Person's Housing... To what extent would you be concerned about resale values?

Base: All UK 65+ year olds who don't live in Old Person's Housing		2755
Very concerned		38%
Slightly concerned		30%
Not very concerned		17%
Not at all concerned		7%
Don't know		9%
Net: Concerned		68%
Net: Not Concerned		23%

A similar proportion (71%) said they would be concerned by a potential loss in property value.

Please imagine that you were considering moving into Older Person's Housing... To what extent would you be concerned that there would be a potential loss in property value?

Base: All UK 65+ year olds	4016
Very concerned	39%
Slightly concerned	32%
Not very concerned	16%
Not at all concerned	4%
Don't know	9%
Net: Concerned	71%
Net: Not Concerned	20%

Nearly three-quarters (74%) said they would be worried about being unable to sell a home in specialist older people's housing.

Please imagine that you were considering buying a/another property in Older Person's Housing developments... To what extent, if at all, would you be concerned That me or my family would be unable to sell it on?

Base: All UK 65+ year olds	4016
Very concerned	47%
Slightly concerned	28%
Not very concerned	12%
Not at all concerned	5%
Don't know	8%
Net: Concerned	74%
Net: Not Concerned	17%

So: despite evidence that homes in IRCs retain their value, older people are concerned about resales in specialist housing. Why does this matter?

Around 80% of older people in the UK own their own home. For most, it is by far their most valuable possession – the place they call home, an asset and a source of security.

New rental models for IRCs are proving to be popular with customers. However, it is likely that the majority of IRC residents in future will be owner-occupiers.

A decision to sell their home and move into specialist housing is a major step for any older person.

It is entirely reasonable that older homeowners want certainty about the value of their properties.

There is nothing intrinsic to older people’s specialist housing that means it should represent a poor investment – and the positive story the IRC sector has to tell about resales underlines this.

Instead, outdated or inappropriate operating models and practices in the older people’s housing sector have repeatedly resulted in older people suffering falls in the value of their home.

For too long, housebuilders have focused on profiting from selling bricks and mortar to older people – but having little financial incentive to ensure schemes are successful in the long term. In addition, third-party property management companies have been a source of many of the sector’s reputational struggles in the past.

This is in sharp contrast to international best practice, where housing options for older people are provided by organisations taking responsibility for the long term success of the sector.

While policymakers have tended to regard the price of older people’s specialist housing – and falling values - as an issue for the market, the implications go much further, for both older people and policymakers.

Until the issue of resale value is addressed, the potential of older people’s housing will go unfulfilled.

Fear of losing the value in their home has left many older people lonely and living in unsuitable accommodation. Pointing to the successes of the IRC sector will not be enough without improving practices in other parts of the specialist housing sector.

Recommendations

Support sustainable resale values in older people’s housing

The government should actively support and prioritise models of older people’s housing that offer long term sustainability, following international best practice.



Conclusion

5

IRCs are a proven way to transform – and reimagine – late old age.

Other countries have grasped the opportunity of IRCs, but the UK has not and it is older people themselves who have paid the cost.

Everyone should have the option of living in an IRC and securing the benefits of improved wellbeing, reduced loneliness and reduced need for health and social care services.



Opening up the opportunity

It is sometimes observed that very few older people move during retirement.

However, the low prevalence of moving among older people is a direct result of the limited options they have, barriers to moving and low awareness that housing models are available that could significantly enhance their life.

Or as one resident says of living in an IRC:
"It's a new lifestyle and it's a far better lifestyle."

An IRC in every town

The benefits that people in late old-age experience when they move into an IRC should be mainstream, not the exception.

However, achieving this will mean that policymakers will need to do things differently. The traditional approach of policymakers toward older people's housing needs to be set aside, and the legacy of this approach – distrust among the public and recurring reputational damage - needs to be tackled head on. Policymakers need to lean in to older people's housing.

The good news is that the steps required to secure the potential of the IRC sector are achievable, and at very limited cost.

The change that older people need can largely be secured through enhancing and refining legislation, and putting IRCs - and their benefits to older people - at the centre of local decision-making.

The benefits of living in an IRC should be available to everyone.

An IRC in every town.



*It's a new lifestyle and it's
a far better lifestyle.*



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