

FINDINGS

OLDER PEOPLE'S HOUSING: CHOICE, QUALITY OF LIFE, AND UNDER-OCCUPATION

If an older person is thinking about moving, do they have a wide enough choice of housing? What is the impact on their well-being and quality of life? How far do such moves free up housing for families? This study seeks answers to these questions for England using original analysis of official data, interviews with key players and a focused literature review.

Key points

- There are 7.3 million older households in England (containing no-one under 55) living in either mainstream or specialist housing. About 3 per cent of these households move per year.
- The specialist housing currently on offer does not reflect the choices that most older people make. Three-quarters of all older households are owner-occupiers but only one quarter of specialist housing is for purchase. Most older people want a home with at least two bedrooms but most specialist provision has only one bedroom.
- The official definition implies that any single or couple household with three or more bedrooms 'under-occupies'. Of the 8 million under-occupying households, there are nearly as many other (non-older) households as older ones.
- Since 57 per cent of all older households (and 68 per cent of older home-owners) 'under-occupy', the official definition is at odds with older people's views and preferences.
- Death is more important than downsizing in 'releasing' larger homes: 85 per cent of homes with three or more bedrooms are 'released' by older people due to death rather than a move to a smaller home.
- An older person's health can benefit from a move to more suitable housing as long as it is an informed choice and they remain in control. 'Staying put' can also be the right choice.

The research

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Where do older people live?

The study focuses on the 7.3 million older households in mainstream or specialist housing in England (excluding care homes) which contain no-one below the age of 55.

- Around one-third of all households are older households. This proportion applies across most regions except for the South West (40 per cent) and London (22 per cent).
- 76 per cent of older households are owner-occupiers and most own outright; 18 per cent are housing association or council tenants, while 6 per cent are private sector tenants.
- 42 per cent of older households aged 55 to 64 are single, and this proportion increases with age.

Specialist and mainstream housing

About 7 per cent of older households (530,000) live in specialist housing where a lease or tenancy restricts occupation to people aged over 55, 60 or 65. Most of these schemes are provided by housing associations and offer special facilities, design features and on-site staff. Around 10 per cent of specialist dwellings are in schemes offering care as well as support.

93 per cent of older people live in mainstream housing. As well as 'ordinary' housing, this includes housing considered especially suitable for older people due to dwelling type (e.g. bungalows), design features (including 'lifetime homes') or adaptations (e.g. stair lifts).

Choice and quality of life

Supply of and demand for specialist housing

Our research confirmed that there is limited choice for older people who want to move to both specialist and alternative mainstream housing, in terms of tenure, location, size, affordability and type of care or support. Housing providers tend to focus on retirement villages and housing with care when thinking about housing that is 'suitable' for older people.

Despite the majority of older people owning their homes outright, 77 per cent of specialist housing is for rent and only 23 per cent for sale. There are significant regional variations: the extremes are the North East (only 10 per cent for sale) and the South East (37 per cent for sale).

There has been recent interest, but slow progress, in developing different housing options for older people and in integrating these within mainstream new housing developments (which could attract older people who prefer to remain in mixed-age communities).

There is extensive evidence on what older people are looking for and whether they stay put or move. Two bedrooms is the minimum that most older people will consider, to have enough space for family visitors, a carer, storage, hobbies, or separate bedrooms for a couple. Analysis of moves by older households in the last five years within the private sector (rent or owner-occupier) shows that 87 per cent move into a dwelling with two or more bedrooms.

Yet much specialist housing is small (one-bedroom or sheltered bedsits). Some specialist housing is poorly located and there have been concerns about withdrawal of scheme-based staff.

Depending on the method of estimation used, the projected growth in the older population requires an increase in the stock of specialist housing of between 40 per cent (200,000) and 70 per cent (350,000) over the next 20 years.

Moving or staying

Older people move home less often than younger people because many neither want nor need to move. Owner-occupiers are especially reluctant to move from freehold to leasehold housing such as a retirement property with potentially high service charges and exit fees on re-sale.

Many older people prefer to remain living in mixed-age housing and communities. Staying put (perhaps with adaptations) can be the right choice, offering advantages such as keeping pets and continuing emotional and practical support (from neighbours, local organisations, etc.). However there is also evidence that moving (especially to housing with care) can improve quality of life, physical health and social well-being.

Why is there a limited choice of housing for older people?

The current climate is challenging and market conditions remain difficult for developers. There is little public money for new social rented housing. Interview respondents agreed on factors limiting the choice of mainstream and specialist housing for older people:

- Respondents and recent reports identified housing and planning issues, including a lack of imaginative ideas, strategic vision and data on older people's housing (for example in local authority Strategic Housing Market Assessments).
- Specialist retirement developers offer limited models, and general house-builders do not design for or target older people as a market segment. There is a need for a change of products, image and marketing, especially to attract the 'baby-boomer' generation in their 50s and 60s.
- There has been limited use of creative partnerships between general house-builders, specialist retirement developers, housing associations and local authorities, although interest is growing.

Under-occupation

Who is under-occupying?

The government defines under-occupation in relation to the 'bedroom standard'. This allows one bedroom for every couple and one for every single adult (aged 21 or over) in a household. Other rules determine the bedrooms required for children and adults aged under 21. A household with more than one bedroom above the standard is deemed to 'under-occupy'. The measure takes no account of room or dwelling size, whether couples sleep apart because of choice or disability, nor how 'spare' bedrooms are used. Any single person or couple living in one of the 63 per cent of dwellings with three or more bedrooms is therefore under-occupying.

Table 1 presents statistics on under-occupation:

- Of the 8 million households that under-occupy, just over half (4.2 million) are older person households;
- 57 per cent of all older households under-occupy, but the proportion is different between tenures: 68 per cent of owner-occupiers but only 19 per cent of social renters;
- Among older people, the rate of under-occupation falls with age – even so, half of those aged over 85 who own their home under-occupy.

Table 1 – Proportion of households that under-occupy, by age and tenure

| Age of household reference person | Owner-occupiers | Private renters | Social renters | All tenures |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
| 55–64 | 73% | 35% | 28% | 64% |
| 65–74 | 71% | 40% | 17% | 61% |
| 75–84 | 62% | 37% | 18% | 51% |
| 85+ | 52% | 30% | 7% | 40% |
| All older person households | 68% (3.8m) | 36% (0.1m) | 19% (0.3m) | 57% (4.2m) |
| <i>Other households</i> | <i>36% (3.3m)</i> | <i>14% (0.4m)</i> | <i>6% (0.1m)</i> | <i>27% (3.8m)</i> |

Source: English Housing Survey. Average for 2008/09 to 2009/10.

Moving home and the effect on under-occupation

Around 200,000 older person households move each year (3 per cent of all older person households) and around three-quarters of these moves are within the same tenure. Measured by the tenure of the new dwelling, owner-occupation accounts for 56 per cent, private rented for 14 per cent and social rented for 30 per cent.

Older households who have moved recently are less likely to under-occupy than those that have not moved. In the social rented sector, under-occupation among recent older movers is close to nil. But 50 per cent of older owner-occupied and 26 per cent of older private rented sector households under-occupy after moving. These proportions are about one-third lower than comparable older households who have not moved.

Among other households (containing at least one person under 55) who move into three (or more) bedroom properties, 58 per cent of owner-occupiers and 34 per cent of private rented tenants under-occupy after moving. When older under-occupiers move, around half of the properties they vacate continue to be under-occupied by other households.

Properties released to other households

The study estimates that 271,000 dwellings are released each year due to the death of older people. Combined with moves by older households, Table 2 shows the tenure and size mix of dwellings released annually. In this table, a negative number indicates a fall in the number of older households. For example, 61,000 two bedroom owner-occupied properties become available as a result of death. After allowing for moves in by other older households, 43,000 such properties are released to other households.

Table 2 – Estimated annual change in use of housing stock by older households due to mortality only, and mortality & moves combined (thousands)

| Number of Bedrooms | Owner-occupied | | Private rented | | Social rented | |
|--------------------|----------------|-------------------|----------------|-------------------|---------------|-------------------|
| | Mortality | Mortality & moves | Mortality | Mortality & moves | Mortality | Mortality & moves |
| 0 or 1 | -5 | 0 | -3 | 1 | -24 | 3 |
| 2 | -61 | -43 | -4 | -2 | -21 | -28 |
| 3 | -101 | -117 | -9 | -13 | -17 | -38 |
| 4 or more | -21 | -28 | -2 | -3 | -3 | -3 |
| Total | -189 | -189 | -17 | -17 | -65 | -65 |

Source: NPI analysis of English Housing Survey. Average for 2008/09 to 2009/10. NB: figures may not sum to total due to rounding.

After taking account of moves, almost no one bedroom or bedsit dwellings become available for other households. At the opposite end of the scale, moves do increase the number of three and four bedroom dwellings released by owner-occupiers. Even so, 85 per cent of those released are as a result of mortality rather than moves.

Conclusion

The current discussion of downsizing is misleading because it presents the issue as a simple matter of older people holding onto housing. This ignores both the lack of housing choice, as well as older people's psychological and social reasons for staying put. If the government believes that more older people should move to smaller homes, it must make choice its watchword, finding ways to induce providers to offer a range of attractive alternatives.

About the project

The research involved analysis of data from the English Housing Survey (2008, 2009) and the English House Condition Survey (2006, 2007). Other data sources include the Continuous Recording of Lettings and Sales in Social Housing in England (CORE) data, ONS and DWP data. The report also draws on the Online Directory of Specialist Housing from the Elderly Accommodation Counsel (EAC).

Fifteen semi-structured telephone interviews were conducted with eight private sector organisations (including general house builders, retirement housing developers, consultancies and agents) and seven key players from public and voluntary sector organisations. A short literature review focused on the views of older people about their housing, care and support.

FOR FURTHER INFORMATION

The full report, *Market assessment of housing options for older people* by Jenny Pannell, Hannah Aldridge and Peter Kenway is published by the New Policy Institute. It is available as a free PDF from <http://www.npi.org.uk/files/New%20Policy%20Institute/Market%20Assessment%20of%20Housing%20Options%20for%20Older%20People.pdf>

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