



Developing specialist housing for older people: opportunities and barriers

The problem

England is facing an acute shortage of specialist housing for older people alongside a growing aging population. This will increase demand for housing for older people and, without appropriate provision, place unsustainable strain on the housing market and health services. Projections are that we need 38,000 new homes for rent for older people each year. This is far in excess of the annual average output of 8,000 seen over the last decade.

We need a coherent strategy for addressing this issue. Older people generally have greater care and support needs than the wider population and so require

integrated housing, care and support solutions. People are also living and working longer and so housing need will inevitably evolve. To meet this demand, we must develop sustainably and according to these needs. This means affordable homes for rent in sheltered and extra care schemes, which have proven benefits socially, economically, and for residents themselves.

Despite this imperative, the net changes in affordable older person's housing stock over the five years up to 2021 shows that there is less housing of this kind available. We must address this and the barriers to development that providers face must be overcome.

Housing as a solution

The combined services that specialist schemes offer provide a holistic, person-centred experience. This leads to both better health and wellbeing outcomes and wider social and economic benefits. With the appropriate funding and planning system in place, providers can address the acute national shortage of specialist housing for older people and capitalise on these benefits.

Social and economic benefits

Integrated specialist housing (such as extra care and sheltered schemes) reduces the likelihood that residents will need to go into hospital or residential care or be re-admitted into either. This means less stress on health services and better access for people in immediate need. The cost to the NHS in England as a result of poor and ill-suited housing is significant.

These wider benefits can also be seen when it comes to both supporting people currently living with dementia as well as preventing its onset in older people in the future. There is a severe shortage of appropriate housing for the growing number of people currently living with dementia in the UK. Given the high cost of treating patients, this is particularly problematic.

Benefits for older people

The support that specialist housing offers older residents can greatly improve residents' quality of life and have tangible positive individual and social impacts. Residents can retain a degree of independence whilst also feeling cared for, connected to a community and being safe and secure within it. Specialist schemes with appropriate support can also reduce the chances of residents falling into rent arrears and suffering tenancy breakdown.

The barriers

Despite the clear benefits, providers are often unable to move forward with the development because of a range of barriers.

Planning complexity is one such example. One aspect that requires streamlining is the process around decisions over developer contributions. The planning system also needs to specify national build targets for specialist housing for older people and to mandate that accurate and up-to-date housing needs assessments are built into local plans.

The lack of sufficient data and coordination between local authorities often means that the true nature of current or future housing need is not captured in assessments. A robust understanding of need is key to securing the longer-term funding guarantees that can support the development of costly schemes.

Low, inflexible grant rates and a lack of long-term assurances due to short term commissioning models are significant further barriers to development. Specialist schemes are costly by nature so providers must have sufficient capacity to deliver them. There should be ring-fenced funding for older person's provision and guarantees over revenue as well as capital funding.

Prohibitive land and build costs can run the risk of making much needed schemes unviable due to the speculative potential cost of land and high material and construction costs.

Next steps

To address the pressing need and to capitalise on the opportunities, the development of specialist housing for older people must be based principally on local need. Investment must be sufficiently comprehensive, flexible and sustained to allow all parties to have the confidence to plan for development.

To support this, the government should publish guidance on how housing for older people should be considered when calculating the objective assessment of need at local authority level. This should be a requirement separate to that for other housing need. National build targets should also include a minimum proportion or number of units specifically for older people.

Our asks for older person's specialist housing are summarised below:

1. There should be a national strategy on housing provision for older people.
2. As part of the strategy, the government should consider introducing a national target for older people's housing.
3. There needs to be sufficient grant rates to support land and build costs and consideration for ring-fenced funding for older people's housing.
4. Funding needs to be flexible and have long-term assurances for revenue as well as capital funding.
5. Clear guidance should be published on how housing for older people is considered when calculating the objective assessment of need.