



As part of its survey, boomer + beyond tested the concept of retirement living by explaining proven benefits such as living independently for longer and increased social opportunities (which don't centre around bingo and tea dances). Once respondents understood that these properties enable residents to live independently for longer, 68 per cent said the appeal increased, for which 25 per cent felt it increased greatly. Meanwhile, independent research by the Elderly Accommodation Counsel in 2019 found that 92 per cent of residents would recommend retirement living.<sup>24</sup>

### Barriers to over 65s moving house:

1. The process of packing up all my belongings would be too stressful – 36%
2. It would be too expensive to move (due to stamp duty, legal fees and removals) – 29%
3. I cannot afford the home I would want – 27%
4. I would find it physically difficult to move (due to illness or age) – 22%
5. My house has a sentimental value to me/ I would find it too difficult to leave behind memories – 21%
6. There are no suitable properties available to me – 18%

\*Populus polling December 2019

Recent polling commissioned for this report has found that some of the top concerns for older people considering moving were the logistical challenges of packing up, followed closely by the high costs of actually moving to a new home, including stamp duty, legal fees and removals.<sup>25</sup>

Although a lack of suitable properties to move to was cited as a top concern by 18 per cent of all respondents 65 and over, among those actively looking to downsize the picture changed significantly. Among this group, 31 per cent cited a lack of suitable properties to move to as a top concern.

Overall, we established that unaffordability is more of a barrier to moving for 35-64-year-olds than it is for those over the age of 65. This is likely to be because 35-64-year-olds are more likely to want to upsize, whereas those aged 65 and over are more likely to want to downsize, and affordability is a bigger issue for people wanting a bigger home, particularly when a mortgage is payable.

The expense of moving (e.g. stamp duty and legal fees) is found to be of similar importance as a barrier to moving across the age groups, as is the availability of suitable properties. According to a Lloyds Bank study in 2018, the average cost of moving to a new house has risen to nearly £12,000. This number increased by 21 per cent over the last 10 years.<sup>26</sup>

The process of packing up belongings being too stressful is a significantly greater barrier to moving for those aged 65 and over than for 35-64 years old, and this is the barrier to moving most cited by older respondents. Finding it physically difficult to move is also much more of a barrier for over 65s than younger respondents.

The top two barriers to moving for respondents over the age of 65 specifically were found to be the expense of moving and the stress of packing up belongings. This appears consistent with the Demos 2013 polling of the subset of over 60s who reported it would be difficult or not possible to move.<sup>27</sup> The top two reasons for this subset also included the stress of packing up belongings (50 per cent); and expense of moving (45 per cent). It suggests that in the last six years, not enough measures have been taken to help older people tackle the expense and stress of moving.



### Part Exchanging

When Edgware retirees, Marion Hughes and her late husband, Edward, made the decision to downsize from their three bedroom semi-detached house after 60 years, they found the warmth, comfort and community spirit they were looking for at McCarthy & Stone's Harrow Retirement Living Plus development, Randolph House.

"We were taken to our very attractive apartment when it was complete and I was so thrilled. We took in the hallway, two-bedrooms and walk in wardrobe – I've always wanted a walk in wardrobe! The lounge with the south facing balcony, the main bathroom with walk-in shower and the cloak room gives the feel of a bigger property."

To make their move even easier, the couple took advantage of McCarthy & Stone's Part Exchange scheme. "It was an enormous amount of help", Mrs Hughes explained. "My husband was becoming unwell and had stopped driving. Going down the part exchange route meant the whole process was handled by McCarthy and Stone. We didn't have the bother of Estate Agents coming to our house, and so on.

"When we actually moved, it was seamless, and this was all thanks to the McCarthy & Stone team. I don't know what we would have done without them."



If more older people are to enjoy happy and healthy retirements, this needs to change. For many people, the family home is simply not the most suitable property in which to make the most of their retirement years. Older homes are often in a poorer state of repair and have more dangers, including cold, damp, fire risk and general fall hazards. They also tend to be lacking basic adaptations such as handrails in the shower and on the stairs, and they might also have poor transport links and not be within easy reach of local services and amenities.

Given the significant challenges that many people face when it comes to downsizing, some Homes for Later Living providers have been exploring ways to address the difficulty older people face when contemplating a house move. These include part-exchanging for new customers' existing properties, which means older people won't have to worry about managing a housing chain and can move on a day of their choosing. Packages have also been designed to alleviate the physical difficulty which moving homes presents, particularly for older people. These packages offer packing services, transportation, de-cluttering, and set up in the new home, thus helping to mitigate the exorbitant cost and emotional difficulties of moving.

Other survey data also shows that some older people don't want to leave their home.<sup>28</sup> As a result, our analysis only relies on helping people who do want to move as they approach older age.





Table 5: Which of the following, if any, would stop you from moving home in the future?

	35-64	65+
I cannot afford the home I want	43%	27%
It would be too expensive to move	33%	29%
The process of packing up all my belongings would be too stressful	23%	36%
There are no suitable properties available to me	20%	18%
My house has sentimental value to me	14%	21%
I would find it physically difficult to move	11%	22%
Other	5%	8%
Nothing would stop me from moving homes in the future	21%	20%

Source: Populus polling, December 2019

Barriers such as a lack of suitable housing or affordability of the actual move itself (which also goes up slightly among downsizers) are significant problems given the challenge of an ageing population.

The new polling also suggests the challenges to older people moving are many. Well over half of all people aged 65 and over felt finding a property that met their requirements now and in the future would be a challenge and approaching half said packing and unpacking their belongings would be.<sup>29</sup>

Understandably, concerns about unaffordability and the expense appears to be less of a barrier for those wanting to *move and upsize* than for those wanting to *move and downsize*. Similarly, the process of packing up belongings being too stressful, the availability of suitable properties and finding it physically difficult to move were much bigger barriers for people looking to move and downsize.



Table 6: Which of the following, if any, would stop you from moving house in the future?

	Yes- upsize	Yes - downsize
I cannot afford the home I want	64%	30%
It would be too expensive to move	39%	32%
The process of packing up all my belongings would be too stressful	16%	28%
There are no suitable properties available to me	23%	31%
My house has sentimental value to me	11%	18%
I would find it physically difficult to move	5%	16%
Other	2%	4%
Nothing would stop me from moving homes in the future	14%	24%

Source: Populus polling, December 2019. These numbers only reflect the over 65 demographic of the same Populus poll.

From all of the findings, what’s clear is that there is a very important policy conversation to be had: first of all, around the barriers and taboos holding the older generation back from downsizing; and second of all, finding ways to ensure that moving home in old age is encouraged. The next chapter will explore the benefits that breaking down these barriers and increasing the number of older people moving house could unleash for those further down the chain.



of people aged 65 or over want to downsize - this currently equates to 3 million people





# The chain reaction – bridging the intergenerational divide

- Through a Help to Move package, we estimate that 30,000 older people who wanted to move would be able to per year.
- This would have ripple effects down the market, generating approximately 60,000 additional transactions in the market.
- Firstly, it would directly free up 30,000 larger existing owner-occupier homes in the market that older people sell. Through the chain effect, building 30,000 specialist retirement properties per year would free up 18,000 first-time buyer homes.

Most under-occupation of owner-occupier homes by people aged 65 and over is of three-bedroomed homes, with 1.9m properties in this category. A further 500,000 four-bedroomed properties and 100,000 five-bedroomed properties are under-occupied by people aged 65 and over.

Table 7: Projected 65+ homes under-occupied by number of bedrooms, 2018<sup>30</sup>

Projected under-occupied owner-occupier households, 65+ (narrow) for 2018	
3-bed	1,922,579
4-bed	471,170
5-bed	110,985
All	2,504,734

It is difficult to say exactly how many older households would move if the various blockages were overcome, but we do know that around one million owner-occupier households aged 65 or over today want to move and downsize. Factoring in household growth amongst this demographic, the figure rises to over 1.25 million by 2030. The polling evidence also suggests between a half and three quarters of these, or 500,000 to 750,000, would be interested in buying, or would be likely to buy, a retirement property specifically with the support and companionship that comes with that type of community-led housing.<sup>31</sup>

The Ministry of Housing, Communities and Local Government’s commitment is to “put us on track to deliver 300,000 net additional homes a year on average”. But how should they get there? Using our new polling evidence, we estimate over the next 10 years 300,000 homes could be ‘unblocked’ and converted into actual moves. It could be done through a ‘help to move’ package that addressed expense (through a permanent downsizers stamp duty holiday), logistics, and suitable retirement housing build, on conservative assumptions.<sup>32</sup> This would of course mean 300,000 new specialist retirement properties to be built as a necessary requirement.



This scenario therefore necessarily entails the building of 300,000 specialist retirement homes over the space of a decade. But it would also have important additional effects in the secondary housing market. Firstly, it would directly free up 300,000 *larger* existing owner-occupier homes in the market that older people sell up. These existing homes are most likely to be three-bed-with-a-garden ‘family’ homes. For every 300,000 homes freed up that are currently owned by someone over 65, the 2011 census data implies the following profile by number of bedrooms, noting that nearly half (140,700) are three bedroomed:

Table 8: Homes directly freed up by 300,000 owner-occupiers aged 65 or over moving, by number of bedrooms

Home size by no. of bedrooms	1 & 2 bed	3 bed	4 bed	5 bed	Total
Quantity	108,000	147,000	36,000	9,000	300,000

Our conservative estimate is that the average chain length in the housing market is 1.5 additional transactions after sale. The Housing LIN research, which covered McCarthy & Stone’s properties, suggests the average chain involving specialist retirement properties is two additional transactions. Previous evidence shows that, under different market conditions, chain lengths can average as many as four properties.<sup>33</sup> Using a median estimate of two additional transactions, this implies that building 30,000 specialist retirement properties a year would generate between a total of 90,000 transactions across the market; i.e. 30,000 purchases of the newly built specialist retirement units and 60,000 additional transactions in the secondary market / through the chain.

In addition, we estimate that each chain in the housing market involves 0.6 first-time buyers, as well as 0.4 buy-to-let landlords or holiday home buyers.<sup>34</sup> This appears consistent with the picture painted by the Housing LIN case study qualitative research. Through the chain effect, building 30,000 specialist retirement properties therefore would free up 18,000 first-time buyer homes in the secondary market.





## So what does this look like in reality?



### Downsizing benefits the whole family

Widower Carol Emanuel recently downsized to a brand new apartment at Churchill Retirement Living's development in Sittingbourne. In doing so she was able to sell her three-bedroom home with a large garden and plenty of space to her own granddaughter, Holly and husband, Sam. The young family, including Carol's great-granddaughter Poppy and her brand new baby brother have now made her old house their own.

#### Carol, 77 – New Homes for Later Living resident

"I'd lived in my home for many years, so it had a lot of memories and I didn't really want to leave, but the stairs were getting harder to manage, and the garden was quite a lot for me to look after. Luckily we found the perfect solution, as my granddaughter bought my old house from me. That meant I could downsize and move here, but I still get to go back and visit. Plus it's helped her and her family move to a place that's right for them. It's an ideal solution for everybody."

#### Lisa, 54 – Carol's daughter

"The four generations of our family are still close, and we often get together, whether it's to go shopping or just spend time catching up. We know mum is safe and happy here, and it's nice to see her old house full of new family members who are making it their own."

#### Holly, 31 - Carol's granddaughter and new homeowner

"I had some reservations about moving into Nan's house as it holds so many memories for me and I grew up seeing both her and Grandad here. However, my husband could see its potential so he persuaded me, and I'm so glad he did! We've put our stamp on the place and made it ours, with a new kitchen and changes to the living room layout, plus our own furniture. Our previous home was bought by first-time buyers, so it was only a short chain, but meant that another young couple joined the housing ladder."

She adds: "We've always been very close to Nan so we still see her a lot as she's only 20 minutes away in the centre of Sittingbourne. She loves it at Beatrice Lodge, she's making new friends and there's always something going on at the Lodge every day so we don't need to worry about her being on her own. Her move has meant we're all in a place that suits us perfectly."

#### Poppy, 5 – Carol's great-granddaughter,

Poppy loves visiting great grandmother Carol in her new apartment and has been learning to play chess in the owner's lounge.



### Case study - Mr and Mrs Whitcutt

"We had been hoping to move closer to town for some time with a view to having less maintenance, less gardening and the convenience of being able to walk into town. We initially viewed the plans of the Renaissance development with one of our daughters and liked what we saw."

"After discussing the plans we had long discussions with the family, and eventually moved into our apartment from a village 10 miles outside Marlborough. We have been here for 20 months and have never looked back!"

"We have made lots of friends and find ourselves very busy with coffee morning on a Wednesday; the owners getting together on a Friday evening with drinks and nibbles; rummikub and cribbage on a Tuesday evening and, from time to time, food share evenings, a film, talks on many different subjects and even a make-up demonstration."







# Conclusions

While there will always be a place for housing policies geared towards those trying to get onto the first rung of the housing ladder, policy makers should be aware this is not the only, or even the best, option available to get more homes for first-time buyers. Rather our analysis makes it clear that this outcome - and much more - could be achieved by policymakers refocusing their energies to include the top of the ladder for older people. The aim should be to ensure that all of those who would like to downsize into suitable specialist retirement accommodation have the opportunity to do so.

Those older people moving into these new properties could expect to be happier and healthier in their retirement years. We have also shown that there would be significant cost savings for the NHS if more people in the UK were able to access this type of housing. A further cost saving could come in the form of local authorities and central government spending less on retrofitting and adapting existing old family homes.

To this end, the Government should set an explicit target of completing 30,000 retirement properties a year to meet the demand for this kind of housing. But a focus on development should not be the full extent of any policy response to the issues we have raised. Rather, any meaningful political action needs to knock down the barriers holding the older generation back from downsizing and ensure that moving home in old age is encouraged.

Some previous work in this area has advocated tax incentives for older people to downsize alongside a more diverse housing mix. In his summer statement the Chancellor went further, raising the threshold for stamp duty across the board to £500,000. The Treasury has stated that this reduced rate will apply until 31 March 2021, but it is our contention that the reduced rate should be kept in place permanently for older people who are downsizing into retirement properties.

By permanently reducing stamp duty in this way we could have a 'downsizer discount' - a highly targeted stamp duty holiday for downsizers who are freeing up homes for the next generation, often by moving to a Homes for Later Living property. While many older people are open to moving, an ongoing discount would serve as an important incentive for this demographic to give up their family homes. Meanwhile, the positive impact that downsizing has further down the chain should offset any criticisms that frame the policy as a tax break for baby boomers.

Another measure that has previously been proposed and deserves to be taken seriously is a package that helps older people to move. There are various ways that this could be put together, but there would be two broad aims to any such package. It would be focused on addressing the logistics of moving out of the family home at the same time as prioritising and incentivising the building of more homes for later living.

Of course, no government can afford to ignore the many problems faced by the younger generation when it comes to housing. But as the UK gets older, action is urgently needed to ensure that all older people can live in suitable accommodation where they will experience healthy and happy retirements. Looking at the latest ONS household projections, we expect that the 3.9 million homes owned by those aged 65 and over today will grow to at least five million by 2030.

In this report, we have mapped a route for achieving both of these outcomes simultaneously. In doing so, we have demonstrated that helping more people to move into homes for later living would be a win-win for those politicians who are genuinely interested in bridging the growing generational divide.



# Endnotes

- 1 ONS Household Projections for England (2016-based) available at <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/bulletins/2016basedhouseholdprojectionsinengland/2016basedhouseholdprojectionsinengland>
- 2 There are different possible ways of defining 65+ households. A broad measure is to include those whose household representative person (usually the head of household) is 65+ but whose other household members can be any age e.g. a married couple both over 65 plus their adult son aged 30, or just a couple where one partner is 65+ and one under 65. A narrow measure is to include only households where all household members are 65+, for example, a couple both over 65 or a single person 65+. Using the narrow measure means that we are looking at the group that is most likely to not have help from family members who live with them, and therefore, have the most acute need for suitable housing stock as they age. We will continue using the narrow measure throughout this report unless otherwise stated.
- 3 Savills UK Press Release (January 2020) UK housing stock now worth a record £7.39 trillion after decade of gaining £750 million a day: <https://www.savills.co.uk/insight-and-opinion/savills-news/294601/uk-housing-stock-now-worth-a-record-%C2%A37.39-trillion-after-decade-of-gaining-%C2%A3550-million-a-day>
- 4 [nomisweb.co.uk/](https://nomisweb.co.uk/) [QS405EW - Tenure – Households]
- 5 [nomisweb.co.uk/](https://nomisweb.co.uk/) [DC1402EW - Household composition by number of bedrooms]
- 6 Churchill Retirement Living survey of 108 residents who has purchased a property in the last two years, 2020
- 7 Churchill Retirement Living survey of 108 residents who has purchased a property in the last two years, 2020
- 8 [nomisweb.co.uk/](https://nomisweb.co.uk/) [DC1402EW - Household composition by number of bedrooms]
- 9 [nomisweb.co.uk/](https://nomisweb.co.uk/) [DC1402EW - Household composition by number of bedrooms]
- 10 [nomisweb.co.uk/](https://nomisweb.co.uk/) [DC1402EW - Household composition by number of bedrooms]
- 11 McCarthy & Stone (2016), Generation Stuck: Exploring the Reality of Downsizing in Later Life'
- 12 Demos, The Affordability of Retirement Housing, 2014
- 13 Populus, (December 2019 and July 2020)
- 14 YouGov polling, commissioned by McCarthy & Stone
- 15 UK Stamp Tax Statistics 2018 to 2019 – Tables (in Excel) at <https://www.gov.uk/government/statistics/uk-stamp-tax-statistics#history>
- 16 UK Stamp Tax Statistics 2018 to 2019 – Tables (in Excel) at <https://www.gov.uk/government/statistics/uk-stamp-tax-statistics#history>
- 17 First-time buyer Residential Mortgage Survey data is available for England at <https://opendatacommunities.org/data/housing-market/mortgages/quarterly-total>
- 18 [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/539002/Housing\\_for\\_Older\\_People\\_Full\\_Report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/539002/Housing_for_Older_People_Full_Report.pdf)



- 19 English Housing Survey headline report 2017 to 2018: section 1 household tables at <https://www.gov.uk/government/statistics/english-housing-survey-2017-to-2018-headline-report>
- 20  $95,000 / 4,984,812 = 0.019$
- 21  $(617,000 - 95,000) / (14,883,231 - 4,984,812) = 0.053$
- 22 Data downloadable at <https://landregistry.data.gov.uk>
- 23 boomer&beyond 'Re-thinking retirement living' (2018)
- 24 Elderly Accommodation Counsel (2019), Understanding the factors that can influence the resale values of newly-built retirement properties
- 25 Populus, (December 2019 and July 2020)
- 26 See The Telegraph, Cost of moving house jumps above £12,000 due to soaring stamp duty, by Jasmine Cameron-Chileshe, (14 September, 2018)
- 27 Demos (sponsored by the Home Builder's Federation), Top of the Ladder, (2013)
- 28 Legal & General (2018), Last Time Buyers
- 29 Ibid. Q Hypothetically, if you were to move home in the next 12 months, which of the following would be a challenge to you moving? Please select all that apply.
- 30 UK Data Service <https://www.statistics.digitalresources.jisc.ac.uk/> [Household-composition-occupancy-rating-bedrooms-tenure-local-authorities-england-and-wales]. EHS shows 67% under-occupied on the 65+ broad measure in 2017/18

- 31 Demos (2013) reported that 33% wanted to downsize and 25% would be interested in buying a retirement property specifically [25% is three-quarters of 33%]. The recent YouGov polling for M&S found 32% wanted to downsize and 16% were very likely or likely to consider buying a retirement property specifically [16% is half of 32%].
- 32 We assume that it would be necessary to address at least one barrier to convert households that want to move into actual movers. The average number of barriers mentioned per household is 1.6. The three barriers of expense, logistics and suitable supply – that would be addressed by a help to move package - are each cited by around 30 per cent of 65+ households as barriers to moving. 30% of the one million wanting to move and downsize is 300,000.
- 33 Demos, The Affordability of Retirement Housing, 2014
- 34 All calculations are available on request. Send queries to [laterliving@wpi-strategy.com](mailto:laterliving@wpi-strategy.com)





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