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# **Three million people over 65 want to downsize but can't, says new report**

**Analysis by former Treasury economist shows that two in every three retirement properties releases a home suitable for a first-time buyer**

**Report calls on the government to set goal of building 30,000 new homes a year for ageing population**

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More than three million older people want to move to a smaller home but aren't able to, which is having a negative impact on their personal health and is blocking the market for young families and first-time buyers.

Polling by Populus of over 2,000 people in July, contained within a new report by Homes for Later Living, reveals that 25% of people aged 65 or over would like to downsize but are put off due to a range of factors. These include the lack of choice over suitable properties as well as the stress and cost of moving.

With 12.3 million people over 65 across England, the findings suggest that around 3.1 million people feel they have no choice but to 'stay put' rather than downsize.

The report sets out how building more specialist retirement housing would help people looking to downsize to be happier and healthier. At the height of the coronavirus pandemic, the scale of infection in homes for later living properties was significantly lower than in the over 65 population generally.

But more specialist retirement housing would also help those further down the chain on to the housing ladder, with the showing that 2 in every 3 retirement properties built releases a home suitable for a first-time buyer.

Ahead of the Autumn Budget, the report therefore calls on ministers to set a goal of building 30,000 retirement homes a year - approximately 10% of the annual housebuilding target, and up from c.8,000 completions a year currently. It also calls on the Government to double down on the recent stamp duty cut and make this permanent for older people who are downsizing into specialist retirement housing.

The research, authored by Chris Walker, a former Treasury economist, reveals:

- If, over time, all of those people 65 or over who want to move were able to do so, it would free up nearly 2 million spare bedrooms, predominantly in 3 bedroomed homes with gardens, ideally suited for young families with children.
- The chain impact would be a major positive for first time buyers, with analysis suggesting that roughly two in every three retirement properties built releases a home suitable for a first-time buyer. A typical homes for later living development which

consists of 40 apartments therefore results in at least 27 first time buyer properties being released onto the market.

- Overall, every homes for later living property sold generates two moves further down the housing chain, and in certain circumstances this may be more. If 30,000 later living properties were built per year (10% of the Government's overall housing target) this would mean at least 60,000 or more additional house moves are facilitated each year.
- If 30,000 new retirement properties were built every year – which is the estimated demand, up from 8,000 completions currently, and still just a tenth of the government's total annual housing target – this would generate savings to the NHS and social care services of as much as £2.1bn a year, as fewer people would end up being hospitalised or needing expensive care from preventable injuries such as falls.
- Based on previous research by Homes for Later Living, an average 80-year-old living in a Homes for Later Living property can feel as good as someone 10 years younger.

Former First Secretary Damian Green MP said: “Cutting stamp duty is not the only policy that can work across the generational divide to drive housing market transactions. To get results here, the Chancellor and the Secretary of State should also consider measures to encourage the building of more private retirement housing. This approach could help older and younger buyers, with the research in this report showing that building more specialist retirement housing can stimulate both ends of the market.”

John Slaughter, chair of Homes for Later Living said: “Politicians have, to date, prioritised building more new homes for first time buyers, which is of course important. But they are paying insufficient attention to the fact that we have an ageing population, many of whom want to move, and helping them do so would in turn bring major benefits for first time buyers, creating a positive ripple effect across the whole housing market.

“Our analysis shows that incentivising the building of 30,000 new retirement properties every year over the next decade could have a significant impact not just on providing more choice for older people looking to downsize but on freeing up three-bedroomed family sized homes as well as providing almost 20,000 first time buyer properties each year.”

According to the Office for National Statistics, over the next decade we can expect homes owned and occupied by people over 65 to account for 90 per cent of all owner-occupied household growth, rising from 3.9 to 5 million households.

## **ENDS**

### **NOTES TO EDITORS**

Homes for Later Living is made up of Churchill Retirement Living, McCarthy & Stone and Lifestory Group. The consortium operates alongside the retirement group of the Home Builders Federation (RHBG).

Populus polled 2065 adults, of which 471 were 65 or over, in July 2020.

The average age of a resident in a Homes for Later Living property is 83. As such our residents were firmly in the highest risk category for coronavirus deaths at the peak of the pandemic in the UK. But between the Homes for Later Living developers, the rate of infection was between

3.5 and 4 cases per 1,000 residents, approximately half the level seen in the over 65 population generally.

The 2 million spare bedrooms calculation reflects the number of vacant bedrooms in the United Kingdom. Under the definition of under-occupancy (this is having 2 or more bedrooms over those in use), the 2 million spare bedrooms are the equivalent of 1 million under-occupied bedrooms.