

# Planning for retirement?

How the planning system needs to change to better support the delivery of specialist housing for older people

DECEMBER 2022



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## Acknowledgements

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Founded in 1995, RHGuk is a not-for-profit membership organisation. Its objectives are to:

- Increase housing choices for older people in the UK by advancing and promoting the case for retirement housing.
- Raise the profile of all forms of accommodation for older people, by working to influence planning, housing, social care, legal and housing management policy, both nationally and locally, and by bringing the issues of residential accommodation for older people to the attention of decision makers and opinion formers.

Membership of RHGuk is open to developers of all types of housing designed for older people, to managers of such properties and to other trade bodies, charities and professions involved in such work, including firms and consultancies advising any of these bodies. Past and present members include providers of market and affordable specialist housing for older people and managers and developers of care homes.

RHGuk members include the top three largest specialist housing providers in the sector (McCarthy Stone, Churchill and Lifestory). RHGuk members over the period from 2017-2021 between them developed more than two-thirds of all specialist older persons housing provided in England<sup>1</sup>.

For more information see [www.retirementhousinggroup.co.uk](http://www.retirementhousinggroup.co.uk)

## Illustrations

Front cover: Homeowners at a McCarthy Stone development

Page 12: Churchill development on former carpark site in Penzance

<sup>1</sup> Based on analysis of EAC data and information from RHGuk members.

# Foreword

by Richard Morton, Chair of RHGuk



*The total supply of specialist housing for older people has not kept pace with the ageing population*

According to the 2021 Census, 9% of the population of England and Wales is aged 75 or over. 18% of the population is aged 65 or over. But specialist housing for older people, which provides support and/or care, constitutes just over 1% of annual newbuild properties.

Specialist housing for older people<sup>2</sup> could help to meet many of the UK's pressing social and economic policy challenges. It can maintain and improve health, free up underoccupied family housing and reduce demand for care home beds. Older people also spend more money in local shops. Specialist housing schemes located in cities, towns or villages can therefore help to strengthen local town centres.

RHGuk has undertaken an analysis of the EAC specialist housing database which shows that.

- The total supply of specialist housing for older people has not kept pace with the ageing population, falling from 139 properties per thousand people aged 75 or over in 2015 to 110 properties per thousand people aged 75 or over in 2021, a 21% fall over this period.
- Supply per head is much higher in the South East, South West and London, meaning much of the Midlands and the North of the country – including key levelling up areas – face the prospect of poor housing choices in later life.

Addressing this imbalance so people in all parts of the country have more options when it comes to choosing where they live in later years should be a key part of the Government's levelling up agenda, bringing the considerable social and economic benefits linked to specialist retirement housing to parts of the country that most need it.

RHGuk believes that provision of specialist housing for older people needs to increase to 30,000 units per year (10% of the government's housing target of 300,000 units per year), up from current provision of c.7,000 units per year<sup>3</sup>.

There are many possible reasons why its supply lags behind the need but planning delays and poor understanding of the product among local authority planners appear to be a contributory factor. *As our member survey shows, retirement housing schemes face longer delays than general needs housing in getting a decision from local planning authorities, but have a higher success rate at appeal than general needs housing.*

A series of achievable policy asks to ensure the planning system meets the needs of our ageing population are highlighted in this document. Our key recommendations are summarised below, and we believe the proposed Ministerial taskforce on housing for older people is the best platform to take them forward. We call for the task force to be launched immediately.

<sup>2</sup> Also known as retirement housing or retirement communities, and includes housing with support and housing with care.

<sup>3</sup> Indeed. Professor Les Mayhew has found the need could be as high as 50,000 new units a year, as noted in the Mayhew Review, published in November 2022.

# Foreword

by Richard Morton, Chair of RHGuk (continued)

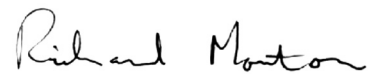
*As a nation we need to address the very real challenges in the town planning and funding systems that make it difficult to deliver specialist housing for older people*

## Four key asks – of policy makers

As a general principle local authorities and public funding bodies should be required to proactively plan for specialist housing for older people – and to monitor delivery.

- Local housing needs assessments should always include an assessment of the need for all forms of specialist housing for older people by type and tenure.
- Local plans should seek to ensure that a minimum of 10% of all new housing is specialist housing for older people unless the local authority can demonstrate why this is not appropriate for their area, (so 30k of the 300k national target for new homes). This is a steep change from current provision of c.7,000 units a year, and should encourage new entrants to the sector.
- 10% of Homes England's and GLA housing fund delivery should be for specialist housing for older people, including shared ownership and affordable rented housing with support and care.
- The Government needs to address the long-term issue of viability and the impact of CIL, Planning Obligations and Affordable Housing on the delivery of specialist housing for older people. The Levelling Up and Regeneration Bill should include a legal requirement for Local Authorities to specifically address this issue in setting local Infrastructure Levies.

As a nation we need to address the very real challenges in the town planning and funding systems that make it difficult to deliver specialist housing for older people which deter new market entrants into this sector of the housing market. RHGuk is keen to work with central and local government to make this happen and to ensure that the housing and care needs of our ageing population are met.



**Richard Morton** Chair of RHGuk

## Introduction

Why do we need specialist housing for older people?

*Most of the existing stock of specialist housing is retirement living accommodation*

The need to provide an adequate supply of specialist housing for older people is becoming increasingly important given our ageing population. The Government is aware of this issue and has proposed to form a task force to examine all aspects of housing for older people.

### Understanding specialist older housing for older people

Key characteristics of the various different types of specialist housing for older people are summarised in the table below, which is based on the classification adopted by the Elderly Accommodation Counsel<sup>4</sup>.

Most of the existing stock of specialist housing is retirement living accommodation, although newbuild provision with support is equally split between housing with care and retirement living accommodation.

	Housing with care/Extra Care	Retirement living/sheltered housing	Age exclusive housing
Shared facilities – lounge restaurant, fitness, health, etc.	Yes, extensive	Yes	Minimal
Support services on site	Yes, extensive	Yes	Minimal
Care services	Usually – often by company based on site	Provided externally	Provided externally

<sup>4</sup> See also <https://housingcare.org/housing-options/moving-to-specialist-housing/>

## Why do we need specialist housing for older people?

**50%** of people aged 80 or over have a fall at least once a year<sup>5</sup>

**30%** of men and **45%** of women aged 80 and over cannot climb stairs unaided<sup>6</sup>

**49%** of older people say TV or pets are their main form of company<sup>7</sup>

A move to retirement housing can help to ease loneliness – especially after bereavement

**25%** of older adults would like to move from their present home<sup>8</sup>

<sup>5</sup>Falls p12 “Healthier and Happier” WPI 2019

<sup>6</sup>Figure 3 Health Survey for England 2016

<sup>7</sup>Loneliness P2 “Loneliness in later life” Age UK 2015

<sup>8</sup>Movers P6 “Silver saviours for the high street” WPI 2021

**Specialist housing for older people and the wider economy**

**£347,000** pa  
per retirement development  
spent in local shops<sup>9</sup>

Each move to a retirement property  
frees up **2 family houses**<sup>10</sup>

**Reduced car usage** as people  
live closer to local services<sup>11</sup>

**£157,000** pa  
savings to the NHS and social care  
from a 45 property retirement scheme<sup>12</sup>

Retirement housing brings  
brownfield sites back to life and  
**reduces demand for  
greenfield land**

<sup>9</sup> High St spend P4 “Silver saviours for the high street” WPI 2021

<sup>10</sup> Movers P5 “Silver saviours for the high street” WPI 2021

<sup>11</sup> Car usage P11 “Silver saviours for the high street” WPI 2021

<sup>12</sup> NHS Savings P20 “Healthier and Happier” WPI 2019

# The number of older people is increasing fast

In England according to national Census data<sup>13</sup> in the period from 2011 to 2021 the number of people aged 75 and over grew by 18%, whilst the remainder of the population grew by only 6%.

In 2021 4.8m people in England were aged 75 and over. As “baby boomers” born between 1945 and 1965 age, the number of people aged 75 and over will continue to increase.

*The number of people aged 75 and over will continue to increase*

2021 Census data shows that older people aged over 75 years account for 9% of the total population (and for those aged 65 and over the figure is 18%) but less than 2% of annual additions to the housing stock are homes specifically built for older people such as specialist retirement housing.

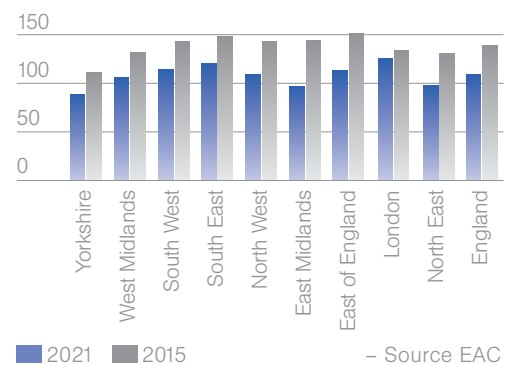
Supply of housing for older people is not keeping pace with demand – and in some areas is actually falling.

Using data supplied by the EAC, RHGuk has carried out an analysis of retirement housing supply across the English regions. This shows that total retirement housing supply in England in 2021 was 530,915 properties of housing with on-site care or support plus 132,953 properties of age exclusive housing.

Total specialist housing supply per thousand population aged 75 and over has fallen from 139 properties per thousand people in 2015 to 110 properties per thousand people in 2021<sup>14</sup>. This change arises because the number of older people has increased since 2015 and supply of specialist housing for older people has not kept pace with increasing demand.

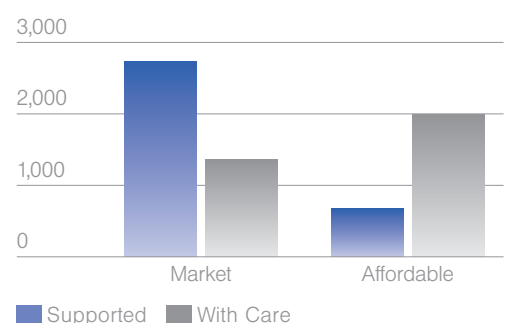
Supply actually fell by a total of 6,165 units in the North West, Yorkshire and Humber and the East Midlands. It seems probable that this is largely due to closure of older social rented stock – but newbuild providers are also not very active in these regions.

**Units of older persons housing with care or support: number per 1,000 population aged 75 and over**



- Total newbuild provision averaged 6,827 units pa of which 49.5% was housing with care.
- Annual average newbuild private retirement housing provision was 4,144 units, 57% of total newbuild retirement housing supply.
- Annual average newbuild affordable housing provision was 2,683 units, 43% of total newbuild retirement housing supply.
- 59% of newbuild extra care housing is affordable housing.

**England annual newbuild retirement housing average 2016-21**



<sup>13</sup> <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/demographyandmigrationdatacont/2022-11-02#demography-unrounded-population-estimates>

<sup>14</sup> Source: Elderly Accommodation Counsel, and 2021 Census data



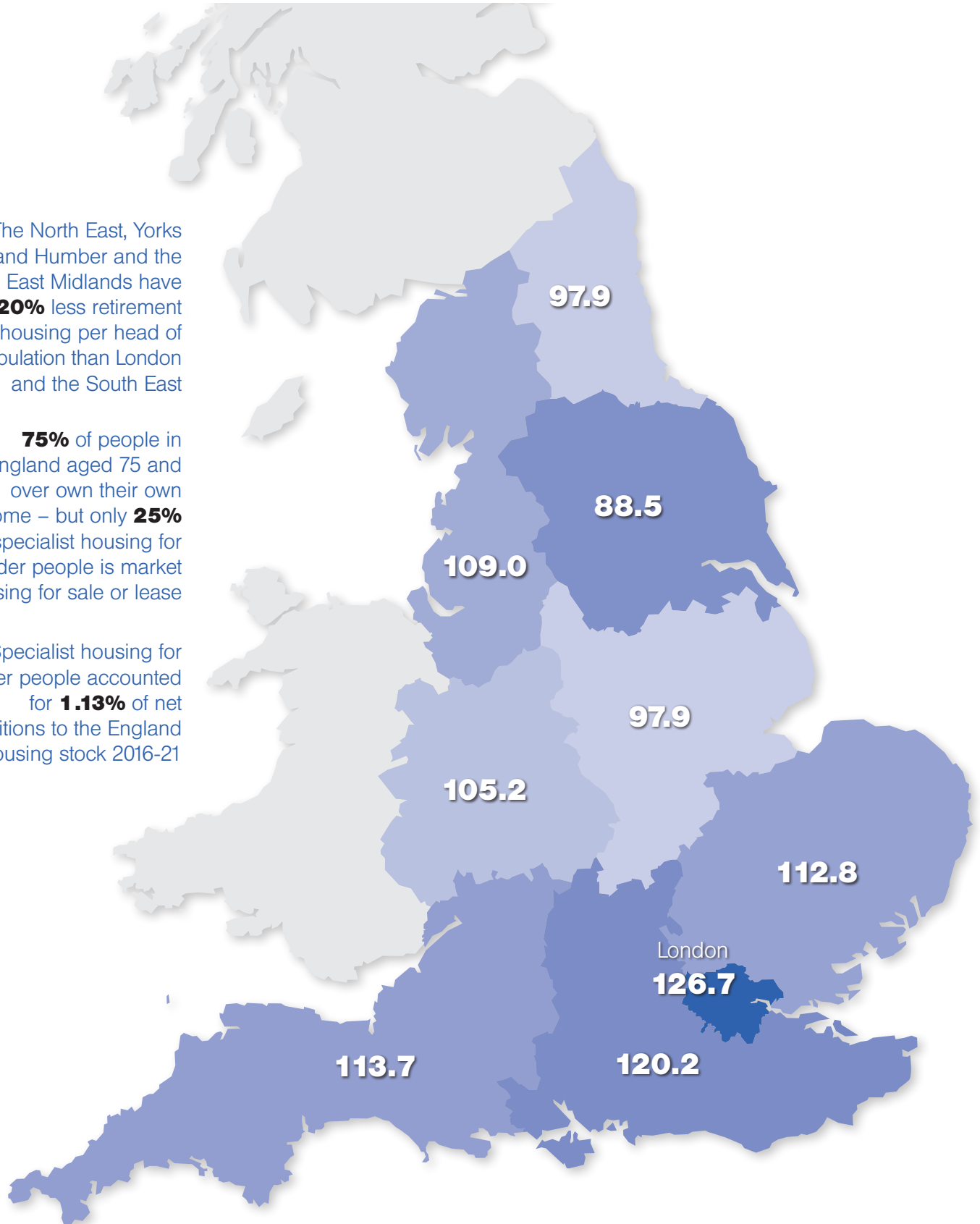
# Access to specialist housing for older people across the English regions

(no of units per 1,000 people aged 75 and over)

The North East, Yorks and Humber and the East Midlands have **20%** less retirement housing per head of population than London and the South East

**75%** of people in England aged 75 and over own their own home – but only **25%** of specialist housing for older people is market housing for sale or lease

Specialist housing for older people accounted for **1.13%** of net additions to the England housing stock 2016-21



# Specialist housing for older people and the planning system

*The need to provide housing for older people is critical*

## Policies in local plans

Planning Practice Guidance (PPG) in England recognises that it is important to plan for the housing needs of older people<sup>15</sup>. It states:

“The need to provide housing for older people is critical. People are living longer lives and the proportion of older people in the population is increasing. In mid-2016 there were 1.6 million people aged 85 and over; by mid-2041 this is projected to double to 3.2 million. Offering older people a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems. Therefore, an understanding of how the ageing population affects housing needs is something to be considered from the early stages of plan-making through to decision-taking”.

PPG does not require allocation of sites specifically for the delivery of housing for older people to meet the identified need. However local authorities are increasingly likely to go down this route to secure delivery of specialist housing for older people.

Recent research carried out by Irwin Mitchell and Knight Frank<sup>16</sup> which covered all current local plans in England found that:

- Just 23.3% of local authorities had clear policies indicating details of the required number of dwellings or care home beds, how this will be achieved and specific site allocations given.

- A further 29.4% had a clear policy but no land or site allocations.
- However, 36.2% of local authorities in England had no clear policy regarding specialist housing for older people, with policy (at the most) confined to generalisations such as “we will make provision for housing all types of people including the elderly and the disabled.”<sup>17</sup>

Irwin Mitchell and Knight Frank report that the figure of 36.2% was a reduction from 50% in 2020 and 62% in 2017 but comment that “Planning remains one of the largest barriers to growth of the seniors housing sector in England. It’s now 2022, and nearly half of local authorities still don’t have clear policies in place to deliver housing for seniors – though this is still an improvement on 2017”.

Whilst this increased recognition of the need for specialist housing for older people is very welcome, initial analysis by RHGuk of a sample of 15 recent local plans found sound<sup>17</sup> suggests that the definition of specialist housing for older people is generally very tightly drawn. Plan policies relating to this type of housing are typically confined to C2 care homes and housing with care, which excludes specialist housing with support, which constitutes just over half of all recent newbuild provision<sup>19</sup>.

<sup>15</sup> PPG Reference ID: 63-001-20190626

<sup>16</sup> Unlocking Potential for Seniors Housing Development” Knight Frank and Irwin Mitchell 2022

<sup>17</sup> P3 Unlocking Potential for Seniors Housing Development

<sup>18</sup> Aylesbury Vale, Brent, Brentwood, Darlington, Dartmoor National Park, Folkestone and Hythe, Fylde, Hambleton, Havering, Lake District National Park, Liverpool, Vale of White Horse, Royal Borough of Windsor and Maidenhead, Worthing

<sup>19</sup> See footnote 11

# Specialist housing for older people and the planning system (continued)

*The average time from submitting an appeal to getting a decision was 10 months*

## Processing planning applications and appeals

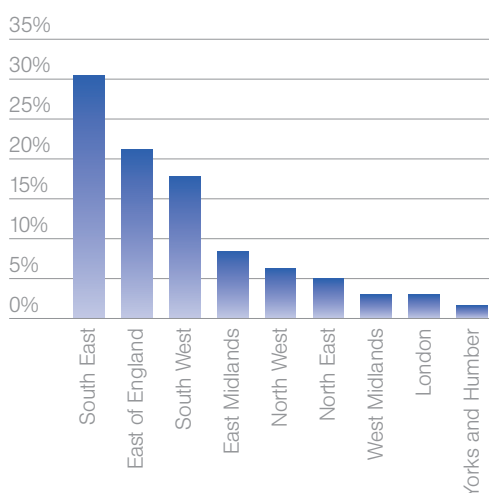
RHGuk surveyed developer members in August 2022 to collect information on current level of activity and time taken to process planning applications and appeals.

The survey covered more than 100 planning applications for specialist housing for older people submitted and decided during 2019/20 and 2020/21.

Planning applications were predominantly for sale housing but also including some mixed tenure development. They totalled c.5,000 new properties. Around one fifth of planning applications were for extra care housing. Almost all the remainder were for specialist housing with support.

67% of all planning applications were in the South East, South West and East of England.

## Planning applications by region



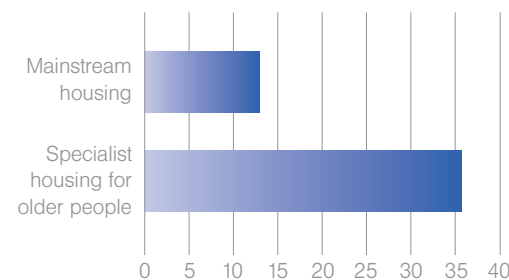
Planning applications in 2020/21 were 37% higher than in 2019/20. The focus on the South East, South West and East of England remained unchanged.

Looking only at planning applications where a decision was reached by the local authority, 67% of all planning applications were approved and 33% were rejected, including several cases where Planning Officer recommendations for approval had been overturned by Planning Committees. This compares to the national average for mainstream housing of 74.2% of determined applications being approved in the year ending Q1 2021 (38,000 of 51,200 applications)<sup>20</sup>.

In most cases, where a scheme was rejected, further action was pursued to enable the scheme to go ahead, either by working with the local authority to secure consent for an acceptable revised scheme or by going to appeal.

The average time from submitting a planning application to getting a decision was 36 weeks (or 9 months) – way in excess of the statutory 13 week period for the determination of planning applications. This compares to the national average for mainstream housing of 88% of major applications being determined within 13 weeks in the two years to March 2022<sup>21</sup>.

## Planning applications decision time in weeks



The average time from submitting an appeal to getting a decision was 10 months, with Written Representation appeals and Informal Hearings taking significantly longer than appeals via formal Public Inquiries.

<sup>20</sup> Planning Applications in England January to March 2021 [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/996115/Planning\\_Application\\_Statistics\\_-\\_January\\_to\\_March\\_2021\\_-\\_Statistical\\_Release.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/996115/Planning_Application_Statistics_-_January_to_March_2021_-_Statistical_Release.pdf)

<sup>21</sup> Table 151 <https://www.gov.uk/government/statistical-data-sets/live-tables-on-planning-application-statistics#planning-performance-tables>

## Specialist housing for older people and the planning system (continued)

*It is also a matter of concern that so much new development of specialist housing for older people is still concentrated in just three regions of England*

In 2019/20, based on our members' survey, 8 out of 16 appeals (50%) were successful. In 2020/21 this figure was 8 out of 9 appeals (89%). This success rate is significantly higher than for general needs housing. In 2020/21 only 33% of major dwelling appeals were allowed<sup>22</sup>.

Analysis of appeal decisions suggests that Planning Inspectors are now giving significant weight in the planning balance to the social and economic benefits to local communities, and to society in general, that arise from specialist housing for older people.

It is clear that specialist housing for older people has a higher refusal rate at local committee level, but a lower refusal rate at appeal, when compared to mainstream housing. This underlines that there is an issue at a local authority level which is withholding supply of this important form of housing. This needs to change, and our recommendations in the following section provide ways to address this.

### **Richard Morton Chair of RHGuk commented:**

*"We are delighted to see that our members submitted more planning applications in 2020/21 than in 2019/20. This sends a clear signal that the slowdown in output caused by the Covid pandemic has come to an end.*

*However, it is disappointing that the average time taken for local authorities to reach a decision on a planning application is 39 weeks, one and a half times as long as the maximum 13 weeks recommended in government guidance.*

*Evidence from RHGuk members is that decision times are growing and some local authorities are reluctant to enter into pre-application discussions.*

*The impact of long decision times is to slow down development; to increase risk and uncertainty as price and build cost changes must be predicted further into the future; and to thereby delay the delivery of specialist housing for older people for those older people who need or want to move into such accommodation. Moreover, given the risks in the planning system and these lengthy timescales, retirement housing developers can find it difficult to agree terms with landowners when seeking to purchase sites, thereby constraining volume growth in this important sector.*

*It is also a matter of concern that so much new development of specialist housing for older people is still concentrated in just three regions of England. This seems to be because of the additional viability restraints on developing specialist housing for older people in the Midlands and the North. We will be working with our members and with central and local government to explore the barriers which stop development of retirement housing for sale in these areas."*

### **Gary Day Land, Design and Planning Director of Churchill Retirement plc said:**

*"It is a symptom of how broken the planning system is that applications to build housing for older people, a specialist type of housing for which the Government itself states there is a critical need, are taking so long to decide and so many go to appeal.*

*Trying to build housing for which there is a proven need, at a modest scale, and on a brownfield site in or near the town centre is something the planning system should encourage rather than obstruct."*

<sup>22</sup> <https://www.gov.uk/government/statistics/planning-inspectorate-statistics>

# The impact of local plan policies which seek affordable housing and residential Community Infrastructure Levy charges from specialist housing for older people

Special attention needs to be given to the application of affordable housing policy and CIL charges to specialist housing for older people which is built for market sale, and with no public grant.

*A reasonable argument for special consideration to be given to ensuring that there is 'a level playing field' for the providers of housing for older people*

As the Levelling Up and Regeneration Bill proposes to replace CIL and Section 106 Obligations with a new locally set Infrastructure Levy it is essential that the Levy takes this into account by identifying specialist housing for older people as a specific use when setting rates.

Appropriate sites for specialist housing for older people (being centrally located urban brownfield sites) tend to consist of existing non-residential uses and/or are suitable for similar alternative uses (e.g convenience retail stores, storage facilities, fast food outlets and old care homes).

Their existing use value is typically substantially higher than the greenfield edge of town sites on which general needs housing is normally provided and this will impact on scheme viability of specialist housing for older people compared with general needs housing.

No residential competitors for these town centre brownfield sites are common but very rarely pay any kind of affordable housing or CIL charge. Often retail and leisure town centre development has been assessed at a nil CIL rate or individual uses such

as storage facilities are often not separately viability assessed within the CIL charging Schedule and pay either nil or a very low general non-residential rate.

Non-residential uses by definition do not face costs associated with making education contributions or providing affordable housing.

Hence in locations where such policies apply, companies seeking to deliver specialist housing for older people for sale struggle to compete at the point of land acquisition because competitors for sites do not face the same cost burdens as they do.

If we are to meet the NPPG's acknowledged "critical" need for more specialist housing for older people, and increase access to the socio-economic benefits noted above, there is therefore a reasonable argument for special consideration to be given to ensuring that there is 'a level playing field' for the providers of housing for older people when assessing the viability of schemes. Consideration should also be given to allocation of sites within urban areas for specialist housing for older people.



**From this ...**



**to this**

# Understanding the unique viability characteristics of specialist housing for older people

To understand why viability is such an important issue, it is important to demonstrate the differences between retirement and mainstream housing. Demos undertook research for the HBF<sup>23</sup> that looked at the ability of retirement housing developments to compete for land. Demos took a typical 0.4 hectare brownfield site and examined six different competing uses for the site including mainstream houses, mainstream flats, a retirement living scheme, an Extra Care scheme, a C2 care home and a metro style convenience store.

*Retirement developments are at a clear disadvantage compared with other residential developments*

Demos found that taking into account typical CIL and affordable housing requirements in the region, retirement developments are at a clear disadvantage compared with other residential developments, care homes and retail developments. Demos found that retirement developments have a residual land value – i.e. what a developer can afford to pay for land – worth on average £500-600k less, putting them at a significant disadvantage in bidding for the same piece of land. As a result, other uses will secure a site in a competitive market and retirement housing will remain under-supplied.

## The residual land value (what a developer can pay for land) of different types of development, based on a hypothetical 0.4 hectare site in the South East:



The following points, based on RHGuk members experience, help to explain why the residual land value is lower for retirement housing.

- Communal spaces:** Specialist housing for older people is predominantly flatted developments that provide a high percentage of communal space to encourage a healthy and sociable retirement community. On an average 30-50 unit development, this is typically 25-30% of total floorspace and is non-sellable. It is the equivalent of between three and eight otherwise-saleable apartments and is an integral part of this form of housing, given the support and companionship needs of our customers, who are typically c.70-80 years of age at the point of purchase. These areas can include shared lounges, laundries, guest suites, staff offices and overnight accommodation, electric buggy (invalid) storage and charging points, well-being/treatment suites, hairdressers, restaurants, commercial kitchens and function rooms.

<sup>23</sup>Demos (2017) Unlocking the housing market, <https://www.demos.co.uk/wp-content/uploads/2017/11/Unlocking-the-Market-Demos-Report.pdf>

## Understanding the unique viability characteristics of specialist housing for older people (continued)

*Additional costs can also include abnormal ground costs because the best location for retirement housing is in town/urban centres*

- Developers also need to build the whole development including the large communal areas before selling any apartments and receiving any income, meaning there are significantly increased levels of cash lock-up and risk involved in this form of development. It typically costs c.£1 million to build the shared spaces in retirement housing developments, and c.£2 million to build them in Extra Care developments of up to 50 units.
- **Higher build costs:** Retirement housing is a specialist form of housing and has higher construction costs due to the increased build and design standards required by our customers<sup>24</sup>. It needs to meet higher accessibility standards, have significant shared areas and is not able to phase developments like mainstream housebuilders – developments are typically single buildings on tight urban sites that cannot be broken into components or separate blocks. Additional costs can also include abnormal ground costs because the best location for retirement housing is in town/urban centres, where residents wish to live because these sites are well-located relative to essential services (shops, medical centres, public transport etc.). They can include decontamination, preservation of archaeological interests, flood alleviation/management, demolition, land stabilisation/complex piling solutions, protection of adjoining uses (such as railways) and heritage costs, particularly if the development is in a Conservation Area and/or adjacent to a Listed Building.
- **Different sales patterns:** Mainstream housebuilders sell individual plots and do not have to complete the whole development before they sell. Retirement housing customers and their families find it hard to visualise a new development and the essential communal facilities, and typically need to see a completed development – including all the extra communal space – before they have the confidence to purchase. They invariably also want to meet the on-site management and care team before making the decision to go ahead with the purchase. The retirement housing model therefore has typically slower sales periods, higher incentives and is cash negative for a much longer period than in mainstream housing. They cannot and do not stop building a site if sales rates fall – unlike mainstream housebuilders. In addition, customers have a dependent property to sell, often with a chain of one or more properties below. As a result, return on investment in a retirement scheme is much longer than for mainstream housing.

<sup>24</sup>BCIS median build costs per sq m for supported housing are 20% higher than for estate housing generally and 6.5% higher than for 3-5 storey general needs flats

# How positive town planning could help

RHGuk recommends that the following general principles should be included in National Planning Policy Framework, Planning Practice Guidance and local planning policies to address the issues highlighted in this report.

**The National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG)** should set a positive planning policy presumption in favour of meeting the acknowledged critical housing need for more specialist housing for older people by promoting the need for Local Planning Authorities (LPAs) to consider older persons housing and the multiple benefits that can be delivered through purpose-built accommodation. PPG should include a specific section on specialist housing for older people so that it is considered on a par with affordable housing.

NPPF/PPG recognises that it is important to plan for the housing needs of older people but does not go as far as **requiring** LPAs to adopt pro-active enabling policies. The guidance should:

- Provide additional guidance to LPAs on the importance of identifying needs for the different types of housing required across the wide range of housing for older people. Government should issue guidance on an updated methodology reflecting current tenure patterns and prevalence rates for disability and difficulty in performing acts of daily living (ADLs).
- Set a positive requirement to plan for and bring forward policies for the delivery of these types of housing – **which could include a requirement that a minimum of 10% of all new housing is specialist housing for older people unless the LPA can demonstrate why this is not appropriate for their area, (So, 10% of the English 300k target).**

- Encourage LPAs to allocate sites for development of specialist housing for older people.
- Take account of viability and any other identified barriers to delivery when setting affordable housing contributions and wider s106 and CIL requirements and determine whether full exemption from these planning obligations would best help meet the assessed need for market specialist housing for older people.
- Require LPAs to monitor delivery of specialist retirement housing.

**Permission in principle:** Guidance should highlight the scope for permission in principle to be granted for retirement housing in suitable locations, to encourage further its development and help regenerate urban areas.

**Education and healthcare contributions:** Guidance should highlight that this form of housing is not required to contribute to education provision and that any contributions towards healthcare improvements should take account of the significant supportive benefits that specialist housing for older people provides for its residents and of any primary care provision through the scheme itself.

**Neighbourhood plans:** Guidance should refer to the potential for neighbourhood plans to identify land for the provision of specialist housing for older people as it does for affordable housing.

*PPG should include a specific section on specialist housing for older people so that it is considered on a par with affordable housing*



# Best practice by local authorities

(compatible with existing PPG)

*The need to establish a level playing field for retirement housing developers*

## Building an evidence base

**Housing and Economic Land Availability Assessments (HELAAAs)**, in their call for and assessment of sites, should specify differing requirements for the range of housing for older people, including locational and site size criteria and encourage sites to come forward specifically for this purpose.

**Housing and Economic Needs Assessments (HENAs)** should include an assessment of potential need for housing for older people over the life of the Local Plan and should also identify any current shortfalls in provision.

**Economic Viability Appraisals (EVAs)** should assess the viability of delivery of different types and tenures of specialist housing for older people, taking into account costs, values, affordable housing targets and wider S106 and CIL targets. Findings from the EVA should be reflected in the Local Plan. Consideration should be given to adopting full exemptions for market specialist housing for older people from affordable housing contributions and CIL charges, in recognition of the need to establish a level playing field for retirement housing developers when seeking to secure the types of sites that are suitable for such specialist housing development. Local Planning Authorities should:

- Identify needs for the different types of housing required across the wide range of specialist housing for older people.
- Take a positive approach to planning for and bringing forward policies for the delivery of these types of housing.

- Allocate standalone sites for their development and require a specified proportion of specialist housing for older people on sites above a certain threshold.
- Set out criteria for site suitability for specialist housing for older people.
- Consider identifying sites included on the Brownfield Land Register for this type of development particularly where the site is in a sustainable location with access to amenities.
- In support of the diversification of town centres, permitted development rights could be extended to allow for specialist housing for older people.
- LPAs should recognise that this form of housing is not required to contribute to education provision given the age of its residents, and that any contributions towards healthcare improvements should take account of any primary care provision through the scheme itself.
- Take account of need, viability, affordability and competition for suitable sites from non-residential interest, and any other identified barriers to delivery when setting plan policy targets for affordable housing, applying s106 obligations and setting CIL charging schedules.

**Neighbourhood Plans** should be encouraged to assess need for and identify land for the provision of older persons housing as they do for affordable housing.

# Planning Practice Guidance: proposed potential amendments to support delivery of specialist housing for older people

## **Brownfield Land Register**

018 Reference ID:  
59-018-20170728

Paragraph 18 refers to the criteria for including land on the Brownfield Land Register (BFR) by reference to the Town and Country Planning (Brownfield Land Register) Regulations 2017. These sites may be appropriate for older person's housing.

As the information to be included in the BFR (as required by the regulations) includes a description of any proposed housing development, the PPG should encourage LPA's to consider identifying sites included on the BFR for this type of development particularly where the site is in a sustainable location with access to amenities.

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## **Build to Rent**

001 Reference ID:  
60-001-20180913

Para 001 makes specific reference to taking account of the need for a range of housing types and tenures with reference to demographic data including provision for those who wish to rent. This should take specific account of homes to rent for older persons and this could be given as an example of a specific demographic. LPAs should be encouraged to include a plan policy setting out their approach to promoting accommodating and encouraging BTR for older persons in appropriate locations.

Older person's housing should be considered a category akin to affordable housing, and although it is unlikely to be appropriate for a proportion of a BTR housing development to be provided for older persons, the PPG should encourage LPAs to consider identifying a proportion of their identified housing need to be satisfied by provision of homes for rent by older persons, as this may also represent a benefit to a sustainable community. Controls on occupation can be secured by planning obligation as is currently the case for affordable dwellings. In this context consideration should also be given to specifying accessibility criteria to apply to these units.

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## **Effective use of land**

This section does not currently make any reference to housing for older persons, but if older occupants of private dwellings can be encouraged to down size to developments designed to accommodate the needs of an older population with higher densities this can 'free up' family housing and therefore contribute to the efficient use of land. Whilst older person developments frequently also include ancillary and support facilities which may reduce densities these services provide other benefits associated with the developments.

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## **Healthy and safe communities**

001 Reference ID:  
53-001-20190722

This section emphasises the requirement to consider planning and health together 'in terms of creating environments that support and encourage healthy lifestyles, and in terms of identifying and securing the facilities needed for primary, secondary and tertiary care, and the wider health and care system (taking into account the changing needs of the population)'. As such it is entirely appropriate for the section to promote the need for LPAs to consider older person's housing and the multiple benefits that can be delivered through purpose built accommodation. This is particularly the case in the context of the need for health facilities and other health and wellbeing impacts to be considered in making planning policies and decisions; these facilities are frequently provided as part of an older person's housing scheme and are regularly open to members of the public too, allowing for intergenerational interaction.

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**Housing and economic land availability assessment**

012 Reference ID:  
3-012-20190722

The call for sites required to be undertaken already includes, as part of the information sought, the suggested type of development the land might be suitable for and gives older people's housing as an example. Opportunities can be taken in this section to expand upon the differing requirements for the range of older person's housing options and how the assessment of achievability can be structured to assist their deliverability – specifically by reference to viability and the scope and desirability (or otherwise) for affordable housing to be secured as part of different types and tenures of development as a means of overcoming this constraint.

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**Housing and economic needs assessment**

There is a need to amend the methodology or clarify how it should apply to housing for older persons to take account of the different forms of tenure and constraints faced by development of for this sector of society and ensure that these types of homes are built in the right places. A universal and transparent methodology needs to be identified and consistently applied to assess need across all tenures. The requirement for older person's housing should be assessed on par with the requirement for affordable housing in terms of the requirement to identify the need and the supply including by reference to assessment of the current stock of such housing. Further support for housing for older persons will also allow more family homes to be released which will impact on the assessment of need.

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**Housing for older and disabled persons**

001 Reference ID:  
63-001-20190626

Whilst this section of the guidance recognises that it is important to plan for the housing needs of older people, it does not go as far as requiring LPAs to allocate sites for the delivery of housing for older persons to meet the identified need and measures to ensure achievability and deliverability. Without direct policy support for these types of housing which recognises the challenges the sector faces they will continue to have to compete with traditional housebuilding developers who do not require the same site characteristics (including size for both accommodation and communal and staff facilities) or face the same development costs.

The guidance should expressly require LPAs to identify needs for the different types of housing required across the wide range of housing for older persons as well as for disabled persons, with a positive requirement to plan for and bring forward policies for the delivery of these types of housing and to allocate sites for their development, taking account of viability and any other identified barriers to delivery.

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**Housing: optional technical standards**

007 Reference ID:  
56-007-20150327

The guidance acknowledges the need for LPAs to address identified needs for accessible housing complying with the optional technical standards M4(2) (accessible and adaptable dwellings), and/or M4(3) (wheelchair user dwellings), of the Building Regulations. However, such housing should not be seen as an alternative to older persons housing as It will not realise the wide ranging benefits of older persons housing not least in addressing issues of loneliness and social exclusion. With older persons housing always providing high levels of accessibility, higher levels of accessible (M42/3) housing should be provided in conventional housing developments in order to widen housing choice for older people and so as not to impact unduly on the viability and efficiency of older persons housing

It also acknowledges the potential impact these standards will have on the viability of development. The guidance should draw these points together with the guidance on viability and affordable housing, and confirm that LPAs should positively plan for accessible housing as well as specialised housing for older people.

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**Neighbourhood  
planning**  
002, 004, 005  
Reference ID:  
41-002- 20190509

This section of the guidance should refer to the potential for neighbourhood plans to identify land for the provision of older person's housing as it does for affordable housing. The plan is intended to guide the development of the neighbourhood for the next 15-20 years and as such it should consider all potential development requirements for the neighbourhood during this period – including where the neighbourhood plan comes forward in advance of the local plan. This can also be linked to more positive text encouraging local plans to identify need and allocate sites for this type of development.

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**Permission in  
principle**  
001 Reference ID:  
58-001-20180615

This section acknowledges that permission in principle is an alternative way of obtaining planning permission for housing led development, the guidance could highlight the scope for permission in principle to be granted for older person's housing, or a wider C2 use, in suitable locations, to encourage further its development.

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**Plan making**

The guidance could usefully identify the requirement for LPAs to gather evidence as to the different types of housing requirements of their area and plan for their delivery, as well as employment and other uses to ensure that they are integrated, and can take account of market signals including the ageing population in the area. LPAs should also be encouraged to identify and allocate sites for older persons housing through the plan process.

This should be connected to the evidence required to plan for health and well-being in order that the interrelationship between older persons' housing and healthcare provision in particular can be taken into account.

Further, the guidance should recognise the costs associated with the development of older person's housing and that this should be taken into account by LPAs in identifying and removing barriers to the delivery of older person's housing in appropriate locations, including in respect of any contributions expected from this type of development. This is likely to be required to be reflected in a lower, or nil requirement for affordable housing on site or a financial contribution to off site provision in order that the deliverability of required older person's housing is not undermined.

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**Planning obligations**  
005 Reference ID:  
23b-005-20190315

In advising that policies should be informed by evidence of infrastructure and affordable housing need, the guidance should also endorse authorities taking account of evidence of the development costs and other constraints associated with the delivery of older person's housing when establishing policy requirements. The guidance should avoid the default position of each scheme for older persons' housing having to submit a viability assessment to demonstrate that it cannot provide a full or partial policy compliant contribution to affordable housing.

Consideration should be given towards the benefit of full exemptions from affordable housing and CIL, given the competition that retirement housing developers face at the point of land acquisition from non-residential user interests, where such fiscal burdens are not therefore applied on a level playing field basis.

It should also be recognised that this form of housing is not required to contribute to education provision and that any contributions towards healthcare improvements should take account of any primary care provision through the scheme itself. The section can usefully also recognise the suitability of controlling occupation of older person's accommodation through planning obligations as endorse in the Rectory Homes case.

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**Town Centres  
and Retail**  
001 Reference ID:  
2b-001-20190722

Older person's housing has the potential to revitalise town centres; unoccupied sites, provided of large enough size, can be used to introduce new communities in to the heart of a town centre where the older residents will be able to access facilities easily without recourse to transport. They can help diversify the area, and can use the 'grey pound' to revitalise the retail sector.

LPAs should be encouraged to work with developers in the older person's living sector to promote the vision for these areas through local plan policies. Older people should be acknowledged as important stakeholders in this context (para 003 Reference ID: 2b-003-20190722). Further, the benefits such diversification can bring should be included in the items which a town centre strategy can contain (para 004 Reference ID: 2b-004-20190722), can influence the indicators for planning for town centres and high streets and should also be factored into the application of the sequential test.

In support of the diversification of town centres, permitted development rights could be extended to the minimum size for a retirement living scheme but only for developments satisfying the criteria for C2 development.

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**Viability**  
001 Reference ID:  
10-001-20190509,002  
Reference ID:  
10-002-20190509

As noted above, in identifying the contributions sought from development the guidance should encourage LPAs to take account of the development costs and other barriers generally faced by developers of older persons' housing, and reflect this in their local plan requirements, particularly in terms of the contributions expected from development. Targets should be set for any affordable housing contribution required from older persons' development as a typology (or range of typologies) distinct from more traditional housing developments; this can be based on a robust evidence base with input from developers within the sector. This will provide certainty for the LPA and also ensure that older persons' living schemes remain viable and deliverable, in accordance with the NPPF, and avoiding submission of a viability assessment for each retirement living scheme coming forward.

# Wider recognition of the need for reform of the planning system

Over the years a large number of independent organisations have recognised the need to increase the supply of specialist housing for older people and have made suggestions for how this might be done.

**MPs in the cross-party HCLG Select Committee** call for specialist housing for older people to be put in a separate use class with reduced planning contributions: (2019)

*Call for Government action to support housing for older people*

*“We believe that the level of planning contributions on specialist housing, which are increased as a result of the non-saleable communal areas which are a feature of this type of housing, is impeding the delivery of homes.*

*We recommend either the creation of a sub-category of the C2 planning classification (which currently applies to residential care and nursing homes) for specialist housing, which would reduce the contributions required from developers, or the creation of a new use class for specialist housing which would have the same effect.”*

<https://publications.parliament.uk/pa/cm201719/cmselect/cmcomloc/370/37002.htm>

**LGA and Housing Learning and Improvement Network** call for Government action to support housing for older people: (27 September 2022)

*Government urged to “launch a strategy for England... to meet the housing needs of an ageing population” and use “planning facilitation measures” for applications. Report also makes clear need to consider “the application of affordable housing policies to retirement communities.”*

Housing our ageing population | Local Government Association

**Rt Honourable Damian Green MP/ Centre for Policy Studies** calls for new use class and council obligations to tackle social care crisis: (29th April 2019)

*“I propose that the Government takes forward two supporting measures as recommended by the House of Commons MHCLG Select Committee recommendations on:*

- 1. Requiring every council to have a target of housing for older people in their local area, with a strategy on how this will be achieved.*
- 2. Creating a ‘use class’ to help achieve meeting this target.”*

<https://www.cps.org.uk/media/media-coverage/q/date/2019/04/29/damian-green-mp-sets-out-plan-to-fix-social-care-crisis/>

## Wider recognition of the need for reform of the planning system (continued)

*Local authorities should be encouraged to review the need for specialist housing for older people*

**Policy Exchange** calls for planning changes and stamp duty incentives to promote greater take-up of specialist housing for older people: (December 2018)

*“Local authorities should be encouraged to review the need for specialist housing for older people across all tenures as part of their housing market assessment that informs their local plans.*

*There should be greater flexibility over Section 106 affordable housing obligations. Government should issue guidance encouraging local authorities to reduce or waive planning obligations...*

*Tariffs for Community Infrastructure Levy (CIL) could also be set differently, taking into account the communal space offered in retirement homes.*

*To support and incentivise a new wave of older homeowners to downsize... Government should introduce exemptions on Stamp Duty liabilities for older people.”*

<https://policyexchange.org.uk/wp-content/uploads/2018/11/Building-for-the-Baby-Boomers-Jack-Airey-Policy-Exchange-December-2018.pdf>

**Letwin Review of build out** calls for greater diversity in types of housing, including provision of older people’s housing: (October 2018)

*“All large housing sites above 1,500 units must strive to achieve sufficient housing diversity to support the timely build out of the site and high quality development. Housing diversity includes housing of differing type, size and style, design and tenure mix. It also includes housing sold or let to specific groups, such as older people’s housing and student accommodation, and plots sold for custom or self-build.”*

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/752124/Letwin\\_review\\_web\\_version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/752124/Letwin_review_web_version.pdf)

**Crossbench Peer Lord Best, Chair of the Housing and Care for Older People APPG**, calls for Stamp Duty cuts for older people:

*“If we can fund the removal of stamp duty just to transactions where people are over the pension age and buying a new purpose built home, because we want to stimulate house building, that is I think less than 1 per cent of the total number of moves in a year.”*

## Wider recognition of the need for reform of the planning system (continued)

*There should be increased investment in retirement housing and further reforms to the planning system to make new developments easier to build and affordable to more older people*

**SAGA** calls for Stamp Duty amendments to help retirees to downsize: (May 2019)

*“It was great that the Government acted to help first time buyers, but this is only part of the solution. More needs to be done to help free up more family homes to the market in order to continue the supply of first homes.*

*With nearly three quarters of the over-50s supporting this stamp duty break, and with this figure continuing to rise year-on-year, we are urging the Government to reconsider this exemption, both to support potential downsizers, their families and the wider housing market.”*

<https://www.thisismoney.co.uk/money/mortgageshome/article-7000947/Downsizing-pensioners-one-stamp-duty-free-says-Saga.html>

**AGE UK** calls for planning reforms to encourage more retirement housing: (July 2014)

*“There should be increased investment in retirement housing and further reforms to the planning system to make new developments easier to build and affordable to more older people.”*

[https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/safe-at-home/rb\\_july14\\_housing\\_later\\_life\\_report.pdf](https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/safe-at-home/rb_july14_housing_later_life_report.pdf)

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