

CACI



**SUPPORTING
OLDER PEOPLE
WITH
DATA DRIVEN
INTELLIGENCE**

In partnership with



INTRODUCTION

Covid-19 has brought to the forefront what the sector has known for years; housing and care for older people has long been underinvested. It lacks a coherent government policy at a national level, falling short in the policy ambitions set out by the Housing & Ageing Alliance, and in policy and implementation for many local authorities. It requires a new way of joined up thinking to meet the needs and aspirations of older people, and their relatives, and realise the potential for growth in new age friendly homes.

Covid has accelerated the need to rapidly address how we can support a greater proportion of older people to live independently in their own homes. There is an urgent need to provide new housing products and tenures that match the aspirations of today's older consumers, to live in the heart of our communities.

Specifically there is a need to:

1. Increase supply of 'age friendly' and specialist housing, including housing-with-care
2. Help and encourage older households to age-proof their existing homes through maintenance, improvements and adaptations
3. Make available a comprehensive and independent housing options information and advice service to help older people reach and implement decisions about their home.



Despite over 70's making up 6.5m of all households, with 75% of them homeowners, total UK specialist housing construction has not exceeded 10,000 properties in any of the last 20 years. Within this housing with-care now contributes just 5,000 units each year.

John Galvin, EAC



The Covid-19 epidemic has dramatically highlighted the imperative of reversing these trends – but its impact on older people also demands a fresh and determined effort to harness additional resources – of communities and families, of revitalised statutory and voluntary sectors, and of businesses, to tackle the new practical, financial and emotional challenges that older people are likely to face for some long time to come and to identify and develop the opportunities that the 'New Normal' will bring forward.

Michael McCarthy, EAC

MARKET TRENDS & CHALLENGES

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This report primarily addresses the need to increase supply of specialist housing, particularly at the Mid-Market level. With a more challenging housing market looming, against an undersupply of housing stock, there is an opportunity here to unlock homes by providing older people greater choice that best meet their needs and aspirations.

Joel Abbey, CACI



2. MARKET TRENDS & CHALLENGES

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CACI CAN SUPPORT YOU IN THIS CHALLENGING HOUSING MARKET THROUGH UNDERSTANDING THE AVAILABLE CAPITAL RESIDENTS HAVE AT A LOCAL LEVEL AND THEIR ATTITUDES TOWARD A MOVE.

Encouragingly, searches over the last 5 months on EAC's website, for older people and their relatives seeking advice on housing & care, has remained resilient. This indicates that many older people and their families still view a move to quality purpose-built retirement housing as desirable and aspirational, and anecdotally that a purpose-built environment is deemed a 'safe' environment to live.

At the start of Lockdown from 23rd March EAC received an average of 12,000 visits each day to its website www.housingcare.org.uk chiefly centred on 'searches' for housing and care for older people. This amounted to around 1.2M visits during the first 100 days of lockdown of which approximately 40% (480,000) came from family members seeking information and advice to help their older relatives make informed later life choices. By the last 2 weeks of June visits soared to an average of 17,500 daily.

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3. SUPPORTING OLDER HOUSEHOLDS

There is a steady increase in investment in retirement living in our towns and cities, and this reflects the changing aspirations of older groups to remain in an urban setting, with sufficient equity from living in the same locations. The link to having family close by is also becoming ever more important as older people live longer, and want to retain the independence of living in their own home. To do this, many rely on their family network for support, ever more so as a result of the pandemic. This is backed up from EAC's own surveys revealing 56% seek help with shopping; 51% take parents to hospital appointments and 45% to the GP. 37% help parents with housework and 33% with garden/household maintenance. 24% provide money to buy goods and services.

56% seek help with shopping; **51%** take parents to hospital appointments and **45%** to the GP. **37%** help parents with housework and **33%** with garden/household maintenance. **24%** provide money to buy goods and services.

Source: EAC online questionnaire 'Planning Ahead'



3. SUPPORTING OLDER HOUSEHOLDS



LOCAL AUTHORITIES MUST RECOGNISE THE CONTRIBUTION FAMILY NETWORK PLAYS IN SUPPORTING THE INDEPENDENCE OF OLDER PEOPLE IN THEIR HOMES BY INVESTING AND PROACTIVELY SUPPORTING NEW DEVELOPMENT IN THEIR LOCAL COMMUNITIES.

For those older households unable to move, including those that may prefer a care home setting, we must look to equip them with the support they may need to remain in their homes. Economically, older households are undervalued in their contribution to the local economy. The 9million people aged 65+ and their family networks form a significant market for goods, services, and employment in health, care, retail, delivery, and building services.

They are a fast-growing focus for on-line retail, with the quarter before the outbreak of Covid-19 marking the first time over half of people 65+ shopped online. In some instances, increasing rather than displacing trade. This trend has quickened further due to Covid and lockdown and likely to become habit. Retailers and service providers need to rethink where and how to best engage this market. The accelerated pace of adoption of technology such as Zoom and online shopping by older groups goes some way to supporting independence at home in the community and in Retirement Living settings.

There is an opportunity here for local authorities to take the lead by first understanding their likely current and future demand for care and housing provision. This includes understanding the affordability and spending power of their older residents, which in-turn will dictate their ability to move and if 'staying put', what the implications are for planning and delivering services.

Whilst for commercial providers it is having the confidence to invest. By better understanding the requirements and finances of a local population, commercial providers can more accurately qualify the opportunity and be confident in their investment.



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4. DATA AT WORK: WHAT CACI CAN DO

At any geography CACI can provide the number of older households by their financial ability to pay for care or housing, including their current tenure, household composition, attitudes and behaviour.

As anyone in property knows it's not easy finding land for development in the UK. It's even harder when you are seeking to find prime sites in affluent areas, to target wealthy consumers. Yet that's the notable shift over the last few years with many providers of retirement living focussing entirely on this high-end market.

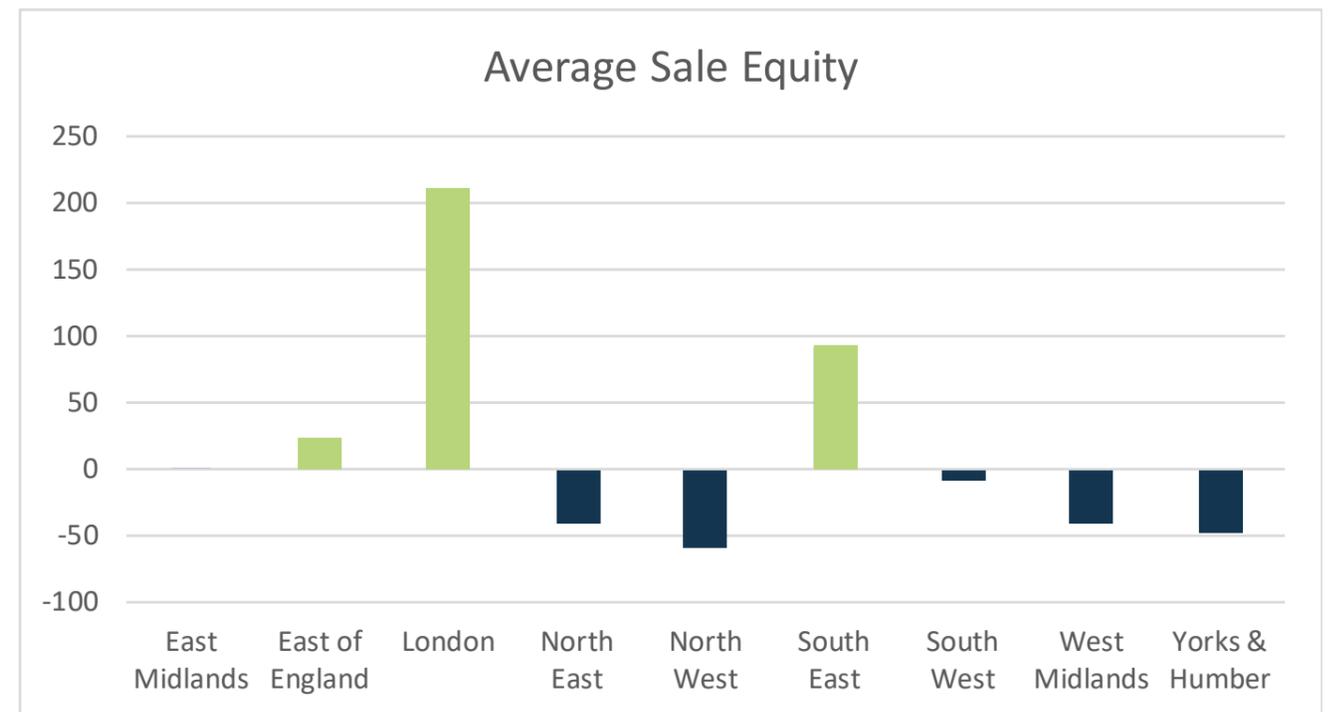


4. DATA AT WORK: WHAT CACI CAN DO

Inevitably this strategy results in a list of target towns skewed to London. Here, CACI's 2020 data shows that the average price for properties owned outright by 65 plus year olds is **£658K** in London and **£451k** in the South East. EAC research (2019) shows the average sales price of retirement living properties in these areas is **£449k** and **£360k** respectively. As a result there is substantial headroom for equity release for those selling their properties to move into retirement living schemes. Conversely for most regions the disparity is a shortfall - with North West having the widest gap at **£58K** and Yorkshire and Humber **£48K**.

	CACI 2020 Population Aged 65+	CACI 2020 Share Of Regions Population % 65+	CACI 2020 Average Property Value £'000 (65+ Owner Occupied)	EAC 2019 Average Property Value £'000 (Retirement Living)
North East	538,000	20.2	167	207
North West	1,391,000	19.0	217	275
Yorkshire and The Humber	1,046,000	19.0	214	262
East Midlands	960,000	19.8	243	243
West Midlands	1,121,000	18.8	257	295
East of England	1,264,000	20.0	376	355
London	1,101,000	12.1	658	449
South East	1,827,000	19.7	451	360
South West	1,274,000	22.4	338	345
Northern Ireland	322,000	17.0	180	-
Scotland	1,060,000	19.3	188	-
Wales	671,000	21.2	198	-

At first glance this supports the logic of focussing developments in the South East – because higher property prices and an aged population surely mean more retirees with the capital to purchase their new retirement home and release equity for a comfortable retirement. At the same time, the average sales price of a retirement living property is clearly not meeting the financial needs of many of the North West and Yorkshire & Humber's older homeowners.



Source: CACI/ EAC Analysis

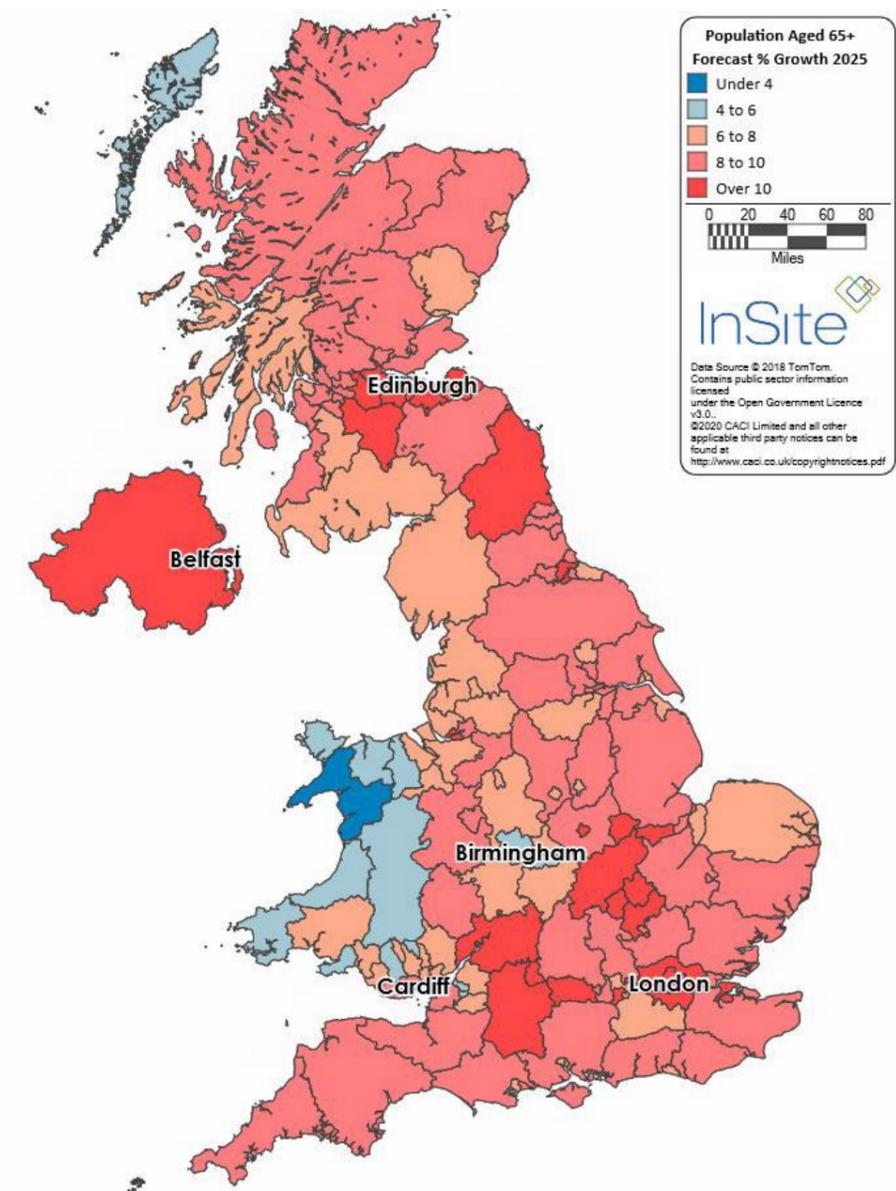
As we said at the outset, there is no single housing solution for the older people market. So, these figures are based specifically on providing retirement living homes to meet the average target market of owner occupiers. However, there is no such thing as an average customer, and a data driven approach can help developers to be specific with pricing and affordability at a local level. This in turn enables developers to provide retirement living products and price-points to meet local need.

Also population is changing. Not all areas are ageing at the same rate. Many of the homes being built need to meet long term investment goals and as such need to be evidenced with the long term potential of the site. The table below shows the local areas which are set to experience the greatest growth in the over 85 population over the next 5 years.

Top 10 Rank	County / Unitary Authority	Population Aged 65+ Forecast % Growth 2025
1	Milton Keynes	15.6
2	Inner London	14.7
3	Swindon	13.9
4	Bracknell	13.9
5	East Lothian	13.2
6	West Lothian	12.8
7	Central Bedfordshire	12.7
8	Slough	12.4
9	Northern Ireland	11.8
10	West Berkshire	11.7

Source: CACI

Many of the places listed in the table above would not jump out as top of the list for investment in retirement living. But, interestingly Milton Keynes, Swindon and West Lothian (Livingston) are in the top 10. These areas feature 'new towns' established in 1960's to ease post war housing shortages. The founding populations of these 'new towns' are now far into their retirement years. These potentially unlikely retirement living locations now need investment to ensure that there is suitable accommodation to support those who wish to stay in their communities as they age. Could we be soon seeing this same situation in other new towns such as Bracknell, Redditch and Peterborough? This data also begs the question of what plans will be put in place to care for the older population 60 years after the establishment of future 'garden towns'?



Source: 2025 Population Projections (CACI)

IT'S TIME FOR ACTION

Demographics and affluence are only one part of understanding the housing needs for later life. To understand older people's wants and needs, and to find the best locations to meet them, we need to truly understand them as customers. What type of accommodation do they want? What wider facilities do they desire? What do they want from the community they live in? Is outright ownership the right solution for them? All these questions help you know where to target for new locations, and who and where to market to. Many providers of age-friendly housing may already have answers to these questions. If so CACI and EAC's market data can help them to be more effective and to target areas that meet their target customers. For those lacking the answers CACI and EAC can help you with the research and data to fill the gaps.

This all leads to action. Covid-19 has been a wake-up call to what we know already. We must urgently plan to meet the housing aspirations and needs of the older population, and the relatives who support them.

For local authorities and commercial providers alike, CACI and EAC can help support your strategic decisions by providing customised insights utilising our Companies unique and robust data, and analytical and consultancy expertise.



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CACI



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