

OPINION

Retiree homes are the key to this crisis

Why do 12 per cent of the over 75s in New Zealand live in purpose built retirement communities, yet less than 1 per cent do in the UK? Why have retirement community operators in the southern hemisphere built sustainable, profitable companies listed on stock exchanges valued at billions of dollars, yet in the UK there are only a handful providing age-exclusive apartment blocks?

There are numerous reasons for this disparity, including land prices, land availability and the nature of the UK retirement housebuilder model. But the government should be asking itself how it can help these providers build more retirement communities to meet the needs of the substantially growing 75 plus age group.

There are numerous benefits to be had in enabling people in the later years of their retirement to move to a supported community. For the residents themselves, for their families, for the NHS, for the social care system, and for the wider housing market.

So how could government stimulate more of this specialist housing type?

The biggest impediment to development is the planning system. There is no presumption in favour of this type of housing in the national or local planning system. Billions of pounds are supporting the delivery of social housing, affordable homes, and subsidising first time buyers. But retirement communities are caught up in a web of miscon-

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ception and disadvantage.

The industry is not asking for fiscal stimulus, just a planning regime that allocates land and housing targets for this type of housing, and that sets out clear parameters for gaining planning consent which is observed consistently by local authorities.

Retirement communities are properly designated under planning use class C2 'residential accommodation and care', and as such exempt from the provision of on-site affordable housing. This is for two reasons. Firstly, it is incompatible with the nature of a retirement community to have different types of tenure or affordability. Secondly, a retirement community is an inefficient type of development since approximately 25 per cent of the building is used for communal facilities (restaurant, lounges, pool, healthcare facilities, etc) which is not saleable space, so reduces the profitability of such schemes compared to regular housing developments. So these developments generally can't carry the financial cost of affordable housing, whether provided on or off-site.

Regrettably this planning policy is ap-



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plied inconsistently across the country, with some authorities recognising the healthcare and wellbeing benefits of these developments and permitting them under the C2 use class. But many others view these as regular housing and will only consider them as C3 'dwellinghouses' developments required to provide affordable housing – this effectively kills the viability of the project. A troubling example is the Mayor of London's policy to explicitly classify this specialist form of housing

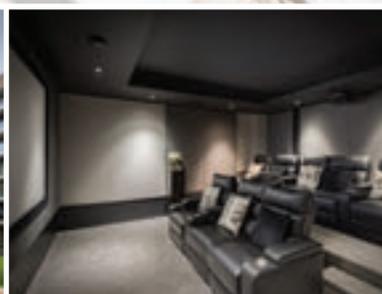
as C3 general residential and to require full on-site affordable housing provision, creating huge barriers to such developments in the capital, which is the area of highest need and lowest supply. We all accept the need for a greater mix of housing types in London for affordable purchase and social rent – but housing policy should be balanced and include the important needs of the elderly, too.

Surely as a society we can accept the need to offer our elders a better choice of where to live later in their retirement. This would enable those who can afford it to largely fund their own care and support, rather than being a cost to the state, and be able to move out of under-occupied housing that is currently blocking the under-supplied housing market. Essentially if we help last time buyers, we help first time buyers at the same time!

So whether we choose to do this to benefit the housing market, to lessen the burden on the NHS or care system, or for the human benefits enjoyed by residents and their loved ones, we urge politicians, officials, and those in positions of influence to wake up to the benefits that a growing retirement community sector can bring.

There are investors, developers and operators ready, willing and able – give us a level playing field to achieve planning consents and the industry will grow.

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