Retirement Housing UK Market Report

SECOND EDITION

Researched and written by Steve Secker

Sponsored by:

AVISON YOUNG

Time of change

- Impacts of Covid
- Economy, Inflation
- Climate change
- Rise of ESG
- Labour shortage
- Data and processing ability helping give better insight

Segment map

Retirement Housing

Defining the Market	Housing with Care	Retirement Living	Age-Exclusive Downsizer housing
Number of units	88,619	519,092	151,567
Facilities	**Extensive** Lounge, restaurant, hairdressers, fitness/ health	**Some** Lounge	**Minimal**
Support services	**Extensive** 24hr support on site, domestic services, activities, leisure, meals	**Some** Cleaning, gardening, visiting scheme manager, emergency alarm	**Minimal**
Care services	**Usually** Often by care agency based on site	**Limited**	**Limited**
Average number of units per site	49	32	20
Business models	Operational model based mainly on leasehold (Retirement Villages) or rental (Extra Care)	Developer/housebuilder model (private sector), rental model for sheltered housing (not for profit)	Developer/housebuilder model
Classifications	**Extra Care Housing** **Enhanced Sheltered Housing**	**Sheltered Housing**	**Age Exclusive**

Figure 1.3 New sites, total market, 1960-2021

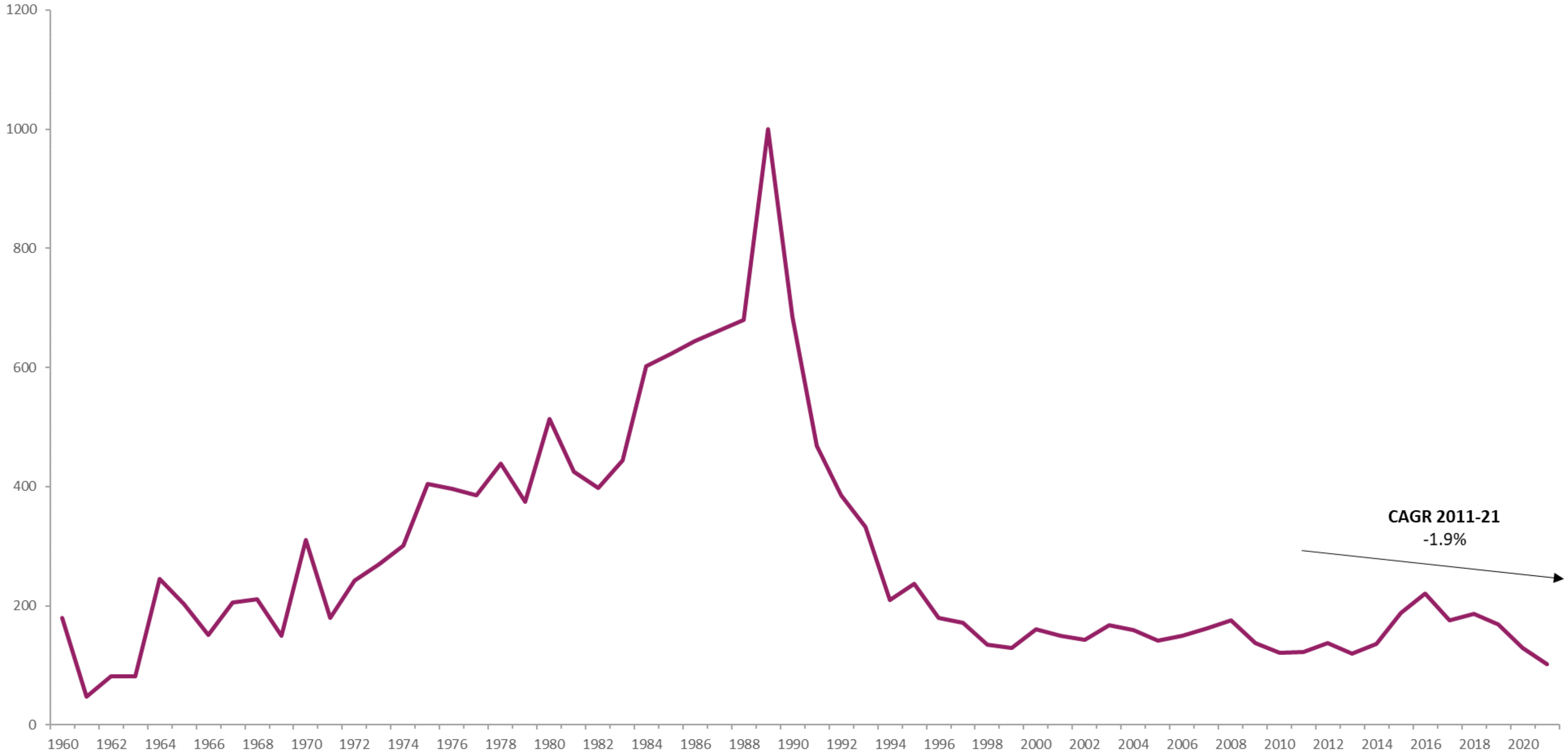


Figure 1.9 Private/social landlord split, 2021

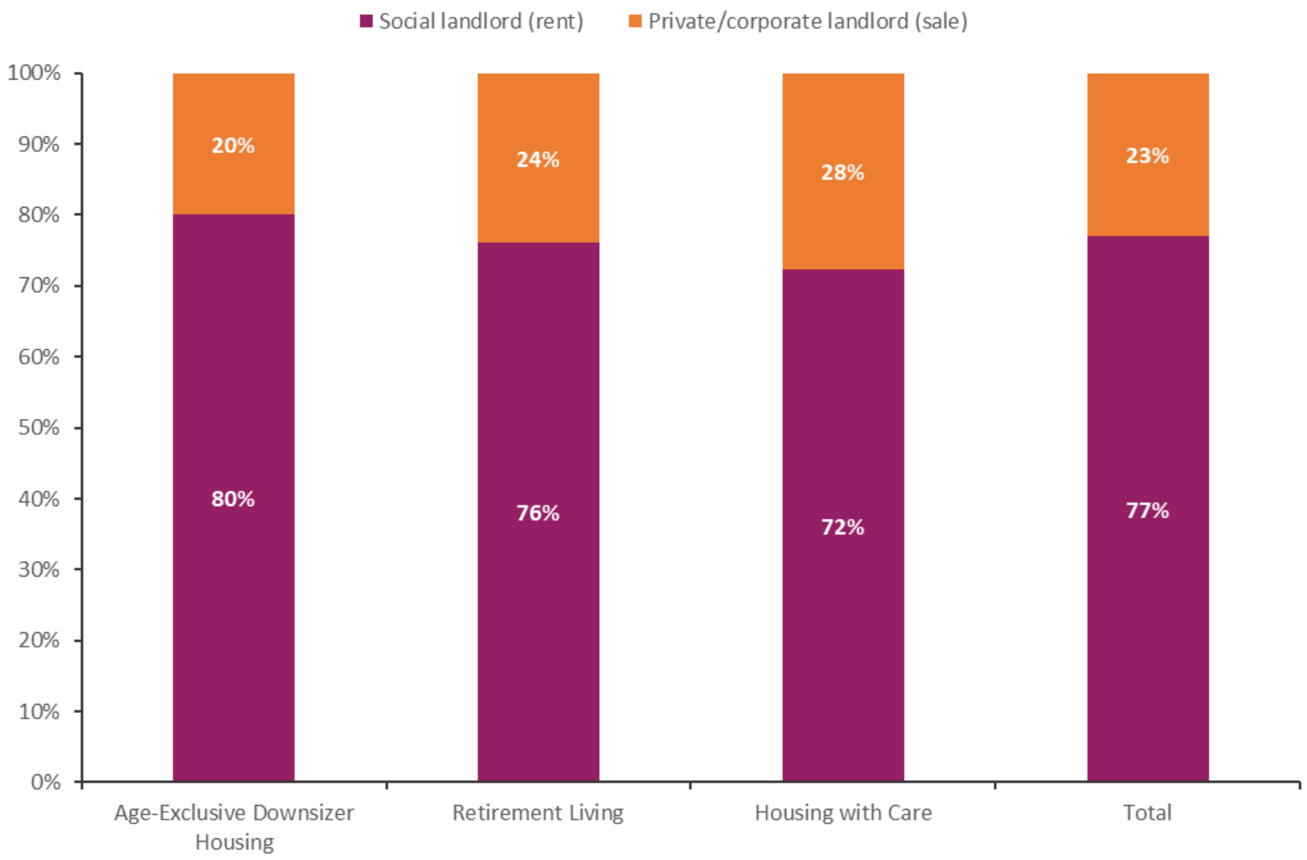


Figure 1.38 Projected household volumes, age of head of household, England, mid-2018 and mid-2043 (000s)

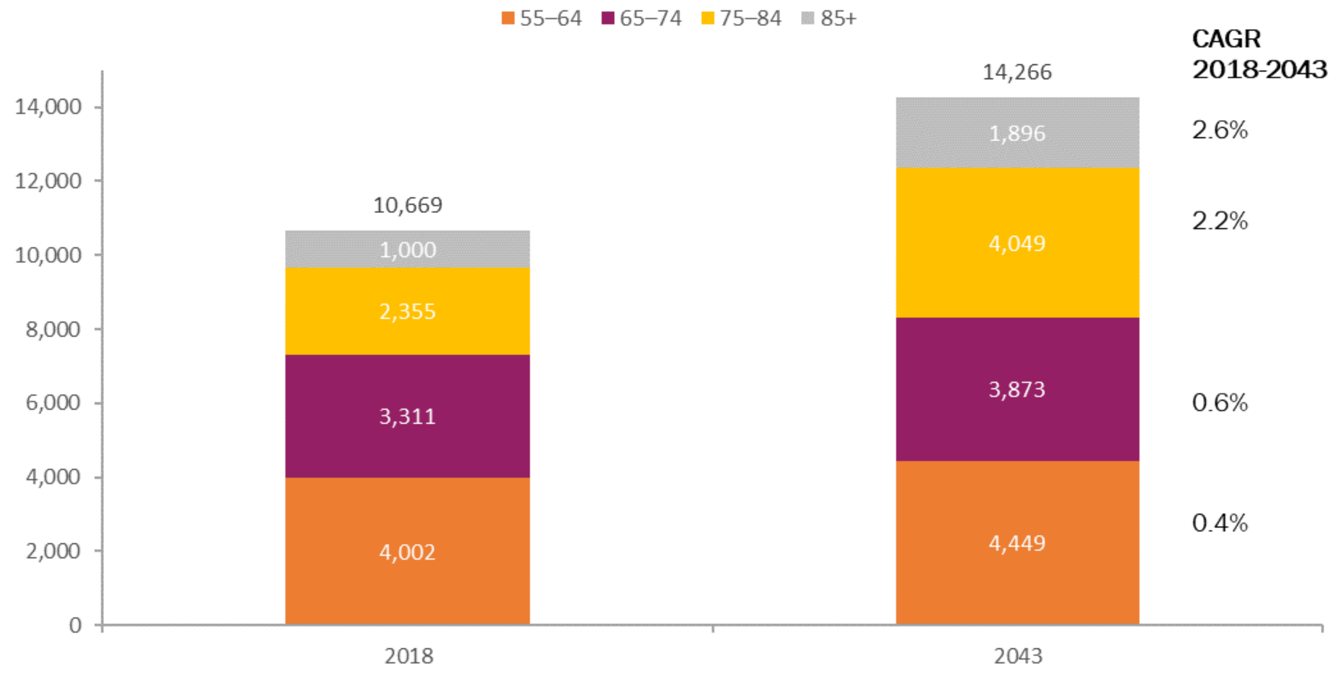


Table 1.6 Household projections by age of head of household, all types, mid-2018 and mid-2043, England (000s)

	2018	2043	Total change	Average annual change 2018-2043	As percentage of total	Total change 2018-2043
85+	1,000	1,896	896	36	24%	90%
75–84	2,355	4,049	1,694	68	45%	72%
65–74	3,311	3,873	562	22	15%	17%
55–64	4,002	4,449	446	18	12%	11%
45–54	4,747	4,718	-30	-1	-1%	-1%
35–44	3,974	4,048	74	3	2%	2%
25–34	3,082	3,194	113	5	3%	4%
Under 25	732	727	-6	0	0%	-1%
Total	**23,204**	**26,953**	**3,749**	**150**	**100%**	**16%**

Figure 3.1 Average yearly gross income of all pensioner households

Figure 1.46 Household net property wealth for people aged 65+, Great Britain, 2018-20

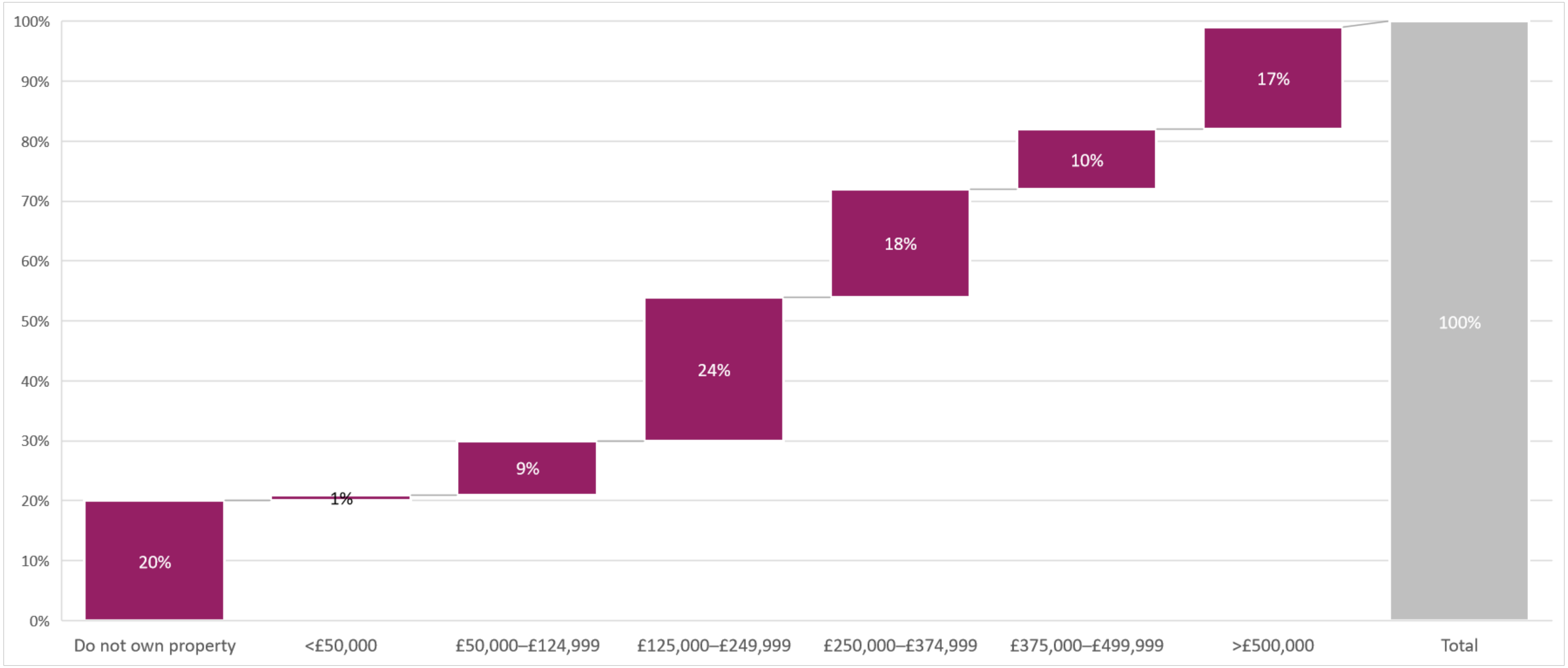
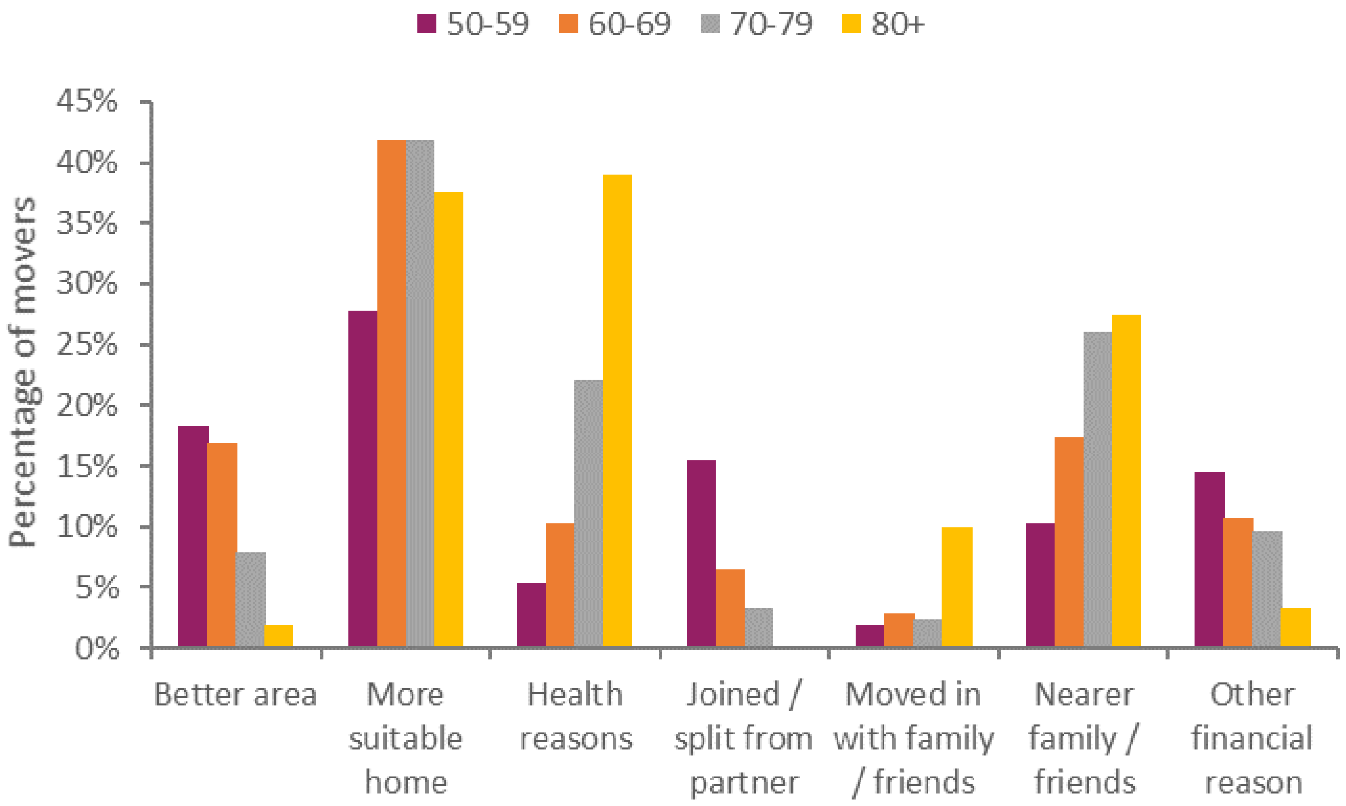


Figure 1.52 Self-reported reasons for moving



Diversity of offering & tenure

- Rise of rental
- Shared Ownership
- Multi tenure

- Ultimately its about customer choice but how to ensure transparency, consumer protection and ease of understanding

Figure 3.4 Deferred Management Fees, %, UK, 2020/21

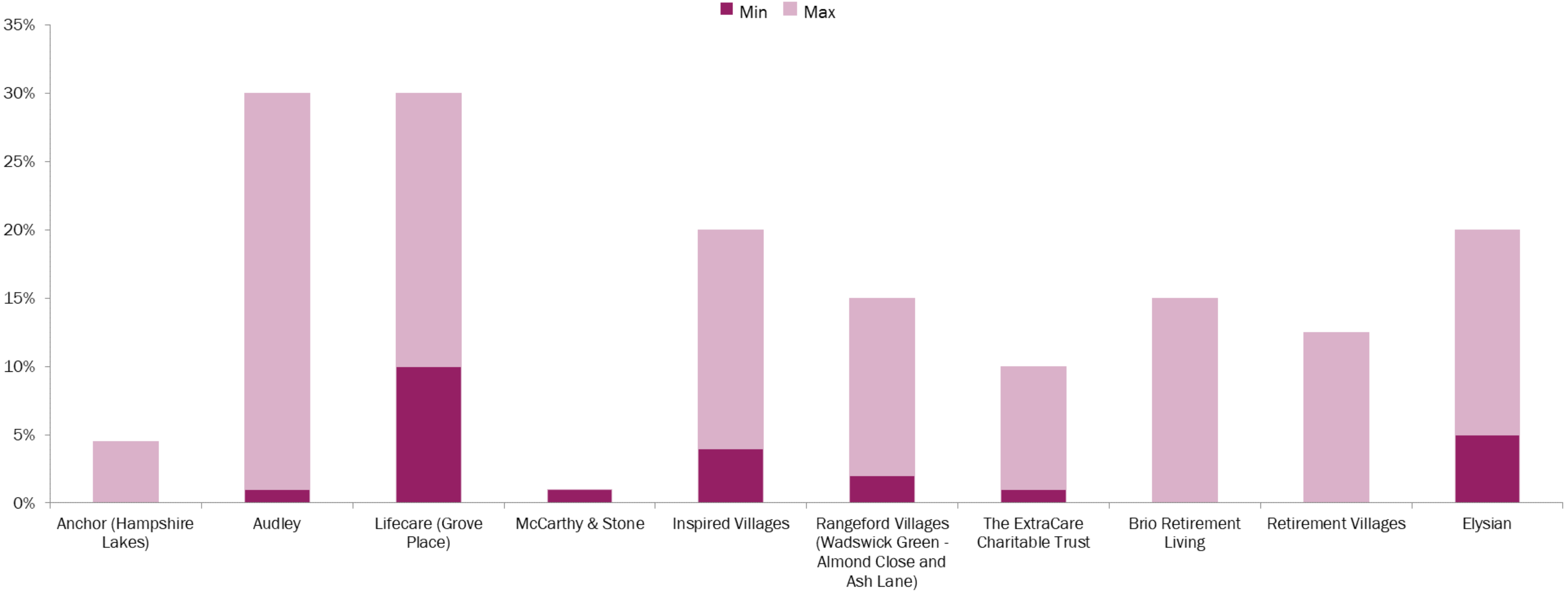


Figure 4.4 Top ten developers, apartments developed, UK total market, 2017-2021

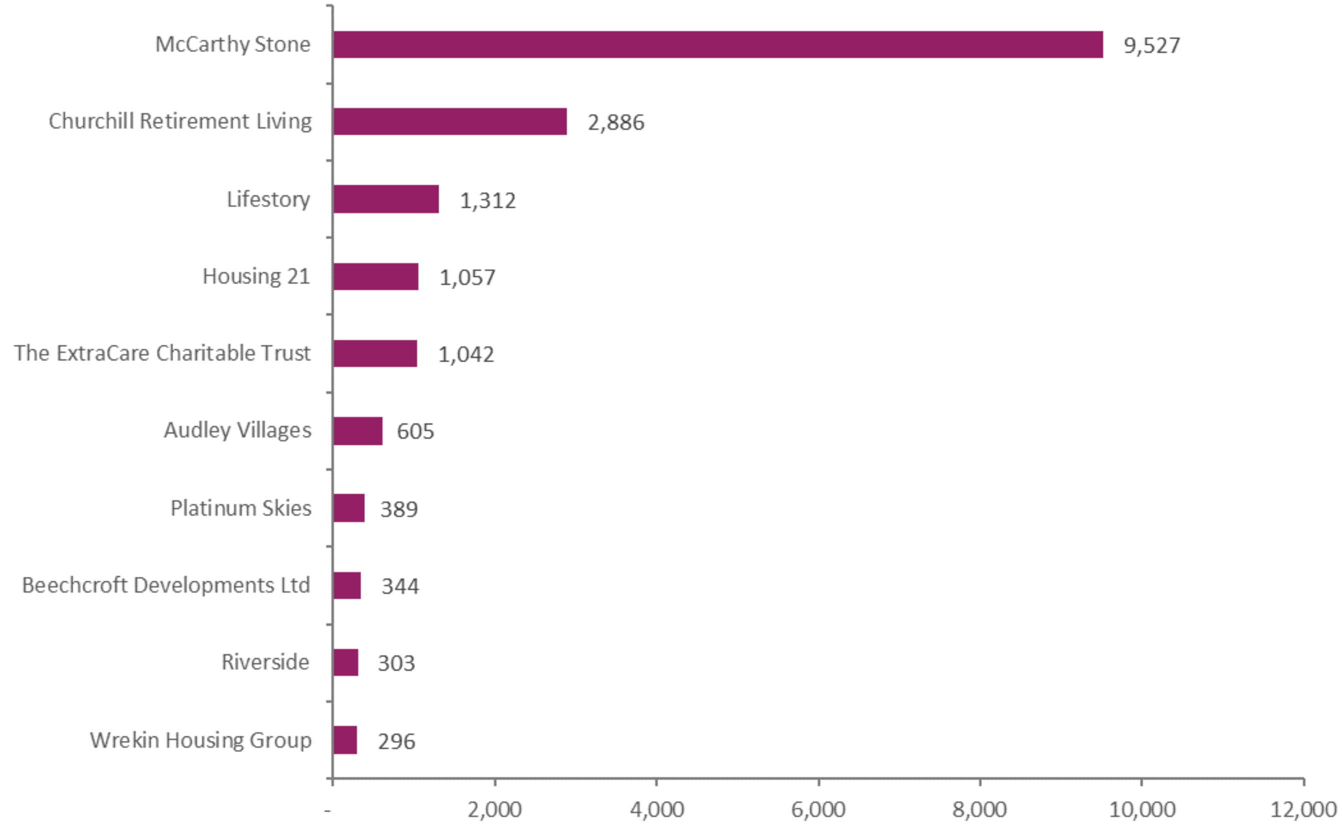
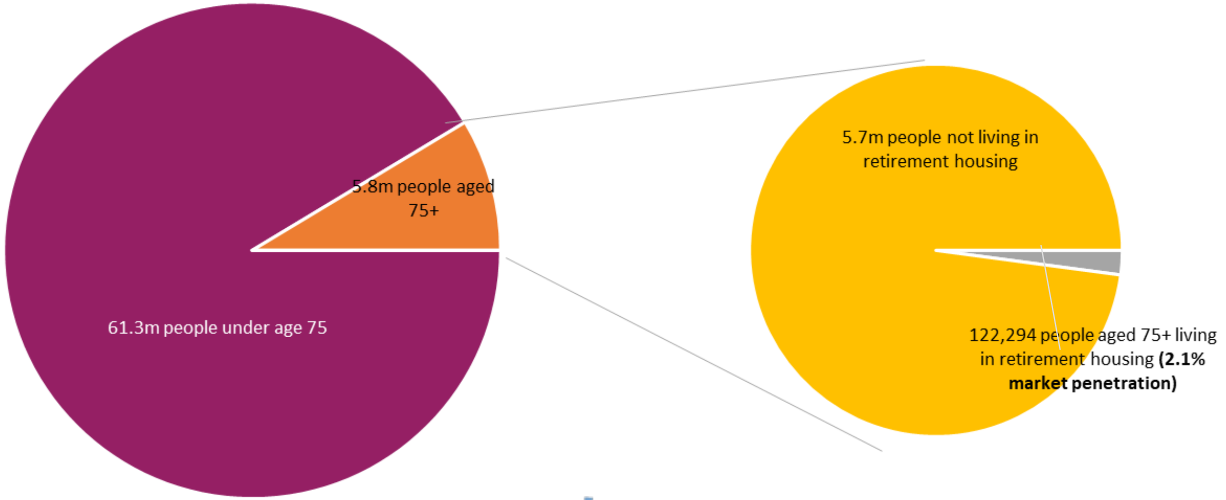


Table 6.2 Market penetration rates, %, UK, 2021

	Age-Exclusive Downsizer Housing	Retirement Living	Housing with Care	Total
Population aged 65+				
Social Housing	1.3%	4.1%	0.7%	6.0%
Private Sales	0.4%	1.6%	0.3%	2.2%
Total	**1.7%**	**5.7%**	**1.0%**	**8.2%**
Population aged 75+				
Social Housing	2.8%	8.9%	1.5%	13.0%
Private Sales	0.8%	3.4%	0.6%	4.8%
Total	**3.6%**	**12.3%**	**2.1%**	**17.8%**

Figure 6.1 Addressable market, all types of retirement housing, UK, 2020/21

Figure 6.2 Addressable market, Housing with Care only, UK, 2020/21



Market penetration - private sales

- Of the 75+ age group, 2.5m people own property over £250k in value
- Of these, 34,326 people, or 1.4%, live in retirement housing that has been acquired through private sales
- This is equivalent to 24,874 households

Government increasingly positive tailwinds

- Care White Paper & care cost reform clarity
- Homes England funding
- Task Force

- Still risk of unintended consequences e.g. ground rent & cladding

Figure 1.12 Occupants of housing with care units and occupied beds in residential settings for older people and dementia, UK 1990 - 2021

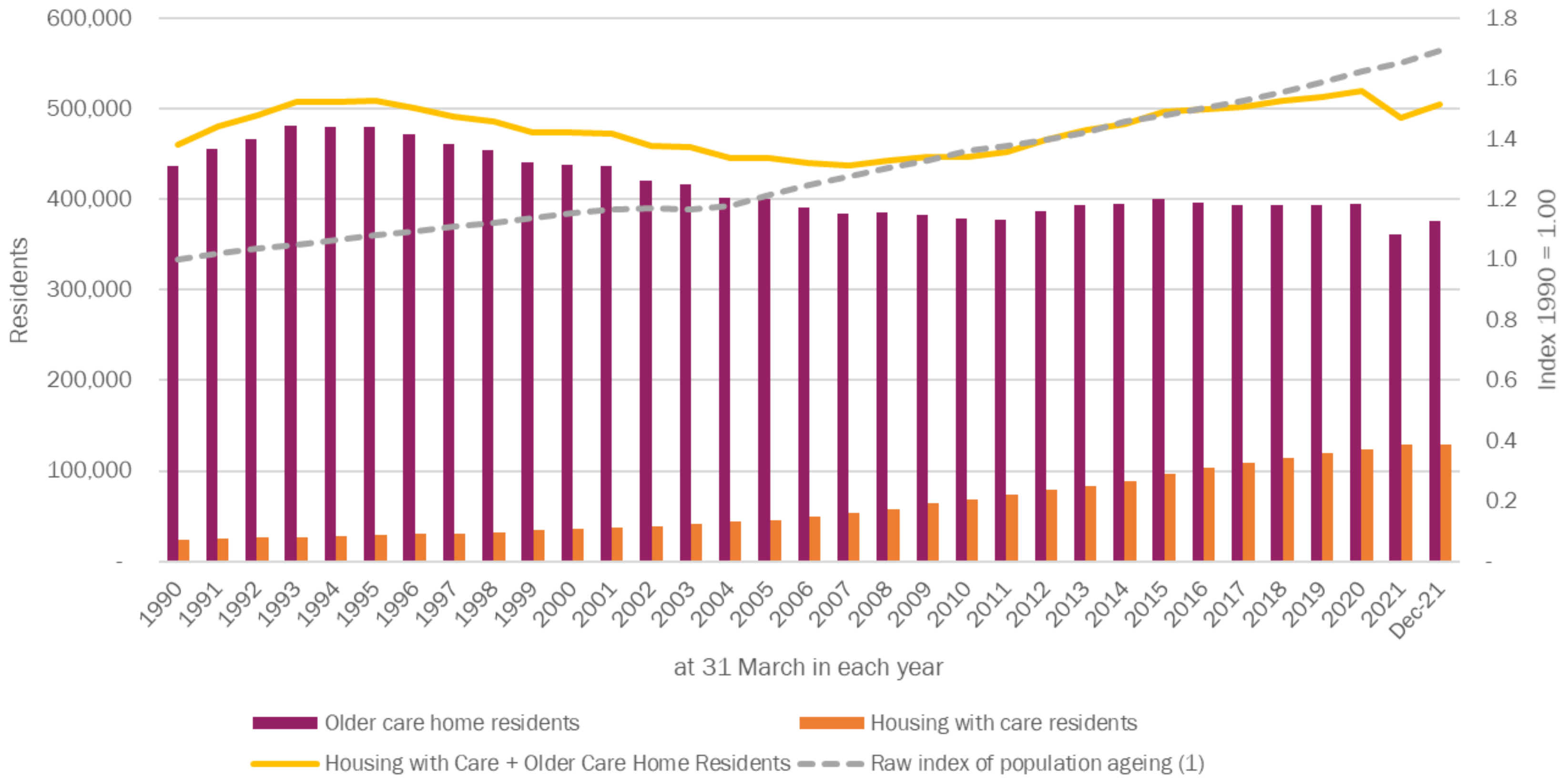


Figure 6.10 Number of 75+ households in Housing with Care properties, UK, 2021-2031