Latest market analysis
The key messages and latest figures from LaingBuisson's new *Housing with Care* report

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Trowers & Hamlins' Kyle Holling on recent development activity

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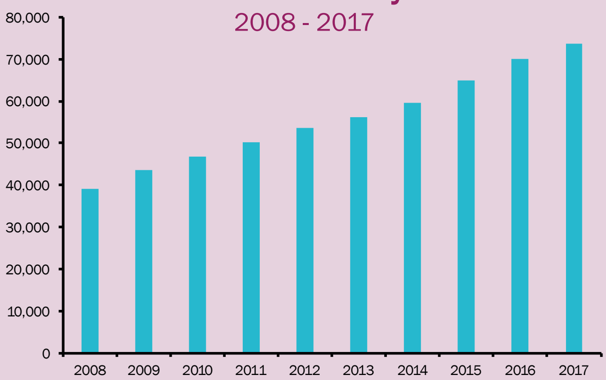
Retirement Housing

Defining the Market	Housing with Care	Sheltered Housing	Age Exclusive 'Downsizer' Housing
Number of units	73,758 Retirement Villages 15,554/Extra Care 58,204	535,046	131,892
Facilities	**Extensive** Lounge, restaurant, hairdressers, fitness/health	**Extensive** Lounge, restaurant, hairdressers, fitness/health	**Minimal**
Support services	**Extensive** 24hr staffing 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	**No**	**No**
Typical development size	60-250 units	35-60 units	20-40 units
Business models	Operational model based on leasehold (Retirement Villages) or rental (Extra Care)	Developer/housebuilder model (private sector), rental model for sheltered housing (not for profit)	Developer/housebuilder model
EAC Classifications	Extra Care Housing Enhanced Sheltered Housing (excludes Close Care)	Sheltered Housing	Age Exclusive

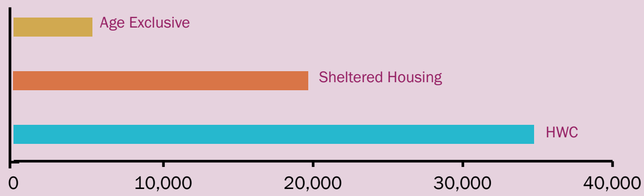
HWC Market Size by Units

2008 - 2017



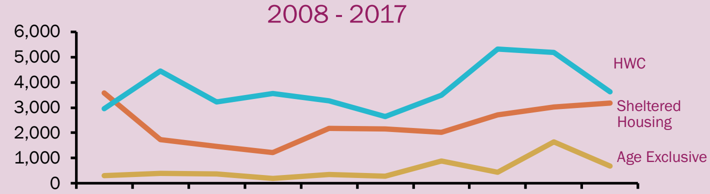
Retirement Housing Total New Units

2008 - 2017



Retirement Housing Annual New Units

2008 - 2017



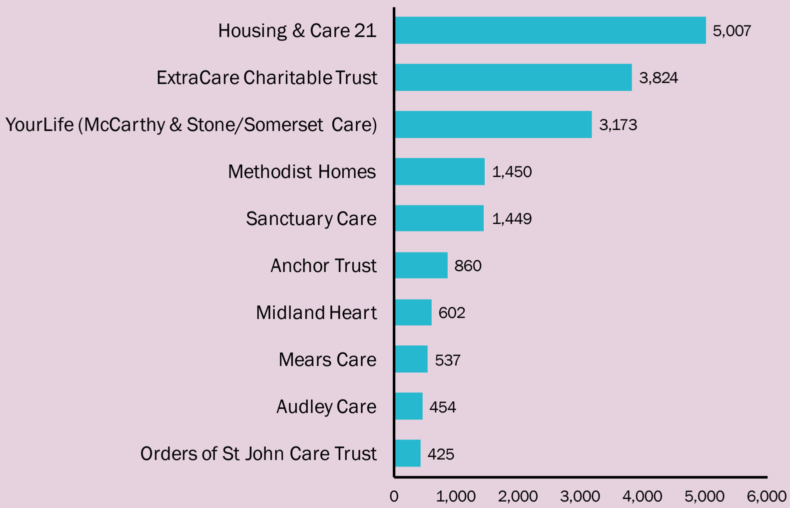
Top HWC Providers

Ranked by number of units managed

5,952	**Housing & Care 21**
4,066	**YourLife (McCarthy & Stone/Somerset Care)**
3,954	**ExtraCare Charitable Trust**
2,703	**Hanover**
1,891	**Anchor**
1,764	**Your Housing Group**
1,749	**MHA**
1,651	**Sanctuary Extra Care**

HWC Care Providers

Ranked by units into which care is delivered



Source: EAC

Author of LaingBuisson's new *Housing with Care* report Adam Scott gives Care Markets' editor **Eleanore Robinson** an exclusive insight into this market

Steady growth for HWC

Our coverage of Housing with Care (HWC) includes the two most common terms Extra Care and Retirement Villages: both are for older people who live in self-contained apartments, where the operator of the facility is capable of providing a range of hotel, personal and social care services. The residents receive a mixture of services as and when required and enjoy access to communal facilities, but are able to live as independently as they wish to. It may be an institution, but one far closer to a hotel for life than a hospital.

The older population is growing strongly, have unmet care needs and far higher wealth, income and aspirations than previous generations.

The older population falls into 'work-leavers' in their mid-60s, who have a pension and may no longer need the larger house they had for their family. This is the modern 'first retirement', with some moving to sunnier climates. The 'second retirement' is at least a decade later, as couples move to be closer to their adult children, one half of a couple may have an illness, short or chronic; and for the first time, they may decide on a home-for-life, suitably modified and with support.

A previous generation would have downsized as work-leavers, to release the necessary housing equity, then stayed put until there was need for substantial care and they moved into a residential home. This modern generation spend shorter periods in care homes, which are orientated towards the increasingly frail, and seek to proactively avoid them through lifestyle solutions with integrated care.

Extended lifespan

Life expectancy is still edging up, but unfortunately only half the life expectancy at 65 is disability-free. However, the right flexible and appropriate care at the right time can improve the quality of life and extend it. The value is there to be created for this age group.

Demographic change is a predictable and reliable source of growth for HWC. This is similar to demand for elective surgeries, which is driven by how old people are - and unlike demand for

traditional care homes where demand is driven by the number of 'frail' older people.

The number of older people is growing strongly, with the number of 75-85 year-olds increasing by 2.2% per year. There will be nearly 5 million people in this age group by 2024.

Interestingly, for the HWC market, the number of pensioner couples has materially increased at 3.4% annually since the mid-noughties. There is a disproportionate number of couples in HWC where one has significant care needs and the other is not obviously in such need.

HWC offers the opportunity to remain together, without worsening the healthier spouse's living conditions and lifestyle, which would possibly otherwise result in feelings of guilt for the early sufferer of dementia or physical difficulty.

However note that, according to the Alzheimer's Society, dementia prevalence in these settings is only 8%, made up of 6% of residents aged between 75 and 80, and double this amount in the 80-85 year old bracket. This compares to 66% of care home residents. Dementia itself appears not to be a major driver.

Property ownership

The current generation of over 70s is very likely to have purchased their own home outright. Their homes are relatively expensive in real terms, compared with earlier generations, which gives this generation major purchasing power. Nearly 10% have over £500,000 housing equity and nearly two-thirds of the 65-plus population have at least £125,000. This suggests there is a substantial nascent mid-market opportunity, once the exit fee revenue model is standard.

Most private new build is no longer sold as simple age-restricted retirement flats, but a housing with care solution including co-ordinated support and lifetime security.

Growth in the housing with care sector moderated in the past year, according to LaingBuisson's new *Housing with Care* market report, but continues to exceed building in Age Exclusive and Sheltered Housing (see definitions, p2). It now represents nearly 60% of all new-built retirement housing since 2008. The private development share is growing, from 16% in the four years 2008-12 to 32% in the last four years 2014-17.

Early intervention

Earlier personal and informal care improves and lengthens healthy lives and avoid costs for local authority commissioners, who see Extra Care as residential care at modern-day standards.

Extra Care apartments are more predominant in the West Midlands and Greater Manchester regions. Extra Care is socially-provided HWC and tends to operate on a rental model. Rental is rare in privately-provided HWC units, which are generally leasehold Retirement Villages.

There are also government schemes to enable residents to become shared owners of their unit, where a resident will purchase 25-75% of the unit and pay rent on the remaining share (once residents own 75%, they do not have to pay further rent).

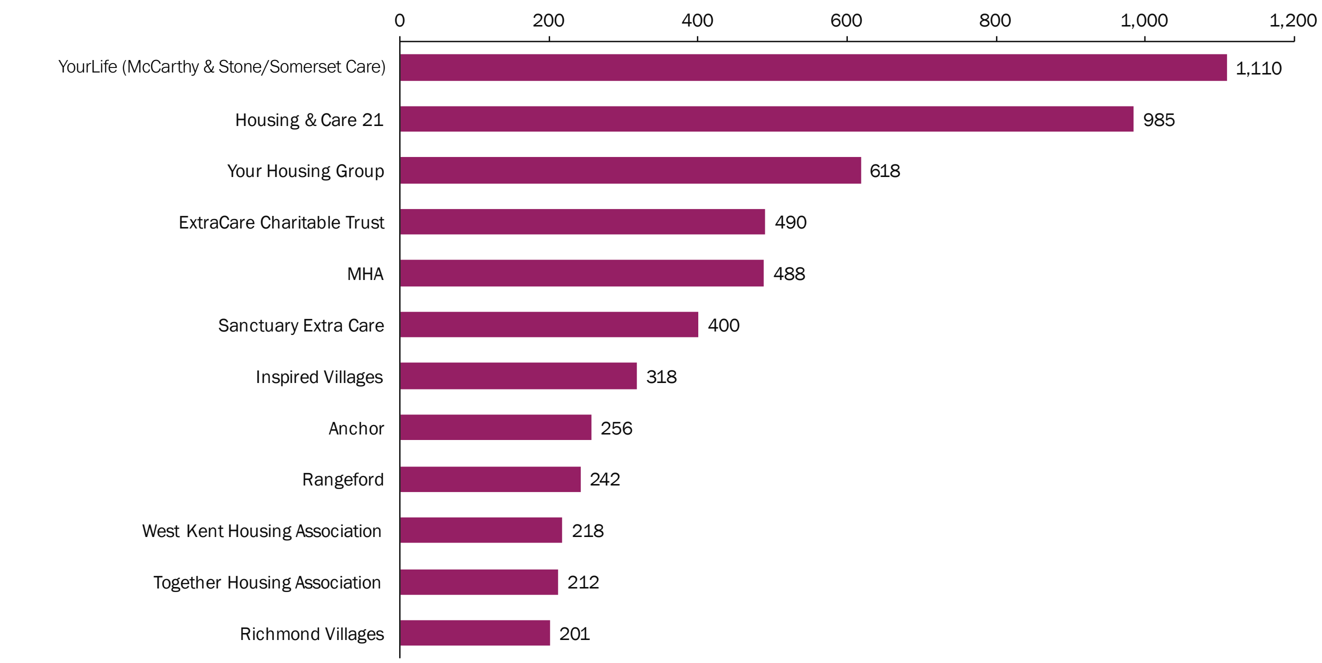
Partner at Mansfield Advisors Adam Scott is most interested in the mass market: 'The premium market - which you can recognise by the gym, bar, possibly a swimming pool – is only about 10% of the possible market. Those with some local authority support are also relatively well-supplied with Extra Care and ultimately expansion in this market is dependent on the fiscal situation. The big question is who is going to be able to crack the

HWC GROWTH IN UNITS 2008 TO 2018 (PROJECTED) BY REGION

	Year Built										
Region	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
London	368	59	204	285	250	219	221	279	266	303	40
East of England	153	131	281	228	419	357	402	109	437	330	314
North West	257	822	336	527	277	224	604	736	417	312	85
South East	416	753	338	688	1046	492	410	945	853	556	925
South West	193	473	267	399	252	200	363	662	359	452	396
West Midlands	438	400	994	597	498	374	728	1,281	1,297	996	0
East Midlands	214	622	48	111	88	138	52	477	344	217	0
North East	282	125	266	69	141	0	333	233	425	139	0
Yorkshire and the Humber	472	560	115	370	56	256	254	511	469	246	94

SOURCE EAC DATABASE; HOUSING WITH CARE - FIRST EDITION, LAINGBUISSON

FIGURE ONE - OPERATORS OF RECENT HWC DEVELOPMENTS
UNITS BUILT IN 2015 AND 2016



SOURCE EAC DATABASE; HOUSING WITH CARE - FIRST EDITION, LAINGBUISSON

middle-market - the other 50-60% of the population in the middle - with a proposition that can scale. That is who is going to make the real money in this sector.'

HWC should be a substantial part of the answer for the country's 'broken housing market' - a phrase coined by the government in its February 2017 White Paper *Fixing Our Broken Housing Market*.

This new LaingBuisson report argues that the UK government has housing firmly on its agenda, owing to the political pressure from ever rising house prices and declining home ownership, adding that the Conservative minority government needs solutions and is understandably keener on those which don't attract controversy.

It notes that the White Paper refers to Extra Care only in the context of continued support for supported housing and also argues there is relatively little consideration of the housing mix and quality, only of the totals.

Older people going into a new retirement community are likely to move out of the largest family homes they will ever own. This creates an upwardly mobile chain of probably 2-3 households, each of whom find their living standards improved.

Unfortunately, it's not immediately transparent to all participants. Of course, this also applies to those moving into downsizer apartments.

Conclusions

The report concludes that housing with care warrants its own UK legislation, its mandatory inclusion in the proposed new methodology for 'objectively assessed need' planning by local government and the more organised, even compulsory collection of key operational data which would allow its value to be understood and demonstrated.

Co-head of the health and social care group at Trowers & Hamlins **Kyle Holling** looks at recent development activity in the retirement sector and considers potential sector evolution

Developing growth

Using Elderly Accommodation Counsel (EAC) data on new senior living units delivered over recent years, contained in LaingBuisson's *Housing with Care* report, plus Trowers & Hamlins own experience of the UK senior living market, it is quite obvious that housing with care remains an infant market in the UK, both in terms of absolute numbers delivered and when comparing the per-capita size of the market internationally, particularly in countries which have similar age and wealth distribution demographics and cultural attitudes to home ownership.

Analysis of units built from 2012 to date, broken down between Housing with Care (HWC) and Age-Exclusive Housing (without care) (AEH), provides a broad overview of the sector's growth over recent years.

Overall numbers of units being developed across the retirement sector are low. Bearing that in mind, there is a need to treat the data carefully. Because the sector is small, variances in-year can cause fairly significant fluctuations. Developers of larger village-style facilities of 100-plus or even 200-plus units can skew figures in a particular geography by delivering (or not delivering) an extra facility or two in any given year.

Numbers on the up

Noting the need for caution, the data does suggest an increase in development as an overall trend. This is the case in both HWC and AEH market segments. Within HWC, we have seen total delivery of around 5,000 units per annum with just over 10,000 units delivered across the most recent two completed years (2014 and 2015). This compares with fewer than 6,000 units delivered in total in 2012 and 2013. Similarly, AEH has seen over 7,000 units delivered in 2014 and 2015, compared with fewer than 5,000 in 2012 and 2013.

THE SECTOR HAS AN OPPORTUNITY TO BENEFIT FROM THE LEARNING OF OTHER JURISDICTIONS

Some of this growth may well be led by existing AEH developers moving out of the tail end of the last recession and ramping back up their delivery pipelines. However, the data also shows that HWC is now a much greater proportion of total homes built than has historically been the case.

Historic numbers show around 8-10 times more AEH than HWC, whereas the data shows HWC delivering more units overall in each year. This would seem to show a HWC market which is growing more quickly than the AEH market.

Given that AEH has historically led the way on delivery, with McCarthy & Stone and Churchill Retirement the two largest developers in the wider sector, this is perhaps not surprising. However, it may point to a future direction of travel for the sector - towards HWC.

Looking for lessons

The sector has an opportunity here to benefit from the learning of other jurisdictions which have more developed markets.

As Helen Jones of Amicala has identified (see *Major Developments*, p8), the evidence suggests that facilities in Australia with a care offer show fewer voids.

The Australian market has to an extent been retrofitting care into its service offer to better meet the needs of increasingly sophisticated customers. This is not lost on UK operators either, including McCarthy & Stone which has developed its own assisted living product.

Membership boost

Meanwhile, the trade body for HWC - the Associated Retirenebt Community Operators (ARCO) - has seen a significant upturn in membership interest, attracting half a dozen new operator members over the last two years, with a further six providers in its Accelerator Programme and more than 50 organisations and

Leisure facilities at a Richmond Care Villages facility suppliers in its Affiliate Network.

The data shows relatively strong delivery in the South East within both the HWC and AEH market segments, both of which exceed 3,000 units between 2012 and 2016. This appears to reflect trends in both the general housing market and also the care homes market which have seen plenty of new product delivered in those geographies.

The only other data set to exceed 3,000 units is the West Midlands in the HWC category. This seems likely to be heavily influenced by The ExtraCare Charitable Trust (ECCT) which has delivered a number of significant villages in this geography, with a further village in Solihull handing over in 2019/20.

Although ECCT is a not for profit, its business model includes significant for sale elements (outright and shared ownership) and also includes some event fees. This is as good an indicator as any that there is significant unmet consumer demand for retirement living and that event fee models are no dampener to that demand if structured properly and disclosed transparently.

Capital ambitions

Interestingly, London has not shown significant growth across the data set, perhaps driven by competition for land with mainstream housebuilders and developers.

However, we are now beginning to see a number of new entrants delivering in London, particularly in HWC. The recent Law Commission announcements on event fees have cleared the way for many to feel comfortable building these into their business plans. This may well allow operators to be more competitive for land - something seen in New Zealand, where event fee models are commonplace and where HWC operators tend to be able to outbid anyone else competing for sites.

Although the Law Commission recommended some improvements to the process for disclosure to consumers it is important to remember that these are intended to make clearer the steps required to comply with existing legal obligations.

While this will no doubt give consumers, operators and investors additional comfort the key outcome of the Law Commission investigations is that event fees properly disclosed under the existing law are lawful – and there is no intention to change that.

Devil is in the detail

Data sometimes fails to reveal the full picture.

There is significant interest in this market among institutional investors, with L&G having already acquired Inspired Villages and at least one other acquisition ongoing.

'For sale' models require a different perspective than would apply in other parts of the healthcare market (such as care homes) or the residential market (such as build to rent) - income streams are very different.

'Event fee' models offer an opportunity for a regular income steam to attract investment.

One challenge is a lack of existing scaled businesses in which to invest, particularly in HWC – though as noted that seems to be where growth is picking up, and indeed where investment appetite is currently targeted.

It is of course imperative that, as the market grows, as we believe it will, it caters for everyone with consumer choice across a range of different products.

As the market continues to evolve it will be interesting to see how different market segments are growing.

This would include not just the with/without care distinction but also splits across tenure; target socio-economic group; whether event fees are included or not; number of units/range of community facilities per development, and distinctions between urban and rural areas.

Where next?

Given the UK attitude to home ownership, particularly among the generation of people likely to be considering specialist retirement accommodation as an option, there would seem to be significant room to grow a 'housing for sale' market. Current levels of provision are stronger at the affordable end of the market, provided by housing associations, with some provision and a number of new entrants at the opposite, higher value end of the market. The mid-market remains largely untouched and with an estimated £1tn-plus of un-mortgaged housing wealth in people aged over 65, those able to access that market viably will have plenty to play for.

Again, the use of event fees seems likely to be one way of stimulating that market by making the mix of capital outlay and ongoing costs affordable for purchasers long-term, using a 'buy now, pay later' model.

Dining facilities at a Richmond Care Villages facility

This doesn't exclude room for a rented model within the sector, something providers in both HWC and AEH are working towards. Rented models remain attractive to investors as they offer more straightforward return profiles, while prudential borrowing requirements create some specific obstacles for debt funders in for-sale models which may leave rented as the first opportunity for sector involvement.

On the consumer side, particularly as the care home market seems to be retreating towards end-of-life care, the scope for a rented product which puts lifestyle first and care provision as an essential additional ingredient may well be attractive to some age demographics weighing up the options between the capital outlay (including stamp duty up-front and possibly event fees on exit) of another purchase against releasing housing equity to children or indeed grandchildren.

While the market in broad terms is still in its infancy the rate of growth is only going to increase in order to accommodate an aging population with a variety of requirements for their later life.

It will be interesting to see whether or not the current growth areas continue to develop over the years to come.

Major developments

Stakeholders in the sector discuss what have been the significant issues facing housing with care in the past 12 months

Michael Voges ,
CEO,
ARCO

In my view, the most significant development in the last 12 months has been an increasing acceptance of the housing with care model as a category in its own right. At local level, councils are becoming more accommodating of planning applications that can demonstrate that an appropriate level of support and care can be delivered. In addition, central government departments have woken up to the idea that not all housing for people over a certain age (bizarrely, still seen as 55 by some!) is of the same kind: housing with care has now firmly established itself as an integral – yet still underserved - part of the social care landscape.

Perhaps most significantly, a large number of new entrants (backed by investors taking a longer-term view) are specifically targeting models that include the provision of on-site care and support. In a move away from a pure housebuilder model, this includes a realisation that there needs to be an appropriate balance between risk and reward over the lifecycle of a scheme. In other words, there is now a clear appreciation that the operation of retirement communities can – and should – provide a long-term incentive for providers, be it in a rental model, or business models making use of deferred fees to balance out the lower margin/higher risk activity of managing complex services.

I very much hope that the government's LHA funding reform will also reflect that Extra Care housing is a crucial part of the UK's social care mix – and that any long-term solution will allow the affordable rented sector to continue to flourish.

Jeremy Porteus,
director,
Housing LIN

At the risk of paraphrasing a cliché, the only conceivable response to this query is: 'It's the supply, stupid.'

If I am adapting an over-worked cliché, I plead in mitigation that there are several strands to that answer.

Last year saw a welcome upswing in construction activity by the private sector. For the first time, construction of private specialist housing for open sale outstripped completions of affordable specialist housing.

However, we also saw a slowdown in activity by registered social landlords anxious at the debilitating shadow cast over future revenue by planned changes to local housing allowance rates.

Meanwhile, all developers and providers in the sector should note the Law Commission's Event Fees in Retirement Properties report, which was published in March. Conducted at the request of the Office of Fair Trading, the commission found several causes for concern – such as the hiding of event fees in complex leases.

The Government is expected to respond shortly but developers and providers can start improving the sector's image now. The third report from the All Party Parliamentary Group on Housing our Ageing Population (HAPPI3), which was published last summer, focusses on the need to provide residents with more autonomy, choice and control in the management of their homes. A key element of that is greater transparency over costs.

Such issues do feed into the supply question. Developers will build when they sense rising demand from older people. That demand will come when potential buyers have confidence in the quality of the overall product.

Nick Sanderson,
CEO,
Audley

I would like to be talking about really significant changes to the care system. But in the last year we have seen major opportunities to make some fundamental changes go begging. The £2bn investment into the care system announced in the Budget was certainly welcome, but funding promises only go so far. It is taping over a problem that is only going to grow unless we address some of the root causes.

The General Election was another fresh chance: all parties were subject to scrutiny over how best to address the care crisis, and finally recognise that social care and healthcare are not two separate entities. Again, the reality of what was in those party manifestos fell far short: financial stop-gaps that do very little to create a long-term solution. Integration is crucial to a holistic view, and would deliver efficiency to the process of sourcing care as well as improving the standards and outcome for individuals.

As we head into the second half of the year, a recent review found that up to 3,000 elderly people will not be able to secure beds in UK care homes by the end of 2018. The strain this puts on an already struggling NHS is clear, and growing. We know what needs to be done as our society ages: collaboration and commitment to appropriate housing and a system that can support, not continually buckle under the pressure. We need far greater acknowledgement of the role retirement housing can play in easing the pressure on the social care system, and concrete commitments to help drive this forward. I hope that this time next year we'll be able to name at least one development that has made a difference.

Philip Baylis,
head of later living,
Legal & General

Helen Jones,
COO,
Amicala

The UK's chronic housing crisis is well versed, but retirement housing is the single-most underserved sector within the UK's residential market.

Over 3m over 65s are looking to downsize but only 7,000 housing with care properties are being built each year while the UK suffers from spiralling health and social care spend.

I believe the big bang moment to this sector is the long-term, institutional money now entering the market which can be pivotal in addressing this social and economic issue.

This isn't just about the weight of capital needed to deliver age-specific housing, but long-term money able to take a longer term view of the product needed and backing it in perpetuity. It is the developer-operator model that I believe will deliver significant housing, health and wellbeing benefits for those in later life.

Residents can draw upon the right level of care as their needs change, but in the privacy of their own homes, and vibrant, positive environments allow people to remain socially and physically engaged while they enjoy later life.

This new concept of later living accommodation has emerged to meet the needs of an aspirational generation that are living life to the full and expect the very best facilities and services.

By rolling this out across the UK, we can free up under-occupied family housing and allow baby boomers to age with grace.

I'm new to the United Kingdom; I'm from Australia and I'm delighted to be part of the UK seniors living industry.

The provision of purpose built seniors living accommodation in communities that foster socialisation whilst supporting independence is a modern solution to the modern opportunity borne of longevity.

Also, there's recognition that the provision of care into these villages is a service solution that customers want. In the Australian Leaders' Summit held in Sydney in June, Geoff Grady, CEO of AVEO Group, Australia's largest retirement provider, presented the statistic that villages with care are achieving 98% occupancy. Villages without care are at 92% occupancy.

Five years ago when I first went to a Leaders Summit, there was no discussion of care provision on the agenda. Retirement providers did not want 'care' to be part of their landscape. However, the customers have voted with their feet. Understandably then at this year's summit, presentations on the provision of care took the majority of the two-day agenda.

In Australia, the Property Council of Australia has released an eight point plan for the retirement village industry. The plan calls for transparent, consistent, well defined terms and contracts, standards for village operation and an industry code of conduct. These recommendations echo those of the UK Law Commission Report from March 2017 and the ARCO Consumer Code.

As I'm yet to meet anyone from the industry who isn't already delivering on such strategies, I am hopeful that within the next twelve months, the recommendations will be ratified.

In12Months

May 2017

Four out of five resales in the housing with care market increased in value, according to research carried out by JLL. At the ARCO conference providers said the LHA plans for care costs to be funded by councils and service charges through top-up payments could put off investors.

March 2017

Following a two-year investigation, the Law Commission concluded that there was real potential for abuse when housing with care providers charge event fees. Ashley House reported difficulties in financially closing its Extra Care pipelines due to its local authority and housing association partners not committing to final arrangements until the outcome of the government's consultation into supported living housing is known.

February 2017

Local authorities will have to include the needs of older and disabled people in their housing plans, the government proposed in its Housing White Paper. Retirement villages or their equivalents could help reduce mortality inequalities experienced in lower socio-economic groups, according to research from the International Longevity Centre and CASS Business School.

September 2016

The DWP announced that supported living housing will continue to be exempt from the Local Housing Allowance Cap until 2019.

Eleanore Robinson looks at the trends in other countries and innovations in the UK that could shape the Housing with Care market in the future

Forward thinking

We all know that Housing with Care (HWC) has yet to fully penetrate the UK market. The often cited figure is that there is the potential to grow from the current 0.5% to the 5% market penetration achieved in Australia and New Zealand.

But what form will these thousands of new developments take in the future and what are the messages from the UK and abroad about the best way to proceed?

With the number of people over 65 expected to rise to 21.2 million by 2034, demand for more Retirement Village services is expected to increase significantly. A generation of homeowners, who are expected to demand a higher quality of housing than their predecessors with the lifestyle choices they have become accustomed to, along with a flexible care offering, housing with care looks to be the accommodation of choice.

Providing a glimpse into the future is the more mature Australian market where it is expected that in 30 years time assisted living would further fill the gaps in residential care.

Andrew Fleming, ageing and living director at retirement living consultants One Fell Swoop said: ‘We believe there will be less residential beds and that space will be taken up by assisted living.’ He added that the decrease in the length of stay will lead to a decrease in bed turnover.

He added: ’There is a real need for the opportunity for wellness and lifestyle. It will be about lifestyle. It will be about leisure. It will be about social interaction. It will be about technology. It will be about enjoying life and when that care is required. It is about locking up your house and going on a cruise.’


Andrew Fleming, ageing and living director, One Fell Swoop

DELIVERING CARE IN RETIREMENT VILLAGES IS AN OPPORTUNITY FOR OUR ORGANISATIONS TO BECOME SUSTAINABLE ORGANISATIONS

Lifestyle

One Fell Swoop, which is now operating in the UK, found there was an expectation of cultural entitlement and people wanted to downsize and not downgrade. ‘People are thinking about care but "how it fits in with my current lifestyle".’

Fleming said that installing gyms and spas, run in partnership with the Virgin’s or Nuffield’s of this world, was also a big opportunity, but providing your own care was the best way to go.

He explained: 'It is very efficient to run homecare into your own villages. Delivering care in retirement is an opportunity for our organisations to become sustainable organisations beyond 2025.’

Fleming added that involving the community with opportunities to volunteer was also a good idea, pointing to universities that had Retirement Villages on campus, with residents volunteering offering mentoring services, were proving popular.

This last message is already being put into action with Cambridge University planning on senior living facilities in its North West Cambridge Development, which will also offer private housing and graduate accommodation to around 8,500 residents.

The University is currently looking for a developer to deliver the senior living element at the moment, a spokeswoman told Care Markets, so no detailed plans are being released.

Children

However, one of the first buildings to open on the site in 2015 was a primary school. The benefits of co-locating HWC near to schools or pre-school centres was recently explored in the Channel 4 documentary *Old People’s Home for 4 Year Olds*.

Borrowing practices from the United States, it featured eleven St Monica Trust residents at its Cotes Lane retirement community, and ten children from Bristol pre-schools, who shared daily activities over six-weeks. Under the watchful eye of three experts, the residents' physical and mental health, particularly those with mobility issues or experiencing depression, improved by the end of the experiment.

Chief executive of St Monica’s, David Williams said there were many challenges to establishing the nursery in the retirement community with some residents not involved in the project questioning why the operator would do this.

He said: ‘We had to develop a clear narrative as to why the project was important and take that through our resident consultation forums. We did not want to be seen as imposing an initiative on our residents.'

He said that St Monica’s was inundated with applications to volunteer and the producers had anticipated that a number of residents would drop out of the programme, but in reality no-one did.

Williams added: ‘I think when we establish the nursery within our community permanently we would have more older people involved on a part time basis, as the residents involved reported that the intensity of the programme was tiring.

'The benefits realised from the project are clearly evident even now, there has continued to be contact between the older people and the children and their families. For the older people, they have increased in terms of mobility, strength and mood. For the younger children it has fundamentally changed the way they view older people and that has been true even for the wider families.

'What was important about the project was the reciprocity of the relationship between the two groups and for St Monica Trust it has further reinforced our commitment to ensuring that our villages are integrated into the local communities in which they are situated.'

Warning

However, the potential boom many are predicting in the UK market comes with a word of warning. Data collected in March 2017 by consultancy ProMatura from the ARCO/ProMatura Study of 1,762 UK residents of private pay ownership and rental retirement communities (the full results of which are expected to be available in November) was compared with questions from a study of 6,858 independent living (with a care offering) community residents in the US, collected in 2013, the year the US first began to feel recovery from the recession.

On average, residents had lived in the UK retirement communities for five years and in the US-based ones for three years.

During the height of the recession in the United States in 2008-09, healthier people thinking of moving to an independent living community postponed moving because they did not want to sell their home at a 'loss'. This led to a slowing of sales at retirement communities with those who sold needing to move. Another outcome was that independent living communities accepted older, frailer clients to increase numbers.

Channel 4's recent documentary, *Old People's Home for 4 Year Olds*

ProMatura found that in the US, by 2013 home prices neared the pre-recession level and retirement communities had an influx of residents, but they were five years older.

On average, residents had lived in the UK retirement communities for five years and were just under 79 years old whereas in the US-based ones, they were 80 years old and had been there for three years on average.

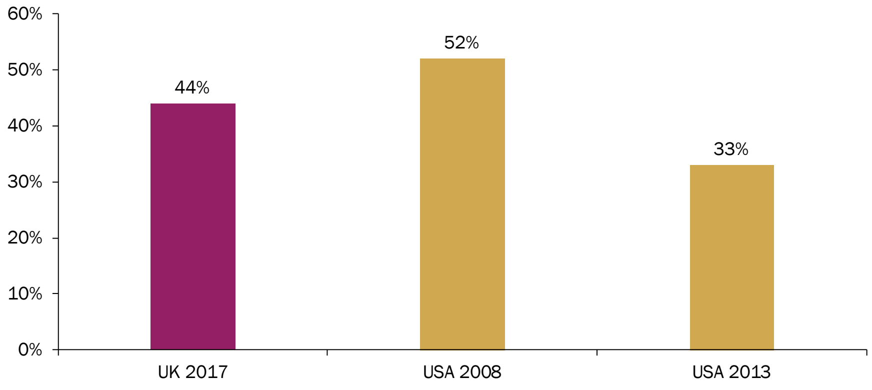
In addition, satisfaction of US independent living customers dropped from 52% 'very satisfied' measured in 2008 to 33% 'very satisfied' in 2013. Today 44% of UK residents liviing in an ARCO member home are 'very satisfied' according to the survey.

The data showed that people were concerned about spending money and living with so many frail people.

Chief executive of ProMatura, Margaret Wylde, said: 'Length of stay decreased in the US because frailer residents who could not receive care in an independent living community moved to assisted living. The average number of years UK respondents had been living in their community was two years longer than in the US.

'Once a community has older, frailer residents it is difficult to attract an independent clientele and appears to be irreversible. Planning strategies to weather an economic downturn is prudent.'

FIGURE ONE - PERCENTAGE OF RETIREMENT VILLAGE RESIDENTS 'VERY SATISFIED WITH THEIR ACCOMMODATION



SOURCE ARCO; PROMATURA

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