

The role of the state in encouraging the supply of senior housing

Housing-with-care and retirement villages in Scotland

Andrew Fife, Sovereign Property Partnership

Norman Hutchison, University of Aberdeen

Graham Squires, Lincoln University, New Zealand.

Theoretical Background

- UK Welfare State – 4 pillars: health, schooling, pensions and housing
- Period 1946 to 1970s period of govt intervention in housing markets:
 - Slum clearances
 - Major public sector housebuilding
 - Promotion of home ownership through right to buy
 - Growth of the private sector housing industry
 - Establishment of housing associations
- Since 1970s shift to a more neoliberalist agenda
 - Promotion of a free-market economy – competition as a major policy tool
 - Limited direct state intervention

UK Housing & the Ageing Demographic

- Majority of new housing provided by the private sector
- Due to market inefficiencies, shortfalls in housing *type* occur
- Context of an ageing population. By mid 2043 in Scotland: projected 22.9% of population will be of pensionable age compared to 19% now
- Evidence would suggest insufficient supply of housing suitable for seniors (Fyfe & Hutchison, 2021)
- Focus of the research on housing-with-care / retirement villages

Scotland's Housing Tenure Mix

Total number of dwellings	2.6 million
Owner Occupied	58%
Vacant or second homes	4%
Private rented	15%
Social rented properties	23%

Research Question

Is state intervention required to ensure adequate senior housing?

Neoliberalism

- Berry (2014) – a belief in free markets, winding back of the state
- Dodson (2006) - superiority of the market as the key driver
- Peck and Tickell (2002)
 - ‘roll back’ of the state – reliance instead on the market
 - ‘roll out’ of - rule setting, market regulation, framing of institutions
- Jessop (1997) – state retained influence by setting rules: metagovernance
 - planning, subsidies, grants, target setting etc.
- Harvey (2007) – the freeing of entrepreneurial talents within an institutional structure

Policy & Planning context: Senior Housing In Scotland

- Housing devolved matter since *The Scotland Act* (1998)
- Policy since 1999 focused on building more **affordable** homes
- Strategy for *Housing for Scotland's Older People 2012 -2021*
 - Policy of supporting people to **live independently in their own home**
 - **'Ageing in place'**, with adaptations where necessary
 - Strategy does include the desire for new build suitable for seniors, but recognises that **'few will live in new build housing'**
- *Housing to 2040* aims to deliver 110,000 affordable homes for Scotland by 2032.
 - Recognition that there is a shortfall in suitable housing for seniors and that solution needs to come from the private sector, due to lack of public funding.

National Planning Framework 4 (consultation stage)

- Work alongside *Housing to 2040*
- Vision of '20 minute neighbourhoods'
- Policy objective to ensure housing needs of older and disabled people are better accounted for in the planning system
- **But no targets on volume of new specialist senior housing**
- Stricter rules on *accessibility* to be introduced in 2025
- Tools that used are to increase supply:
 - S75 agreements – normally 25% affordable housing or commuted payment
 - Some LA trying to match type of housing with needs of locale

Senior Housing in Scotland

- Relatively little public or private sector provision of Senior Housing In Scotland
- McCarthy and Stone biggest player in the UK – mainly flatted developments, no element of care
- **Retirement Villages are very rare** - only 3 of any size
 - Inchmarlo, Auchlochan and Brio Retirement Living
- Current supply of housing-with-care in Scotland = 0.48%
 - Much lower than NZ, Australia and US
- Relatively small stock of local authority senior housing – very small number of extra care units

Research Design

Two parts running in parallel:

1. Formation and activity of *The Scottish Housing-with-care Taskforce (co-author)*
 2. Interviews with informed multi-stakeholder groups with significant experience working in the retirement and senior housing sector
 - LA, Housing Associations, private sector, Scottish government
- Interviews and workshops held from Autumn 2021 to Summer 2022

The Scottish Housing-with-care Taskforce # 1

Remit: Why is Scotland lagging behind housing-with-care provision?

- Membership comprised of:
 - Retirement community operators
 - Legal and property experts
 - Investors
 - Local authorities
- Lobbying Scottish Government for change - meetings in Parliament
- Key support of SNP MSP who is sponsoring meetings in Spring 2023

The Scottish Housing-with-care Taskforce #2

Three core issues identified:

1. Legal framework

- Operators need sufficient control as residents are effectively leasing units for the long term but long leasehold system not possible in Scotland – new ‘shared ownership’ model needed.

2. Planning system

- Difficult to get planning permission – housing or care? New use class category?
- No government targets

3. Health and Social Care integration

- Housing-with-care requirements need to be ingrained in local and national planning & housing initiatives.

Interview Findings #1

'a tsunami is coming'

- LA and Housing Associations
 - Only solution is to work with private sector - need range of options, including retirement villages
 - Important to have tenure choice - buy or rent. Some must be 'affordable'
 - Ensure houses built as part of S75, are suitable for seniors (not blocks of flats)
- Private Sector
 - Lack of understanding of housing-with-care among planners and elected officials
 - Impossible to outbid mainstream housebuilders for sites due to higher development costs of 'with-care' facilities
 - Need to work closely with LA to identify sites
 - Clear guidelines from government – set provision of per head of population?

Conclusions #1

- Pure neoliberal approach to SH fails to meet demand
- State intervention needed if welfare state commitment is to be met
- Some urgency given demographic shift – new supply takes time to reach market
- Bigger proportion of new supply needs to be focus on SH
- Buy & rent options to be available along with affordable SH
- Increasing role for HA
- LA to identify sites from existing land bank
- Joint working between private and public sector
- Develop work in other national frameworks: New Zealand (Focus Groups with Senior Stakeholders Complete)

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