



House of Lords Select Committee on Intergenerational Fairness and Provision

Written evidence submitted by Care & Repair England (1.9.18)

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1. About Care & Repair England

1.1. Care & Repair England is an independent charitable organisation set up in 1986 which aims to improve older people's housing. Its vision is that all older people have decent living conditions in a home of their own choosing. It innovates, develops, promotes and supports practical housing initiatives and the related policy and practice which enable older people to live independently in their own homes for as long as they choose, particularly for older people living in poor or unsuitable private sector housing.

2. The focus of Care & Repair England's evidence

2.1 We have focused on the questions on housing and will limit our evidence to the situation and circumstances for older people, which is our expertise. Our main contention is that the Committee needs to consider population diversity and inequalities across generations, including acknowledgement of the wide range of people's experience of ageing, and the spectrum of types of housing and housing circumstances in which older people live.

2.2 Just like any other age group, 'older people' are highly diverse¹. They may be rich, poor or somewhere in between. They may be healthy or have health problems, physical and/or mental. There are great inequalities, particularly concerning life expectancy and healthy life expectancy. Their housing situations and the options open to them vary greatly dependent upon their tenure, geographical location (particularly in relation to north and south), income and equity. Their living situations (links with family, friends, neighbours, interests, life aspirations) - are also diverse.

2.3 Most older households (96%²) live in mainstream housing and in all types of property - flats, small terraced, semi-detached and detached houses. Most will live out their days in this ordinary housing, either by choice or necessity, given that at least 80% of the buildings that we will inhabit in 2050 have already been built³. Where they live, particularly with regard to tenure, is the consequence of decades of shifting economic and social policy, not simply personal choice.

2.4 In seeking solutions to the current housing issues for younger people, there needs to be a recognition that many of the problems are caused by low wage levels, job insecurity and resulting limited access to mortgages, as well as the housing and related fiscal policies of government that

¹ ONS (2013) What Does the 2011 Census Tell Us About Older People? Office for National Statistics

² Garrett H, Burris S, (2015) Homes and ageing in England BRE Bracknell, IHS BRE Press

³ Urban Design Directory (2015/7) Creating pro-social places

have driven the growth of the private rental sector and the decline of the social rented sector, rather than simply the individual housing decisions of older people.

2.5 There is limited value, in our view, of seeking housing policy solutions that 'blame' older people for living in ordinary homes. There is a real danger of pitching the generations against each other when the issue of 'fairness' should be about fairness across all in society whatever age, diversity and circumstance. There is merit in focusing on what brings people together not what divides across the generations - arguments about 'the' old and 'the' young can lead to stereotyping that creates unrealistic expectations about simplistic solutions to complex financial and social issues, particularly regarding housing.

3. To what extent is intergenerational fairness impaired by the UK housing market?

3.1 Intergenerational fairness in the UK's housing market is impaired by restricted access to mortgages (connected in turn to low wage economy and job insecurity that disproportionately impacts on younger people), the shrinking supply of social housing and high private rental costs (that result from inflated prices/ supply issues/ lack of regulation) as well as simply stock supply.

3.2 There is a great deal of focus on older people being home owners and the problems of the younger generation being able to become owner occupiers, with a simplistic assumption that somehow old people by their very existence are preventing younger people from getting their first step on the housing ladder. What is less commonly recognised is that this high level of home ownership is a relatively recent phenomenon that was driven by the government fiscal and social policies during the 80s and 90s⁴.

3.3 Owner occupation in the 1970s was only 50%. There was a decent supply of social housing in many areas of the country, alongside regulation of the private rental sector, whilst access to mortgages was limited to those in secure professions and better paid jobs. The dramatic rise of low income owner occupation during the 1980s and 90s was the result of policies such as the opening of the mortgage market and Right to Buy, as well as stock availability. It is those policy changes that resulted in today's concentration of older people in the owner occupied sector.

3.4 Furthermore, it is subsequent government policies (e.g. favourable terms for buy to let/ buy to invest, absence of rent controls, insecurity of tenure, restricted access to mortgages etc) that have contributed to the dramatic fall in home ownership and rise of private rental amongst younger generations, rather than individual decisions by older people e.g. whether or not to move home.

3.5 Unfortunately, all too often, commentators make a simple calculation that if only older people moved home this would 'solve' the housing crisis for young people. What is not considered is the complexity of the housing market and the need for more understanding of the broader issues highlighted above, let alone the very different housing markets and factors in the high demand/ high value South East compared with areas of low value/ low demand in parts of the North.

3.6 The real level of demand, or shortage of, different types of homes that an older owner occupier may need to sell to move home, particularly in the context of a dramatic fall in owner occupation amongst younger people and the affordability of home ownership for a younger generation, is poorly researched and would be one area for the Committee to recommend action.

⁴ Examples include support for Right to Buy and access to mortgages for lower income households

3.7 For example, a lack of accessible housing (currently only 7% of existing homes have the core access features; level access, flush threshold, wide doors and circulation space, WC at entrance level ⁵) means that building all new homes to accessible standards (both specialist homes for older people with care needs as well as mainstream) could enable a greater number of older people to move to a more suitable home. Any home move results in either a vacancy in a rented property or a home for sale in the wider housing market, and so theoretically results in market movement which might help a younger generation - assuming they can afford the resulting property.

3.8 As noted above, there is a significant regional variation in supply and demand, given the very different housing markets in the London/ South East versus the rest of the country, particularly parts of the North. This market analysis and the future impact of the fall in home ownership on housing demand, especially for family housing which the private landlord sector may be less interested in buying, needs much more detailed investigation.

3.9 In areas where resale is not an issue, a greater supply of retirement housing designed specifically for older people, specialist supported housing for people with care needs, or simply mainstream homes that are designed to be accessible and flexible to meet changing needs and enable safe, independent living in later life could potentially result in some market stimulus but this will not be the solution in all parts of the UK and for all older people many of whom will not want to move. Older people are generally very satisfied with their home. 94% of older households were satisfied in 2014/15.⁶

4. What has driven the increase in the size of the private rented sector. Which generations are most affected by this and how?

4.1 We would draw the committee's attention to reports published recently by Age UK London⁷ and Independent Age⁸ on the growth of the private rented sector and of the issues affecting older people. Growing numbers of older people are living in private rented accommodation where some of the worst housing conditions and housing insecurity is found. Age UK London identify the issue of poor housing – of cold and unsuitable private rented homes - for older people many of whom will have long term health conditions. For Independent Age older people's circumstances in private rented housing are 'invisible' in public policy.

4.2 The growth in the private rented sector has been driven by several factors, including access to borrowing that favours the buy to let/ invest market, tougher restrictions on lending that disproportionately impact on younger people, the undersupply of social housing and wider housing supply issues (particularly in the South).

4.3 It should not be assumed that the rise in private rental is solely taking place amongst younger age groups, albeit that this is the largest rise. In terms of older private renters the Age UK London report states that there has been an increase of over 200,000 private renters over retirement age over the last four years in England.⁹ The current campaign by Generation Rent on ending unfair evictions has concerned itself with all people living in rented housing, identifying the issues for

⁵ DCLG (2016) English Housing Survey, Adaptations and Accessibility Report, 2014-15 London DCLG

⁶ DCLG (2016) English Housing Survey, Housing for Older People Report 2014-15 London DCLG

⁷ Living in Fear Experience of Older Private Renters in London, Age UK London, 2017

⁸ Unsuitable, insecure and substandard homes: the barriers faced by older private renters, Sue Arthur, Amelia Christie, Ray Mitchell, Independent Age, 2018

⁹ <https://landlords.org.uk/news-campaigns/news/number-retired-renters-soars-more-200000-in-4-years> -

young and old alike. The recommendations for reform of the sector in both of the cited reports would benefit both old and young alike.

5. How can we ensure the planning system provided properties appropriate for all generations including older people?

5.1 As the Government is currently keen to stimulate increased home building, any new stock presents an opportunity to realise longer term revenue savings through ensuring quality as well as quantity. Planning policy and Building Regulations are currently failing to systematically address population ageing through building better homes that meet people's needs across the life course.

5.2 The planning system has few levers or drivers for change that will address population ageing. It is crucial that it should be a specific requirement in the national framework to plan for the current and future housing needs of an ageing population, across all housing types & tenures; a vision to create accessible, flexible housing for all ages, not simply building age segregated housing.

5.3 The 2017 Neighbourhood Planning Act and measures in the 2017 Housing White Paper proposed to strengthen national policy so that planning authorities have a clear plan for addressing the housing requirements of groups such as older and disabled people ensuring a more consistent delivery of accessible housing.

5.4 It also promised that the Secretary of State would provide guidance to local planning authorities on how their local development documents should meet the housing needs of older and disabled people. This has yet to be published and is expected in late 2018. Clearer definitions on housing and ageing in national guidance would help to raise awareness of the importance of planning for housing suitable for older people, as would specific guidance to local authorities on how to properly assess and to plan for the range of housing requirements of ageing populations.

5.5 Optional building standards have failed to deliver improvement – e.g. Lifetime Homes Standards have only been applied in a very small number of areas, most notably London. Setting national minimum housing design, space and construction standards to make all homes healthy and accessible would result in longer term revenue cost reductions to government as well as to individuals ¹⁰ (e.g. through improved health, independent living, informal caring, educational attainment, lower utility bills - fuel, water, etc...).

5.6 A government commitment is needed to ensure that we build healthy, sustainable, inclusive housing for the whole population and for all ages, homes and neighbourhoods which enhance intergenerational contact rather than limit it.

6. How can the property wealth of older generations (parents and grandparents) be utilised to help younger generations (their children and grandchildren) access the property market? What would be the impact on intergenerational fairness of such schemes?

6.1 It is important to note that levels of property wealth is more concentrated by geographical location and social class than simply owner occupation per se¹¹ .

¹⁰ DCLG (2012) Assessing the health benefits of Lifetime Homes London DCLG

¹¹ Beverley A. Searle & David McCollum (2014) Property-based welfare and the search for generational equality, International Journal of Housing Policy, 14:4, 325-343, DOI:10.1080/14616718.2014.955334

6.2 Furthermore, access to housing equity is not available to a quarter of older people even if they wished to pass this on to younger generations as 6% of older households rent privately and 18% live in social housing¹². Reliance on older home owners as the route to owner occupation for younger generations thereby potentially exacerbates housing inequalities.

6.3 Furthermore, the disparities between the north and London/SE in terms of the capital available to pass on are crucial to any calculation of intergenerational wealth transfer and housing. In some parts of the north there is very limited housing equity, yet this is often not considered when looking at the property 'wealth' of the older generation.

6.4 Another area to consider in relation to the potential to release capital from the home is the poor condition of some the housing stock that older people live in and the expectation that housing equity should be used to meet the costs of home maintenance and repair (thereby leaving less to pass on).¹³ Some 1.2 million (21% or one in five) of households aged 65 years or over lived in a home that failed to meet the Decent Homes standard in 2012. The clear majority (79%) of households aged 65 years or over living in a non-decent home were owner occupiers (934,000).

6.5 There is also the need to consider future care needs for an increasingly ageing population and the anticipated government decision concerning use of housing equity to meet those needs. For older people with dementia for example – and the numbers will rise in the years ahead¹⁴ – the cost of their care will in some cases be more than £100,000 leaving little equity to pass on.

6.6 We would urge a much greater consideration of diversity in relation to housing tenure and access to property wealth amongst the older generation in plans to 'solve' wider housing challenges for the younger generations. It is the case that older people have chosen to support their younger family with the capital released from their housing, but only in areas where that housing equity enables them to do so. What the committee might wish to consider is a scheme to help older people utilise their capital to support younger people as their chosen priority over use for care needs, and how the forthcoming government's social care policy might support/ endorse such action?

7. To what extent are initiatives to encourage downsizing or intergenerational home sharing a viable solution to the housing shortage for younger generations?

7.1 For the many reasons set out above, we question the 'housing mathematics' of solving younger people's housing challenges through older people 'downsizing'. In our current society individuals make decisions about where and how they live based on many factors. To put pressure on older people, making them think that they 'ought' to move and are somehow 'causing' the housing problems of younger people by their wish to live in a much loved home is unacceptable.

7.2 We would urge the Committee to create the environment where people don't talk about older people as 'house-blockers' or 'housing-hoarders' - a term we have seen used - and which can create fear for some older people who want or have to stay at home. Noting our comment on diversity in Section 2, many different factors impact on housing needs, particularly regarding space

¹² <http://careandrepair-england.org.uk/wp-content/uploads/2014/12/Infographic-final.pdf>

¹³ Off the Radar Housing disrepair and health impact in later life, Care & Repair England, 2016

¹⁴ <https://www.alzheimers.org.uk/about-us/policy-and-influencing/what-we-think/demography>

e.g. room to enable older people to care for a partner, friend, other family member, have carers to stay overnight, look after grandchildren, have friends and younger people to stay, work etc....

7.3 There is a strong aspiration for most older people to live independently at home for as long as possible, often in the current home, which might hold memories, is in the neighbourhood they have known for years, is near shops and good transport and with friends and family nearby. There is a very high level of satisfaction with homes and neighbourhoods amongst older people (94% compared with 86% for other age groups¹⁵). A number of studies¹⁶ have clearly shown that around 80% of older people say they wish to continue to live in their current home.

7.4 Moving is not something to take on lightly for many older people and it is not always easy to assume that the theoretical future housing intentions amongst younger older people translate into an actual move. What you might need in your 50s and 60s might be very different from what you might need in your 70s and 80s – a reminder of the diversity in later life.

7.5 Currently cash incentives for moving have been promoted but what is more necessary than cash is access to both positive housing options alongside independent, impartial information and advice about housing, care and related finance in later life decision making so that older people can make fully informed choices about their living arrangements during potentially 30 or more years of retirement.

7.6 The cost benefits¹⁷ of integrated advice provision for older people have been well documented as part of the successful government backed initiative, FirstStop Housing Care Advice¹⁸ delivered by the charity Elderly Accommodation Council. Older people's access to such integrated advice is shrinking and there is a pressing need to reverse this trend to enable disadvantaged older people to make best use of limited resources as well as to protect the most vulnerable in later life. This would be a better solution to support older people to move where they want to and could help to release properties onto the market.

7.7 Alongside all these proviso's, we accept that there is a need for greater housing choices for older people who wish to move as a positive step. This requires both mainstream and specialist/ supported housing which meets a diverse range of housing situations and should include alternative housing options for social housing tenants, private tenants and low income and/ or low equity home owners, as well as for those with higher incomes and significant housing assets.

7.8 Even if the supply of specialist stock was doubled, increasing supply from around half a million¹⁹ to one million homes (which would be a level of new build exceeding anything in the past), most older people will continue to live in the stock that is already out there, as part of mixed, intergenerational communities for the foreseeable future, and what really needs to be addressed with regard to younger people's housing problems are the wider national policies that determine citizens' access to affordable, secure, decent homes of all tenure types across the life course.

¹⁵ DCLG (2016) English Housing Survey Housing for Older People Report, 2014-15

¹⁶ Lloyd., J (2015) Older Owners Research on the lives, aspirations and housing outcomes of older homeowners in the UK. London: Strategic Society Centre

¹⁷ Cambridge Centre for Housing & Planning Research - Series of reports from 2009-2015
<http://www.cchpr.landecon.cam.ac.uk/Projects/Start-Year/2010/FirstStop2010>

¹⁸ Adams S & Green G (2015) Making the Case - for integrated, impartial information and advice about housing and care for older people EAC et al

¹⁹ Pannell, J, Aldridge, H, & Kenway, P (2012) Market Assessment of Housing Options for Older People London, New Policy Institute