

Lack of downsizing options for over 55s is creating 'Generation Stuck'

Monday 11 January, 2016

Related Sectors:

Construction & Property :: Home & Garden ::

Scan Me:



One in three (33%) of the UK's homeowners aged 55 and over are considering or expect to consider downsizing, but a lack of suitable housing options is preventing them from moving, a report published today has revealed.

A new YouGov survey for the report found 29% who have already downsized or are considering/ expect to consider downsizing did or expect to release in excess of £100,000 in equity, with the most prevalent way of using the money being to put it in a savings account.

The report, *Generation Stuck: Exploring the Reality of Downsizing in Later Life*, has been written by the International Longevity Centre – UK and commissioned by the UK's leading retirement housebuilder, McCarthy & Stone. It explores older peoples' attitudes towards moving, the pros and cons of downsizing and provides evidence to help inform the public debate about the role of housing stock held by older people.

The report shows that a 'Generation Stuck' dilemma is being created by a substantial number of older people who want to move and downsize, but can't due to a lack of choice in the market place. In answer to this, it proposes reform under three main themes – around adequacy, affordability and awareness – to resolve the issue.

A chronic under-supply of suitable properties for later life, including purpose-built retirement housing, means the UK is running out of homes for its ageing population, leaving them stuck in under-occupied properties unsuited to their needs. According to previous research findings more than half (52%) of all people who classify as under-occupiers in the UK are aged 55+ and at current market trends, it would take 20 years for housing supply, at its current rate, to meet the demand of just half of people aged 60+ interested in downsizing.

As part of the report, a new YouGov survey found nearly half (48%) of the 1,252 homeowners surveyed would consider downsizing or have already moved to a more suitable property, making this an area worthy of much greater policy consideration by Government. Of those who have already downsized or are at least considering downsizing motivations include lower property maintenance (56%), reduced bills (43%) and children leaving home (43%).

The finding that almost three in 10 homeowners aged 55 or over expect to release more than £100,000 in equity from downsizing is reinforced by McCarthy & Stone's figures which show its homeowners released an average of almost £60,000 in equity when downsizing to a retirement apartment, with 19% releasing more than £100,000.

The report also details how these homeowners used, or plan to use, such equity. The most common response was to put it into a savings account (35%), using it to enhance their day-to-day life (30%) and giving it to family members (19%) – or putting it towards a pension for those aged 55-59 (34%). In contrast, for these homeowners aged 55 or over equity release is much less frequently used for big purchases (14%) or to reduce debt (10%).

Clive Fenton, McCarthy & Stone CEO, said: "Supporting first time buyers and Generation Rent is commendable, but there's a bigger prize on offer by helping 'Generation Stuck.'

"Housing and planning policy should not just be about Starter Homes – millions of older people want to downsize to more suitable housing but there is currently little incentive or choice for them to move. As a result, housing chains are blocked at the top of the ladder. This report is calling for more attention on the housing needs of older people, particularly as 60% of all household growth over the next 20 years will be by those in later life. Billions of pounds of housing for families and younger people could be freed up via policies that encourage a wider range of housing options and also incentives to move, such as a stamp duty exemption for those moving to a smaller property. This is an area which demands greater policy focus by government in 2016."

While the demand for downsizing options is substantial, the report found there is still work to be done with raising awareness around the merits of downsizing, from releasing equity to improving physical wellbeing. Almost half (44%) of those asked in the YouGov survey who don't plan to downsize do not see

the benefit to downsizing, financial or otherwise, with a similar proportion (49%) reasoning they can still manage the necessary housework, maintenance, and/or bills.

Respondents aged 75+ also cited not wanting to leave friends and neighbours, disruption and sentimentality as barriers to downsizing (43%, 40% and 39% respectively), demonstrating variation in the age groups.

Brian Beach, research fellow and author of the report from the International Longevity Centre - UK, adds: "The debate around downsizing should focus on the opportunities for people to align their living situation with a property that best suits their needs and aspirations. In this way, perhaps thinking about 'rightsizing' is better than 'downsizing'. Either way, examining the evidence leads us to find that downsizing is an important option for nearly half of older households in the UK. We need to provide opportunities for downsizing rather than stoking up an intergenerational conflict which sees no progress in building or freeing up housing.

"This report has identified substantial demand among older homeowners to consider 'rightsizing', which could have a significant impact on addressing the UK's housing shortage. But it is clear that there remains an inadequate supply of the kinds of properties that would serve older households. Without suitable properties into which older people can move and downsize, the potential for increasing the trend in this area is unrealistic. Yet examples do already exist, as with McCarthy & Stone, and housebuilders can do a great deal to help meet existing demand in an optimal way.

"In this respect, we continue to add our voice to a growing chorus calling for policy reforms to encourage downsizing and moving in later life."

The report calls for reform under three themes:

1. Adequacy: Greater efforts to stimulate the supply of options for downsizing and moving in later life. For example, retirement housing could be given a classification to confer it enhanced planning status and give it exemption from a range of planning restraints. Land value could be reconsidered to recognise the social benefit of retirement housing, making such properties more affordable and helping developers expand into areas that would otherwise be unviable due to lower levels of equity in the local population.

2. Affordability: The downsizing process could be made more affordable by exempting older households from stamp duty when they downsize. This could encourage more people to move, while the overall effect on the housing market would mean the Treasury would not be at a loss. Other measures could include offering financial support for the costs associated with moving or revising the Help to Buy scheme to include 'later-life buyers' who face an affordability gap.

3. Awareness: Advice and guidance could play a crucial role in increasing older households' awareness of the options available, and the potential benefits of downsizing. As greater resources become available to help older people navigate the complexities of later life, such as pension freedoms or extended working lives, it will be important for the concept of housing to receive similar attention to help inform and empower people.

Generation Stuck: Exploring the Reality of Downsizing in Later Life is available to download at

mccarthyandstone.co.uk/life-and-living/explore/downsizing

- Ends -

Notes to editors:

Survey figures, unless otherwise stated, are from YouGov Plc. Total sample size was 1,252 homeowners aged 55+. Fieldwork was undertaken between 4th-6th November 2015. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 55+).

McCarthy & Stone is the UK's leading retirement housebuilder, and pioneered the concept of purpose-built, privately-owned accommodation for older people. With a 70% share of the owner-occupied retirement housing market, the Company has built over 50,000 apartments in over 1,000 different locations, and currently has around 160 developments under construction or for sale in the UK. In November 2015 it opened its 200th managed development, while in 2014, its development at Kirkby Lonsdale, Queen Elizabeth Court, won 'Best Retirement Development UK' at the UK Property Awards.

McCarthy & Stone's Retirement Living and Assisted Living developments offer one and two bedroom apartments across the country in a wide variety of locations, from city centres to rural villages and coastal

locations. Retirement Living developments offer the independence of retaining home ownership while living in an apartment specifically for the over-60s, as well as greater peace of mind and companionship. Assisted Living developments for the over-70s offer all of this, plus a helping hand through flexible care and support packages that make life that little bit easier.

In early 2015, McCarthy & Stone launched its Ortus Homes offering. Exclusively for over-55s, these properties are intelligently designed for downsizing to enhance a homeowner's leisure years. Its first development in this range won the HBF Best Retirement Development in 2015.

McCarthy & Stone's commitment to quality and customer service continues to be recognised by homeowners. For the tenth year running, the Company has been awarded five stars for customer satisfaction in an independent survey conducted by the Home Builders Federation (HBF).

For further information, visit www.mccarthyandstone.co.uk

Company Contact:

—

Pressat Wire

E. [support\[\]@pressat.co.uk](mailto:support[]@pressat.co.uk)

[View Online](#)

Newsroom: Visit our Newsroom for all the latest stories:

<https://www.wire.pressat.co.uk>