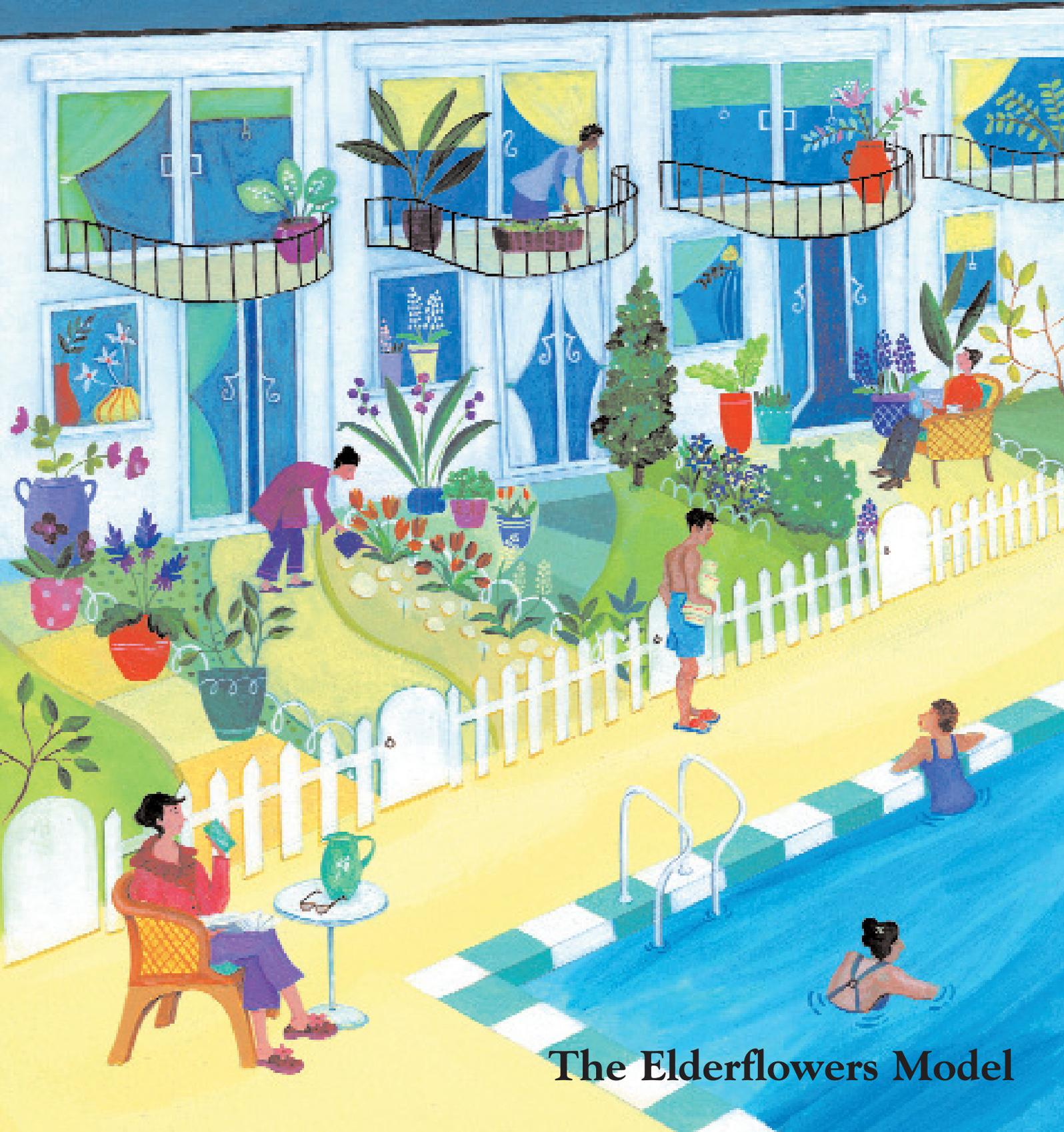


A New Type of Housing for Active Older People



The Elderflowers Model

Contributors

Directors of Elderflowers Projects Co. Ltd. :

Carol Barac

Edward Kafka

Carole Tyrrell

Kodzo Selormey

Elderflowers Projects Company Limited gratefully acknowledges the support of English Partnerships.

© Elderflowers Projects Co. Ltd.

This report is copyright. No reproduction without permission. All rights reserved.

The right of Elderflowers Projects Co. Ltd. to be identified as the author of this work has been asserted in accordance with sections 77 and 78 of the Copyright, Design and Patents Act, 1988.

Elderflowers Projects Co. Ltd.

City Discovery Centre

Bradwell Abbey

Milton Keynes

MK13 9AP

Tel/Fax: 01908-317535

Email: info@elderflowers-projects.co.uk

Website: www.elderflowers-projects.co.uk



A New Type of Housing for Active Older People

The Elderflowers Model – Report 1

March 2007

This report is funded by:



May 2007



Published by **Upstart!** Press
Milton Keynes
ISBN No: 978-0-9555807-0-3

Contents

	Page
EXECUTIVE SUMMARY	3
Chapter 1 Overview	5
Chapter 2 Statistical Analysis of Housing Occupancy and Income	13
Chapter 3 The Elderflowers Model: What is it and why is it needed	21
Chapter 4 Organisation and Management	27
Chapter 5 Finance	35
Appendices Appendix 1	40
Appendix 2	53
References	55

Executive Summary

A NEW TYPE OF HOUSING FOR ACTIVE OLDER PEOPLE THE ELDERFLOWERS MODEL – REPORT 1



What people need for a happy life, as they grow older, is financial security, regular exercise, a good diet and stimulating company. The provision of suitable housing and company for older people can provide greater contentment at less cost to society and themselves.

The 2001 Census showed that only 4% of those aged 65 or more were living in communal establishments, i.e. care homes or hospitals. Allowing for sheltered housing would take the percentage up to approximately 10%.

It is widely acknowledged that there is "a shortage of affordable, suitably sized and accessible housing for older couples or people on their own within the mainstream housing market," to quote Prof. Sheila Peace of the Open University. The result is that many people who would move to more suitably sized housing remain in their large houses into old age, adding to the problem of under use of the housing stock.

The estimated 3.3 million homes under-occupied by the 50-69 age group represent 16% of the whole housing stock in England, and 50% of all under-occupied homes. (These 3.3 million homes are equivalent to more than 22 years of new house building at the rates achieved in recent years. If the government's target for increasing new building to 200,000 homes per annum by 2016 is achieved, under occupancy by the 50-69 age group will still amount to more than 16 years new construction.) In 1981 the proportion of households under-occupying was 25% as compared to the current 37%. The ageing of the population has been a major factor in the growth of under-occupancy, and since further ageing is predicted, increased under-occupancy can be expected.

This study which is aimed at housing professionals in government, housing associations and in the private sector and at housing researchers, argues

- that the increasing under-use of the housing stock is a major factor in the current housing problem, and under-occupancy by older people is driving the increase in total under-occupancy
- that in many cases under-occupancy by older people arises from the lack of an affordable alternative to remaining in mainstream housing. Active older people do not qualify for, and would not wish to enter, traditional public sector housing for elderly people which is intended for those with substantial care needs. Private sector housing schemes tend to cater for people whose income is high enough to pay for costly services.
- that many of the problems characteristic of older people are linked to their housing. By continuing to live in over-large homes that they can no longer afford to maintain and heat, they often become "housing rich and income poor". Down-sizing would bring financial benefits, such as lower fuel bills and Council Tax, and in the case of home-owners, would release equity to be invested and added to pensions. Trading down is financially advantageous to remaining in the original home and buying into a reversion scheme.

It is argued in this report that to encourage "young old" people to move into more suitable housing would benefit the households themselves as well as society generally, reducing the total amount of land required for new house-building. However it is recognised that older people are unlikely to move unless they are offered a package which is sufficiently attractive to overcome a natural tendency to try and stay put in much loved homes.

It is therefore proposed that active older people with low to medium incomes (many still working) should be considered to be a market for a different kind of quality housing, and associated facilities geared to their specific needs. The intention would be to produce a new kind of moderately priced housing for a more mixed age range, starting as young as 50, than in conventional housing for the elderly.

The Elderflowers Model of housing is developed in this report. This combines features that already exist in other housing models, in an innovative way. The Elderflowers Model offers high quality purpose built accommodation, constructed to generous space standards together with communal facilities and commercial facilities, in order to provide an attractive lifestyle. This kind of development would enable people to live healthier and happier lives as they age.

The housing units will be mainly for owner-occupiers, and will also include a proportion of affordable housing in the form of Housing Association rental and shared ownership. To reflect their own competence and wish for independence the residents would collectively assume responsibility for the management of the development, which would also have the effect of reducing service charges.

This type of development can provide a contribution to a mixed and sustainable community. Active older people tend to play a valuable role in the community, and contribute to voluntary services, and by being located centrally they will contribute to maintaining a balanced community.

Further reports in this series will cover the planning and design characteristics necessary for this type of development and the development of appropriate partnerships.

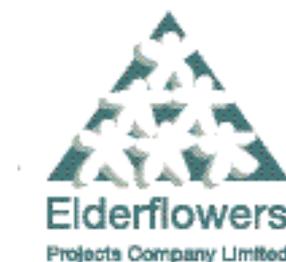
National Market Research will explore the housing preferences of active older people. While in many surveys of older people's wishes, it is concluded that they wish to retain the same number of rooms as they lived in previously, it is thought that this is partly because they fear that they will have to move to a much smaller home with smaller rooms: these preferences need to be checked in a comprehensive national survey. When people make choices about moving they need to be informed about what is available: the national survey will provide them with the information for informed choices.

March 2007

Chapter 1: Overview

Introduction

While there is increasing awareness that the population of the UK is ageing and that this will have implications in many fields - healthcare, pensions etc. - there has until very recently been little appreciation of the implications of ageing for “mainstream housing” (i.e. housing other than sheltered housing and care homes), an increasing proportion of which is occupied by older households. Recently the role of the ageing of the population in increasing the total demand for housing, through increased numbers of one and two person households, has begun to be appreciated. Current policy for responding to an ageing population is undergoing a change, and the Communities and Local Government Department is currently carrying out research in this area. However, the link between an ageing population and increasing under-occupancy of the housing stock has not been picked up and was not mentioned in the Barker Report. It is argued in this study that the ageing of the population has created a large and growing segment of the housing market that comprises fit “empty nesters” over the age of 50, often still economically active, with specific housing needs that have been insufficiently appreciated, and are therefore not being adequately catered for. There has been a tendency to assume that fit older people are OK as far as housing is concerned.



This Elderflowers study identifies a gap in the traditional purpose designed housing chain from starter homes to residential care homes, which disenfranchises a growing segment of the market from diversity of choice,

That gap is allowing under-occupancy of housing to increase and restricts the opportunity of individuals to enjoy a fuller life, in employment and contributing to the economy and the wider community welfare.

Critically it continues to limit effective land use for housing.

The Elderflowers project aims to develop a new link in the housing chain responding to market needs in a growing older population, to liberate their potential and release existing stock through a high density, fit for purpose, high quality housing choice.

A substantial part of the older section of the population has problems that **are** widely recognised, in particular isolation, fuel poverty, problems with Council Tax, but the linkage between these problems and housing is not generally appreciated. However in many cases moving to more suitable housing could solve these problems. In this study it is suggested that provision of more suitable housing for older households who are not in need of care, would not only be to the benefit of the households concerned but would have advantages for society as a whole. The recently published Lyons Inquiry into Local Government mentions that Council Tax is perceived as unfair and unduly expensive for older people. While a significant proportion of people do claim Council Tax benefit, some pensioner householders are not eligible for Council Tax benefit, although it accounts for a relatively high proportion of their income, as the tax is based on the value of their home rather than on their income.

This study tests the hypothesis that people in the age range 50-70, on low to middle incomes, who have become empty-nesters, could be tempted out of their family-sized homes if there were suitably priced housing with attractive additional amenities and low service charges, available for them. This housing would offer continued independence together with an attractive life style, and at the same time an opportunity for owners to release some of their equity locked up in their current homes.

One possible model for suitable housing is developed in some detail as part of this study (see Chapter 3), but it is recognised that alternative models could well be developed.

Ideally older households should be able to choose the type of housing that suits them best, from a number of options on offer. (EasyLiving, recently launched by the Hanover Group housing association, is one alternative that has certain similarities to the Elderflowers model proposed in this report.)

This study begins with an overview of the present situation. Statistical data is produced relating to the segment of the population over the age of 45, with descriptions of their housing at present and their family make-up. It was intended to trace the changes in households as people age, showing that from 45 onwards, patterns of occupation, etc. alter. It is assumed that most people over the age of 70 do not usually consider moving (except for medical reasons or to be near other family members). This is followed by a short description of the existing provision for older people in the UK. It is intended as part of this project to commission market research to investigate the needs and preferences of the age group identified.

It is expected that the group identified as lacking suitable options would not move willingly unless the housing on offer, which is more suited to their current needs, is also an improvement in some ways on the accommodation they have at present. Therefore various supplementary facilities are described which add value to the scheme. Extra communal elements will be suggested and examined to attract potential residents.

The way in which the developments are funded, organised and managed is key to the solution of the problem of providing adequate and attractive housing at a cost that is acceptable to those in this age group on low to medium incomes. Various examples of existing kinds of development that go some way towards solving the problem are discussed, with the advantages of a few solutions highlighted. The full range is included in the Appendices

The description of the proposed Elderflowers model includes a consideration of methods of funding the development of the housing complex. The mixture of housing types envisaged (including affordable housing) requires careful calculation of capital receipts to the developers, as well as careful calculation of the costs to the residents. The optimum mixture of rental, shared ownership, purchase and work/live dwellings is the end result of the financial model, which also demonstrates that the service charges and minimum sale prices required for financial viability are broadly acceptable in terms of the current housing market.

In Report 2 of the Study (to be published later this year) the characteristics of the buildings provided for the target group will be explored in detail. The buildings will be designed to cater for people who, although fit when they move in, may become infirm as they become older. The location of the developments will be close to public transport to enable residents to participate in all aspects of urban life, whether they drive or not. All buildings would be built to the highest standards of design and environmental sensitivity. Part of the study deals with the site requirements for the Elderflowers model, whether in cities, in small towns or in villages.

Partnership proposals are explored as the necessary condition for developing Elderflowers complexes, including suggestions as to distribution of profits, shared responsibility for the development and ownership of the land and the complex. Possible long-term development options are suggested, and the relevant legal documentation will be described.

Finally, Elderflowers has in mind to expand to other value-added services such as storage and removal, real estate negotiations and help to prospective residents, financial advice and advice about care provision, which are briefly described.

The demographic time bomb (an overview)

Although old age is not an illness, housing for older people has been primarily viewed as housing for frail or sick people needing a degree of care. The reason for this view is that until the mid-twentieth century, people over the age of 60 tended to be infirm and to live for only a few years beyond that age, and many people did not live beyond 60. In 1931 life expectancy at birth was 58 years for men and 62 years for women. At that time, older people accounted for only a small percentage of the population. In 1931, people aged 65 and over represented only 7.4% of the population.

Life expectancy has increased greatly and in 2001 was 76 years for men and 81 years for women. Consequently the proportion of older people in the population is now much higher. The latest census figures show that in 2001 20% of the UK's population (some 12.2 million people) were aged 60 or more and on current projections this will have increased to 25% by 2021.

The Office for National Statistics (ONS) now calculate the expected number of years in good health. This is based on the number of people who told General Household Survey interviewers that their state of health was “good” or “fairly good”. In 2001 the expected number of years in good health was 67 years for men and 69 years for women. This implies that men in good health at the age of 50 can expect to continue for 17 years more, and women for 19 years.¹ The expected number of years in good health (from birth) has been rising, and can be expected to rise further. Thus the population of older people is increasing rapidly and a substantial proportion is in good health.

Changes associated with ageing

From the age of about 50 onwards, there are radical changes in most people's lives, affecting both their bodies and their circumstances. The major social changes that occur around this age, or during the following 20 years are children leaving home and retirement, while the major bodily changes are gradual loss of sight, hearing, ageing and weakening of body muscles and frame and menopause. People tend to have more time and they experience changes in their lifestyle and the demands made on them.

Older people may become isolated as they age and their activities in the working world cease. Where one person in a couple becomes ill, the other may become a full-time carer at a late stage in their life. Single old people (whether never married or widows/widowers) tend to remain alone in their homes, often scared to go out alone, and they may eventually become trapped in their large homes, unhappy where they are but unable to move. As people become older, their friends of their own age may move away and some may die.

Changes in the economic climate have led to shortfalls in endowment policies, which many home-owners signed up to when they bought their homes in the 70s, 80s and 90s. This has left people in their fifties with the prospect, not of receiving a sum sufficient to pay off their mortgage in full with a surplus to add to their retirement assets, but with large debts instead and no plans made to pay them off. Furthermore, in many cases, pensions have not paid out as people anticipated, and their income after retirement is far less than they were led to expect. When they retire people's income normally reduces by more than half, and many people retire early, in their fifties, (or are made redundant, sometimes with a golden handshake), and then they go on to work part-time

¹ (The ONS published figures relate to years in good health from birth; this calculation includes people who cease to be in good health before reaching 50. A calculation confined to those who had reached 50 in good health would produce a higher expected number of years in good health. This result is analogous to the well known result that overall life expectancy for those who survive to say 50 is higher than life expectancy from birth, and that overall life expectancy for those who survive to say 65 is higher than for those who survive to 50.)

or in a menial job, if they can find one. Reduced incomes cause changes in lifestyles and concern about the cost of heating and other services creates anxiety.

There are a number of ways in which older people who choose to remain in their own homes can increase their income. Many of these equity release schemes involve realising equity in their houses with the assistance of a building society or insurance company, which means that those who make use of such schemes will not be able to pass on the full value of their homes to their children. Some of these schemes are briefly described later in this report.

Housing options for older people

The English House Condition survey of 1991 stated, "the findings suggest that the conditions facing older people living in public and private rented housing are very poor. A disproportionately large amount of the nation's worst housing is occupied by older people - almost half the worst housing in the private rented sector is occupied by single older people." Many older people remain in their homes while the surrounding houses are used by the Local Authority to house problem families, and they lose touch with their original community.

To quote Age Concern, "While it is true that some older people now have more savings and better pensions, the great majority have incomes much lower than those in paid employment." Current problems with endowment mortgage shortfalls and personal pension reduction have increased the number of people affected.

In general the private sector and social landlords focus on providing housing for families with children. As has been mentioned above, where housing is provided specifically for older people it is intended to be housing for people with substantial care needs. In the public sector this takes the form of traditional housing for elderly people. In the private sector it takes the form of housing schemes catering for those whose income is high enough to pay for costly services. Examples of these retirement homes and 'villages' serving the top end of the market are those built and run by Abbeyfield and McCarthy & Stone. A JRF study "Making the case for retirement villages," published in April 2006 suggested that the example studied, Hartrigg Oaks, could be afforded by approximately 25% of people above retirement age.

Most of the new housing built for older people tends to be focused on security, shelter and care, with the result that such housing is usually fenced off from the rest of the community with restricted entry, and paid staff caring for the residents and providing security. In some cases certain members of staff live on site. The future needs of older people are seen in terms of care, security and dependency. Even for providers appealing to a wider market, such as ExtraCare, the emphasis is still on security and the residents are still dependent on the ministrations of a large paid staff. Therefore the costs of living in such settlements include substantial service charges to pay for the staff in addition to normal maintenance etc. These service charges are met by the Local Authority where the residents are receiving benefits.

Most older households on low to medium incomes cannot afford this type of private sector housing but do not qualify to have the costs paid by the Local Authority, and if they are relatively fit they do not qualify for, and would not wish to move into, traditional public sector housing for the elderly. When sheltered housing was first built there was an influx of people who were then in their sixties, with the result that many sheltered housing complexes are now filled almost entirely with much older people, many of them frail, and those developments are now not attractive to younger pensioners (and those in their fifties) even if space is available.

It is widely acknowledged that there is "a shortage of affordable, suitably sized and accessible housing for older couples or people on their own within the mainstream housing market," to quote Prof. Sheila Peace of the Open University. The result is that many people who would move to more suitably sized housing remain in their large houses into old age.

"Empty nesters" who do not move to smaller accommodation will normally under-occupy their homes. The growth in their number has therefore contributed to increasing under-occupation within the housing stock, which has in turn been an important factor in the current housing shortage. At the same time there is a shortage of housing for young families getting onto the housing ladder, as the current housing policy of concentrating on housing for key workers illustrates.

The number of old people who transfer to care homes and various forms of sheltered housing, including retirement villages, is comparatively small, and the great majority remain in mainstream housing. The 2001 Census showed that only 4% of those aged 65 or more were living in communal establishments, i.e. care homes or hospitals. Allowing for sheltered housing would take the percentage up to around 10%. (The 2003/04 Survey of English Housing estimated that there were 534,000 individuals aged 65 or older in sheltered housing in England, but this was probably an underestimate, because of non-response problems.) These homes cater for a wide variety of incomes, from the Local Authority run sheltered home schemes, for older and poorer people, to the exclusive gated village developments mentioned above.

Public policy

From the 1940's into the mid-1970's, the response to the need for housing for older people was to provide money for specialised old age homes and residential care. Since the mid-1970's old people have been helped to stay in their own homes as long as possible, with the assistance of home helps, and community care. 'Care and Repair' was initiated by Anchor Housing Trust, enabling people to remain in their own homes by carrying out maintenance and rebuilding schemes for them. By 2003/04 English local authorities were helping 9% of the population aged 65 or more to remain in their own homes. Despite the change in emphasis, there was a massive growth in the provision of private residential care, which depended on funding by Local Authorities and the government.

These solutions have been found to be inadequate during the last decade, as the number of people requiring home help and care funded by the Local Authorities has increased, and funding in private residential homes has become difficult and expensive, because of new regulations concerning Health and Safety, number of toilets, etc. In many cases people who had hoped to pass on their homes to their children have had to sell their home to pay for care. During the last four years government legislation has required improvements to residential care homes that have pushed many providers out of the market. Therefore there are fewer residential homes and fees have increased in the remaining ones, with an average of approximately £400 per week.

Current needs

The forms of housing and support described above are geared to the needs of the infirm/ill but there is little provision for fit older people. (The recently published "2020 project" report on the future of housing and care services for old people continues the tradition of focusing on households with substantial care needs). However, many people entering the third age are fit and active and living a useful life, many still working. They

are neither in need of care nor of institutional accommodation, and would probably refuse even to consider either for themselves. As people get older, many do experience some problems due to reducing income and lack of social contact. These have not been generally realised to be substantially housing-related problems.

The Elderflowers study argues that people with low to medium incomes should be considered as a market for a different kind of quality housing, and associated facilities geared to their specific needs. The intention would be to produce a new kind of moderately priced housing for a more mixed age range than conventional housing for the elderly, which is attractive, non-institutional, non-care-centered, and yet will be able to meet residents' changing needs for many years (during which time they can expect to become less fit, and couple households can expect to become a single person households).

For the new type of housing to be successful the target group would need to find the package sufficiently attractive so that they would consider moving from their existing accommodation. In addition they would need to understand the importance of making housing decisions at a "young" old age when they are more capable of moving. The implications of remaining in their own homes into their seventies and beyond, would be made clear to them and the alternatives presented so that they can make informed choices.

Provision of more suitable housing for older households, who are not in need of care, would not only be to the benefit the households concerned but will have advantages for society as a whole. In the first place under-occupancy of the existing housing stock will be reduced. In addition because households in the targeted group are small, new developments intended specifically for older households will tend to have a higher density of dwellings per hectare than new developments intended for traditional families. Thus less land is required to provide say 50 dwellings for older households than to provide 50 family sized dwellings. However providing 50 dwellings for older households will release the dwellings currently occupied by these older households for use by families. Hence providing suitable sized dwellings for older households is a more efficient way (in terms of land "take") of providing family housing. This is a double benefit.

Another advantage of making suitable provision for older households is that this will reduce the problem of inadequate maintenance by elderly owner occupiers leading to physical deterioration in the housing stock. For various reasons, including lack of income and/or physical strength, elderly owner occupiers are often unable to maintain their homes to the standard that they would wish, leading to long-term deterioration.

Providing appropriate housing for older households will also reduce the classic "housing rich but income poor" problems of older (particularly pensioner) households. Many older households are in fuel poverty, meaning that to heat their home to an adequate standard would cost more than 10% of the household income. Moving to a well-insulated smaller home should allow a household to escape from fuel poverty by reducing heating costs, and often by releasing equity which can be invested to increase income.

Paying Council Tax and other property related charges can also be a problem for older households living in homes that are large in relation to their current income. Means tested rebates are available but there is often a reluctance to apply for such rebates. The recently published Lyons Inquiry suggests that Council Tax Benefit should be renamed 'Council Tax Rebate' and that "the Government should urgently pursue measures to simplify the claims process." Moving to smaller accommodation should make Council Tax and other property related charges more affordable, particularly for households who are able to withdraw some of their housing equity.

Although residents in the proposed housing projects will retain their independence the physical design should be such as to encourage the development of a sense of community which it is hoped will occur naturally. The proposed management model, which is justified on other grounds, should also tend to encourage contact between residents. Within the housing developments the problem of isolation, which as stated earlier, affects many older people living on their own should be much less prevalent, if not eliminated. The residents would be provided with facilities to maintain a healthy lifestyle with very little effort, which would ensure that they remain fit into old age.

This type of development can provide a welcome addition to a mixed and sustainable community. Active older people tend to permeate and play an important role in the community; in this way and by being located centrally they will contribute to a balanced community.

The model for the new type of housing would include the Lifetime Homes Quality Standards developed over the last decade, in particular by the Joseph Rowntree Housing Trust. These include level access, wide doors, and easy installation of special facilities, as can be observed at their development at Hartrigg Oaks in York.

Various approaches to management are considered in this report, including the co-housing model, as found in the Netherlands and Scandinavia, and housing co-operatives, as well as CIC's and the Community Land Trust.

This enables the residents while living in their individual units, whether rented or owned, to be members of a central body, which will own the communal parts of the development and possibly be run by the residents themselves.

Chapter 2: Statistical Analysis of Housing Occupancy and Income

In this chapter, analysis of recent statistics about housing in England indicates the increasing problem of under-occupancy associated with the growing older population, and the kind of tenure and housing they occupy.

The number of older people (defined as ages 50 and over) has been growing rapidly and this trend is forecast to continue. In 2003 there were 20 million people aged 50 and over in the UK, some 33% of the population. In 1951 the number of older people was only 13.8 million, so there had been a 45% increase over the last five decades of the twentieth century. A further increase is projected to 27.2 million in 2031, when older people will represent over 41 per cent of the population.



Household composition by age of Household Reference Person

(The Household Reference Person has replaced the Head of Household in modern statistical use, and is the householder with the highest income)

Table 1 below is derived from the Survey of English Housing. It shows how household composition changes with increasing age, starting with the 45-49 age group who are in late middle age, and not yet “older households” as defined for this study. In this age group households with children are still the most common type of household, accounting for 47 per cent of all households.

For the age group 50-54 (the youngest group in the “old” category) the situation is very different. The percentage of households with children has fallen to 25 per cent. More than half of all households are couples without children, and 21 per cent of households are single person households.

The percentage of couple households without children reaches a maximum for the 60-64 age group where 88 per cent of all households are in this category. Only 4 per cent of households include dependent children.

From 60 onwards the percentage of couples falls; the percentage of one-person households increases more rapidly as the death of one of the partners converts couple households into single person households. In particular, the number of single female households increases dramatically and greatly outnumbers single male households.

The increasing proportion, first of couple households and then of single person households, with increasing age that is shown in Table 1, implies that average household size declines with the age of the Household Reference Person. The decline in household size results in under-occupation (see table overleaf).

Table 1: Household composition : Changes from 45 to 69
(all figures x 1000) England 2005/6

Ages	Single male	Single female	Couple with no children	Households with children	*Total per age group
45-49	195 (10%)	136 (7%)	541 (29%)	885 (47%)	1 874
50-54	220 (12%)	164 (9%)	813 (44%)	462 (25%)	1 842
55-59	224 (12%)	230 (12%)	1174 (60%)	169 (9%)	1 946
60-64	175 (12%)	225 (15%)	904(61%)	52 (4%)	1 473
65-69	166 (12%)	323 (23%)	785 (57%)	22 (2%)	1 377
Summary of changes	Percentage increases slightly	Going up – out-number men 5 to 3	Increase to age 64, then decrease	Reducing	* includes other households

Source: DCLG Survey of English Housing

Occupancy: difference from bedroom standard by age of Household Reference Person

Table 2: Difference from bedroom standard by age of Household Reference Person
England 2005/6

	From ages:	45-49	50-54	55-59	60-64	65-69	all
The no. of hh							
With 2 or more bedrooms above the standard	(x 1000)	564	734	1001	813	747	3,859
		30%	40%	51%	55%	54%	45%
		percentage of total in that age bracket					

Source: DCLG Survey of English Housing

This shows that there is a significant amount of under-occupancy of houses in the older age groups. Table 2 above looks or at whether households are over-crowded or under-occupying their homes. The “bedroom standard” is the number of bedrooms that a household is calculated to need on the basis of the household composition. Households with fewer bedrooms than the bedroom standard are over-crowded. Those with 2 or more bedrooms above the standard are deemed to be under-occupying.

The table shows that under-occupancy rises with age. In the 45-49 age group 30% of households are under-occupying, this rises to 40% in the age category 50-54, to 51% in the age category 55-59, to 55% in the age categories 60-64 and 65-69. (Were even older age groups included in the table, the rates for those aged 70 or more would probably be even higher.) In earlier periods widows/widowers often went to live with other family members, or took in lodgers. Now they tend to remain in their family home as long as they are able, and this period of living alone has been increasing as life expectancy increases.

For those aged 50-69 the overall rate of under-occupancy is 50%. This compares with 37% for all households. The estimated 3.3 million homes under-occupied by the 50-69 age group represent 16% of the whole housing stock in England, and 50% of all under-occupied homes. In 1981 the proportion of households under-occupying was 25% as compared to the current 37%; the ageing of the population has been a major factor in the growth of under-occupancy. Essentially there is a direct relationship between increasing numbers of elderly households in mainstream housing and increasing under-occupation.

While in many surveys of older people's wishes it is concluded that they wish to retain the same number of rooms as they lived in when they were younger, it is assumed that this is partly because they fear that they will have to move to a much smaller home with smaller rooms. These preferences need to be checked out in a comprehensive national survey.

The statistics show that there are at least 50% of older households with more than two bedrooms above the bedroom standard, implying at least three bedrooms, not counting other habitable rooms they may have. As households become smaller they will occupy fewer rooms, but the heating and maintenance bills for large houses will remain, or increase as the houses and the residents become older. This finding provides the basis for the Elderflowers proposal for more appropriate houses for people getting older and living in large family sized homes.

Tenure By Age Of Household Reference Person

Table 3: Tenure by Age of household reference person

All households

England 2005/6

Tenure	Age of household reference person					
	45 to 49	50 to 54	55 to 59	60 to 64	65 to 69	Total all h'holds
	percentages					
Owned outright	15	26	41	57	68	31
Buying with a mortgage	63	54	39	23	10	39
All owners	78	80	80	80	77	70
All social rented sector tenants	14	15	14	16	19	18
All rented privately	8	6	6	4	3	12
All tenures	100	100	100	100	100	100

Source: DCLG Survey of English Housing

In this table it can be seen that the total percentage of owners does not change much as age increases; however the percentage of those buying with a mortgage falls from 63 per cent at ages 45-49 to 10 per cent at 65-69. This reflects the paying off of mortgages by

older households, which causes a corresponding rise in the percentage of outright owners from 15 per cent at 45-49 to 68 per cent at 65-69. (Further investigation would show how many of these outright owners are single men or women.) While most people who are buying with a mortgage have become outright owners by the age of 65, a significant number at that age are still paying off a mortgage. This raises implications about endowment underpayments when the household income may be lessening due to retirement.

Tenure of rented property tends towards the social rented sector as people become older. The percentage of social rented sector tenants increases from 14% at ages 45 – 49 to 19% at ages 65 – 69; while the percentage of private rented tenants reduces from 8% at ages 45 – 49 to 3% at ages 65 – 69.

Type of accommodation by age of Household Reference Person

Table 4: Type of accommodation by Age of household reference person

All households

England 2005/6

Type of accommodation	Age of household reference person						Total all h'holds
	45 to 49	50 to 54	55 to 59	60 to 64	65 to 69		
	percentages						
House:							
Detached	28	29	31	30	29	22	
Semi-detached	36	33	35	38	34	33	
Terraced	25	26	24	21	23	27	
All houses	89	88	90	89	86	82	
Flat:							
Purpose built flat	8	8	7	8	10	13	
Converted flat	3	2	2	2	3	4	
All flats	11	11	9	10	12	17	
Caravan/mobile home	0	0	0	0	1	0	
Other	0	0	0	0	0	0	
Not self-contained	0	1	0	1	0	1	
All	100	100	100	100	100	100	

Source: DCLG Survey of English Housing

There is a modest increase in the percentage of homes that are purpose built flats as the age of the Household Reference Person increases. This reflects a tendency for some elderly households to move out of their old homes, into purpose built flats, which have the advantage of level access, and normally also a lift.

The majority of homes for the ages 45 – 70 are semi-detached houses, with houses forming nearly 90% of homes for these age categories.

Income by age of HRP (Table 5)

Table 5: Gross Weekly Household Income by household composition

All households

England 2005/6

Gross weekly income of h'hold	Household type						Total
	reference person and partner	Couple, no children	Couple with children	Lone parent children	Multi-household	One male	
All figures x 1000							
All with household reference person aged 45 to 49							
Under £100	7	4	10	13	27	17	78
£100 and less than £200	21	15	39	13	12	23	123
£200 and less than £300	26	25	34	15	22	13	134
£300 and less than £400	28	45	24	16	31	14	157
£400 and less than £500	39	57	17	10	19	16	158
£500 and less than £600	43	56	11	5	18	13	146
£600 and less than £700	53	61	6	8	15	16	161
£700 and above	251	351	13	11	29	14	669
Total	467	614	154	92	174	126	1628
All with household reference person aged 50 to 54							
Under £100	5	4	6	16	29	34	94
£100 and less than £200	29	13	9	26	30	28	136
£200 and less than £300	31	22	19	26	27	26	151
£300 and less than £400	57	21	4	24	28	14	149
£400 and less than £500	73	33	2	17	22	17	165
£500 and less than £600	71	23	4	10	15	12	135
£600 and less than £700	86	21	7	4	12	8	139
£700 and above	334	201	8	17	31	7	598
Total	688	337	61	141	195	145	1567
All with household reference person aged 55 to 59							
Under £100	10	1	3	24	24	42	103
£100 and less than £200	21	5	8	29	37	51	152
£200 and less than £300	71	12	6	15	31	43	178
£300 and less than £400	102	11	4	15	24	30	186
£400 and less than £500	109	8	3	14	22	20	176
£500 and less than £600	129	5	0	8	15	7	164
£600 and less than £700	101	8	1	3	14	5	132
£700 and above	411	68	3	12	332	11	538
Total	954	118	28	122	199	208	1629

All with household reference person aged 60 to 64							
Under £100	8	1	3	9	16	12	49
£100 and less than £200	45	4	5	35	48	91	227
£200 and less than £300	111	2	2	17	37	37	205
£300 and less than £400	110	2	0	15	20	21	167
£400 and less than £500	109	3	0	9	19	15	155
£500 and less than £600	91	2	1	0	5	4	103
£600 and less than £700	58	6	0	3	8	4	79
£700 and above	210	14	1	5	6	7	244
Total	743	34	11	91	159	191	1229
All with household reference person aged 65 to 69							
Under £100	3	0	0	4	9	26	42
£100 and less than £200	48	2	5	26	66	141	289
£200 and less than £300	176	1	1	13	38	53	282
£300 and less than £400	136	3	1	9	13	30	191
£400 and less than £500	94	0	0	3	6	12	116
£500 and less than £600	54	1	0	1	6	4	66
£600 and less than £700	31	0	2	1	6	1	41
£700 and above	89	3	0	1	2	9	103
Total	631	10	9	59	144	276	1129
All households							
Under £100	62	30	118	145	285	333	975
£100 and less than £200	322	149	504	247	532	1777	2931
£200 and less than £300	871	258	310	168	404	492	2503
£300 and less than £400	800	353	153	144	308	270	2027
£400 and less than £500	691	365	76	93	245	200	1669
£500 and less than £600	662	424	56	58	171	104	1475
£600 and less than £700	560	424	33	46	135	101	1299
£700 and above	2479	1957	50	82	279	116	4964
Total	6447	3960	1301	982	2359	2792	17843

Source: DCLG Survey of English Housing

Gross weekly household income by household composition

As far as the income figures on this table are concerned, it is clear that the majority (63%) of households with low incomes, (under £100 per week) are the one-person households, regardless of age. But it appears that as people become older, the number of one-person households receiving between £100 and £200 per week increases to become the largest category (49% of total), and greatly exceeds the number of very low income households. This shows the effect of pension credit on those depending on state pension.

When people stop working their income invariably drops, by up to three-quarters: there is a clear and unsurprising trend for income to decline with age. Only 12% of households with an HRP in the age group 45-49 had incomes below £200 per week; in the age group 65-69 this percentage had reached 30%.

Year property built by age of HRP

Table 6: Type of accommodation by age of household reference person

All households

England 2005/6

Year property built	Age of household reference person						
	45 to 49	50 to 54	55 to 59	60 to 64	65 to 69	Total 45-69	Total all h'holds
Percentages							
Before 1919	19	20	19	17	15	18	19
1919-1944	21	21	20	20	19	20	19
1945-1964	21	21	21	23	26	22	22
1965-1984	22	27	29	30	29	28	26
1985 or later	15	12	11	10	10	12	14
All	100	100	100	100	100	100	100

Source: DCLG Survey of English Housing

This table shows that in general there is little difference in the age of homes occupied between younger and older households. There is a modest tendency for the percentage living in homes built between 1851 and 1919 to decline with age and a more marked fall in the percentage living in “new” homes, i.e. those built in 1985 or later. The percentage living in houses built between 1945 and 1984 tends to rise with age. The decline in the number of older people in late Victorian/Edwardian homes may reflect the tendency to move into purpose built flats. Investigation would show whether the oldest homes tend to be occupied by single old people.

* * * *

A similar analysis, ‘Housing for Older People’, was carried out by the Housing Department of the Office for the Deputy Prime Minister in 2004, but has not been published. It gave a similar broad overview of the situation in 2003, using the same basic statistics, but while it ranged over a wider age range, up to 85 and over, it did not delve into the detail of the above analysis.

The report did make the point that older people, over the age of 70, are more likely to move into sheltered accommodation. “In 2000, there were 915,000 dwellings designed for older people in England, of which nearly 60% were sheltered or very sheltered housing, the latter providing a greater level of support to the residents.” In 2001, “Over 200,000 people aged 85 and over lived in communal establishments, compared with less than 50,000 aged 50 – 64.”

Investigation done by the Survey of English Housing has shown that people under the age of 50 are far more likely to move than those over 50, and people over 50 are far more likely to have lived in their homes for over 10 years. “When residential moves do occur (in later life), they appear to respond to household changes and major lifestyle

events, such as the loss of a spouse, retirement, (illness) or the spouse leaving employment.”

From the above statistical analysis the change in household size and composition as people age can be clearly seen, and the associated changes in income can also be traced. Not only are people living longer, resulting in more older households, but the pattern of the build-up of single person households can also be traced.

These findings strengthen the belief underpinning Elderflowers argument that there are a lot of people aged round about 50 and over who could be living in houses that are too big for their requirements, but that they will probably have to be attracted to move out of their homes to more suitable accommodation.

Chapter 3: The Elderflowers Model: What it is and why is it Needed?

In the previous chapters an important problem was identified: the growing number of older people living in housing that is unsuitable for their current needs and which they under-occupy. Long-term under-occupation contributes to the supply side housing problem, and households themselves often have problems that are due to living in housing that is too expensive or difficult for them to maintain and heat properly.

In principle older people could solve their housing related problems by moving into certain types of housing that are not available to younger people i.e. non-mainstream housing specifically intended for older people, such as care housing, sheltered housing or gated villages for older people.

Appendix 1 contains a detailed description and analysis of the housing options available to older people, with their restrictions defined. The age restriction for most of these housing developments is 55, because they are tied into funding restrictions. However examination of these housing options shows that they either cater for older people in need of care, or for those with incomes high enough to afford costly services.

Thus healthy and active older people with average incomes have little option but to remain in mainstream housing. They can downsize while remaining in their existing housing sector, but in practice this is not the norm.

Why do older households not downsize?

For an owner-occupier couple or single person household the obvious solution would be to purchase a smaller home. However people in their fifties and sixties are generally reluctant to move, and often when they do, it is in later old age, after many years of under-occupation. Although many people do have some health problems in later life, most of these problems do not require care or moving to more suitable property.

Most pensioners have paid off their mortgage, and some of them come to the conclusion that releasing the equity in their home will alleviate shrinking pensions and approaching poverty. Equity release schemes, or reversion plans are becoming popular. But, to quote from a recent article in the Guardian, “Equity release will not be the safety net that so many people are counting on. ... A ‘reversion’ plan will grab nearly 60% of the value of your home if you want to release 25% of its value in cash at retirement. Do the same with a standard equity release plan, and it will eat up the entire value of your home after 20 years.”²

To quote the same article, “There is only one cheap and easy way to release value from your house: sell it. ... But what is extraordinary is how few retired people are willing to trade down, however sensible such a move can be. Survey after survey reveals that pensioners want to stay in their homes until they are carried out in a box.”

The reasons that people are reluctant to move out of their homes are many and varied, but most are to do with emotional attachment, a sense of community, and knowledge of the local area. There is also the fear of becoming isolated if moving away from one’s existing home. Although people move quite frequently when they are young, they tend to settle down and stay in one place from their forties onwards, so that by the time they are in their sixties, they have been in the same place for several decades. People who are



² “Forget Release – you’ll get punished.” Patrick Collinson, Guardian Unlimited, Saturday January 28, 2006

fit and active, in their fifties, do not perceive that in the future they could become ill, and could well feel isolated and lonely, especially after one partner of a couple dies.

People living in large family sized homes may be reluctant to move into accommodation where the living space seems “poky” compared to their current home. In many cases the householder accepts that there is no need to have several unused bedrooms but wants to have a reasonably large living room. Homes with fewer bedrooms tend to have small living rooms. People have often acquired some large items of furniture in the course of their lives, and they want to keep them, which would not be possible in a home with a small living room.

For owner-occupiers there is the additional reluctance to take on the stress of selling and buying. Often they will have vivid memories of the stress resulting from their last move. People are also aware that their current home is a good investment for their heirs. The longer that they are able to stay, the greater the sum that their heirs will eventually inherit.

Government departments, recognising people’s reluctance to move, and also the expense of providing bespoke care homes, have developed the policy of Care and Repair in the Home. Older people are helped to remain in their homes by the provision of either nursing care or home help – or both. There are in addition policies to help people with minor repairs and security measures to assist them to stay in their homes for as long as possible. Housing policy is therefore serving to encourage under-use of housing stock.

In principle older households in social housing could “downsize” by moving within the social sector, but this happens relatively rarely, partly for the reasons mentioned above, related to social factors and convenience. In addition there is less financial pressure to move in the social sector. The payment of Housing Benefit means that paying rent out of pension is not a problem, and neither is the payment of Council Tax. What is more, the home will be maintained by the social landlord, therefore the residents do not have a maintenance problem either (unlike owner occupiers).

There are a few schemes to encourage social tenants to move out of over large homes but these have not been very successful – in some cases, the council insists that people can only move into one-bedroom accommodation, from the 3- or 4-bedroomed house that they are used to, and many people need a second bedroom to provide extra accommodation for their grandchildren, as well as for hobbies and storage. Even if an older household wants to move to smaller accommodation, it may be deterred by the length of time taken to arrange a move. The household will only consider a move if offered very desirable accommodation, but it may take a long time before this becomes available. Social landlords are reluctant to use their powers to require tenants to move from under-occupied homes. There are a few schemes to move older people to the seaside.

The Right to Buy scheme can also encourage staying on in larger accommodation. The potential gain that might be realised from an eventual purchase is greater with a larger home. Older tenants who have not so far purchased may have hopes of eventually being able to buy with help from their family. “Trading down” within the social sector would not be financially advantageous. (In the social sector the under-occupation by older households of many of the larger properties still in the social sector i.e. not sold under the right to buy, contributes to the over-crowding problem because growing families cannot move into larger accommodation.)

In the private rental sector some older households have an extra disincentive not to move even if their current home is now too large for their needs. If they have rented the same accommodation since before January 1989, they will enjoy a “protected” tenancy

where rent increases are strictly regulated. This advantage would be lost if they move.

Thus there are strong forces encouraging older people to remain in their existing homes, or discouraging them from moving, even if their home is no longer suitable. However it is known that despite this a substantial minority of older households does move soon after retirement. In some cases they move abroad; frequently they move to a seaside resort in the UK or to a home in the country. It is reasonable to assume that for these households the prospect of moving to an attractive area or being closer to relatives or friends is strong enough to overcome the factors encouraging staying put.

People who remain in their homes often do not foresee the problems that may arise as they become older. By the time the problems do arise, they could be too old or too ill and not have sufficient energy or initiative to undertake a suitable move. Ultimately, they may be forced to sell their homes to pay for care in a registered home for old and ill people.

People in their fifties may not think of moving while they are working and active – it may only occur to them as an option for when they retire. It is argued in this report that to encourage many people to move into more suitable housing as their households become smaller, and before they become much older, would, as previously stated, benefit society as well as the households themselves. The encouragement needed is to be offered a new form of housing that is more attractive to them than those currently available.

Consideration of what is required to provide a sufficiently attractive package has led to the development of the Elderflowers Model, which is outlined in this chapter. It draws on elements that are well established elsewhere (see Appendix 1) and combines them in a different manner to produce a model that not only provides high quality housing and an attractive and healthy lifestyle for residents, but also a model that can be easily replicated (with local variations) so that in the medium term there could be real reduction in under-occupation.

The model is based on the ‘push-pull’ principle – it is designed to be marketed as a desirable place to live and include as many attractive features as can be afforded within the package, while at the same time raising awareness of the long term problems of staying put.

The Elderflowers Model

The Elderflowers proposal is to establish new housing developments for active older people. The housing units will be mainly for owner-occupiers, but where possible and appropriate will also include a proportion of affordable housing in the form of Housing Association rental and shared ownership.

The attraction of the Elderflowers Model is that it will offer high quality purpose built accommodation, constructed to generous space standards, together with communal facilities and commercial facilities to provide an attractive lifestyle. Working facilities could be included in the development, which should be provided with broadband and wireless services for all residents.

The important basic idea underlying the design of the model is to provide a healthy, independent and economic lifestyle, for people who are currently not necessarily thinking of moving, and who do not consider themselves in need of ‘old age’ or ‘care’ housing. Therefore there will be no resident warden, and very few staff, both to maintain people’s independence and to keep service charges low.

To increase the attractiveness of the development and also to provide options for healthy living, a few facilities should be built into the development, such as a swimming pool, or tennis courts, where there are sufficient units to share the maintenance costs, and a small gym, sauna and steam room, and a Jacuzzi or similar hot pool. The idea is to provide facilities which people on moderate incomes would not be able to afford on their own, but which they would enjoy. Sharing the cost between a number of units would bring the service charges into the moderate range, within the means of most people. These facilities would make it easy for people getting older to maintain healthy exercise, thus contributing to the prevention of ailments and the need for care, at a later stage in their lives.

It is envisaged that there will be a few shared spaces; outdoors a few sports facilities, with surrounding open space where people can gather and relax during fine weather. Some of the ground floor open space should be allocated as private gardens, so that those people who wish to continue gardening can do so. There should not be a large area of public open space to maintain, thus reducing the amount of land required and cutting down on the need to employ maintenance staff. If possible and required a group allotment should be provided. (Elderflowers developments would be high density housing, requiring far less land than the equivalent number of houses intended for family use).

Ideally there should also be at least one large and attractive space indoors, which can be used for meetings and classes, and can also be used as a shared library, a bar, a social meeting space, a place for parties, or films, or somewhere to gather on cold and wet days. It would be best if it could have a fireplace, and be designed and furnished to be welcoming and comfortable.

As the development is for people from the age of 50 upwards, many of whom will still be working and who are used to running their own homes and lives, they would be able to make decisions themselves about their environment. The organisation of the ownership and management of the place should be such that, while all the housing units will be in the ownership either of the residents themselves or a Housing Association, all the communal facilities will be managed by a body whose members are the residents. The residents themselves therefore will be able to make decisions about the maintenance and improvement of their facilities. They will have some discretion about the level of the service charges for maintenance, and if some of the residents work voluntarily they will be able to further reduce the charges. All residents would have to join the body corporate set up to be responsible for management of the development, and would be expected to attend one or two meetings per year. (The options for self-management are explored in more detail in Chapter 4)

There will have to be various levels of service charges. Maintenance of the fabric of the building will be covered by the rental for affordable housing or a sinking fund for owners, but service charges for the maintenance of communal facilities will be the responsibility of the residents' committee to set and to collect.

Basic service charges, to cover the maintenance and running costs of the common areas and communal facilities shared by all residents, will either be charged on the same basis to all residents, including those in affordable housing, or charged on a sliding scale with higher charges to the owners, to allow for the increase in value to their homes. In each development, the payment of service charges would have to be calculated and their payment structure suitably arranged.

All prospective residents would have to satisfy the minimum age criterion (that at least one member of the household should be 50), and also agree to pay the basic service charge.

Residents moving into the affordable housing would be chosen according to selection criteria to be agreed with the housing association and local authority, and these criteria would be chosen in the interests of having a fairly homogeneous community, with a range of ages.

Owner-occupiers would purchase their homes on long leases at the full market price. Apart from the ability to fund the purchase and to pay the basic service charge plus the additional maintenance charge(s) the only further criterion would be the acceptance of certain conditions relating to the resale of their lease, where these conditions applied.

Each development will include guest suites that can be hired by residents when they need extra accommodation for a few days. The homes should meet the Homes for Life standard. This requires that they will be designed to cater for a degree of disability and for possible infirmities. Care facilities and staff will not be provided on site initially. As people age, they may require care, as they would in mainstream housing. This could be provided in the standard manner, by visiting care staff, but if a number of households required full-time care on site, one apartment on site could be converted to house full-time nurses, who would be available to visit a number of residents night and day. The costs of such an arrangements would have to be negotiated with the Health Authority and the Local Authority.

As many residents will have accumulated possessions that they wish to keep, not only will the storage within each apartment or house be generous, it may also be necessary to provide some extra storage rooms.

Part of the attraction of the housing is that it should meld into its neighbourhood seamlessly, and the housing provided should in most respects be similar to any other housing development, particularly housing nearby. Not visibly “old people’s housing”, since most of the residents do not consider themselves as old and would not wish to live somewhere that looks like an old age home. The development should be part of the local community, and the residents given every opportunity to integrate in local activities.

It is also a basic principle that within the development the social housing, which will often be physically separate, should not be distinguishable from the owner occupied housing. The level of security provided should also be similar to that in most mainstream housing; the development would not be “security driven” unlike most developments for the elderly, where there is usually restricted entrance and enhanced security.

The location chosen should be attractive and convenient for public transport; it should be located near the centre of a town or village, so that residents do not feel that they are moving into an isolated backwater. This will allow residents easy access to facilities without using a car, and enhance local activities. Many residents will drive when they move in but at a later age may want (or be required) to stop driving.

As stated above, the range of communal facilities will vary from development to development, with larger developments offering a more extensive range of facilities. The facilities provided could include the following:

- Reception and administration office: there would normally be a reception area, for mail and messages, and a small office where management could keep documents and office equipment. They may decide to employ a concierge to carry out administrative tasks and provide low-level security.
- Library/members’ room: while it is not proposed to provide organised group activities for residents, nevertheless an internal multi-purpose communal space should be provided. This space could be used as a meeting room and library, sharing facilities.

In addition residents can organise their own activities there.

- Swimming pool: In the larger developments it should be possible to provide a heated all-weather swimming pool or similar sports facility, and a small gym.

To enhance the lifestyle and comfort of residents extra facilities could be provided on a commercial basis. Most of these facilities, which would have to pay their own way (and would possibly make a profit), would be open to the wider public, on the public face of the development. This is not only commercially necessary, but would help to strengthen links with the wider community. The range of commercial facilities could include

- Therapy/beauty suite: A suite comprising one or two consulting/therapy rooms. These rooms could be hired out to different service providers e.g. hairdresser, masseur, beauty therapist, podiatrist, etc. Where it is possible to come to an agreement with the local authority and Primary Care Trust, a Health Centre for doctors and related uses could be built on site.
- IT facilitator and possibly IT training and advice centre.
- Small workshops for arts and crafts: Primarily to be used by residents, but can also be hired out to outsiders.
- Restaurant/bar/café – outside and adjacent to the development, to provide an attractive establishment for the community.
- Corner-shop type store, selling convenience goods and possibly also selling fresh produce.

Prospective residents' preferences and the local conditions would in each case dictate the size of the development, and the range of communal and commercial facilities added on.

Chapter 4: Organisation and Management

In this chapter various options for the ownership of the land and the management of the communal facilities are described.

While standard procedure in a Council Housing or Housing Association scheme is that they own the land and the dwellings, some of which may be sold in a shared ownership arrangement, the Elderflowers model will contain owner-occupier as well as rental and shared ownership dwellings. It is an important characteristic of the proposed development that ownership and management, as far as possible, are in the control of the residents. Management by residents is a growing trend within the social sector, including estates with a substantial proportion of owner-occupiers.



Therefore various forms of ownership and management are here described and evaluated for their suitability for an Elderflowers type of development.

Most developments for older people have some sort of supervisory and/or care provision. These developments cater for people who require care in some form. In modern care housing developments, there is usually a warden and other staff on site during the day, and after hours there are at least telephone access links to a central help desk. In some Council Housing and RSL care housing there is often a resident caretaker, who in the case of a high-rise building, may live in a flat in the building.

Housing developers, such as McCarthy and Stone, and combined housing and care providers such as Extracare, also have wardens and staff on site, either during the day only or day and night.

In all cases where there is management staff on site, the cost of management is apportioned to the dwellings pro rata and included in the service charge which each household pays. In the case of Council housing, and care, the charges tend to be absorbed into housing benefit where this applies.

In the market that Elderflowers is aiming for, people will not identify themselves as ill or needing care or support. In the Elderflowers hypothesis, there are many active older people who would not move into a development containing care provision, as this does not match their image of themselves. Although people may develop ailments as they age, most remain independent and active into very old age. They may require more medical care than when they were younger, but they do not see themselves in need of residential care. People who will not move into places offering medical care on site may nevertheless move into housing designed with them in mind. This market is to be catered for by Elderflowers

By the age of 50 most people have experienced many aspects of life, including taking on responsibilities at home and at work, controlling their own budgets, diets, establishing a lifestyle to suit themselves. Many people acquire skills during their working lives that would enable them to participate responsibly in management, so that in an Elderflowers development the residents should be capable of assuming the management role. (In order to establish a skills base initially it may be necessary to interview prospective residents to establish how they can contribute to management or maintenance or whether they have other skills that are useful.)

Given that the residents are to be responsible for the management of the development the intention is to adopt a legal structure and a form of ownership that will provide for

- (a) individual responsibility for each resident's home
- (b) collective maintenance of the scheme as a whole
- (c) collective ownership and management of communal facilities.

The management process will to a certain extent depend on the legal status of the development and the residents' homes. The ideas set down below represent initial thoughts on how a mixed tenure development might be managed by residents. When a suitable site has been located, and the first model development is being set up, the experience of managed mixed tenure development would be studied in more detail in order to identify best practice and the most suitable management solution.

Management of the interior of an owner-occupied house or apartment would be the responsibility of the owner. In the case of a multi-storey building containing apartments, overall management of the building and its common spaces would have to be vested in either a central management committee of owners, or a management agency appointed by such a committee. The Housing Association would be a member of this committee and could contribute management services. Housing Association partners would continue to collect rents for, and maintain their own properties.

All residents in the development would be responsible for the maintenance and improvement of the communal facilities and spaces.

A residents' central management committee or residents' association would have to be established, and would have two distinct tasks: (1) for home owners (including the Housing Association) the maintenance of the properties and the cleaning and maintenance of common areas, such as lifts, corridors, etc. and (2), for all the residents, the management of the communal facilities, whatever they are. It is possible that there would be two distinct bodies, one to care for the maintenance of the buildings and the other for the ownership and management of the communal facilities.

The intention is that in an Elderflowers development, the management committee would consist of residents of the buildings. In order to ensure that self-management is effective, all residents will have to be members of the general committee. Although they do not all have to attend every meeting, each one has the right to attend general meetings and vote on issues. This will ensure that all residents feel that they can make their views known, and that each resident realises that they are responsible for the care and upkeep of the development.

There would probably be general meeting held a few times a year for all members, who would choose a management committee, who would in turn be responsible for running the place on a day-to-day basis, and who would employ staff. There will have to be clear principles and systems set in place for the management committee to operate effectively and ethically.

The reasons for self-management are to enable residents to make decisions about their own immediate environment, without the interference of an institutional body or manager; and to keep service costs down.

Initially management training will be given and supervision should take place, to ensure that the correct procedures are in place and that the management committee is competent. Both CDS Co-operatives and Coin Street Community Builders run training programmes for residents moving into their developments, and would be able to run training programmes for Elderflowers residents. Financial records and transactions would probably be initially supervised by the joint development partnership of

Elderflowers Projects and its Housing Association partner. Once all the units are sold or disposed of, the development team will not have a vote on the committee but may attend as observers. Accounts would be audited annually.

Ownership of the site could either be vested in the company owned by the residents, or in the joint partnership of Elderflowers Projects and its partner RSL, with or without the residents having a share. In either case, the rental and shared ownership units will be owned by the RSL, and the for-sale houses will be owned by the residents themselves. The houses will all be sold on long leasehold.

It may be thought necessary to retain a small percentage of the equity in sale homes in the ownership of the company or the partnership, to retain the nature of the development and have some say about incoming residents in the future, although there will also be selection procedures in place, to ensure a range of ages and incomes throughout the life of the development.

* * * * *

In the past where there was a block of flats or a number of dwellings in the same development, they would be owned by the landlord, who would either let the dwellings on a lease, or sell a long lease on the dwellings with the land remaining in the landlord's ownership. However, a recent change of law has given the owners of long leases on dwellings in multiple-dwelling buildings the right to buy the freehold and set up their own management.

The most common form of legal arrangement for ownership of the building and the units is the establishment of a company, where the owners of individual units become shareholders of the company. They can decide on the method of management of the common spaces and maintenance of the buildings.

There are other possible forms of legal arrangement of ownership of the land, buildings and common spaces and uses: the main options, some of which are described below, including examples where relevant, are

- Company limited by Guarantee
- Company limited by shares
- Co-operatives and co-housing
- Co-ownership
- Commonhold
- Community land trust

These are described briefly to evaluate their advantages and disadvantages.

Companies

There are three types of limited company

Companies limited by shares

Companies limited by guarantee

Public limited companies

Each company is limited in the activities it can perform by the rules set out within the company's Memorandum and Articles of Association. As a minimum, companies are required to have one director and a company secretary. The company secretary has the responsibility of ensuring that statutory returns are completed on time. Companies are required to be registered with Companies House, a government executive agency who monitors company activity. All companies are required by law to complete annual

accounts and submit these to Companies House. The owners of limited companies only have financial liability in the event of business failure equal to the amount guaranteed or the face value of the shares if these are unpaid.

Public limited companies (PLCs) are limited companies whose shares are openly traded on the Stock Exchange. This is not relevant to the Elderflowers model.

Companies limited by shares are private companies, who have share capital and issue those shares in the business to a number of shareholders. Shareholders own the business. Shares in a private company can be sold or transferred, but are not traded on the open market. This form of company is the most prevalent form and is most commonly used by private trading businesses.

Companies limited by guarantee do not have any shareholders. Instead they have members who guarantee that in the event of a business failure that they will provide a limited amount of funds to cover any losses. Guarantor's liability is normally limited to £1.

This form of company is most commonly used for non-trading entities such as charities and other non-profit making bodies who require a legal form with limited liability, as well as some flexibility not given by Industrial Provident societies (the legal form for Co-ops).

The company limited by guarantee is the most appropriate form for the Elderflowers model as it means that profits cannot be distributed to the guarantors whilst giving the flexibility to carry out a number of activities. Potential tenants and owners within the Elderflower scheme would register as members of the company, therefore binding them into its management structure. At the time that they leave Elderflowers scheme membership would be rescinded and their participation ended.

An advantage of this type of organisation is that it is familiar to most people, and there is precedent for the legal requirements.

Community Interest Companies

Effective from 1st July 2005, a new type of company is now available called the Community Interest Company (CIC). The purpose of the CIC is to provide a company form that is more relevant to the requirements of social enterprise, of which the provision of housing, specifically social housing, has been identified a potential key user. The purpose of the CIC is to allow the flexibility of a limited company whilst giving some of the safeguards as guaranteed by charitable status. At this point in time CICs are not proven, and there are very few examples in housing developments. It is not clear whether this model will provide any benefits to the Elderflowers model that are not gained from having a company limited by guarantee. Additionally the CIC imposes additional reporting requirements that would increase the cost to the Elderflowers scheme of statutory compliance.

Housing Co-operatives and Co-housing

The co-operative housing movement has its roots in the co-operative movements established in England in the 19th century. A housing co-operative is a legal association formed for the purpose of providing housing to its members on a continuing basis. It is owned and controlled by its members. It is distinguished from other housing associations by its ownership structure and its commitments to cooperative principles. Co-operatives are mutually owned and non-profit making.

The distinguishing feature is that members democratically control and manage their homes, since all residents are members of the co-op and all residents have the right to vote. Co-operatives may either be tenants or jointly own their properties. Most

Housing Co-operatives are registered as Industrial and Provident Societies, giving them the legal structure allowing them to operate as a co-operative.

There are various types of housing co-operatives, including ownership co-operatives, owned, managed and controlled by their members.

“Ownership co-operatives are traditionally quite small, but they give the greatest amount of control of the housing co-operative models, and research carried out in 1996 found they were the most successful housing providers in the country.” (Confederation of Housing Co-operatives)

There is a code of Governance for Tenant Management Organisations, drawn up in 2001. This was written to clarify issues about how housing co-operatives should be governed to provide maximum benefit for their members; it laid down the goals and standards for effective and ethical management.

The four key elements identified for good governance are:

- high ethical standards
- strong systems of accountability
- proper systems to ensure effective operations
- that members work together to achieve agreed objectives.

A few examples will serve to illustrate these principles and work. A leading group of housing co-operatives in the UK is owned by Coin Street Community Builders in London. This is a large organisation with 4 co-operatives within it. Coin Street Community Builders is a holding company, which holds the freehold of the land on which the co-operatives stand. The entire development includes commercial, residential and open space.

The Coin Street secondary housing co-operative sets up the individual co-ops and raises the money for development. They pass the day-to-day decision-making and management to the primary co-ops, run by the people who live in them.

The first housing co-op that they established is on a 125-year lease, but co-ops established subsequently are on 5 year rolling leases.

The Coin Street Housing Co-operatives are in Central London: the central body handles development and rent-collection. Individual housing co-operatives therefore have less flexibility in decision-making and the amassing of savings for the use of the community than a smaller group would have.

A small housing co-operative in Milton Keynes has been running successfully since 1978. It is a fully mutual co-op, which means that residents must be members of the co-op and only co-op members can be tenants. This particular co-op has been very successful and there are never any vacant properties. This is partly due to the fact that prospective residents have to show their commitment for some time before they are accepted – so the co-op is always housed by energetic and committed residents. Another factor is that the rental is very low as the residents themselves do most work and management, thus allowing them to invest their savings in extra shared facilities. Details of the running of this co-op and its facilities are contained in Appendix 2.

Housing Co-operatives are all different from each other, because “they are about ordinary people developing their own standards and structures to meet the needs of their communities.”

The ethical standards set for housing co-ops include self-help, self-responsibility, equality, openness and social responsibility. The operational standards need to ensure

that the co-op works efficiently on a daily basis, that there is appropriate staffing and training, that necessary information is up-to-date and available to all, and that the co-op's work is audited regularly, both internally and externally. Their annual report has to illustrate compliance with the Code of Governance published by the National Housing Federation.

Membership of a housing co-op entitles the member to one vote at all general meetings. The general meeting determines strategic direction and policies, but management and implementation are delegated to a management committee. The general meeting also approves the co-op's annual budget and accounts, and satisfies itself that the organisation is being run lawfully in accordance with proper standards.

The membership agreement requires members to adhere to the values of the co-op and abide by its policies; it requires them to contribute to decisions by attending general meetings, training sessions and other events. They should be made aware of their commitment when they sign their membership agreement. Co-op members are encouraged to become involved in the running of the co-op.

The governing body will need to know the skills of the co-op members, and who can be called on. This includes general business, financial and management skills as well as all trades, and other relevant skills and knowledge, e.g. legal, property development and public affairs.

The co-operative structure would also be suitable as the governing body for the Elderflowers development

* * * * *

Co-Housing is similar to a small housing cooperative in that all members are expected to participate in management and that they form a strong social unit as well. Co-housing is a fairly recent version of housing management and ownership in this country, although it has been widely used in the Netherlands and Scandinavia, especially for older people. It is a form of "intentional community" such as a commune, in that the group is formed before the development is designed and built, involving all members in decision-making from an early stage.

It has all the characteristics of a co-operative, the main difference being that the residents may own their own homes, and the organisation may be a company. There could also be a mixed tenure regime, with some rental and some owner-occupiers. In a study carried out for the Older Women's Housing Co-op by Jenkins and Hand in 2002, the intention was to support a mixed tenure community, and establish a housing association as landlord of the rented homes.

"The concept of control is central to CoHousing, notably in the management of the housing developed. In many CoHousing schemes control is exercised through ownership, particularly freehold ownership."

There are a few recently established co-housing developments in this country. Co-housing combines the independence of self-contained private dwellings with community living. Each household has its own home, and shares common facilities with its neighbours. The co-housing model has many similarities to the Elderflowers model, but the differences are significant, particularly in that a community is formed before the houses are built, and in most cases the community is expected to dine together a number of times a week .

Shared Equity Co-operative and Community Land Trusts

Another model for housing organisation and ownership, which could provide lessons for an Elderflowers development, is Mutual Home Ownership.

Limited equity co-operative housing, where returns on equity shares on sale are restricted, is popular in Scandinavia, Canada and the USA, to provide affordable solutions.

In 2003, CDS Cooperatives and the New Economics Foundation published a report investigating the housing crisis faced by people on low to moderate incomes, resulting in the recommendation of a shared equity co-operative.

This arrangement enables members to have an equity stake in their home, while at the same time a community land trust takes the value of the land out of the market and holds it in trust, as a public asset. This arrangement keeps the housing affordable for current and future generations. It also bridges the gulf between owning and renting. The owners are mutual home owners.

Shared equity co-operative forms of housing exhibit several intrinsic cost savings:

- In the cheapest limited equity forms, borrowing is corporate, which can reduce interest on borrowing costs for new housing
- Tenant participation in management can save on some overheads and exert pressure on achieving best value
- Tenure can be kept simple.
- Shared equity housing can also support people in gradually building up ownership, while simultaneously dealing with depreciation through a service payment covering repairs and maintenance.

The Community Land Trust owns the freehold of the land, of which it grants a lease to the central fully mutual co-op or company, for the development. This is a suitable model for ownership and management of an Elderflowers development.

One of the concerns about an Elderflowers development is the need to protect any subsidy in the development, on the land or in the buildings, in order for future buyers to benefit in the same way as the initial buyers. If the development were discounted, for any reason, the Community Land Trust mechanism would protect the subsidy in the form of land.

However, this type of organisation has not been thoroughly tested in the field in the UK.

* * * * *

Conclusion

In an Elderflowers development, all the dwelling units will be owned, either by the RSL partner or by individual home-owners. Therefore a housing co-operative may not be feasible for the whole management structure, in that it will not own all the housing units.

It is suggested that there are two management bodies, one for the maintenance of the fabric of the buildings, which all owners, including the RSL, will manage; the other will be for the communal spaces, which will come under the ownership of all the residents. This second body could also own the land on which the development stands, and all the units could be sold on long leases, with restrictive clauses if necessary. Alternatively the second residents' body could own all the communal facilities in the scheme, and possibly also own the commercial elements.

Each case will have to be assessed on its merits, according to its location and size, and the preferences of the prospective residents. From the above range, the most likely choice for the organisation of the residents will be the company limited by guarantee, as this is most familiar to people dealing with legal matters. However, the Community Land Trust and Mutual Home ownership could prove more suitable and may be used in the future.

Chapter 5: Finance

Elderflowers developments will, in general, be mixed tenure developments which would be reflected in the financing arrangements since each development would be financed both as a Housing Association development and as a commercial development. The Housing Association accommodation will be let in the usual way either as traditional rented accommodation or as a part purchase, called Shared Ownership. Some units may be sold at discounted prices, known as 'affordable sale'. The privately owned accommodation will be sold on long leases at market prices.



It is possible that a small percentage of the equity in each property will be retained in order to retain a measure of control over future sales etc. (The alternative would be to impose conditions concerning re-sale but great care would have to be taken to ensure that such conditions would not be classified as "unfair" by a court.)

The process of financing firstly the acquisition of the site and secondly the construction of the development would be managed by a Housing Association/Elderflowers Projects partnership. In some cases it might be possible to obtain a grant from the Housing Corporation. The price of land might be discounted in relation to affordable housing. However the financial viability of the developments should not depend on obtaining land at below the market price. Obviously the price paid for the site will affect the minimum price that needs to be received for viability. (See illustrative calculations below.)

To test the viability of the Elderflowers concept in terms of the minimum sale price of the units to be sold, a model has been developed to calculate the minimum sale price for units in a notional development of 200 units. Assumptions have been made about:

- Numbers of 1 bedroom units (80), 2 bedroom units (100), 2 bedroom live-work units (20)
- size of units
- construction costs for housing
- other facilities to be constructed
- professional fees
- interest rate paid on funds borrowed to finance project
- mix of owner occupied, Housing Association rental, shared ownership units (1 bed units: 60 owned, 16 rented, 4 shared ownership. 2 bed units: 75 owned, 20 rented, 5 shared ownership. Live-work units: 20 owned)
- percentage of market price to be paid by Housing Association: 85%
- price paid for land

Three different regional land costs were assumed to allow for regional differences in the price of land. The results given by the model are set out in the table below: (based on 2006 values)

MINIMUM SALE PRICE TO BREAK EVEN			
Amount paid for site	1 bed units	2 bed units	live-work units
£2.5 million	£107,000	£134,000	£178,000
£6.0 million	£124,000	£155,000	£206,000
£9.0 million	£138,000	£173,000	£230,000

In these calculations it has been assumed that the cost of the communal facilities is apportioned equally between owner-occupied and Housing Association properties.

In each region the minimum sale price required to break even on the notional development is well below the market price for this type of accommodation. Hence if units are sold at the full market price it should be possible to include in the sale price a contribution to establishing a sinking fund (see below). It should also be possible to raise sufficient funds by selling only part of the equity (say 95%) rather than 100% of the equity should this be necessary to retain control on re-selling.

As stated earlier in this report most of the housing developments for older people built by the private sector are beyond the means of older households with average or below average incomes because they provide expensive services, and therefore have high service charges. The aim of Elderflowers is to establish developments that are within the means of households with modest incomes, because the level of service charges has been reduced.

Where only a modest level of services is to be provided it is estimated that the basic charge could be approximately £60 per month (at 2006 prices). This charge would be paid by all residents, both owners and those in Housing Association property, and it could be charged on a sliding scale, as it could be argued that the owners would benefit more from the improvement and maintenance of shared communal facilities, in that it would enhance the value of their homes. The service charge would cover the basic cleaning and routine maintenance of all shared spaces, including the supervision and maintenance of communal facilities.

In addition there would a monthly charge of approximately £30 paid by owners into a repairs and maintenance fund for cyclical works (i.e. external decoration, reactive repairs, technical inspections and servicing). Those renting from the Housing Association will pay towards the maintenance costs, both cyclical and major repairs etc., as part of their rent.

It is recommended that owners should contribute to a "sinking fund" to cover major property related repairs, replacements and renewals (including works to roofs, windows, building structures and gas boilers). The contribution to the sinking fund has been calculated as 0.25% of the purchase price (plus inflation) per annum. This contribution for the first 5 years (without inflation) would be charged at the time of purchase, and in effect will be part of the purchase price. On resale the full amount of the contribution is calculated and this, less the initial contribution, is paid as a deferred charge. The reason for charging an initial contribution to the sinking fund is to ensure that the fund is built up in the early years when there may be very few re-sales, and unforeseen repairs may be needed.

A payment of £90 per month for owners (approximately £20 per week) should be affordable to the majority of single pensioners and nearly all couples. Assuming that these monthly payments should not exceed 20% of net income this would require a net income of £450 per month. According to the Family Resources Survey in 2002/03 the median net income (before housing costs) of single pensioners over 75 was £650 per month, so £450 per month was well below the median income for this poorest category of pensioner. For single pensioners under 75 the median income was £684 per month in 2002/3, for recently retired single pensioners the median income was £741 per month. Therefore it is clear that even without taking income increases between 2002/3 and 2006/7 into account, the majority of single pensioners should be able to afford these payments. For couples the level of income is higher so very few couples should be unable to afford a monthly payment of £90 per month; for couples where the head was under 75 the median net income was £1187 per month, and for recently retired couples

the median income was £1230 per month.

In 2006, State Pension levels are set at the minimum of £114.05 per week (including pension credit where necessary) for a single person aged 60 or over, and £175.05 per week for a couple. This equates to £495 per month for a single person, and £759 per month for a couple. There are also increases in pension for those over 65 who have moderate savings. Therefore there should be no pensioner household unable to afford this level of charges.

These calculations take no account of capital, however most owners moving into Elderflowers should have available to them the equity released from the sale of their previous home. Many of those who might find paying the charge in full out of income difficult but not impossible should be able to make the situation easier by drawing on capital at a rate of up to £500 per annum.

The calculation of the service charge takes no account of any profit from the letting of the commercial properties. These will have to meet their own capital and maintenance costs but should make a profit. If so, some of this should be available to permit a modest reduction in the level of the basic service charge, or to finance improvements to the common facilities, or to pay off their capital cost. In certain cases, it may be possible to develop commercial facilities and either sell them outright or on a long lease, to subsidise the capital cost of the establishment of communal facilities.

These figures are by their nature estimates, and the final figures will depend on the size of the development and its location. However, the amount of calculation done thus far strengthens the argument to proceed with this model of development, as the service charges will enable the development to include the kind of communal facilities to attract people to move, while at the same time the costs calculated are sufficient to provide generous sized homes built to high standards of design and efficiency.

A further report will explore the requirements of location, site characteristics and design, and the partnership proposals to make this kind of development a mixture of private enterprise and organisational experience and efficiency.

Appendices

Appendix 1: Review of Housing Options for Older People

Appendix 2: An example of a successful Housing Co-operative



Appendix 1: Review of Housing Options for Older People

General

The proposed Elderflowers model targets able people over 50 years of age, and many of the existing housing options examined below are available to other age groups. This section looks at the range of housing possibilities currently available to them in the U.K.

18 housing opportunities are generally defined, noting the benefits and drawbacks of each and the aspects where they correspond to the proposed Elderflowers model.

Summary

The range of existing housing options available to able older people is wide, and in many instances dependent on the customer's income. For example, an owner occupier needs to exhibit the ability to carry a long term loan and the means to make repayments. On the other hand, eligibility for local authority or low cost/RSL housing is dependent on not already owning a property, or an income high enough to purchase in the private sector. The social sector hybrid part purchase option is also dependent on eligibility, and is usually aimed at younger people, and, to a larger extent, key workers. With financial inducements, this part-purchase option is likely to fall more and more into the private sector as provider.

A number of elements of many options can be found in the proposed Elderflowers model, but they are essentially tied to one or other sector – public, private or charitable. These elements may be various forms of tenure including option to buy; ability to plan own environment to some extent; management support; commercial offsetting to reduce building/servicing costs or catering to a specific age group.

No one existing model contains all of the proposed Elderflowers essentials.

Housing options examined

- 1 Dwelling owned outright or with outstanding loan
- 2 Self build
- 3 Local Authority rented
- 4 Shared ownership
- 5 Retirement home
- 6 ExtraCare Village
- 7 Housing Association (RSL)
- 8 Peabody Trust – Darwin Court
- 9 Life Interest Plan
- 10 Co-Housing
- 11 Housing Co-operative
- 12 Supported accommodation charity – Abbeyfields
- 13 Nursing home
- 14 Privately rented
- 15 Private trust, non charity - St Julians
- 16 Rural (geographic eligibility)
- 17 Living abroad

1: Dwelling owned outright or with outstanding loan

<p>Short description Known as owner occupied house, maisonette, or flat – freehold or leasehold. Generally purchased with the assistance of a mortgage from a building society, or bank Wide range of dwellings throughout the U.K. Prices locally dependent.</p>
<p>Age limitation for older people Borrowing term will be reduced according to the age of the applicant e.g. to 10 years for those nearing retirement. This then limits living opportunities other than equity release or the much more risky annuity schemes on offer to older people on low incomes with considerable equity in their property.</p>
<p>Financial limitation Rule of thumb for mortgage borrowings is 3.5 times average earnings. More may be considered. A deposit is generally required when purchasing property on a mortgage. Wide range of interest rates, upfront charges and penalties for early redemption. Credit rating taken into account.</p>
<p>Benefits Privacy of own front door, and usually garden. Couples and groups of friends can purchase jointly. Security of ownership as long as payments are kept up <i>which also improves owner's credit rating</i>. Property values have shown a long-term increase which enables equity release. Property can be used to purchase annuity. Value of property not counted towards monetary assets when claiming state benefits. Older people on low incomes, or who are disabled can take advantage of the Staying Put services provided by the local authority and a range of other provision e.g. Care and Repair. Will form part of inheritance.</p>
<p>Disadvantages Necessity of selling existing property before moving to new one. Limitation of suitable property for older people. e.g. older people's aspiration for a bungalow. More difficult for self-employed people to obtain loan, but those without accounts may "self-certify" their income. Essential to maintain property to sustain property value. In older age this can be difficult for many owner-occupiers. If leasehold, annual contribution towards services and maintenance is generally required. Sometimes these can be hefty Value of property counted towards financial assets when seeking nursing home accommodation.</p>
<p>Comparison to proposed Elderflowers model Opportunity to purchase, subject to conditions. Privacy and security Occupants can buy in support services. Increase in value. Range of dwelling types, some with garden Will form part of inheritance</p>

2: Self build

Short description

Individuals or groups of individuals or families carrying out housing development as prospective owner/occupiers.
Generally work is undertaken communally with all parties making a contribution and house lots drawn by ballot.
Stage payments by building society or bank.

Age limitation for older people

None, other than that imposed by the group.

Financial limitation

According to the cost of the land and property proposed

Advantages

Provides the opportunity to plan ideal home.

Affordable housing.

Solution for some in areas of high property prices.

Working together for a common good.

Disadvantages

Long-term project.

Need for planning and continual co-operation.

Essential that professional services are employed.

Comparison to proposed Elderflowers model

Possibility of prospective occupants planning and working together; managing property together.

3: Local Authority rented

Short description

A wide range of dwellings erected in the 20th century; some built to high standards (Parker Morris).

Local authorities have a duty to provide (or employ others to provide) housing for vulnerable or homeless people.

Some local authorities retain their housing stock; many have passed ownership to housing associations, but retain some rights over nominations.

[Local authorities prepare plans for future needs, which include the need for affordable housing.]

Age limitation for older people

All age groups are eligible to be added to the housing register, and local authorities have duty to provide housing for older people.

Financial limitation

Applicants must demonstrate that they are in housing need, which may include financial considerations.

Priority towards disadvantaged applicants. There is often a points system

Benefits

Emergency housing when in need.
 Mobility between other social housing providers.
 Fixed rental outgoings.
 Experienced landlord.
 Wide range of property.
 Right to buy.

Disadvantages

Generally estates may be large, which reduces opportunities for community cohesion.
 May have little choice over location or accommodation.
 Right to buy may polarise communities.
 Long waiting lists, and allocation based on points system.

4: Shared ownership

Short description

The purchase of a share or percentage of a dwelling, with rental payable on the other portion through a loan generally organised by a housing association, maybe to a linked building society.

The Homebuy Option where the occupier is owner without paying rent, but has the responsibility to maintain the property, purchased through a mortgage company.

Any increase in value is apportioned between the occupier and the provider.

Generally facilitated by housing associations.

Age limitation for older people

No upper age limit, but the same limitations on obtaining mortgage as for other forms of home ownership.

Financial limitation

Eligibility is generally determined on income and targeted towards those on lower incomes and/or in particular need.

Advantages

Ownership and privacy.

Variable amounts of purchase price enables affordability in areas of high housing prices.

May be appropriate for people on low income wanting a first step on the ladder to home ownership.

Support of housing association and flexibility of moving.

Disadvantages

Only owning part of property and requiring permission to carry out any changes.

Limitation on availability by location and quantity unless

Homebuy Option where any suitable property can be purchased.

Same barriers to obtaining mortgage for older people as home ownership.

Comparison to proposed Elderflowers model

Opportunity to part purchase, subject to conditions.

Support of management organisation more in tune with local/individual needs.

5: Retirement home (care home)

<p>Short description Specialist “community” based housing for older people with an element of support including resident warden; alarm facility; and other communal facilities such as laundry; guest suite; lounge. Variety of providers – RSLs, local authorities and the private sector e.g. McCarthy & Stone; Bovis & Pegasus. These are often gated communities.</p>
<p>Age limitation for older people 50+ or in some developments 55+</p>
<p>Financial limitation Public sector provision according to need. Small range of private sector providers with a range of costs – mostly high.</p>
<p>Benefits Some support with needs e.g. warden on site. Privacy with some community living aspects. Personal security. Private sector mainly new buildings. Peace of mind for relatives.</p>
<p>Disadvantages Local Authority provision may be poor and unsuitable for modern needs. Have a poor take up. Private sector cost of dwelling may be high, and depend on sale of home. See examples. Leasehold or rental. Loss of autonomy. Service charges vary, and may be considerable. See examples. Limited design to cost-effective template.</p>
<p>Comparison to proposed Elderflowers model Eligibility based on age. Support from peers – when sought. Service charge</p>

6: ExtraCare Village (charitable trust)

<p>Short description Large sites with apartments and bungalows to rent and buy. Communal landscaping. Range of additional services – staff, enclosed shop, health suite, restaurant and bar. Craft & hobby rooms. IT centre. greenhouse Friends Club, day trips, run by charity. Fundraising to subsidise costs.</p>
<p>Age limitation for older people 55+</p>
<p>Financial limitation Affordable Benefits assistance</p>

<p>Benefits</p> <p>Well-designed accommodation for all pockets – emphasis on care and security. Range of amenities, outings and community activities organised by staff. Subsidies Nurse led health support package and provision of care facilities for illness</p>
<p>Disadvantages</p> <p>Large “gated” sites Access to facilities limited to residents</p>
<p>Comparison to proposed Elderflowers model</p> <p>Range of tenures, including range of affordable dwellings Range of on site amenities Mutual support possible</p>

7: Housing Association (Registered Social Landlord)

<p>Short description</p> <p>Main providers of social housing, which may be former local authority properties, newly built by a housing association or a combination of both. Committee or board run with tenant, local authority and other sectors represented. Over 2000 Housing Associations or Registered Social Landlords, in England, managing about 1.45 million homes [2002] Wide variety of dwellings for various ages and conditions, often estate built. Provide affordable and shared ownership housing. Some single issue HA’s eg. for disabled people; Black and Minority Ethnic communities; older people; people with mental health problems. Land or buildings may form part of a Section 106 Agreement.</p>
<p>Age limitation for older people</p> <p>All age groups and conditions are generally accommodated Property for older people limited to people 55+</p>
<p>Financial limitation</p> <p>Necessary to qualify by proving that one is in some kind of housing need, e.g. overcrowding, homeless, single parent etc. Often residents are housed from local authority waiting lists.</p>
<p>Benefits</p> <p>Security of occupancy. Specialised housing for people with additional needs. Security of landlord with experience of building and managing property. Opportunity to move more easily than owner-occupier. Some tenants have the right to buy.</p>
<p>Disadvantages</p> <p>Maybe long waiting lists Lack of home ownership for those unable to exercise the right to buy. May have little choice over location. Generally estates may be large, which reduces opportunities for community cohesion. Limitations of rental property with some supervision.</p>

Comparison to proposed Elderflowers model

Elderflowers housing is likely to be developed in conjunction with a Housing Association
 Variety of dwellings, not estate built.
 Security of occupancy
 Property management service possible
 New property with good standards of design and sustainability

8: Peabody Trust – Darwin Court**Short description**

Specialised housing association provision for older people, rehoused from previous Peabody Trust older housing
 76 flats to Lifetime Homes standards
 Rental only
 Restaurant/café & community bakery, IT & learning centre, Healthcare suite all available to the public
 Swimming pool available under certain conditions to the public
 Income from commercial activities to offset costs

Age limitation for older people

50+

Financial limitation

Affordable housing for people on local waiting list
 Service charge (small)

Benefits

Experienced landlord
 Healthy lifestyle encouraged
 Benefits assistance

Disadvantages

Local housing list and existing tenants only

Comparison to proposed Elderflowers model

Healthy lifestyle
 Restaurant/café
 IT resource
 Healthcare suite
 Swimming pool
 Income from commercial activities to offset costs

9: Life Interest Plan

<p>Short description Private company purpose-built retirement property or annuity-based purchase (lifetime only interest) Warden on site Easy Move Part Exchange Resident lounge and guest suite Tax planning offered</p>
<p>Age limitation for older people 65+</p>
<p>Financial limitation Unattractive sliding scale on resale High service charges</p>
<p>Benefits Partial property purchase Could release equity for other purposes Home for life only Reduced maintenance demands</p>
<p>Disadvantages Reversion to company on death of occupant, therefore no inheritance value</p>
<p>Comparison to proposed Elderflowers model Purpose-built dwellings Guest suite Easy to maintain</p>

10: Co-Housing

<p>Short description Form of community housing with self-contained dwellings and shared amenities. Many such communities in Netherlands and Denmark with an average age of 70 years. Scheme planned and self managed by the community. Maybe a company limited by guarantee or shares.</p>
<p>Age limitation for older people Age limit set by the community</p>
<p>Financial limitation Most schemes are based on ownership of dwelling, with possible rental, and sharing of community facilities</p>
<p>Benefits Living with like-minded people and shared aspirations. Self-management Input into design and management decisions</p>

Disadvantages

Long-term planning to ensure members' compatibility and skills base to take project forward.

Essential for residents to be involved with management and decision-making.

Comparison to proposed Elderflowers model

Community living with independence.

Self-determination and management.

Rental and purchase (some conditions)

Company structure or could be a form of housing co-op

11: Housing Co-operative

Short description

Co-operatives are ventures controlled by their members who each have one vote.

Decisions are made democratically by those involved.

Housing co-ops are set up to provide housing for their members. Property is bought or leased by the co-op and rented out to members.

Some are registered as housing associations.

Some are single issue e.g. women or people without children.

See Confederation of Co-operative Housing for more information.

Age limitation for older people

No limits other than those imposed by the co-op, or where amenities are not suitable for people with disabilities.

Financial limitation

Most expect applicants to demonstrate genuine housing need.

Some restrictions on eligibility such as ownership of other property.

Benefits

Traditionally grassroots, community based organisations addressing ecological and social issues.

People working together for the common good.

Existing members determine who can become a full member of the community.

Mutual support and co-operation, and communal events.

Links to other co-operative ventures.

Disadvantages

Can be a lengthy waiting list, and difficult to gain access

Existing members determine who can become a full member of the community.

Co-ops expect their members to fully participate in managing and running the enterprise.

Community living can be demanding, difficult for some.

Maybe limitation on overnight guests.

Comparison to proposed Elderflowers model

Themes of mutuality and co-operation will be demonstrated in the model

Control over occupancy.

Rented property will be available.

12: Supported accommodation charity - Abbeyfields

<p>Short description</p> <p>Established charity providing houses with limited support and care homes for those with extra needs e.g. dementia. Preference to people with local connections. A 'sponsor' or representative is required to liaise with the provider. 3,500 residents countrywide by end of 2005. Costs kept low by use of volunteers and fundraising. English model copied worldwide. Registered as a social landlord in 2003. New project – Integrated Care (village setting for varying age-related needs)</p>
<p>Age limitation for older people</p> <p>Anyone over pensionable age 60 or 65+</p>
<p>Financial limitation</p> <p>Fees vary according to home. Assessment of resources is required. Assistance given to claiming benefits to top up fees.</p>
<p>Benefits</p> <p>Living with similarly positioned community. Own room and privacy. Two meals provided daily. Resident house manager. Locally managed and responsive to local needs and conditions. Possibility of moving to another home within the group. E.g care home. Can stay for a few days to try out the home.</p>
<p>Disadvantages</p> <p>Lack of ownership, no participation in management.</p>
<p>Comparison to proposed Elderflowers model</p> <p>Responsive to local needs and conditions.</p>

13: Nursing home

<p>Short description</p> <p>Accommodation with nursing care. Variable public and private sector provision. Weekly fees. Long and short term options.</p>
<p>Age limitation for older people</p> <p>Older people 55+</p>
<p>Financial limitation</p> <p>Fees are considerable. May be topped up by local authority in certain circumstances.</p>
<p>Benefits</p> <p>Full care and medical support as required.</p>

Disadvantages

Lack of provision and choice in many areas.
 Competition for places from non-locals and non-county.
 Loss of privacy and residents may be vulnerable to abuse.
 High costs, often requiring sale of own home.
 In some cases, home closure necessitates moving to another.

Comparison to proposed Elderflowers model

None.

14: Privately rented**Short description**

Variety of property rented from a private landlord under a tenancy agreement, generally six-month leases.
 Some older people may enjoy “protected” tenancies where rent increases are strictly regulated.
 Deposit of a least one month’s rent is payable in advance, plus other fees & deposits.

Age limitation for older people

No upper age limit.

Financial limitation

Eligibility is determined by ability to pay and references.

Benefits

Can accurately budget for rent costs.
 Ability to move at short notice.
 Can share with others – subject to provisions in the lease.
 Regulation of H&S issues relating to lets.

Disadvantages

Arrangement fees may be required.
 Deposit may be withheld without reasonable cause.
 Co-tenants may take advantage – e.g. not pay their share of the overheads such as telephone or may move partners in.
 Older people on protected tenancies may suffer from harassment by landlords.
 Maintenance requests may be ignored.
 Restrictions on life-style in lease.

Comparison to proposed Elderflowers model

Opportunity to rent.
 Can share dwelling with partners and family.

15: Private, non charity (St Julians)

<p>Short description Early communal housing established in 1951 in a large country house. Currently about 50 residents ranging from 0 – 100+ years. Evolution into private member’s club and small scale commercial office block. Owned by a private trust. All property rented on square foot basis. Move towards “value added” rents.</p>
<p>Age limitation for older people None – socially inclusive.</p>
<p>Financial limitation Only the ability to afford rent.</p>
<p>Benefits Residents become beneficiaries under the trust. Community living and mutual support Self determination</p>
<p>Disadvantages Rental only Rural isolation</p>
<p>Comparison to proposed Elderflowers model Rented property Community living and mutual support Self determination Social inclusion</p>

16: Rural (geographic eligibility)

<p>Short description Housing in area where strict limits on development are in place. Local people only eligible to apply.</p>
<p>Age limitation for older people Some developments are especially for older people where the only alternative is to leave their home village</p>
<p>Financial limitation If housing association or community planned development, income limits may apply.</p>
<p>Benefits Enabled to stay in local area. Community networks in place. Sense of ownership.</p>
<p>Disadvantages Eligibility and waiting list</p>
<p>Comparison to proposed Elderflowers model Providing housing for a discrete group either urban or rural.</p>

17: Living abroad

<p>Short description Individual and couple living outside the U.K. permanently, or temporarily during Winter months.</p>
<p>Age limitation for older people None.</p>
<p>Financial limitation Moving depends on assets and income. Properties abroad can be cheaper.</p>
<p>Benefits Warmer climate, generally. Lower cost of living e.g. Spain. Some state benefits payable abroad. Ex-pat communities. Widening of individual horizons.</p>
<p>Disadvantages Health and social services may be limited in other countries Loss of some state benefits. Lack of wider family support. Purchasing property abroad can have unseen consequences. E.g. inheritance laws in France or infrastructure contributions in Spain.</p>
<p>Comparison to proposed Elderflowers model None</p>

Appendix 2: An Example of a Successful Housing Co-operative with Lessons for the Elderflowers Model

Rainbow Housing Co-operative consists of twenty-four houses, most of them with two small bedrooms, and the four end houses with four bedrooms and a second reception room. The houses are two Victorian terraces facing each other on a narrow road. The road has been pedestrianised.

One house is reserved as a community house, containing a commercial washing machine and tumble dryer, a meeting room with kitchen and notice boards, one room for office and administrative use, and one room for tools and carpentry. Each household is free to use these facilities and has a set of keys. Land to the south of the development is a communal garden, with a shared polytunnel for growing vegetables, a garden shed with tools, duck pond, chicken run, barbecue and entertainment area, and children's play equipment and tree house. Produce from the land (and eggs) is available to all members. The co-op owns a number of shared facilities, e.g. projector, 4-berth tent, maps, etc.

The houses were originally owned and renovated for the co-op by the Local Authority. The financial arrangement agreed between the co-op and the local authority was that the co-op collected the full rent, and retained the management, maintenance and void elements, paying the rest to the local authority. In this way the co-op amassed a sizeable fund; through the residents doing their own building and garden maintenance, and their own administration and management, they were able to build up their savings, which have subsequently been used by them to:-

- double glaze all the windows and improve the insulation,
- modernise the kitchens and plumbing, and
- install baby-minder connections to all the houses.

There is an expectation that all residents will attend the monthly meetings and contribute to the activities of at least one of the other groups which organise events or provide maintenance: these include regular meetings of the finance, land, maintenance and central administrative groups, as well as occasional meetings to do with children's activities, chickens and ducks, and entertainment and crafts.

There is a considerable demand for accommodation in this development. Prospective applicants are expected to attend a number of general meetings, getting to know residents and the ways of the co-op, and also to attend workdays, doing maintenance with the residents, either on the properties or in the gardens.

The choice of a resident for the next available property is made at the general meeting by the existing residents. Advocates put forward arguments and pleas for the people they represent, and the members vote according to how well they know the person and to what extent they will contribute to the energy and spirit of the co-op. "The decision is reached on the basis of the needs of the applicant and on who is felt to fit in best with the co-operative's lifestyle" to quote their Handbook on Policies and Procedures.

This particular co-op has been very successful and there are never any vacant properties. This is partly due to the fact that prospective residents have to show their commitment for some time before they are accepted – so the co-op is always housed by energetic and committed residents.

In 1992, it became possible to buy the complex at a low price, and now the residents own the houses jointly, as well as manage them. The amount of rent is set annually and

covers the cost of management, maintenance and landscaping as well as associated running costs.

Although they say in their handbook that it is their aim “to show to each other and to others the sanity of shared living,” ... and “we also hope to give support to each other and any other group consulted to live communally,” the residents in this co-op each live in their own separate houses, with separate entrances, gardens, kitchens and a fully fitted home. They do maintain and manage the development communally, and therefore they do demonstrate how this can be done successfully. What is also shown is that by carrying out these tasks communally, and many of them without payment or cost, they save money, that means their charges are low and also that they can afford to build and buy a few shared luxuries. The surplus is available to be spent for the benefit of all.

While some people share allotments, equipment and eat together, others are more independent. Children are cared for by all, and can play in the safe space between the houses.

There are legal obligations to living in the co-op: these are:-

- management jobs, e.g. collection of rent, dealing with arrears book-keeping
- maintenance of properties to a good standard, especially exterior painting, roof maintenance, plumbing, electrics, and keeping the gardens and landscaped area in good order.

Other obligations that they have taken on because they want to and because it benefits everyone, include:-

- the provision of an industrial washing machine and tumble dryer
- growing vegetables
- looking after children including installing a baby alarm system in all the houses
- keeping chickens and ducks
- organising group parties

Although some of the residents do more work than others, most find it enjoyable and worthwhile.

* * * * *

References

Age Concern, Briefings and Fact sheets

The Architects' Journal, Barrie Evans, Homes for a lifetime, 14/21 August 1997

Joan Bakewell, 'We oldies can look after ourselves', Guardian, 3 June 2006

Kate Barker, Review of housing Supply, March 2004

CDS Co-operatives, Common Ground - for Mutual Home Ownership, New Economics Foundation and CDS Co-operatives, sponsored by CDS Co-operatives and the Housing Corporation, 2003,



Centre for Policy on Ageing, A Bright Horizon, Annual Report, 2001/2002

Centre for Policy on Ageing, Living Arrangements and Older People: Choice in Later life, Why do People Retire when they do?, Univ of Surrey, July 2004

Centre for Research into the Older Workforce (CROW),

Chris Holmes, Housing Equality and Choice, IPPR 2003

Coin Street Community Builders, Neighbourhood News winter 2005, summer 2006

Coin Street Community Builders: Social Enterprise in Action 'There is another way' 04/02

Confederation of Co-operative Housing, Code of Governance for Housing co-operatives, Feb 2001

Community & Local Govt Dept. Ageing Society Study – Statement of Requirement, March 07

Karen Croucher, Making the case for retirement villages, Joseph Rowntree Foundation, 2006

CSPRD Newsletter, Univ. of Wales, The Migration process of older people, Winter 97/98

EAC Housing Care, Making the right choice, Rented Retirement housing,

Extralife, the magazine for friends of ExtraCare, June, Dec 2005, etc.

The Guardian, Patrick Collinson 'Forget release – you'll get punished' Jan 28 2006

The Guardian, Margaret Hughes, 'Housing Campaign with 20/20 vision', 10 Sept 2005

The Guardian, 'Retiring to the city centre', 15 Feb 2003

GLA Housing Unit, Community Land Trusts and Mutual Housing Models, Nov 2004

Marilyn Hambly, Programme Co-ordinator, Care & Repair England, 'Should I stay or should I go?' Working with Older People, June 2003 Vol 7 Issue 2

- The Herald, Melanie Reid, 'When the baby-boomers begin to wield grey power', March 28 2006
- Michelle Hollywood, Marketing director, Hanover Housing Assoc. 'Housing options for older people' Working with Older People, June 2003 Vol 7 Issue 2
- The Independent, Christopher Browne, 'Say goodbye to the granny flat', 20 Aug 2003
- Institute for Social and Economic Research, British Household Panel Survey, Intelligence, Third Age Housing; Growing old gracefully, David Littlefield, Aug 2003
- International Longevity Centre, Building our Futures, Feb 2006
- Jenkins and Hand, CoHousing for Older Women: The legal and financial feasibility of setting up a CoHousing Community for older women in London London, 2000,
- Joseph Rowntree Foundation, Making the case for retirement villages, April 2006
- Joseph Rowntree Foundation, Planning for continuing care retirement communities, April 2006
- King, Warnes and Williams, Sunset Lives, Berg, Oxford, 2000
- Lyons Inquiry into Local Government, Final Report, March 2007
- Milton Keynes Council, Older People in Milton Keynes profile, 2006
- Milton Keynes Council, Older People's Housing Strategy for 2005 – 2008, 2005
- Milton Keynes Council, Neighbourhood Services Leaflets on Sheltered Housing Services for Older People, (Jan 2004), Shared Ownership (Jan 2004), Housing Transfer (Jan 2005)
- Nigel J W Appleton, Planning for the Majority: the needs and aspirations of older people in general housing, Contact Consulting, 2002
- The Observer, Ben Flanagan, 'Old age, new horizons', 26 March 2006
- ODPM Select Committee Enquiry – Housing Supply and Affordability, September 2006
- Office for National Statistics, Focus on Older People, May 2004
- Office for National Statistics, Social Focus on Older People
- Office of the Deputy Prime Minister, Housing for older people, 2005
- Office of the Deputy Prime Minister, Supporting People Programme,
- Rainbow Housing Cooperative Ltd, Policies and Procedures, 1991
- RED Research Team, Design Centre Ageing user research transcripts, 2006
- Smales, Copeland, Watts, Yarrow, Epstein, Seven Principles of Sustainable Regeneration and Development, Housing Corporation, 2004

Keith Sumner, ed, Our Homes, our Lives, Choice in later life living arrangements, CPA 2002

Survey of English Housing, Community and Local Government Department, 2005/6

Survey of English Housing, Office of the Deputy Prime Minister 2002/3

C. Tomassini, Living Arrangements among older people: an overview of trends in Europe and the USA, Population Trends, Office for National Statistics, Spring 2004

May 2007



Published by **Upstart!** Press
Milton Keynes
ISBN No: 978-0-9555807-0-3