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Executive Summary

Appropriate housing options to facilitate ageing in place can be a powerful tool to address the growing need for housing and social care in light of an ageing population. However, the UK lags behind a number of other countries in the provision of specialist later life housing. Through a review of literature, a stakeholder roundtable, and a series of expert interviews, this research has explored what the UK can learn from other countries who have a more robust specialist retirement housing and housing-with-care sector.

There are a variety of terms used to describe housing aimed at people in later life; in many instances, the terms that get used vary by the extent to which (or whether) care services are provided as part of the on-site service. Different terms are also more prevalent in specific countries, which reflects not only the current market for housing-with-care in them, but the history of the sector’s development. The UK context features a variety of terms that fall under the housing-with-care umbrella, and a consensus on terminology has not yet clearly emerged.

Still, there is great need for the UK to work on developing this sector. Market penetration for housing-with-care is comparatively low in the UK at 0.7% for those aged 65+, compared to 5.4% in Australia, 5.2% in New Zealand, and 6.1% in the US. At the same time, the UK has the highest proportion of its population aged 65+ among these countries. Yet, although there has been notable growth in the supply of housing-with-care, the number of new units per year would need to be more than double the current rate in order to maintain existing levels of provision as the number of older people increases in coming years.

But the question remains: how do we stimulate further expansion and higher levels of building within the sector? We investigated this question by looking at legislation, funding/financing, and planning policies in different international contexts, leading to a number of lessons to help influence development of the sector.

Legislation for Housing-with-Care

Legislative and regulatory environments can play a significant role in shaping the levels of provision in specialist later life housing that we observe across different international contexts. Legal frameworks to cover the sector exist in each country investigated, although with differences in coverage and approach.

New Zealand has an act that covers the whole country, and the model incorporates a range of innovative elements that outline the requirements for operators and offer extensive consumer protection. Fundamental to the broad consumer protection in New Zealand is the extent of up-front disclosure documentation as well as the requirement for prospective movers to obtain independent legal advice before entering into any contracts.

Dedicated roles mandated in the New Zealand legislation – statutory supervisors and the Retirement Commissioner – also provide oversight functions that ensure compliance with regulation, adding an additional layer of consumer protection that endures throughout one’s residence.

Funding and Financing Housing-with-Care

There can be quite a variety of financial arrangements in this sector, even within the same country. In virtually all cases, there are financial flows at the beginning and end of a residency, as well as the ongoing costs during it. The variation in these charges for occupation and services are partially shaped by factors such as buying versus renting as well as the funding models for social care.

The variety of financial arrangements for residents of housing-with-care can have a great influence on how the market functions and how the sector develops. More successful providers and markets feature clearly outlined frameworks for what residents will have to pay and what they will receive in return. However, part of the challenge in the UK context is that consumers may be unclear as to what they should reasonably expect in a housing-with-care residence. This points to the need to develop greater certainty around what the sector provides, which would benefit consumers, operators, and investors.
Planning Policy and Housing-with-Care

Going from the idea of housing-with-care to successfully creating, building, and operating such opportunities will require careful consideration of two aspects of the planning process in particular: land use classification and the element of care in the planning process. A specific land use classification for retirement housing in other countries has helped to streamline the planning process, facilitating development and expansion in the sector. Creating such a class in the UK could help remove some of the barriers to development.

Providers should also incorporate strategies for care and support from the start of the planning process. This will strengthen their position and ability to provide an ageing in place experience.

Lessons for the UK Sector

Overall, there was a general consensus among the experts involved in this research that the introduction of legislation and an overall regulatory framework for housing-with-care would itself confer benefits. This could help build consumer confidence while simultaneously providing longer-term certainty to operators and investors. At the same time, legislation on its own can only go so far, and the insights from our conversations with experts offer important avenues for action that can be taken by a range of stakeholders.

- **Promote product diversification, but with limited complexity:** The sector should work to support the creation of different types of products that suit diverse needs. One type of product will not be able to meet the varying needs of different older people, who themselves will have different preferences. At the same time, there should not be too much complexity, as certainty around the offer has been linked to success in international markets.

- **Build an experience rather than just a property product:** The sector should be clear in its focus on the experience that housing-with-care offers, rather than focusing solely on a housing product. This is less about stimulating demand among older people, but more about encouraging active engagement in later life planning and demonstrating the added value of a move into housing-with-care.

- **Consider alternative models to contractual arrangements:** Various criticisms of leaseholds in the UK may serve as a deterrent to moves into housing-with-care, so arrangement such as the right to occupy approach in New Zealand could confer benefit to the sector. This could further offer a clear way to provide exemption to Stamp Duty, a recommendation previously made to stimulate moves in later life.

- **Avoid unnecessarily burdensome regulation of care and support within housing-with-care settings:** As much of the appeal for housing-with-care rests in its services for care and support needs as they develop, much of the support given to residents is not the same as that provided in institutional care and nursing home settings. Adequate oversight is important, but the sector's development could be negatively impacted if open to regulation from multiple government agencies or departments.

- **Develop robust industry standards, regardless of the progress (or lack thereof) in relevant legislation:** While legislative guidelines for the sector would benefit residents, operators, and investors, the industry should not wait for legislation to come into force. Robust standards of best practice can be implemented without it, which can themselves provide a strong framework for legislative development.

- **Improve local authority awareness of housing-with-care and its role in later life planning:** Local authorities have a fundamental role in the overall housing sector, not least with regards to the planning process. Improving their knowledge around the benefits of housing-with-care – including by dispelling common myths and stereotypes – would facilitate buy-in and encourage development.

- **Collaborate to benefit from the advantages of an industry representative body:** A collaborative industry body has been attributed to some of the success of this market in other countries. Many of the lessons highlighted above would be enhanced and more easily achieved through collaboration and sharing of best practice, which could stimulate some degree of standardisation in the industry.
Introduction

Housing remains an important item on the UK policy agenda, and the relevance of housing in later life grows ever stronger in light of population ageing. There will be an unprecedented number of older people in society in coming years, and there are important questions around how prepared the UK is to meet the housing needs of this group, as well as their need for social care. Appropriate housing options to facilitate ageing in place can be a powerful tool to address these issues. However, the UK lags behind a number of other countries in the provision of specialist later life housing.

This research explores what the UK can learn from countries such as the US, Australia, and New Zealand, who have been more successful in developing a robust specialist retirement housing and housing-with-care sector. We investigated this issue in academic and grey literature as well as through a stakeholder roundtable in London. Further in-depth information came from a series of 12 interviews with experts in five countries (the aforementioned countries as well as one interview in Canada), looking at how factors related to legislation, regulation, and the cultural context might influence housing-with-care provision.¹

This report first discusses the issue of terminology around later life housing and housing-with-care in the UK and other international contexts. It then highlights how the housing-with-care sector varies across countries and the state of the sector in the UK. The report then goes on to look at three areas fundamental to the sector: legislation, financing, and planning. Much of this is drawn from the qualitative work in the project, synthesising the feedback from various experts and stakeholders working in this area. This leads to a final discussion that features some of the lessons that could help development of the housing-with-care sector in the UK.

Briefly summarised, the research suggests that the sector would benefit if engaged stakeholders worked to:

- Develop and introduce sector-specific legislation and regulation, aimed at increasing both consumer confidence while at the same time providing longer-term certainty to operators and investors
- Create different types of products that suit diverse needs, while reducing complexity
- Take greater consideration of the experience that housing-with-care offers, rather than focusing solely on a housing product
- Consider alternative models to contractual arrangements, e.g. a right to occupy approach
- Avoid unnecessarily burdensome regulation of care and support within housing-with-care settings
- Develop robust industry standards, regardless of the progress (or lack thereof) in relevant legislation
- Improve local authority awareness of housing-with-care and its role in later life planning
- Collaborate to benefit from the advantages of an industry representative body

¹ Interviewee details can be found in the acknowledgements of this report.
There are a variety of terms used to describe housing aimed at people in later life, such as retirement villages, extra care housing, assisted living, retirement communities, and sheltered housing. In the broader context, such specialist retirement housing offers services for residents and may include care and support to varying degrees. In many instances, the terms that get used for this housing vary by the extent to which (or whether) care services are provided as part of the on-site service. Different terms are also more prevalent in specific countries, which reflects not only the current market for housing-with-care in them, but the history of the sector’s development.

Table 1 organises a range of terms that have been used to some extent or another to describe specialist later life housing that includes integrated services, with examples of terms that emerge in different country contexts. Adapted from a review of literature featured in Howe et al. (2013), there are four broad categories that relate to the nature of services, care, and support available.

The first group is housing designed for older people where the emphasis is on leisure and recreation, linked to the concept of active ageing. In many instances, this can simply be thought of as a group of age-exclusive housing. This includes the general sense of the retirement village or retirement community, with many examples of this found in the US.

The second group covers housing where limited support services are available to help facilitate independent living. Here, different supportive elements are available, such as the presence of a manager/warden or an emergency help system, but these services generally do not cover aspects of personal care or home help. In the UK, this is often labelled sheltered housing.

The third and fourth categories offer care and support services; the fourth differs by covering those examples that offer continuing care, where more intense levels of care can be provided in the same development. This part of the sector demonstrates the widest variation in how terms are used, featuring descriptions such as assisted living, very or enhanced sheltered housing, and extra care. The kinds of schemes found in these categories can be grouped as the general housing-with-care sector, and make up the focus of this research.

However, the application of terms for housing-with-care varies across different international contexts as well. For example, the term ‘retirement village’ is almost always used in Australia and New Zealand to describe any housing for later life, with no explicit references to the element of care, although care is provided in the majority of such schemes in these countries. In the US and Canada, the terms ‘assisted living’ and ‘independent living’ are often used (the latter showing considerable variation in the amount of care and support provided). The US also sees mention of ‘continuing care retirement communities’ (CCRCs), which are designed to offer the full range of care necessary as people age, including for advanced cognitive impairment (often described as ‘memory care’ in various places).

In the UK sector, many terms have been used to describe various forms of specialist retirement housing, and a consensus on terminology has not yet clearly emerged. For this report, we focus on the housing-with-care sector as opposed to the broader range of specialist retirement housing options. However, these distinctions are important to keep in mind through this discussion, as the application of terms varies across different international contexts.

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<table>
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<th>Characteristics of the Housing</th>
<th>Various Overarching Terms</th>
<th>Country-specific Terms</th>
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<tr>
<td></td>
<td>UK</td>
<td>Australia</td>
</tr>
<tr>
<td>Offers services related to lifestyle and recreation (but not care)</td>
<td>Retirement community, retirement village</td>
<td>Lifestyle Villages (some do make support and care services available as needed)</td>
</tr>
<tr>
<td>Offers a limited range of support services to help with independent living</td>
<td>Independent living facility, independent living unit, self-care unit</td>
<td>Sheltered housing, warden supervised; Park-homes; [Retirement housing]</td>
</tr>
<tr>
<td>Offers more extensive support, facilities, and care provision, such as meals, activities, and 24-hour onsite staff (usually including home care provider)</td>
<td>Assisted-living facility, services/assisted-living apartment</td>
<td>Very sheltered/extra care housing; Service-enriched housing; Close care/flexi-care/integrated care; Supported housing</td>
</tr>
<tr>
<td>Similar to above, but with more extensive care/nursing facilities present</td>
<td>Housing with continuing care</td>
<td>Retirement community/village; All age community</td>
</tr>
</tbody>
</table>

Source: Adapted from Howe et al. (2013)

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3 As ‘retirement village’ as a term tends to be used across the spectrum, this term is emerging as a proposed unifying label.
Housing-with-Care in the UK and International Contexts

- Market penetration for housing-with-care is lower in the UK than in other English-speaking countries (0.7% compared to around 5-6% among those aged 65+).

- Although there has been notable growth in the supply of housing-with-care, the number of new units per year would need to be more than double the current rate in order to maintain existing levels of provision as the number of older people increases.

The complexity involved in later life housing creates challenges for stakeholders and policymakers by obscuring a clear understanding of what approaches actually exist and how they fit into the broader aspirations and needs related to housing among older people. Putting the array of terminology aside momentarily, conceptualising housing options for older people can be framed with respect to the kinds of facilities on offer and the level of supportive services provided, as illustrated in Figure 1. This shows how housing-with-care fits into the market by providing more extensive facilities as well as support services than other housing options. It also highlights how even the care home sector provides a notable degree of facilities on top of high levels of care and support, reflecting the notion that no viable options exist that offer a high degree of services and support without also having adequate facilities.

Figure 1: Different Housing Options for Older People

Turning back to consider international differences, we can make some interesting comparisons among our countries of interest and their housing-with-care markets, despite the variations in nomenclature discussed in the previous section. Home ownership rates across the UK, US, Australia, and New Zealand are broadly similar, from 63.5% in the UK to 67.0% in Australia. However, there is much greater variation in the provision of alternative housing for people in later life who require care. For example, among people living in either residential care or housing-with-care, around 48.9% of people in New Zealand live in housing-with-care compared to only 16.1% of those in the UK.4

Thinking about all older people, market penetration for housing-with-care is still comparatively low in the UK, with the proportion of people aged 65+ who live in housing-with-care at only 0.7%; this contrasts to 5.4% in Australia, 5.2% in New Zealand, and 6.1% in the US.5 This low prevalence also exists in a context where the UK has the highest proportion of its population aged 65+ among these countries (17.9% compared to 14.2-14.8% in 2015), suggesting there is not only a greater need for further development in this area, but potentially higher demand.

However, historic trends in the overall UK retirement housing sector demonstrate a noticeable lack of supply. As Figure 2 shows, the rate of construction of all forms of new housing for older people peaked in 1989 at 30,000 units but has subsequently fallen back dramatically, averaging around 7,000 new units

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a year over the last decade. At the same time, there has been a shift in the 21st century from retirement housing (also known as sheltered housing) to extra care housing (i.e. housing-with-care), recognising the need to incorporate varying levels of care and support within the home.

**Figure 2: Delivery of Specialist Retirement Housing**

![Graph showing delivery of specialist retirement housing](source: Elderly Accommodation Counsel)

Indeed, development in the sector over the past decade has come from the creation of housing-with-care units, which has outpaced other types of housing aimed at people in later life. And while the rate of growth in the specialist retirement housing stock is nearly double the growth being achieved in the general new build housing market, the rate is still inadequate to meet the growing demand as a result of population ageing. Accounting for the absolute growth in the number of people aged 75+ between 2015 and 2020, maintaining the existing level of provision would require an average of 18,000 new units per year.\(^6\) Previous research further suggests that there could be a retirement housing gap of 160,000 homes by 2030 if current trends continue, with the gap growing to 376,000 by 2050.\(^7\)

Filling this gap will not only contribute to meeting the needs of older households, but generating more movement in the market may benefit households of all ages. Moreover, the shift in new builds from general retirement housing to housing-with-care in recent years will also likely yield positive outcomes for those people who move, as the provision of care in these settings can adapt to further changing needs.

But the question remains: how do we stimulate further expansion and higher levels of building within the sector? We investigate this question below by looking first at how legislation for housing-with-care features in different international contexts. The report then considers how funding and financing are arranged and how planning policy plays a role.


What are the benefits of housing-with-care?

- Minimal costs to the public purse: Releasing current housing equity will cover a vast portion of the costs associated with increasing the supply of housing-with-care for ownership.
- Better health and wellbeing: Residents in housing-with-care experience higher quality of life and lower levels of loneliness and social isolation.
- Reduced cost to NHS and more efficient use of hospital beds: Average savings equal almost £1115 per person per year.
- Lower costs and need for local authority social care: Costs are reduced by 17.8% and 26% per person per year for providing low- and high-level care, respectively.
- Options for those wishing to downsize: This has a knock-on effect to more family homes on the market.
- Self-sufficient future generations: Each new unit of housing-with-care is estimated to reduce future Housing Benefit expenditure and means-tested social care costs by around £58,000.
- Jobs and growth: In addition to supporting construction sector jobs during development, there is around 1 permanent job created for every 4 units built.
- Community impact and families: Communal and commercial areas available to the public can benefit residents as well as the local community.
- Higher quality and more efficient care: Travel costs for care workers are significantly reduced, and closer ties among staff and residents can contribute to more stability and satisfaction among the workforce.

Table 2: Snapshot of Assorted Terms Related to Service Integrated Housing for Older People

<table>
<thead>
<tr>
<th></th>
<th>If the housing-with-care sector reached its full potential (5% of over 65s)</th>
<th>If the housing-with-care sector reached only half the levels of other countries (2.5% of over 65s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of retirement community units to be developed</td>
<td>£129bn</td>
<td>£59bn</td>
</tr>
<tr>
<td>NHS savings per year</td>
<td>£802m per year</td>
<td>£365m per year</td>
</tr>
<tr>
<td>Ongoing revenue created</td>
<td>£4bn</td>
<td>£2bn</td>
</tr>
<tr>
<td>Permanent, well paid jobs created</td>
<td>140,000</td>
<td>64,000</td>
</tr>
<tr>
<td>Under-occupied homes freed up</td>
<td>Up to 555,000</td>
<td>Up to 252,000</td>
</tr>
<tr>
<td>Domiciliary care efficiency savings per year</td>
<td>£501m per year</td>
<td>£228m per year</td>
</tr>
<tr>
<td>Residential care savings accrued</td>
<td>£7.4bn</td>
<td>£3.4bn</td>
</tr>
</tbody>
</table>

The benefits listed above are drawn from an ARCO Briefing published in July 2017. Further detail, including full citations for specific sources of evidence, can be found at www.arcouk.org/publications-resources/.
Legislation for Housing-with-Care

- The legislative frameworks for housing-with-care in the countries studied here vary, but the New Zealand model incorporates a range of innovative elements that outline the requirements for operators and offer extensive consumer protection.

- Fundamental to the broad consumer protection in New Zealand is the extent of up-front disclosure documentation as well as the requirement for prospective movers to obtain independent legal advice before entering into any contracts.

- Dedicated roles mandated in the New Zealand legislation – statutory supervisors and the Retirement Commissioner – provide oversight functions that ensure compliance with regulation, adding an additional layer of consumer protection that endures throughout one’s residence.

Legislative and regulatory environments can play a significant role in shaping the levels of provision in specialist later life housing that we observe across different international contexts. Legal frameworks to cover the sector exist in each country investigated, although with differences in coverage and approach. In the US, such legislation is generally at the state level, so there can be notable differences in what is covered. There can also be local statutes that impact how providers operate and what they must or cannot do. States and territories in Australia are also the main authority on legislation for the sector, with nothing at the federal level. In contrast, New Zealand has an act that covers the whole country.

**Spotlight: New Zealand’s Retirement Villages Act 2003**

Perhaps the strongest example of legislation specific to this sector comes from New Zealand, where the Retirement Villages Act was passed in 2003. The Act established the definition for a retirement village and put in place operational requirements and regulations to protect consumers. Similar acts also exist in Australia, legislated at the state/territory level rather than federally; this creates greater fragmentation in the specifics of what is regulated than in New Zealand. Additionally, the lack of central legislation in Australia contributes to the lack of a national industry body operating in a similar way to the Retirement Villages Association of New Zealand.

The fundamental features of the Act in New Zealand include:

- An explicit definition of a retirement village
- A requirement that retirement village operators must be registered with a Registrar of Retirement Villages; this ensures that the operators meet all legal requirements under the Act, such as submitting the disclosure documents required under the Act
- The placement of a memorial on land registered as a retirement village, i.e. once established as a village, the land must continue to be used for a village and existing contracts must be honoured in the case of any sort of change (e.g. natural disaster, sale)
- A statutory supervisor must be appointed within the village to act as a representative, serving as internal contact for residents and reporting to the Financial Markets Authority
- Regulations for Occupation Right Agreements, including a requirement that potential residents provide written acknowledgement that they have received independent legal advice before signing a contract
- The minimum rights conferred to residents in a required Code of Residents’ Rights
- The establishment of a Retirement Commissioner
- Guidelines for dispute resolution, including a complaints facility
- The requirement for a Code of Practice to ensure operators fulfil the requirements of the Act (this was further refined in separate, specific legislation in 2008)

With respect to care provision, the Act does not specifically require retirement villages in New Zealand to offer or incorporate care; however, the vast majority do have arrangements for care, as this makes

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good business sense. Given how important care needs are in the context of later life, operators need to take this into account in order to be an attractive option for potential residents as well as to ensure such environments promote independence and wellbeing to the greatest extent possible. Many villages in New Zealand also provide a continuum of care, with fully serviced apartments designated for advanced care needs. District health boards regulate care, approving agencies and providers.

Underpinning the approach in the New Zealand model is the notion that what residents actually purchase is the right to their tenancy, i.e. they do not own the actual bricks and mortar of the residence. This ‘right to occupy’ approach means that residents are entitled to live in the property for life or until they choose to leave. If the provider’s circumstances change, this right must be preserved; for example, if they decide to sell, the new provider must honour existing contracts. If a natural disaster damages or destroys the property, the provider must rebuild or otherwise fulfil their obligation to existing residents.

The extensive consumer protections required through the Act mean that residents are well-informed as to what they have access to, the operator’s responsibilities, and how the financial aspects of the tenancy are managed. Consequently, potential residents are not uncomfortable with this right to occupy approach once it has been explained to them. In addition, as our interviewees familiar with the New Zealand context highlighted, the introduction of this Act played a role in streamlining the sector and enhancing familiarity and acceptance of the offer. It also demonstrated a committed government resource paying attention to the industry and influencing its development, particularly owing to the establishment of the Retirement Commissioner.

Elements of Broad Consumer Protection

While the Act in New Zealand may serve as a particularly strong example of comprehensive legislation for the retirement village sector there, other countries’ legislation also serves to strengthen consumer protections in the market. This is done with a view to ensuring that comprehensive disclosure information is provided in a timely manner. Important components of this information are agreements on occupancy rights, residents’ rights, and codes of practice.

Occupancy rights agreements set out what the nature of the residence entails. They essentially outline the relationship between the resident and operator, including the operator’s obligations as well as the structure around fees and use of services. They describe the process for complaints and rules around termination of the agreement. As noted by some interviewees, a particularly innovative element in the New Zealand legislation is a requirement that potential residents receive independent, certified legal advice before any contract can come into force. This not only helps ensure that potential residents have received the necessary documentation before they commit to a move, but it also makes sure they understand the information.

One criticism of the New Zealand approach mentioned by some of the interviewees familiar with the NZ context is that much of the documentation that must be disclosed to potential residents can be quite repetitive and difficult to read, due to the legal nature of the language involved. This does not necessarily dilute the impact of the legislation or create a barrier for prospective movers, but it does diminish the general accessibility of the documentation. The criticism does not argue that changes in this respect are desperately needed in the NZ legislation, but it points toward a nuanced lesson for those, such as in the UK, who might be interested in developing their own regulations.

Legislation can also contribute to greater consumer protection by requiring the development of (and adherence to) residents’ rights agreements and codes of practice. These can be provided as part of occupancy rights agreements or separately. Residents’ rights agreements address how residents should be treated as well as their rights to services, information, and dispute resolution. Codes of practice outline how the housing-with-care provider operates, including areas such as general procedures, staffing, accounting, and safety.

Strong, robust information to help protect consumers (as well as market the properties) can be developed without legislation; this is not to argue legislation is not needed, but that progress in this respect among industry bodies does not require established legislation to make strides in this area. Indeed, as noted by a number of interviewees and during our roundtable, having legal rules on what must be included contributes to good practice, a degree of standardisation in the industry, and recourse in the event of abuse or malpractice. For example, guidelines in the New Zealand Act for complaints and disputes procedures require that appropriate facilities are set up, adding an important layer to the consumer protection aspect of the legislation that can provide further peace of mind to prospective residents.
There are other elements codified in the New Zealand Act that enhance consumer protection: statutory supervisors and the Retirement Commissioner. Statutory supervisors play a critical role ensuring the village operator complies with regulation and their agreements with occupants. They are appointed by the operator and serve as the representative of both the operator to regulators – the Retirement Commissioner and the Financial Markets Authority – and of the residents to the operator, e.g. financial transactions go through their independent accounts.

The Retirement Commissioner is also an innovative aspect of the New Zealand legislation. While the role has significant responsibilities for improving the financial capabilities of older people, it also includes the function of monitoring the retirement village sector and administering the dispute process. The commissioner helps add protection for residents by ensuring all villages are meeting their statutory obligations, but they also contribute to development in the sector simply by demonstrating a committed resource from central government to pay attention to the industry.
Funding and Financing Housing-with-Care

- There are various arrangements in different countries that cover the financial framework for specialist retirement housing.
- Charges for occupation and services are partially shaped by factors such as buying versus renting and the funding models for social care.
- Providing greater certainty around the financial structure of such housing options can contribute to development of the sector, including through greater investment. In the UK, greater certainty for consumers would also come from a clearer understanding of what housing-with-care represents within the industry.

While legislation like the Act in New Zealand requires operators to provide clear details on all aspects of the financial arrangements involved in living in such a property, it does not set out any specific approach that must be followed. This means there can be quite a variety of arrangements that are on offer even in the same country. However, even with this degree of variation, expert opinion argues that market pressures do tend to push arrangements toward a general alignment with each other as providers seek to generate necessary revenue while remaining competitive.

Still, the move into a specialist retirement unit always includes some kind of payment upfront (although this can be minimal for rental situations), with the variation around financing one’s residence influencing this upfront payment and the rest of the financial relationship between resident and provider. There can be a financial transaction at different stages of one’s residency: at the beginning, sometimes called an entry or entrance fee; at the end of the residency, known as exit fees, event fees, or deferred management fees; and fees collected throughout the tenure on a regular basis (e.g. monthly or weekly) or linked to the use of care and support services.

Event Fee Funding Models – New Zealand and Australia

Fee structures involving some form of deferred payment are the norm in both Australia and New Zealand, and also feature in American continuing care retirement communities. These different deferred fees have been labelled ‘event fees’ by the Law Commission in the UK. Concerns around the management of event fees in housing-with-care have already risen in the UK context, as demonstrated by the work on this issue conducted by the Law Commission.9 Their work found important problems with event fees; many consumers have been left vulnerable to unexpected charges and too little information at an early enough stage. The Law Commission has recommended the establishment of a code of practice that would limit the way fees can be charged and improve transparency early in the purchase process.

There is a constellation of event fee models across international contexts, partially shaped by the general approach with respect to leasing/buying and renting. The approach in Australia and New Zealand includes an upfront capital fee for the value of the residence, some ongoing costs for maintenance and other residential services, and then an event fee in the form of a deferred management fee (DMF).

In these models, residents have ongoing fees that cover the maintenance and upkeep of the property and access to any services, though these are predominantly charged on a not-for-profit basis. The agreements established upon entry also guarantee that either the amount will not change over the course of the tenancy or it clearly sets out the way that any changes are made. At the end of a resident’s tenancy, the initial capital sum is returned to the resident (or their estate) minus the DMF (again, established at the beginning of the tenancy). DMFs are usually calculated depending on the number of years in residence, with a cap set after a number of years. In New Zealand, the DMF tends to be around 20-30% of the initial capital fee (after increasing in a stepwise manner in the first 3-5 years usually), while Australia sees much more variation. DMFs in Australia can range from 20% to 45%, with stepwise increases across anywhere from 3 to 15 years.

Generally, the capital is returned upon receipt of the capital sum from the next resident, which can also help mitigate risk to the operator. But there are some differences between New Zealand and Australia

in terms of other charges that arise at the end. One example highlighted in our interviews is how refurbishment of the housing will be financed; in New Zealand, this is usually covered by the operator out of the DMF, while some operators in Australia charge an additional fee. This can mean units turn out in varying condition as they go back onto the market, as some residents fight back to reduce how much they spend. The greater consistency in quality after units are refurbished in New Zealand is argued to contribute to a stronger sector as it helps generate clarity in what new residents can expect to receive. Still, there are moves to further increase transparency in costs and pricing in Australia.

Since funding arrangements for social care (‘aged care’) in these countries is primarily organised with local government and treated separately from housing costs, the cost of care tends to play less of a direct role in residents’ relationship with financing their stay in the retirement community; the funding arrangements for care in these settings are the same as they would be if they were in mainstream housing. A policy priority, noted in New Zealand, toward delivering social care in people’s homes has helped operators in the sector incorporate care. The district health boards fund such services in home and community-based care. The local board provides a needs assessment for what services are available, generally covering personal help, household support, home aids/equipment, and/or carer support. The provision in New Zealand is fully funded by the district health boards, as the assessment only looks at eligibility, needs, and the capacity for the services to meet those needs in the home.

In this context, operators that provide their own care services can require additional certification and regulation as part of the formal social care sector. A number of operators are not-for-profit, many of which have a history linked to aged care and are thus built to provide their own care, although we should note that the largest providers are privately run. Operators who do not provide their own care services typically assist residents with someone to help them access a local care provider, and many will have special arrangements with a local provider.

**Funding Models in the United States**

In contrast to these arrangements in Australia and New Zealand, renting is much more common in the US, and care services are more likely to be funded and arranged privately. This contributes to offers of housing-with-care that can entail some upfront fee (e.g. an additional month’s rent as a community or member fee) along with monthly fees that cover rent as well as other residential costs rolled in.

While rental models are the most prevalent, other models have emerged based on the concept of an entrance fee. This generally entails a more substantial upfront payment, with monthly costs typically based on one of three models:

- **Life contract**, where unlimited nursing care is covered by the monthly fee.
- **Sliding contract**, where nursing care of limited duration is included, after which fees rise as care needs increase.
- **Fee-for-service**, where monthly fees are reduced, but full daily rates for nursing care are charged when used.

At the end of one’s residence, the entrance fee can be refunded fully or in part. This generally varies by the size of the entrance fee, as non-refundable entrance fees will typically be much lower than fully refundable ones. In some cases, fully refundable entrance fees may be reduced by an additional fee at exit, adding another layer for residents to consider as they think about the financial aspects of residence.

A further complexity has arisen in terms of the timing of the refunded entrance fee. In some states in the US, laws have been passed to require the refund be provided regardless of whether the unit has been resold. This is meant to protect the consumer in cases where little effort is being put into securing a new resident. However, many operators’ business models are not built to accommodate making such refunds before a resale.
Figure 3: Summary of Typical Funding Models for International Retirement Housing

<table>
<thead>
<tr>
<th>Model</th>
<th>Upfront/Entry Fee</th>
<th>Ongoing Fees</th>
<th>Exit/Event Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Event/Deferred Fee Model (NZ/Australia)</td>
<td>Substantial, comparable to purchase price</td>
<td>Service charge (usually not-for-profit)</td>
<td>Deferred Management Fee (generally 20-30% of entry fee)</td>
</tr>
<tr>
<td>Basic Rental Model (US)</td>
<td>Non-existent or negligible (e.g. 1 month's rent)</td>
<td>Monthly rent (includes amenities)</td>
<td>None, though notice is required for moving out</td>
</tr>
<tr>
<td>Entrance Fee Models (US)</td>
<td>Variable, though non-negligible and possibly substantial</td>
<td>Fee-for-service: Low monthly fees, but full rates charged for care as used Sliding contract: care for limited duration covered by monthly fees, which increase if care needs do Life contract: Highest monthly fees, but unlimited care coverage</td>
<td>Partial or full refund of entrance fee (except with the life contract model)</td>
</tr>
</tbody>
</table>

The Need for Greater Certainty

The variety of financial arrangements for residents of housing-with-care can have a great influence on how the market functions and how the sector develops. More successful providers and markets feature clearly outlined frameworks for what residents will have to pay and what they will receive in return.

However, part of the challenge in the UK context is that consumers may be unclear as to what they should reasonably expect in a housing-with-care residence, what would be on offer, and how this would be fairly reflected in the financial arrangement. This partially stems from the range of terms used in the sector, as well as persistent misconceptions that housing-with-care is just another form of the institutional nursing care stereotype.

This points to the need to develop greater certainty around what the sector provides. This does not suggest one specific model or arrangement, but it does include the notion of improving older consumers’ awareness of how the sector has evolved in recent years and the kinds of opportunities that exist. It is also important for such information to be presented early in the process. There is a general consensus from our international work that potential residents are quite receptive to housing-with-care and the differing payment models for it if there is clear information provided from an early stage. Any potential questions and concerns can easily be resolved in this way.

At the same time, certainty in the offer would strengthen the incentive for investors to engage in the sector. Participants in our research said that transparency improves investment, as it offers prospective investors greater clarity on what the structure of risk would be. Demonstrating a robust approach to ensuring adequate preparation and disclosure would help provide a framework for investors to contribute to development at scale. If there is certainty in the market around what is on offer and how various risks can be mitigated or balanced, there will be greater incentive for further development of the sector.

Still, any efforts to improve certainty in the sector for consumers, operators, and investors would best be served by legislation to help provide strong guarantees. There need to be mechanisms in place to ensure compliance, otherwise a lack of certainty will persist among consumers if there are too many stories of mismanagement and poor practice. As one interviewee explicitly noted, the sector is also in such a position that even one bad example has the potential to dramatically stifle development and consumer demand in this market.

Finally, further strengthening certainty in the sector would also facilitate engagement with local authorities, who play an important part due to their role in the planning process. In the US and Australia, the variety of statutes and legislation across states can serve as a barrier to expansion across jurisdictions for providers interested in doing so. This diversity in law actually reduces certainty for investors and potential providers, both in terms of what specific regulations there are for the housing-with-care offer, but also in terms of whether their plans are likely to be approved. Some interviewees indicated that regulation at the local level would itself be a deterrent to broader investment and development in the sector, particularly by larger developers.
Planning Policy and Housing-with-Care

- A specific land use classification for retirement housing in other countries helps to streamline the planning process, facilitating development and expansion in the sector.

- As the UK sector moves forward with housing-with-care, providers should incorporate strategies for care and support from the start of the planning process. This will strengthen their position and ability to provide an ageing in place experience.

An increased supply of appropriate units in the housing-with-care sector is crucial if it is to develop into an integral part of the housing and care landscape in the UK. This underscores the importance of considering the planning process and how developers can go from the idea of housing-with-care to successfully creating, building, and operating such opportunities. Two aspects of the planning process will impact future evolution of the sector in particular: land use classification and the element of care in the planning process.

**Land Use Classification**

Land use in the UK was highlighted on several occasions during the stakeholder roundtable as well as during the in-depth expert interviews. There is no specific land use classification in the UK for housing-with-care, unlike in other countries. As with other examples, the New Zealand context stands out with a specific asset class for retirement villages through the Resource Management Act, while the Retirement Villages Act ensures that any property under this classification must remain in that classification. Having a specific class also facilitates gaining planning consent: by fulfilling the guidelines under the Act, approval is quite likely. Only by going beyond these guidelines are operators likely to need a phase of negotiation and further discussions.

Moreover, planning consent is more streamlined and comprehensive in New Zealand than in the UK. For example, the right to light in the UK is separate from planning approval by the local council. This means a provider can get planning consent but then face challenges from nearby residents on the basis that it impedes the level of illumination on their properties. This can delay or even stop development projects in their tracks. Such potential issues are addressed in the New Zealand approach as part of the planning approval process, so there is less likelihood of projects encountering a prohibitive barrier in the process after receiving approval from local authorities.

As in other areas discussed earlier, the legislation in Australia and the US is more varied. In Australia, some places like Sydney have planning policies specific to retirement housing, which contributes to greater provision of such housing than would occur otherwise. In contrast, in the US, there can be an issue of developers describing their projects as senior housing to get around other housing-related regulations, only then to fail to offer any care and being inadequate to meet the needs of people in later life. This essentially defeats the purpose of actual housing-with-care and can lead to increased costs for local governments with respect to higher social care costs and a need to provide public transport as people become unable to drive or otherwise get out and about.

The planning process can also impact the development of housing-with-care through considerations over the intersection of residential and commercial use. Confusion in this area can further be exacerbated by a lack of clear regulation on how to classify use. Although housing-with-care has a clear housing focus, such schemes have in-house staff (particularly to provide care and support), communal facilities, and office space. In this way they have something more in common with a residential care home than a typical housing development. As we heard during our roundtable, if the land for a prospective development is not classified to allow such kind of employment and services, the open market can raise prices for operators substantially as they must turn to land made more expensive by competition with more typical commercial developers providing less communal space and not providing care, which works as a barrier to development.

The need for greater certainty in the sector should therefore include ways to improve and streamline the planning process; a clearer definition on what constitutes housing-with-care for planning purposes would likely facilitate development and enable faster planning. At the same time, such revision to the planning pathway must also ensure that new developers do not simply use the pathway to create housing quickly that does not offer the benefits inherent in a good housing-with-care operation. Rapid
entry into the sector accompanied by poor performance would have a disproportionately negative impact on other operators and the sector as a whole by damaging the evolving picture of what people can expect to get from the sector.

**Absence of Care from the Planning Process**

While proper industry oversight – either done through collective, voluntary action or in response to statutory regulation – could help ensure that properties provide the kinds of care and support services they say they will, there is also scope for the planning process to recognise the particularities around trying to deliver both housing and social care. As noted earlier, the New Zealand example of comprehensive legislation around the sector actually applies to the retirement village concept, and while care is available in most properties, care and support provision is not covered by these laws.

The absence of care from the planning process may also inadvertently encourage actors to enter the sector thinking about how best to design a housing product for older people – like incorporating effective home adaptations and architectural components to facilitate ageing in place – without proper consideration for how the delivery of care over time should be arranged. This underscores the importance of developing greater clarity around the definition of housing-with-care. If clear concepts around integrating care and support are established, this reduces the likelihood that actors will enter the market as simply home builders, strengthening their ability to develop housing-with-care opportunities that actually fulfil the objectives to enhance independent living and ageing in place as well as reduce the need for moves into more traditional forms of residential care.

However, the sector will thrive best when appropriate thought is put into how properties can benefit from adequate strategies to incorporate care and support. As one interviewee noted, care should be part of the definition in order to foster the development of an interesting product proposition that fulfils the idea of ageing in place (although this could be achieved through agreements with third party service providers). Also, interest in good practice for incorporating care has grown among some specialist housing operators abroad who had no formal provision in place (e.g. some lifestyle oriented communities), as their own resident populations are growing older. The challenges inherent in such cases highlight how the element of care should not feature as an afterthought or an add on, but be integrated into the whole of the planning process.
Lessons to Influence Development of the UK Sector

The sections above have outlined why there needs to be expansion and development in the UK housing-with-care sector and how some of the international dynamics in this area function across the themes of legislation, finance, and planning. The underlying motivation for this research was to identify lessons that might be applicable in the UK context and how they might help influence development of the sector. There was general consensus among the experts involved in this research that the introduction of legislation and an overall regulatory framework for housing-with-care would itself confer benefits. At the same time, legislation on its own can only go so far, and the insights from our conversations with experts offer important avenues for action that can be taken by a range of stakeholders. This section now turns to discuss these main themes that emerged from the research that might stimulate this sector.

Appropriate Product Diversification with Limited Complexity

There were two potentially contradictory themes to emerge from this research related to the range of products and terminology in the housing-with-care sector: product diversity and limited complexity. On the one hand, success in the sector results from having a range of options that satisfy the needs of different older consumers. As noted in one discussion, the age range of older people can be 65 to 100 or even 50 to 110, so one product will be unable to meet all their needs. Potential residents will have different preferences with respect to the kind of experience they seek. There will also be a range of care and support needs among residents, and these diverse needs will need to be accommodated. In other words, with respect to housing for people in later life, one size does not fit all.

At the same time, however, too much diversification of housing-with-care would be a detriment to the sector and its development. Part of the success in international markets has been attributed to the certainty around the offer. Residents, through comprehensive disclosure information like that required by the Act in New Zealand, have a good idea of what their situation will be like upon moving, at least in terms of what rules govern the financial arrangements involved throughout their tenure, the rights they have, and the obligations of the provider. At the same time, providers themselves also benefit from providing such clarity and developing a clear understanding of their roles and responsibilities. Developers and investors also benefit when they have a clear idea around the process and what will come out in the end. As one participant noted, “Unification around a concept will be key to expansion in the market.”

Build an Experience rather than just a Property Product

Alongside the idea of how greater clarity around a unifying concept can promote sector development, another theme to emerge was the importance of thinking about how to provide an aspirational lifestyle experience rather than just a property product. This is not about stimulating demand for housing-with-care, exactly, but how success in the sector will come not from simply providing more housing options but through different products that appeal to more than just the need for bricks and mortar or for personal care. Housing-with-care should be about more than just housing or care; new options should focus on what the living experience will be like, including the social aspects of the residence, the types of services that are available, the communal facilities, or the way that care is managed as need develops.

Two contrasting perspectives about potential residents reflect the importance of focusing on the experience in housing-with-care. The first perspective recognises that older consumers fall into two categories of those who plan and those who respond. This crosses international contexts, with fewer older people actively planning for their housing needs in later life than those who move in response to a shock that is often health-related for them or their partner. However, with increasing awareness of active and healthy ageing, a housing product that promotes a fulfilling living experience (that also takes care and support into consideration) would not only engage the planners but might stimulate more responders to become proactive.

The second perspective addresses many potential residents’ question of: though they can afford to buy, can they afford to live there? This consideration illustrates the underlying rationale for why stakeholders such as developers, providers, and marketers should ensure the emphasis is on the experience of housing-with-care rather than just the housing itself. Many older people who could move into housing-with-care in the future will have been a homeowner, so had the experience of purchasing a home. But
housing-with-care entails additional financial considerations, regardless of how they are organised. Clear disclosure documentation around the financial arrangements are certainly crucial for helping potential residents understand affordability; this would also be strengthened by a requirement that residents obtain certified financial advice before purchase as in the New Zealand case. At the same time, emphasising the more intangible aspects of the lived experience would demonstrate the added value that comes from residing in housing-with-care, helping to justify the added costs, encouraging a move and reducing barriers to moving (although it should be borne in mind that supply remains the biggest barrier to older people moving).

The Potential of a Right to Occupy Approach

The UK housing-with-care market features both ownership and rentals, the vast majority of the latter found in the social housing sector. Leasehold arrangements are the prevalent form in the UK private payer sector, but there have been various criticisms of leasehold in the sector as well as the general housing market. In general, increasing ground rents, additional fees paid to the freeholders, and a negative impact on the ability to sell have all been issues affecting general leasehold homeowners. Optimistically, it should be noted that research has shown resales to be healthy in the UK housing-with-care sector for older people, as limited in size as it may currently be.10

There is relative disparity across international contexts on the contractual arrangements for housing-with-care. In New Zealand, there has been historic mistrust of the leasehold approach, which has led the housing-with-care market to be dominated by an alternative tenure arrangement (the right to occupy, conferred through the Occupation Right Agreement). This is essentially the same approach in Australia through a loan-lease arrangement. The approach to retirement villages in these countries means that Stamp Duty is not charged when people move; Stamp Duty exemption has been a recommendation previously made by ILC-UK and in the third HAPPI enquiry as a way to stimulate further moves among older people into housing more suitable for later life.

Many of the controversial issues around leaseholds in the UK could be alleviated by the kind of consumer protection included in the New Zealand Retirement Villages Act 2003. This would require all aspects of financial interaction to be clearly disclosed up front, eliminating the surprise from large increases or unexpected fees.

There could be concern that older UK residents would be resistant to taking on this right to occupy approach, given people’s familiarity with home ownership. But such an approach could be adopted in a way similar to that in Australia, i.e. using a licencing route that offers an option somewhere between a full leasehold and a right to occupy agreement; however, this would need some legislation behind it to provide a guarantee for consumers for such a licensing arrangement.

At the same time, such concerns in other countries were reported to be minor issues once the arrangement was explained and all the relevant factors were clarified. In reality, this point underscores the importance of clear and detailed information provided up front, rather than a need to fundamentally shift to a new system such as the right to occupy. Moreover, the need for lenders to fund new developments contributes to the complexity inherent in shifting to any kind of new system. Yet there may be some important reasons and advantages for developers and operators to consider how this approach could benefit or strengthen their business plans.

Care vs Support: Avoiding Over-regulation

The offer of care and support is part of the experience that housing-with-care providers should emphasise and market to potential residents. However, a large proportion of housing-with-care residents who make use of the services are using only a fraction of the full range of services available when they enter the community, and much of this could be considered more as support – like wellbeing activities or domestic services – rather than personal care. Also, many older people’s needs progress over time, although even within the spectrum of social care services, most residents would receive personal care rather than nursing care. Continuing care communities in the US usually include on-site nursing care blocks to provide more advanced nursing care when needs become very acute; however most (though not all) retirement communities in the UK do not feature this more clinical element of care.

The fact that residents may use more support services than care, especially when they are looking to first join the community, highlights that the sector needs to employ a different terminology when marketing to consumers for two reasons. First, the use of the word ‘care’ may contribute to people

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making associations between housing-with-care and more traditional forms of residential care, which it differs from in many important ways. Although the housing-with-care offer is characteristically distinct from institutional forms of residential care, some people are still influenced by the idea of housing full of stereotypical images of very frail older people. Potential residents may thus be less able to see the distinction between the two, which may keep them from looking seriously at housing-with-care options.

The second reason for thinking about the terms care and support relates to how the sector is regulated. International perspectives in this research suggest that regulating the care delivery within the sector is very important, but over-regulation is a danger if multiple government agencies or departments get involved. The sector will necessarily fall under housing and consumer rights legislation and regulation, and care should clearly be regulated. But it is argued that housing-with-care settings should not be regulated by the same standards that apply to other more care-intensive and institutional residential settings.

At present, social care for older people in England is categorised into two main regulated activities. On one hand, ‘personal care for people in their own homes’ focuses on the care itself and is the approach used for traditional domiciliary care provision. On the other hand, ‘accommodation for people who require nursing or personal care’ covers the care delivery and a swathe of other aspects relating to the staffing, food provision, social activities, and physical environment in nursing and residential care homes. Amongst these two activities, housing-with-care is classed under the former activity, since individuals live in their own homes.

If efforts to establish specific legislation for the UK sector evolve, as we argue they should, it may be worth considering whether a separate regulatory class for care and support in these environments would be more appropriate. This could have the benefit of more clearly delineating the housing-with-care offer to inspectors and residents, and take account of the benefits of non-care services delivered.

**Develop Robust Industry Standards despite Lack of Legislation**

There are other challenges in the legislative context besides the risk of over-regulation with respect to care delivery. In the Australian and US contexts, regulation of the sector operates below the federal level. States and territories in Australia have their own laws governing the sector, just as regulations vary by state in the US. There are also local municipal laws that impact the sector’s development and operation. Such variety in the legislative landscape can create challenges for operators who seek to work across jurisdictions, as they create additional layers of work and can carry significant implications for how housing-with-care can be developed in different areas. Regional differences in this respect can also deter expansion into new markets.

In the UK context, this question of developing legislative and funding frameworks for the sector needs to take this into consideration, particularly in light of the policy emphasis on localism and giving greater authority to local bodies. Although there is significant interest across the sector for legislative guidelines to codify procedures and increase certainty in the sector for residents, operators, and investors, the industry should not wait for legislation to come into force. Robust standards of best practice can be implemented without legislation in place, and there are already examples in the UK of such practice that can be applied by new and evolving actors in the sector. However, we do argue that an appropriate legislative framework for the sector should be developed as part of a long-term strategy.

Indeed, as noted in our expert interviews, developing strong industry standards could itself provide an impressive template on which future legislation should be based. Examples of innovation in the sector also tend to move faster than legislation. It will be important to ensure that a legislative framework for the sector avoids stifling innovative developments, and it should be reviewed regularly to adapt to such industry changes.

**Increase Awareness among Local Authorities**

While the international examples show tacit support for a nationwide approach to legislation from the sector, local authorities will still play an important role in the development of housing-with-care, particularly with respect to planning for all types of provision as well as direct support for communities in the state-supported part of the sector. Local authorities can greatly influence movements in the sector as they seek to address competing needs, e.g. supporting more mainstream family housing rather than specialist units like housing-with-care. Improving awareness among local authorities of the importance of housing-with-care will thus be vital to shifting development in the sector.

The first element of awareness that should be enhanced is the concept of housing-with-care itself. The
diversity of offers in the UK sector has contributed to the pervasiveness of somewhat vague terms, and local authority figures may still be subject to the same biases as potential residents, thinking about the risks of poor management, care crises, and the potential for highly negative press.

Local authorities may also think there will be substantial disruptions to the local economy and community from a large influx of older people. This can stimulate multiple (and somewhat misplaced) concerns, from the fear that this will increase pressures on health and social care budgets to the idea that a greater number of older people driving will increase traffic accidents. However, many older people are reluctant to move into alternate accommodation because they do not want to leave their existing communities and lose their social connections. And since most people move into housing-with-care from only a few miles away, the reality is that potential residents will most likely come from the community.\(^\text{11}\)

Clear messaging on what the offer is and how well the vast majority of operators work, as well as the characteristics of and high levels of satisfaction among current residents, would facilitate buy-in from local authorities. Another option that might improve awareness among local authorities would be the establishment of a special planning use class for retirement housing or housing-with-care specifically; a new planning class would also be relatively easy to implement, particularly if a clearer definition for housing-with-care were established. Stakeholders may also be able to help improve awareness among local authorities through current policy efforts through the 2017 Neighbourhood Planning Act to develop guidance for local planning authorities on how local development documents should meet the housing needs of older people as well as a current consultation on a standard methodology for local authorities to estimate future housing needs.

The Value of a Collaborative Industry Body

Many of the lessons highlighted so far will require stakeholders in the industry to work together. Developing diverse products with clear standards, refining the terms involved, and ensuring the right kind of regulatory and legislative frameworks are adopted and understood cannot happen if organisations, operators, and developers work in silos. There is significant opportunity for stakeholders to substantially shape the future of the industry for their own benefit as well as that of current and future residents. But this will only occur in the context of collaboration and sharing.

This underscores the importance of a collaborative industry body, such as ARCO. Much of the success in how the sector evolved in New Zealand and the US was attributed in several interviews to the work of coordinating bodies, i.e. the Retirement Villages Association New Zealand and the American Seniors Housing Association. Moreover, the lack of such an organisation in Australia was noted in one interview as why the sector has a lower penetration rate there than in New Zealand, as such a body contributes to the development of a clear idea of what is on offer.

A collaborative body can also play a role in providing consumer information on how different providers work and the details of different offers; such information can highlight shortcomings among certain providers, which generates industry-wide peer pressure to update and develop offers to align with best practice. In addition, such bodies, including ARCO, can offer accreditation for providers who join them, helping stimulate some degree of standardisation in the industry. This is an important component, but such accreditation processes must also ensure that operators continue to follow the codes that lead to accreditation over time.

Part of the diversity in international experiences – whatever the topic – stems from the unique set of factors that influence the cultures and policies involved. In the housing-with-care sector, the notable differences in how adult social care is organised, funded, and delivered certainly influence how properties and business models in the sector are structured. While such differences can introduce challenges in how to interpret parts of the sector or the extent to which there are transferable elements, we did identify a number of lessons to learn from abroad that might help stimulate development of the UK market. These lessons could help operators and developers in their efforts to expand the sector, while governments and policy-makers could work toward regulatory mechanisms that could help protect consumers, codify industry standards, and mitigate risks to make the sector more attractive for operators, developers, and investors. At the same time, stakeholders would be wise to recognise that many of these factors are interrelated. Progress can be made with efforts on a specific point, but maximising the potential benefit from such moves will only arise from sustained, collaborative engagement in the sector.

We should also note a couple of additional points that emerged from the research that do not translate clearly into transferable lessons for the UK sector. In discussions on the housing-with-care market in Australia, New Zealand, and the US, a number of interviewees raised questions about how the sector can accommodate people from lower income groups or who are not homeowners before their move. In this instance, the UK sector might be situated to provide lessons for other countries; much of the rented housing-with-care sector in the UK falls under the social housing market. An important challenge for developing the UK sector will be in how to provide for the middle of the market, i.e. neither social or affordable housing nor high-end retirement villages. Concerns for people from lower income groups were also similar to questions around how to accommodate growing ethnic diversity among older people, and how their needs and resources may be different than the current average consumer in the sector.

The final point to highlight is how, across the countries, interviewees expressed how often residents in housing-with-care say they wish they had moved in sooner. Such perceptions from residents reflects the satisfaction they feel in housing-with-care as well as the potential efficacy of such housing to help foster wellbeing and the other benefits such housing arrangements are intended to deliver. The unfortunate reality is that too many older people wait until a health shock for them or their partner before they look into the options for this kind of housing. Developing the sector is not only about strengthening the approach within the sector, but also stimulating more older people to plan for their housing and care needs in later life. Whilst demand currently outstrips supply, continuing to increase demand as well as supply may have the benefit of prompting people to seriously think about and plan for such elements in later life like care and housing needs. Expanded demand might also demonstrate the rationale for stakeholders to make inroads in the implementation of some of the lessons discussed earlier, like around robust industry standards or higher awareness among local authorities.