



The Mayhew Review – a Forward Step for Retirement Living Developments

The definition of a retirement development covers a vast array of built forms, from isolated structures in urban areas to larger “villages” on greenfield sites, in which older people may rent accommodation to live independently with minimal to moderate support within a larger privately owned residence.

Despite the requirement for this type of housing being an increasingly prevalent need, it rarely gains notoriety on the Commons’ floor. However, in November 2022, Professor Les Mayhew of the International Longevity Centre – UK and Bayes Business School published his report, *‘Future-proofing retirement living – Easing the care and housing crises’* calling on the Government to build 50,000 retirement homes a year with access to care and facilities to combat the crises currently affecting both the housing and social care sectors. To allow some perspective – this recommendation suggests one in every four homes built in the next year should be dedicated retirement living.

Though only a recommendation at this stage, the emergence of this report forces us to question the effect of these recommendations if accepted (and implemented) by parliament. It also begs the question of how many similar reports linking seniors housing policy to social care are required before meaningful Government change to policy becomes a reality.

An overview of the report

As it stands, of the average 200,000 new builds established each year in the UK, only 7,000 are considered ‘retirement living’. With estimates suggesting that by 2038 there will be an additional 5.5 million over 65s and almost 3 million over 75s living in the UK, the report highlights that the current rate of retirement housing development simply cannot meet the increasing need for “age appropriate housing”.

However, this isn’t solely an issue for those at retirement age. Mayhew links this lack of retirement-age housing directly to increased pressure on the NHS and care homes, as well as the lack of appropriate properties (both in size and cost) available to first-time buyers – stunting overall the growth of the sector.

To combat this issue, Professor Mayhew has called for the UK Government to take tangible action, namely:

1. Launching the Older People's Housing Taskforce (promised for several months) – an existing government initiative aimed at both adult social care reform and housing reform.
2. Reforming planning rules to make building retirement housing an easier process for developers by coordinating district level housing departments and revising infrastructure levies.
3. Building more retirement homes, integrated retirement communities and repurposing high streets.
4. Putting older people's housing on a level playing field with other developments.
5. Cutting Stamp Duty for 'last-time' buyers to the same levels as 'first-time' buyers.
6. Increasing the availability of financial advice and services for older people looking to move.

These steps are anticipated to assist in an overall redeployment of wealth, hoped to spread across the system and is greatly welcomed by those who recognise the current financial strain hitting many homes. By freeing up more properties and allowing seniors into alternate accommodation, housing across the market is expected to become more affordable.

What does this mean for private developers?

As stated by Damian Green MP, chair of the parliamentary group on longevity; "Professor Mayhew's report provides a stark illustration of the current mismatch between the needs of our ageing population, and the housing and care options on offer". This points to a gap in the market that private developers will be looked at to fill.

In its current state, retirement communities make up a small proportion of the work undertaken by private developers and the underlying trend of this report is that that fact needs to change.

Many of the issues in the current law highlighted by Mayhew appear to arise from a lack of definition and understanding of retirement housing. A prime example of this can be found in the use of infrastructure levies. Unlike new-build residential and nursing homes, retirement developments attract an infrastructure levy. Mayhew suggests that with greater understanding of the access to care provisions often included in retirement housing, these levies could be dropped, minimising the cost to developers when acquiring the site and seeking planning permission.

Mayhew's report could also play a role in revitalising declining high streets in its recommendation to repurpose buildings in town centres. The high street lull has been increasing for many years, exacerbated by the effects of

the pandemic. Utilising properties in these areas would allow developers to broaden the scope of the housing options on offer and allow for more self-sufficient retirement communities, building local economies and encouraging exposure of the benefits of specialist retirement housing.

As firmly noted in the report, reductions in stamp duty land tax have been shown to increase the frequency of property transactions. Whilst this cannot apply across the entire sector, targeting grants at the least energy efficient homes and reducing SDLT for others is expected to drive 'last-time' buyers towards retirement sites, making them a cost effective build for private developers.

Key Takeaways

- Current housing policy fails to recognise the increased ageing population in the UK.
- Policy changes are needed across the board to incentivise private developers to fulfil the increasing demand.
- Thousands of new retirement living communities in both brown and greenfield sites are needed to support individuals who seek independent living and to provide a suitable alternative to care homes – enabling such resources to focus on providing the complex level of care for people most in need.
- If the government endorse the recommended steps, it could revolutionise the housing sector and benefit buyers across the market – placing older people in homes more suited for their needs and freeing up houses for young families looking to take their first steps onto the property ladder.