The UK later living market is undergoing rapid growth, underpinned by demographic shifts that are increasing demand for a wider array of specialist housing to suit the changing needs of older purchasers.

The number of people aged 65+ living in the UK is forecast to increase by 20% to 12 million by 2027. Advancements in healthcare mean individuals are living longer, and more healthily – in many cases managing health conditions better. Indeed, the cohort of 90+ year olds in the UK is expected to rise at an even faster rate, by a third, to more than 760,000 people over the next eight years.

Amid all of this change, Knight Frank data indicates there are four people who would consider downsizing for every existing senior living property currently in use. The need to provide suitable housing options for these individuals is more important than ever.

Investors are already responding, and Knight Frank forecasts the total value of the private senior living market will climb to £35.2 billion by 2023, from £39.6 billion in 2019.

To ensure success, developers must understand the wants and needs of potential purchasers and tenants across the spectrum of ages that are increasingly interested in living in specialist senior living property.

Knight Frank surveyed almost 2,000 homeowners and renters over the age of 65 as part of a wider tenant survey to better assess their priorities. Though customers aged 75+ are the target market for senior living developers, in this report we analyse the views of those aged 65+, to incorporate the views of current and future customers.

Current government support – the continuation of uncapped ground rents in the sector, for example, needs to continue and expand. A uniform plan for meeting the housing needs of our aging population is required, and should include clarity on affordable housing, local authority financial savings through provision of care within seniors housing, and the release of local family housing back to the market via downsizers moving into seniors housing.

The survey confirms affordability, location and connectivity are key in seniors’ decision making. Interestingly it also shows there is an existing seniors rental market, albeit not currently in Build to Rent seniors housing – as it hasn’t yet been built at scale. However, that time is coming.
Location is the most important factor when choosing a property to live in, with 56% of respondents highlighting this as a priority. Rent being within budget was the second most important factor (18%) followed by the size of the property (17%).

Downsizing was chosen by 18% of the 75+ cohort.

When asked for reasons for their last move, 22% of respondents said they moved for family reasons, and 22% said they moved to a larger or better property. Downsizing was chosen by 18% of the 75+ cohort, compared to 11% of 65-74 respondents.

About a third of respondents said they moved into a property within one or two miles of their previous home, indicating many choose to stay in the same city or town. A fifth of respondents aged 75+ said they moved within one mile. Meanwhile almost a quarter of respondents moved more than 50 miles, perhaps reflecting the responses from the previous question that a significant proportion of older homeowners and renters relocate for family reasons.
Some 37% of 65+ respondents find the prospect of living in a senior living scheme attractive.

The prospect is more appealing for those already living in the private rented sector, with 41% of tenants saying that they would like to live in a senior living scheme. Just over a third of homeowners (34%) said the same. The prospect of living in a senior living scheme was even more inviting to those aged 75 or over, with 39% of respondents saying that such a community was an attractive option.

When considering the position of moving into a senior living village, respondents generally favoured staying in their current tenure. Current homeowners would rather buy a senior living apartment, with 68% saying buying was their preference. However, more than one in six said they would consider renting. Meanwhile, more than three-quarters of those already renting said they would prefer to stay in rental accommodation if they moved, with only 13% saying they would rather buy.

The aspiration to live close to the town centre was particularly prominent among those aged 75 and over, with 30% stating they would be prepared to travel more than 30 minutes to a town centre. In fact, just 2% said they would be unhappy to travel using your preferred mode of transport to the town centre.

Respondents indicated a clear inclination towards town centre living, with 35% stating the distance from a retirement village to a town centre was very important to them. In fact, just 2% said they would be willing to travel more than 30 minutes to a town centre.

The majority of respondents selected walking or using the bus as their preferred mode of travel to the town centre, with 45% choosing walking and 28% opting for the bus.

75% of respondents stated that living in a senior living scheme close to the town centre was important to them.
INVESTOR SURVEY

What are the priorities for those investors which are active in the senior living market? What are their aims over the next five years? To get a glimpse of what the future might look like, we engaged with 15 of the biggest funders and developers in the senior living market.

Do you intend to develop portfolios offering “cradle to grave” residential accommodation schemes? (Student, Build-to-Rent, Senior Living)

During Knight Frank’s 2019 Tenant Survey we engaged with 25 of the biggest funders and developers of professionally managed PRS, including those in the senior living market.

The most striking finding from that survey is that more than a third of respondents said they wanted to engage in providing “cradle to grave” housing, in some cases, student housing right through to Housing with Extra Care for older people.

This targeted approach to housing, underpinned by the ongoing involvement of funders in rental housing and a need to keep schemes attractive to new tenants, is a move away from the model we have seen over the last century. Typically, housing has been provided in different sizes, and sometimes with a focus on family housing, but there has been little segmentation beyond these broad categories.

Chiming with the tenant survey, investors recognised that occupier lifestyle and affordability are the key priorities for tenants, so are in turn central to scheme design when planning senior living developments.

How long do you expect to hold your investment?

The long-term nature of investment into retirement housing is highlighted by almost one third of respondents who said they intend to hold their investment for more than 40 years.

Do you intend to manage blocks/schemes via an in-house platform?

Investors recognised that occupier lifestyle and affordability are the key priorities for tenants, so are in turn central to scheme design.

How do you view Brexit in relation to your business?

With so much ambiguity over the UK’s future relationship with the EU, investors remain concerned over the implications of Brexit for business. Of those that responded, more than three quarters of investors view Brexit as a threat.

Three most important factors influencing scheme design and business strategy

1. Occupier lifestyle experience
2. Affordability
3. Age group

More than one-third of respondents said they wanted to engage in providing “cradle to grave” housing.
Imagine a luxury hotel suite, expertly equipped with everything needed in the ideal location. The service-based model provides worry-free living.

The evolving design of senior living

**Insight from PLP/Architecture**

Senior living design has significantly transformed in recent years through a better understanding of the changing needs in later living and rapidly evolving technologies. What type of spaces should we build for longer and more active later lives?

Hala El Akl, director at PLP/Architecture analyses four key topics influencing the design of modern senior living property.

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**Co-Living**

Originally imagined for young, urban professionals, the co-living typology provides an ideal model for the urban later-living product. Private, individual space is reduced to an elegant and efficiently designed minimum, reducing the concern and expense of maintaining a large house. Imagine a luxury hotel suite, expertly equipped with everything needed in the ideal location. The service-based model provides worry-free living.

Housekeeping, routine maintenance and utilities can be included in the product cost. Services may extend to include anything from laundry service, meal and grocery deliveries, to healthcare.

Social engagement is crucial to later living, as continued activity improves both long-term mental acuity and helps combat the risk of isolation and loneliness. Communal and shared spaces promote neighbourly interaction and provide space for informal gatherings and planned events and activities.

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**Adaptability and Design of the Unit**

Later living isn’t stagnant – it is defined by change: changes from work to leisure, changes in mobility, changes in cognition. Living spaces should have a universal and inclusive design that is suitable for all.

Spaces designed for later living must then be flexible and adaptable. They must be able to adapt to the varying needs of the physically aging body and transformation in the way the aging mind works. Later living should enable and support changing care needs.

The design must be adaptable to changes that happen within one’s own lifetime but also for changes across a building’s lifespan. Sustainability must be at the forefront of design, considering the longevity of materials and the capacity for adaptive reuse and planned transformation. Buildings must not be too reliant on a single technology that will obsolesce but allow for reprogramming and adaptation.

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**Role of Technology**

Technology is essential to unlocking the potential of urban later-living. The internet of things is changing the way we interact with our built environment. Connectivity facilitates and enhances everyday tasks from turning on the lights and controlling the temperature to grocery shopping. For the aging resident, this integrated technology can extend the possibilities of independent living.

Modern tech provides transparent, passive, integrated health assessment and monitoring. Phones, watches and fitness straps are equipped with the hardware required to monitor vital signs. In a built environment designed with later-life in mind, this can be integrated into a sophisticated and seamless support system for an aging demographic. This tech can passively monitor vital signs and provide a conditioned response linked to the building concierge and a nominated, affiliated healthcare provider.

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**Tactile Stimuli**

A building can accommodate tactile stimuli by working with different materials. By using tactile materials in transitory spaces such as the corridor leading to the living room, the visually impaired can easily recognise the different spaces.

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**Sight and view**

For the elderly with diminished eyesight lighting is of great importance. From the age of 60, many generally need fifteen times as much light as a ten-year-old in order to be able to see the same. Lots of daylight and lamps with a high illumination are therefore of great importance.

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**Sound**

Sound and silence have an effect on our nervous system and our emotional reactions to our surroundings. An environment with diverse residents should take into account individual differences, not only in taste but also in awareness.

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**Colours**

Particular colours stimulate and agitate whereas other colours have a calming effect. The use of green gives a sense of safety, whereas blue has a restful effect and the colours red and yellow both stimulate activity. A good balance should be maintained between the colours used.

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**Sensory Experience**

The environment in which we reside and live has an enormous impact on how we experience our lives. How can we create later-living residences which take more account of the needs of the residents – buildings which strengthen emotional and physical health?

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