

Step 3: Understand the local market

Introduction



This step will support you to provide an overview of the organisations and factors influencing the local housing market costs and affordability and how this relates to housing options for older adults. Having found out about what the local housing provision for older adults is ([in step 2](#)), this step helps to understand why that is, and what are the key issues impacting on the future housing pipeline. These should help any potential investors to understand how the market operates, how they would fit in that market, and identify opportunities for investment.

What will it add?



- A description of the local market for housing for older people with an overview of factors driving the local market, affordability, scope for innovation, and opportunities for investment.
- It will start to highlight some of the benefits of investing in the locality based on opportunities offered in the local market. Benefits are further explored in [step 7](#) – ‘costs and benefits’, and [step 10](#) – ‘social values’.



KEY QUESTIONS

- Has your local authority created a local development plan? What are the plans for developing the local economy that could relate to housing and/or social care? Are there specific plans for housing and/or an ageing friendly community?
- What are the key economic drivers that have influenced the local housing market? Have they improved over the years, what are the positives?
- Consider affordability (rent/purchase price, monthly management fees/service charges), population demographic ([step 1](#)), housing prices, rent levels, access to finance, and key drivers of the local and national economy.
- What is the profile of the market, both social and private? What types of organisations and products are currently available for different housing types, and where are the gaps? These gaps may then be priorities for investment.
- What is the scope for innovation and ‘future proofing’ new and existing development so that fewer people need to move out of their home if their health or mobility changes?

How to?



- Highlight the advantages and support offered to developers and investors by the local authority and local partners identified in any local development plan, business plan, or housing strategy.
 - Consider support to mitigate risks of market constraints - such as land availability, lack of large sites that enable scale, and planning policies and practices.
- Highlight any economic growth measured in the past years. If available, present projections of growth forecasted as well as local authorities' investment plans and economy stimulus strategies relevant to the housing sector.
- Summarise key information on the local economy and housing affordability such as average house price, level of support needed, local incomes of older people, running costs, local affordability ratios, size of the market based on demographics, and income disparity across the local area including comparing rural and urban areas where relevant.
- Identify the scope and current priorities for housing innovation to better support the older population (link this with steps [1](#) and [4](#)).
 - Consider architecture and design, building materials and efficiency, facilities and functionality, support approaches, and tech enable care approaches.

SOURCES OF INFORMATION AND RESOURCES



- Existing local documents: Strategic Housing Market Assessment, Market Position Statements, Housing and Social Care local strategies.
- [Local Government Association – Understanding the Local Housing Markets.](#)
- [Office for National Statistics - Property price, private rent and household statistics.](#)
- [Office for National Statistics - House price statistics for small areas in England and Wales.](#)
- [Cambridge Centre for Housing & Planning Research – Understanding supply, demand and investment in the market for retirement housing communities in England.](#)
- DWP data on older recipients of disability benefits in a local authority area.





PARTNERS TO INVOLVE

It is highly likely that no single group or body will hold the range of information needed or will be able to interpret the data that is held. Working across teams and with skilled data analysts will make best use of existing data.

- Local authority staff from commissioning, planning, and regeneration teams.
- Strategic housing and social care policy teams.
- Allocations/lettings, property services/surveyors.
- Accessible housing register teams.
- Specialist teams, for example, tenancy support/independent living/outreach and community services.
- Housing associations, particularly those with housing for older adults.
- Trade bodies such as ARCO.
- National data providers on older people's housing, such as the Elderly Accommodation Council (EAC).
- NHS, Integrated Care Partnerships and Better Care Fund managers.



TIPS ON CO-PRODUCTION

The 'I' and 'We' statements below are illustrative examples of co-production outcomes associated with this step. We encourage housing partnerships to adapt them as they see fit to best reflect their local context.

For individuals:

- I say how local housing market factors influence my experience of accessing housing, highlighting the factors that have most impact on my individual experience, e.g. affordability, options available, and quality of provision.
- I say what are the most significant factors that should be prioritised to understand and describe the local market.
- I describe my views of and experiences with the different local organisations developing and delivering different types of housing for older people.

For the partnership:

- We make information accessible and facilitate individuals' understanding of key local market drivers. We highlight how these factors can influence their lives, particularly their access to different types of housing.
- We have conversations and take on board individuals' views on the most significant factors that impact on their experience of accessing housing, as well as their experiences with local housing organisations.

Further information about the benefits and principles of co-production, as well as examples of co-production in the housing sector can be found [here](#).



EXAMPLES OF LOCAL CONSTRAINTS TO HOUSING FOR OLDER PEOPLE

The Cambridge Centre for Housing & Planning Research (2021) identified some common constraints to development within local areas that can significantly impact the provision of housing for older people and are often considered one of the key drivers for undersupply of housing for older people. According to ARCO, 11% of planning applications for developing new retirement housing schemes submitted to local authorities did not reach the development stage due to local market constraints. Key constraints identified by the research included:

- A lack of suitable sites for retirement housing.
- Difficulty competing with other land uses when bidding for land.
- National legislation and nationwide planning considerations, including the need for consistency between local planning authorities in planning use classes for retirement housing.
- Local planning policies and practices, including assessments of need and the creation of local plans.

Additionally, the report highlights the challenges that developers face regarding the inconsistency of planning frameworks used by different local authorities generating disputes about planning obligations and adding challenges to the development process.

This highlights the importance of understanding the local market, including its specific constraints, and promoting any local support available to developers and investors in identifying and mitigating such risks to the development process.

For further information, access the publication: [Understanding supply, demand and investment in the market for retirement housing communities in England.](#)

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Toolkit available at: <https://www.scie.org.uk/housing/toolkit-for-place-based-plans-for-housing-for-older-adults/>

