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Not getting any younger: We need smarter housing to match changing demographics

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The number of older persons globally – aged 60 or over – is expected to more than double by 2050 (Source: Getty)

Last Wednesday, the Housing, Communities and Local Government Committee published its much-awaited report into the long-term funding of adult social care.

While the social care conversation has mostly been viewed in terms of introducing new taxes and how to avoid extra pressure on the NHS, the report calls for another key component to be considered: housing.

The UK clearly has a housing problem for older people today. According to the Local Government Association, we need to increase the number of age-friendly homes by 400,000 in less than 20 years to cope with our ageing population.

This will only be exacerbated as we progress towards 2050.

To put this in context, the number of older persons globally – aged 60 or over – is expected to more than double by 2050, and to more than triple by 2100. The foundations must be laid now to meet this challenge.

This is an issue that affects the whole of society and the economy – and it requires a holistic approach.

As populations age, not only will health concerns become ever-more prevalent, but people will be working much later in life. The success of cities, in particular, will be increasingly tied to the productivity and integration of their populations' ageing workforces.

This will require new approaches to housing, but also to urban environments and related infrastructure more broadly, and greater integration of older people into the wider economy.

For example, the recent report from the Centre for Cities calls for a diversification of town centres and traditional retail locations – and the so-called "silver economy" can play a key role here. Residential, health and community facilities on high streets could both boost intergenerational cohesion, and be a significant footfall boost to traditional retail and leisure operators.

At the same time, technological advancements and smart buildings can play a key part in keeping the elderly and vulnerable safe and healthy at home for longer.

Part of the solution may be found in the tried and trusted products of today – such as lifetime homes and retirement villages. Another option, though, may be in recalibrating how alternative asset classes are marketed to tomorrow's elderly population.

We need to be thinking about what today's Gen X, millennials, and indeed Gen Z, will require when they approach retirement age. These generations will have matured in the age of co-working, co-living, and the growing private rental sector, and will have connectivity expectations that mean simply "more of the same", just won't cut it.

Flexibility is key, with real estate needing to evolve and adapt to suit different purposes over time and for multiple age groups.

Our models of funding, along with legal and regulatory frameworks, have some catching up to do in order to facilitate these advancements.

The idea of an additional rate of tax on older generations to fund social care has international precedents, while there have been calls for stamp duty relief for “last-time buyers” to encourage downsizing and to free up the market.

At the same time, regulation and developer incentives can play a role in ensuring that new builds – which are very often focused on first-time buyers – are attractive for these last-time buyers too.

We cannot ignore the tide of demographic change. Our evolving housing policy will be central to ensuring the wellbeing of older people in tomorrow’s city, and the health of the wider economy.