



Call to help ‘Generation Stuck’ get moving

Four in ten older people call for the Government to do more to encourage downsizing among over-65s

- More than four in ten (44%) adults aged 65 and over believe the Government should be doing more to encourage downsizing – equal to almost 5.3 million people
- A stamp duty exemption for downsizers is the most popular solution, and would result in almost one in five (18%) over-65s being more likely to move – equal to almost 2.2 million people
- 6.7m older people (56%) also think a stamp duty exemption would be beneficial to young families and first-time buyers
- Over half (55%) of over-65s agree that stamp duty is putting older people off moving – equal to almost 6.6m people

28 August 2019: Research by McCarthy & Stone, the UK's leading developer and manager of retirement communities, and carried out in conjunction with YouGov¹, found that over four in ten over-65s (44%) – equal to almost 5.3 million people² – believe the Government should be doing more to encourage older people to downsize.

This would help address the housing crisis where a sluggish secondary market and the costs associated with moving are making it difficult for older people – ‘Generation Stuck’ – to move, trapping them in their current homes. Taking action that encourages older people to move would also free up housing for younger generations at the same time.

McCarthy & Stone’s research also found that of those who believe the Government should be doing more, a stamp duty exemption to help older people downsize was the most popular solution: of this group, 61% of over-65s said this – over 3.2 million people³. A similar number (59%) think the Government should encourage the development of more specialist retirement housing, while 52% would like them to encourage the development of more bungalows.

Table 1: Of those who believe the Government should be doing more, this is what they would like to see

| | Percent | Equal to |
|--|---------|----------|
| A stamp duty exemption to help older people downsize | 61% | 3.2m |
| Encourage the development of more retirement housing to downsize to | 59% | 3.1m |
| Encourage the development of more bungalows | 52% | 2.7m |
| A stamp duty exemption for moving into a purpose-built retirement property | 40% | 2.1m |
| Provide more information and help on housing options in later life | 36% | 1.9m |
| None of the above | 2% | 105,500 |

Source: McCarthy & Stone/ YouGov survey 2019

¹ YouGov’s survey included a nationally representative sample of 3,011 UK adults aged over 65

² Based on ONS population estimates of 11,989,322 over-65s in the UK

³ This question was just asked of those that believed the government should be doing more to encourage older people to downsize – so 61% of the 5.28m people that said this

Support for the Government to do more, and for introducing a stamp duty exemption in particular, can be explained by the fact more than half of over-65s (55%) agree that stamp duty is putting older people off moving. Similarly, 56% agree that encouraging people to downsize with a stamp duty exemption would be beneficial to young families and first-time buyers – not just older people.

One in five encouraged to move with a stamp duty exemption

The cost of stamp duty for a £300,000 property for someone who is not a first-time buyer and doesn't own any other property is £5,000.⁴ As the tax is also paid by other purchasers in the chain, it also restricts the wider market.

Almost one in five (18%) of all over-65s say that a stamp duty exemption for older people downsizing would make them more likely to move, equal to almost 2.2 million people. Given the challenges in the housing market, the scale of the impact such an incentive could have is significant in helping to kickstart sales across the entire housing market.

John Tonkiss, Chief Executive of McCarthy & Stone, commented:

“This research shows overwhelming support among older people for reforming stamp duty to encourage downsizing. This would help Generation Stuck – those over-65s who want to downsize but can’t – and also release millions of homes suitable for young people and families. Plus it would provide a net benefit to the Treasury’s coffers from the increased numbers of housing transactions created.”

McCarthy & Stone is calling on the Government to introduce a Help to Move package, which includes a stamp duty exemption for older people looking to downsize. This would not only allow over-65s to live in comfortable, safe accommodation more suited to their needs in later life, but also to free up existing housing stock that can be used by first-time buyers and young families. The initial loss in tax income would be offset by additional stamp duty payments from the new chains created⁵.

Given the impact of stamp duty on preventing older people from downsizing, McCarthy & Stone is offering to pay people's stamp duty for reservations made before 31 August 2019. For full terms and conditions, and a list of participating developments, please visit:
www.mccarthyandstone.co.uk/stamp-duty-paid.

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Notes to Editors

McCarthy & Stone is the UK's leading developer and manager of retirement communities, with a significant market share. The Group buys land and then builds, sells and manages high-quality retirement developments. It has built and sold more than 56,000 properties across more than 1,200 retirement developments since 1977 and is renowned for its focus on the needs of those in later life.

⁴ Moneysavingexpert.com

⁵ Research by the Institute of Public Care found that an exemption could make the Treasury c.£740m a year from additional stamp duty and other taxes paid through the new housing chains that are created, even accounting for the initial loss of revenue

There is growing demand for retirement communities. There are currently 11.8 million people aged 65 or over, rising to 17.3m by 2037, representing a 47% increase⁶. For those aged 85 or over, the increase will be larger, from 1.6m to 3.0m, representing an 87.5% increase. One in four over-60s are interested in retirement living, yet only c.162,000 units of specialist retirement housing for homeowners have been built⁶.

McCarthy & Stone has two main product ranges – Retirement Living and Retirement Living PLUS – which provide mainly one and two-bedroom apartments across the country with varying levels of support and care for older homeowners. Retirement Living developments provide independence in private apartments designed specifically for the over-60s, as well as facilities such as shared lounges and guest suites that support companionship. Retirement Living Plus developments, which are designed specifically for the over-70s, offer all of this plus more on-site facilities such as restaurants, well-being suites and function rooms. Importantly, they also provide flexible care and support packages to assist those needing additional help.

All developments built since 2010 are managed by the company's in-house management services team, providing peace of mind that it will look after customers and their properties over the long term. This is a key part of how McCarthy & Stone seeks to enrich its customers' lives. This commitment to quality and customer service continues to be recognised by homeowners. In March 2019, the Group received the full Five Star rating for customer satisfaction from the Home Builders Federation for the fourteenth consecutive year – making it the only UK housebuilder, of any size or type, to achieve this accolade.

For further information, please visit www.mccarthyandstone.co.uk

⁶ ONS household projections: 2016-based (2018)

⁵ ONS (2017, 2014 based figures)

⁶ Knight Frank, Retirement Housing (2018)