



John Tonkiss and Jane Ashcroft announced their development partnership last Autumn

Sharing the benefits of later living

It was a train journey from Birmingham International that helped seal the deal. John Tonkiss and Jane Ashcroft, chief executives of McCarthy Stone* and Anchor Hanover respectively, kept encountering each other on what turned out to be a regular shared journey. They began chatting about the retirement housing sector.

Talking regularly about their shared experiences led to an important development partnership. In the Autumn, the two prominent retirement providers announced that they would be delivering a range of “affordable for all” later living communities together across England.

ageing population

The partnership aims to address the diverse needs of the nation’s ageing population, initially delivering 482 multi-tenure units across five large scale sites. Anchor Hanover will pay £67 million for the development of 316 Extra Care apartments available for shared ownership or affordable rent. And McStone will act as turn-key developer to Anchor Hanover to deliver these apartments. The retirement giant will sell and manage a further 166 of its Retirement Living units on land adjacent to Anchor Hanover’s sites.

At the news, housing minister Christopher Pincher offered his praise, expressing how much he looked forward to the result of the partnership – more high-quality, affordable retirement properties which also

John Tonkiss, ceo of McCarthy Stone and Jane Ashcroft, ceo of Anchor Hanover, have entered into a development partnership to deliver a range of retirement communities. Suzie Mayes talks to them about their plan and the challenges and many benefits of retirement housing

provide strong communities.

Speaking from their separate locations on the now obligatory video call, Tonkiss and Ashcroft talk articulately about the companies’ similarities and the partnership, and the clear benefits of retirement housing. McStone and Anchor Hanover are in some ways notably different. The former is a for-profit leading developer and manager of retirement communities. The latter is a not-for-profit provider with a focus on care with other later living options. But, in partnering with Anchor Hanover, McStone is progressing its strategy of providing greater customer choice, Tonkiss explains. And Anchor Hanover wishes to partner with others to meet the evolving needs of an ageing society. It is targeting 3,200 homes over the next seven years. “We’re on track; the partnership’s helping with that,” Ashcroft says.

“We realised the two organisations were distinctive but we have similar drives – we want to provide homes for older people and services for the whole

of the retirement market,” Ashcroft comments. “The roots of the organisations are different but we’re both about meeting ongoing demand. It made sense to get together. When there’s a clear alignment, that helps with a partnership.”

She notes the lack of retirement housing provision at mid-market level. “But there are older people at all price points and all tenures. The great thing about this partnership is that we can provide more choice and from a business point of view we can move efficiently and effectively, building more.”

After 43 years as the leading retirement housebuilder “and building on our own, the notion of working in partnership hadn’t been strong,” states Tonkiss. “This is a real change in philosophy. Working with Anchor Hanover was an obvious way to move forward.”

The partnership underlines the key socio-economic role of retirement housing, Tonkiss indicates. He lists the three drivers of the sector’s importance, frequently



Top: In December, McStone received planning permission for 60 Retirement Living PLUS properties in Poole, Dorset

Left: Work has commenced on four of the partnership projects, including in Hinckley, Leicestershire

referencing research in which his business has been involved. Firstly, health: “We did independent research which showed that older people are healthier and happier living in retirement communities; they can feel ten years younger than if they were living in mainstream housing.”

The second benefit is the positive effect on the wider housing market, assisting housing chains. “If you take the number of people who wish to downsize, this would free up 1 million homes, up to 2 million spare bedrooms and two to three moves in the market. Underutilised four bedroom homes can be used.”

Thirdly, there is the regeneration aspect. Ninety six percent of McStone’s sites are on brownfield land and in central locations, Tonkiss says. “We bring development and commerce to the high street. Covid has shone a light on these needs.” Since *Housebuilder* spoke to Tonkiss, the Homes for Later Living campaign group, of which McStone is a part, published research showing “silver saviours” potential to revitalise the high street post-pandemic. The research revealed that older people

living in a typical 45-apartment retirement scheme spend around £347,000 a year in high street shops.

pandemic

Recent events seem to have underlined Tonkiss’ health argument. He and Ashcroft talk earnestly about the protective qualities of retirement housing, demonstrated by the pandemic. Both have seen little impact of the virus in their schemes. “The stats are stark”, Tonkiss says sternly. “Our infection rates are six times lower compared to the UK population of over 85s.” McStone was handed the *Housebuilder* Special Recognition Award last year for protecting residents while keeping them connected and supported during the start of the pandemic.

Ashcroft also notes the resilience of retirement communities. They are full of people; even in a lockdown residents are surrounded by those they know. “People have been able to support each other.”

During the lockdowns, Anchor Hanover has switched its catering services to takeaway. “How do we help

Anchor Hanover

Anchor Hanover is England’s largest not-for-profit provider of care and housing for people in later life. It provides retirement housing to rent and buy, retirement villages and residential care homes.

Chief executive Jane Ashcroft marvels at the broad range of people living at the schemes. “In the past older people have been seen as a homogenous bunch but at Anchor Hanover, the youngest residents are 55, the oldest centenarians. When I send people flowers on their 100th birthday, they are living in houses. When we’re in retirement housing, we age more in place.” This means creating schemes and places where older people can continue to live even when requiring higher levels of care.

Ashcroft sees varying levels of need and desires. “There could be one half of a couple who’s had an early diagnosis of Parkinson’s. Then there are those higher on the aspirational piece who want to carry on jumping out of planes.”

our communities to follow all the rules? It’s about recognising that our home owners and residents are grown ups with thoughts and responsibilities.”

With retirement housing offering much to society, it must be frustrating for the two bosses to witness the persistent under provision. And to hear the housing minister applaud their partnership while various policy barriers to supply still exist. Ashcroft views the partnership as a united front to tackle issues. “It’s good that the housing minister welcomed it.

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McStone/Anchor Hanover

Anchor Hanover's Meadow Court scheme in Southampton offers 70 one and two bedroom apartments

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There are always challenges to overcome and two voices are better than one. We have different organisational structures but hopefully that gives power to the importance of retirement housing."

On encouraging more of the older population into suitable housing (another challenge), "the one thing to engage in is getting people to plan for later life," Ashcroft comments. "I can talk about the economic model but our residents are usually the ones that sell the model. Customers feeling confident in this is key."

Tonkiss says the partnership of two significant

players should provide that confidence boost. "It shows the maturity of the market."

And on the policy side: "I think the government has started to appreciate the roles we play. They've learned a lot in the past 12 months and Covid has accelerated that."

But he has his political asks, including a call – as part of the Homes for Later Living consortium – for 10% of new homes to be for retirement. "That's not plucked out of the air. Research shows that 30,000 homes are needed a year." Housing policies should be set to reflect the need. "Local authorities don't have a target on the demand side."

And there is a long-standing plea for a stamp duty exemption for "last time buyers". McStone was recently one of a number of organisations that sent a letter to the chancellor, appealing for a six month extension to the current stamp duty holiday.

While some retirement housebuilders, including McStone, expressed dismay over the government's recent U-turn on excluding retirement housing from its zero ground rent policy on leasehold properties, Anchor Hanover exercises a different model, based on event fees. "Anchor Hanover was among the first organisations to stop charging ground rent on new developments and we haven't done so since 2018," Ashcroft says.

"It's now crucial," she continues, "that the government takes a similarly proactive stance to reform planning rules so developers of much needed retirement housing are freed up to meet the high

levels of demand for our homes."

Tonkiss also urges the government to establish an industry taskforce to "look holistically at how to provide more and better housing options for older people".

He and Ashcroft share a delight in their residents. Both are struck by their sound grasp of technology. Or at least, willingness to embrace the digital world in later life. "Covid has also accelerated this familiarity with technology," Tonkiss states. "We've trained and educated our customers – we did a video blog with a resident in their 80s. The notion that you get to a certain age and can't touch widgets isn't true."

At Anchor Hanover, "we've seen a significant shift with our customers – a lot of them are tech savvy," Ashcroft says. "They want to use tech more to get the most out of life."

solution deficit

But, Tonkiss says, for the older population there is a tech solution deficit. "With white goods, people don't design them for those in later life. Our customers are becoming more demanding so there's still more we can do with products and needs. People expect high quality products."

While the third national lockdown endures, work has commenced on four of the partnership projects in Hook, Hampshire, Hinckley, Leicestershire, Standish in Great Manchester and Bingley, west Yorkshire. All are "progressing well". Construction is due to begin on the fifth scheme in Macclesfield, Cheshire, later this year.

Potential customers have been very alert, the pair say. One person made an enquiry after seizing upon a mention of one of the schemes in a local paper. "It just shows how smart people are," Tonkiss says.

And all because of a "deal born on a Virgin train," Ashcroft smiles. **hb**

*McCarthy Stone has been rebranded from McCarthy & Stone

Lockdown update

Lockdowns have particularly affected the retirement housing market. "The average age of our customers at the point of purchase is 79 years old, so our customer base is more cautious than the broader population," says McStone's ceo John Tonkiss. But he is more positive about the near future. "As the vaccine roll-out continues and confidence amongst our customers returns, we are very hopeful that we will see increased levels of interest and reservations as we enter the spring."

Anchor Hanover's Jane Ashcroft also anticipates a busy time post-lockdown. "We have seen spikes in requests for specific information relating to shared ownership and part exchange."

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