

A photograph of two elderly women standing outdoors in autumn. The woman on the left is wearing glasses and a dark jacket with a scarf, holding a smartphone. The woman on the right is wearing a light-colored sweater and a dark jacket. They are both smiling and looking at the phone. The background shows trees with golden autumn leaves and a bright sun creating a bokeh effect.

OLDER PERSONS SHARED OWNERSHIP

A STUDY OF THE SOCIAL AND ECONOMIC BENEFITS OF
HOMES ENGLAND'S OPSO SCHEME

INCLUDING A STUDY OF THE SPECIFIC BENEFITS OF SYDNEY GRANGE, A NEW
100% OPSO RETIREMENT COMMUNITY IN OLDHAM, MANCHESTER.

MARCH 2025

 **PUBLICFIRST**

McCarthy Stone

Retirement living *your way*



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ABOUT MCCARTHY STONE

McCarthy Stone is the UK's leading developer and manager of retirement communities. Its customers maintain their independence within a beautiful, secure, contemporary private home, with help and care on hand if needed to provide peace of mind. Retirement communities make a positive difference to the lives of older people and the organisation is focused on supporting and championing the role, wellbeing and happiness of those in later life. McCarthy Stone is focused on providing affordable developments, which includes the provision of Homes England's Older People's Shared Ownership scheme. For further information, please visit www.mccarthystone.co.uk

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ABOUT PUBLIC FIRST

Public First, the author of this report, is a global strategic consultancy that works to help organisations better understand public opinion, analyse economic trends and craft new policy proposals. It has worked directly with some of the world's biggest companies, government departments, top universities and major charities to produce bespoke, original policy proposals and reports derived from an evidence base of economic analysis and public opinion research. Public First is a member of the British Polling Council and is a Company Partner of the Market Research Society, whose rules and guidelines it adheres to.

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EXECUTIVE SUMMARY

There is a critical need for more homes across the country of all types. Too many people are living in properties that are inappropriate to their needs, with cost and affordability seen as the major issue with housing today. This is creating an unacceptable drag on living standards and the growth of the economy.

The housing shortage affects everyone. For older people, who are the focus of this report, and who are the fastest growing part of the population, a poor home can limit their independence and ability to perform everyday tasks. This has a knock-on impact on many areas, including their wellbeing, weakening the housing chain for younger people, and adding pressure to the NHS and social care system.

Many older people are happy and healthy living in the home they grew old in, but there is a pressing need to increase the choice and availability of homes for three million older homeowners who would like to move but who cannot due to a shortage of affordable and suitable homes locally.¹ Polling for this report finds this sentiment is shared by the public.²

This report notes that particular attention is needed from policymakers towards older homeowners living in areas with lower house prices, especially in the Midlands and the North. It is estimated that there are 2.6 million older households with housing equity of between £125,000 and £250,000, primarily based in these areas.³

With smaller levels of equity and facing the additional transactional costs of moving home, this group is typically unable to afford to move to a local home better suited to their health and care needs in later life. Nor can they qualify for social housing, leaving them stuck.

This issue will become more pressing. Those aged 80+ are the fastest growing part of the population, set to double to over six million in the next 40 years, while the number of people aged 65-79 is projected to go up by 30% to over 10 million.⁴

The affordability challenge in these areas has meant there is a limited supply of new housing for older people as it simply is not viable to build new private schemes. This is because of the high costs of development, especially for retirement housing, and the low property values in these areas. Without some form of public support, it is challenging, if not impossible, to bring forward new retirement developments for this group of people, who as a result have limited or no options to move in later life.

3M

Older homeowners say they would like to move home.

53%

of people in key Labour-held constituencies in the North and Midlands say there are **insufficient homes suitable for older people.**

69%

of **older people** in key Labour-held constituencies in the North and Midlands see **a lack of affordable housing** among the top housing-related issues.

Supporting older people who want to move would result in several public benefits, given the positive impact of specialist housing for older people. This includes:

- **Improving the quality of life of residents.** Research by Homes England has shown that specialist housing for older people leads to higher levels of happiness, wellbeing, and life satisfaction. The research estimates that the quality of life improvements from living in a retirement property can amount to up to £6,479 per person per year.⁵
- **Releasing local homes in the area when older people downsize,** providing properties for young families and first time buyers to purchase. Each person who downsizes and moves to a retirement property releases two to three homes in the housing chain.⁶
- **Stimulating investment on the high street,** given most retirement housing schemes are located on or close to town centres, where older people typically wish to live, and where they spend much of their time. Housing for older people has the most positive local economic benefit of any type of residential housing.⁷
- **Reducing pressure on the NHS and social care services.** Each older person living in a home purpose built for their needs saves the NHS and care system £4,350 per year through reduced use of services.⁸

The Government already has a scheme, albeit underused, to help address this challenge. Since 2016, Homes England has provided grant funding through its Older People's Shared Ownership (OPSO) scheme within the Affordable Homes Programme. OPSO enables older homebuyers to purchase 10-75% of a new home, enabling those with lower equity to buy as much as they can afford. They pay rent on the remaining proportion, though if someone buys 75% of their home, they pay no rent on the remaining quarter.

This scheme helps these older homeowners with lower equity levels by enabling the building of more suitable retirement housing in their area. OPSO properties are available from around £95k with a 50% share (with lower shares available from 10%), and this is compared to an average price of a new retirement property in the sector of around £366,000.^{9 10}

OPSO is also supported by the Older People's Housing Taskforce, which noted that **the Government should use the forthcoming Spending Review to continue with and expand grant funding for OPSO schemes in the new Affordable Homes Programme.**

Importantly, this report finds that higher OPSO housing delivery would **also** help to boost local economies in some of the most deprived parts of the country. Our analysis focuses on four key areas:

1. **Economic:** Analysis conducted for this report of a 51 apartment 100% OPSO scheme recently delivered in Oldham finds that the scheme individually generated **£10.7 million of economic value** through the planning, development and sales phase of the scheme. This includes land value uplift and activity in the construction and manufacturing sectors. **Were this to be replicated in 100 similar locations across the country, we estimate the value to the UK economy to be over £1.1 billion.**
2. **Local spending:** We estimate the Oldham scheme will **deliver £556,000 a year through direct and indirect spending by residents**, for instance in local shops, through food and drink shopping and using local amenities. **Were this to be replicated in 100 similar locations across the country, we estimate the value to local high streets would be £55.6 million a year.**
3. **Health savings:** Residents living in the Oldham scheme will save **£295,000 a year for health and social care services**, particularly through a reduced need for institutional care and lower impacts on the NHS. **Were this to be replicated in 100 similar locations across the country, we estimate the saving to health and care services to be £29.5 million a year.**
4. **Housing market:** People moving to the Oldham scheme **release 102 homes onto the market on average** – including the home they are moving from and a further property down the chain. **Were this to be replicated in 100 similar locations across the country, we estimate the total homes to be released on the market to be 10,200.**

1 [WPI Strategy \(2020\) - Chain Reaction](#)

2 Public First conducted a poll of 1,003 adults in 20 constituencies in England which had similar demographic profiles to Oldham (and Oldham itself). The poll was conducted online, from the 14th to the 27th January 2025. The results were weighted to be representative of the population within these areas on age and gender.

3 Office for National Statistics, Wealth and Assets Survey

4 [Centre for Ageing Better 2023/24 - Our Ageing Population](#)

5 [Measuring the Wellbeing and Fiscal Impacts of Housing for Older People - Homes England \(2024\)](#)

6 [WPI Strategy \(2020\) - Chain Reaction](#)

7 [WPI Strategy \(2020\) - Silver Saviours for the High Street](#)

8 [WPI Strategy \(2020\) - Healthier and Happier](#) - numbers adjusted for inflation.

9 JLL (2021) - Retirement Living - JLL Housing with Care Index. OPSO prices are for Sydney Grange.

10 Land Registry (2025) - UK House Price Index

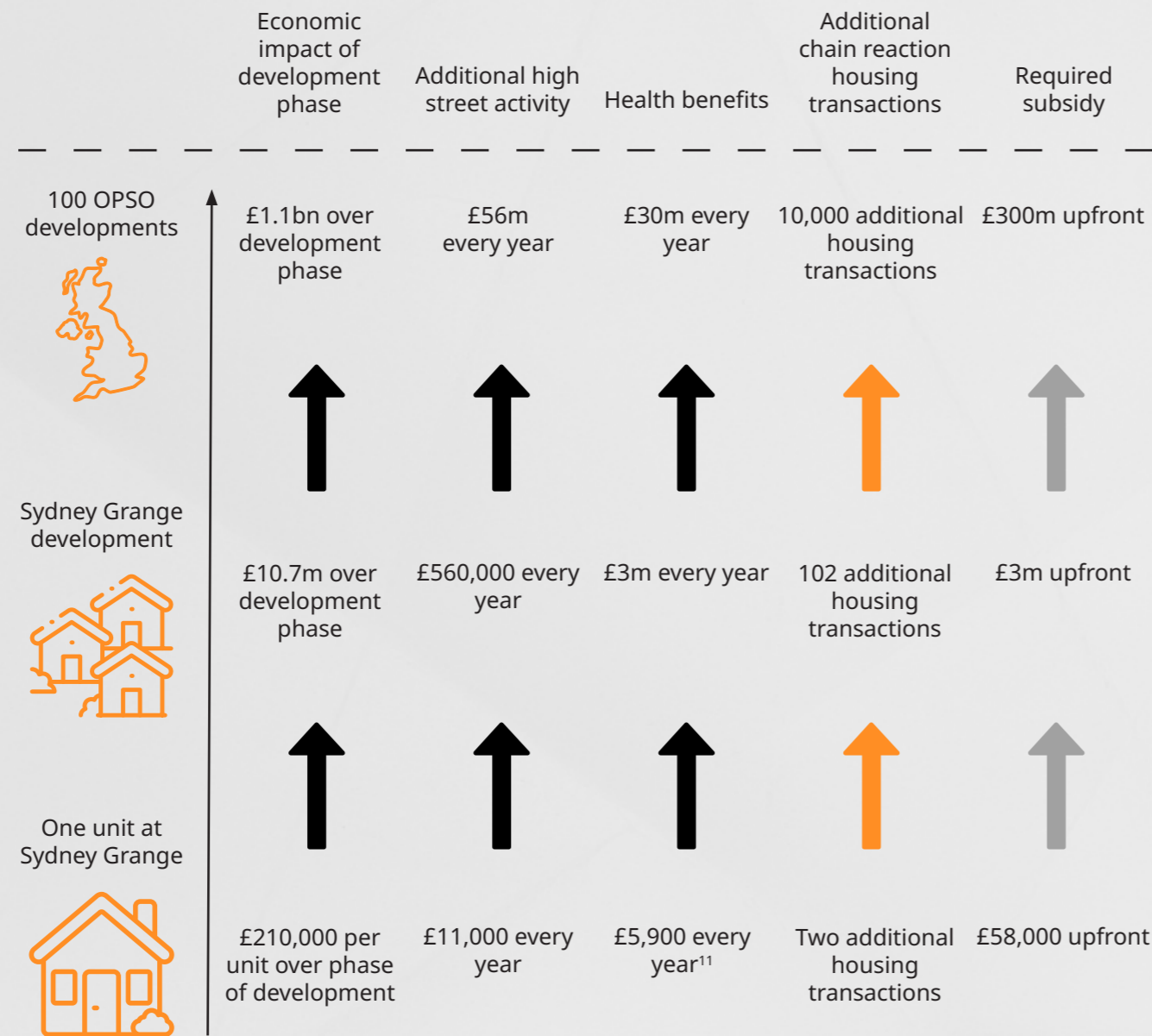
To unlock these benefits across 100 similar OPSO schemes would require just over £300 million of further subsidy.

Figure 1 illustrates the progression in size of benefits and the size of subsidy from one unit, to one development, to 100 OPSO developments across the country.

Importantly, new polling for this report also shows this decision would be popular with the public in places like Oldham, where the affordability of local housing is seen by 43% of people as a very important concern, similar to crime (40%) and immigration (40%). **More than two-thirds (71%) thought the Government should support older people to move to homes more appropriate for their needs, even if it costs the taxpayers money.**

For the Government, there is also some **political urgency to demonstrate it is taking decisions that will improve people's lives in places like Oldham.** Our research, which included polling of areas where OPSO is most needed and often correlates with Labour-held seats, found widespread belief in these areas that the Government has not treated older people fairly, with the decision to cut access to the Winter Fuel Allowance likely an important factor. Our research found that 51% of people in key Labour-held constituencies in the in the North and Midlands felt the Government **doesn't care about the lives of older people.**

Turning these perceptions around and being seen to respond to the concerns voters are raising will take time, but choosing to build more homes suitable and affordable to older people, like OPSO, would be an effective component of that strategy.



11 Based on assumption of 1.33 persons per unit

RECOMMENDATIONS

Given this pressing need to provide affordable housing options for older people primarily in the Midlands and the North, as well as the benefits associated with housing for older people and to support the delivery of the Government's 1.5 million new homes target, we recommend that the Government should:

- Boost the 2021-26 Affordable Homes Programme, for example through departmental capital underspends, to maximise the number of OPSO homes supported through the fund.
- Allocate a significant proportion of the new Affordable Homes Programme towards enabling the delivery of new OPSO homes.
- Ensure funds from the new Affordable Homes Programme are released by Homes England - and associated legal contracts agreed - as quickly as possible.
- Require a level playing field between Affordable Homes Programme providers, regardless of whether they are not-for-profit or for-profit, so they must start and complete new grant-funded homes to the same timeframes.
- Better promote OPSO with older consumers to build understanding of the product and support take up.





INTRODUCTION

INTRODUCTION

Homebuilding is rightly front and centre of the Government's agenda for boosting economic growth. After taking office, Ministers quickly brought forward a range of welcome measures to make it easier to build homes, namely changes to the National Planning Policy Framework (NPPF). The Planning and Infrastructure Bill, which will be voted on by parliamentarians throughout 2025, will also deliver further improvements to the planning system.

Along with improving the country's economic growth rate, a higher rate of homebuilding will help to address its housing shortage, which is estimated to have now grown to 4.3 million homes.¹² Such low levels of housing availability have a profound effect on much of the public. A lack of homes makes it harder for people to live near their job, family and friends. It makes it more difficult for people to live in homes appropriate for their needs, whether that's by size, accessibility or something else. And it makes housing less affordable. These effects mean there is a large proportion of the population living in homes unsuitable to their needs and lifestyle, having to take ever more acute trade-offs between their health, happiness and finances about where to live.

The older persons housing crisis

One group particularly poorly served by the housing market is the older generation, which is a growing demographic. Those aged 80+ are the fastest growing part of the population, set to double to over six million in the next 40 years, while the number of people aged 65-79 is projected to go up by 30% to over 10 million.¹³

While many older people are content, happy and healthy in their home, often having a strong emotional attachment to it, there are limited choices for approximately three million older people across the UK who say they would like to move somewhere more appropriate to their changing care needs and to maintain their independence but lack suitable options.¹⁴

The shortage of homes purpose built for older people negatively impacts their lives in many ways. People with mobility issues are sometimes unable to use parts of their home, safely perform everyday tasks like going to the bathroom or suffer from falls which often lead to hospital visits. Loneliness can be common, especially if they live alone and have limited opportunities - or find it difficult to leave the home - to socialise.

The retirement housing shortage, which is growing by tens of thousands of homes

¹² Centre for Cities (2023) - The Housebuilding Crisis

¹³ Centre for Ageing Better 2023/24 - Our Ageing Population

¹⁴ WPI Strategy (2020) - Chain Reaction

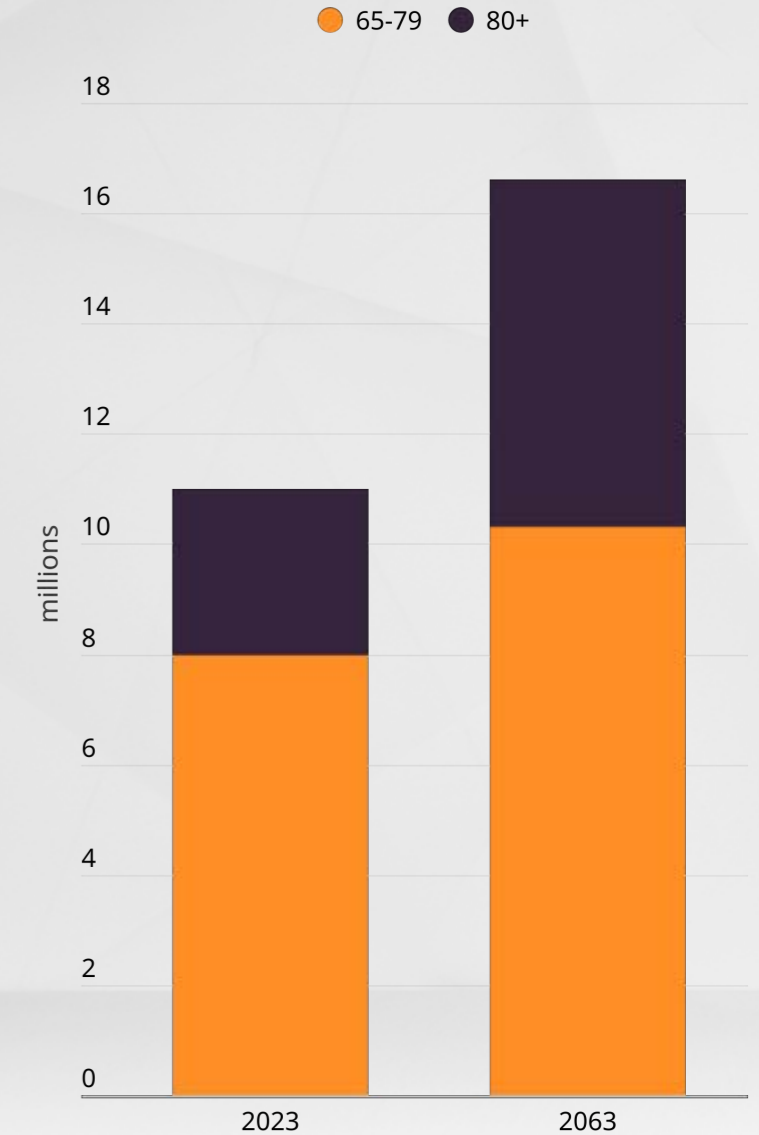


Figure 1. Projected change in older age groups in England, 2023 to 2063. Data source: Centre for Ageing Better 2023/24 - Our Ageing Population.

INTRODUCTION

each year, also has a wider impact on society. Research has found that each older person living in a home purpose built for their needs saves the NHS and care system £4,350 per year through reduced use of services.¹⁵ Approximately one million properties could also be brought onto the market if all homeowners that wanted to move could do so.¹⁶ Providing more homes purpose built for their needs would release larger homes back onto the market - analysis has shown that approximately two in every three retirement properties built releases a home suitable for a first time buyer.¹⁶ Furthermore, a typical retirement housing scheme has been found to support over three permanent jobs on local high streets.¹⁷

The need for more retirement housing - particularly in weaker housing markets

Despite the pressing need for more homes purpose built for older people, currently just 7,000 are built a year.¹⁸ For context, demand has been estimated at around 30,000 to 50,000 homes a year.¹⁸ As the Retirement Housing Group has found, "The total supply of specialist housing for older people has not kept pace with the ageing population, falling from 139 properties per thousand people aged 75 or over in 2015 to 110 properties per thousand people aged 75 or over in 2021, a 21% fall over this period."¹⁹

The supply-demand mismatch of retirement housing is particularly pronounced in areas with lower house prices, where the high cost of building this form of housing - and more general increases in the cost of land and construction - means it is generally not financially viable to do so. In these places, older homeowners have the same health and care needs as older homeowners in areas of higher house prices, but are poorly served by the housing market: they do not have enough equity to afford a new home better suited to their needs in later life, but do have enough equity in their home to not qualify for social rented housing.

15 [WPI Strategy \(2020\) - Healthier and Happier](#) - numbers adjusted for inflation.

16 [WPI Strategy \(2020\) - Chain Reaction](#)

17 [WPI Strategy \(2020\) - Silver Saviours for the High Street](#)

18 [Older People's Housing Taskforce \(2024\) - Our Future Homes](#)

19 [Retirement Housing Group \(2022\) - Planning for retirement?](#)

"Whilst most senior citizens want to live in their own home for as long as possible, they also fear having to move into a care home too soon, so we urgently need to widen the range of options for them. They want to live independently and feel safe in an environment that enables them to enjoy life, engage with others, feel culturally connected and be appreciated for their contributions – they also want to be in a familiar area near to their family and friends. Sadly, too often, I have heard people say that they did not know what housing options were available to them in later life and few are aware of the health benefits. By enhancing the quality and quantity of older people's housing/ later life housing and offering more choice, not only can we improve the lives of senior citizens, but we can also save money for the NHS by avoiding unnecessary hospital admission from slips, trips and falls."



Professor Julienne Meyer CBE

Chair of Older People's Housing Taskforce commissioned by the Ministry of Housing, Communities & Local Government and the Department of Health & Social Care, whose final report was published in November 2024

THE WELLBEING & FISCAL BENEFITS OF HOMES FOR OLDER PEOPLE

Homes England research has recently found that traditional economical appraisals of the benefits of the development of housing for older people do not always fully capture their social value.²⁰ It was found that on average residents of retirement housing reported higher life satisfaction scores than people living in general market housing. The research estimates that the quality of life improvements from living in a retirement property are up to £6,479 per person per year.

20 [Measuring the Wellbeing and Fiscal Impacts of Housing for Older People - Homes England \(2024\)](#)

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Retirement housing has instead historically been built in areas with higher housing prices like London and the South East where more older people sit on high levels of equity after significant house price increases in recent decades, and where development is viable. Based on analysis carried out by JLL and updated to account for house price inflation, we estimate the average price of a new retirement property to now be £366,000.^{21 22}

ONS figures show there are 2.6 million older households with equity levels of between £125,000 and £250,000,²³ a high proportion of which will live in areas that have not experienced high house price growth. Many of these households will rely on this equity to support their retirement, including any care needs. This means there is a significant group of older homeowners who want to move to a different type of home but cannot afford to do so.

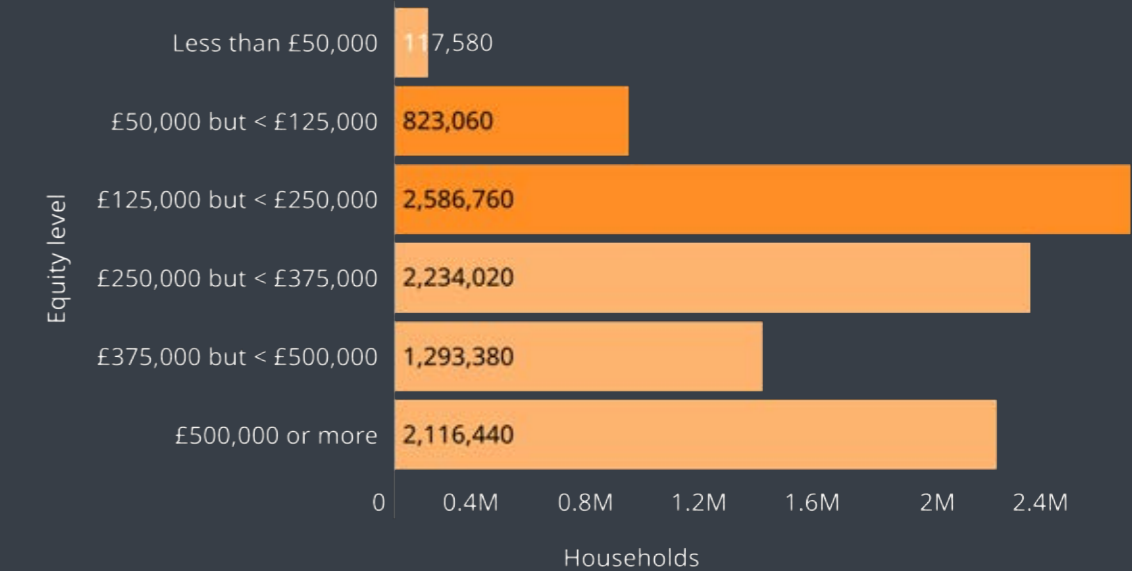


Figure 2: Equity levels of homeowners aged 65+. Data source: Office for National Statistics, Wealth and Assets Survey.

21 [JLL \(2021\) - Retirement Living - JLL Housing with Care Index](#)

22 [Land Registry \(2025\) - UK House Price Index](#)

23 [Office for National Statistics \(2025\) - Wealth and Assets Survey](#)

INTRODUCTION

Just like we need a range of solutions to the national housing shortage, a variety of solutions are needed to better meet the housing needs of older people. This includes market and sub-market homes, purposely built homes for older people with a range in care provision and 'mainstream' homes adapted to be age-friendly. It also covers both service-led housing and community-led housing. Older people's needs and circumstances vary significantly, so a range of products will be essential to providing people with greater choice as they grow old, whether that's staying in the family home or moving somewhere new.

WHAT IS MEANT BY PURPOSE BUILT HOMES FOR OLDER PEOPLE?

National Planning Policy Guidance defines specialist housing for older people as including:²⁴

- Age-restricted general market housing: This type of housing is generally for people aged 55 and over and the active elderly. It may include some shared amenities such as communal gardens, but does not include support or care services.
- Retirement living or sheltered housing: This usually consists of purpose-built flats or bungalows with limited communal facilities such as a lounge, laundry room and guest room. It does not generally provide care services, but provides some support to enable residents to live independently. This can include 24 hour on-site assistance (alarm) and a warden or house manager.
- Extra care housing or housing-with-care: This usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents are able to live independently with 24 hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are known as retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.

²⁴ MHCLG (2019) - NPPG: Housing for older and disabled people



LANGTON HOUSE, SURREY
A RETIREMENT LIVING
DEVELOPMENT BY
MCCARTHY STONE

INTRODUCTION

Older Persons Shared Ownership

One solution that supports older people with relatively low levels of equity to move to a property better suited to their needs in later life is Older Persons Shared Ownership (OPSO). This grant-funded affordable home ownership scheme by Homes England enables buyers to purchase 10-75% of a new home, enabling older people with lower equity to buy as much as they can afford. They pay rent on the remaining proportion, though if someone buys 75% of their home, they pay no rent on the remaining quarter. The OPSO scheme helps older people live in a high quality property with support services that otherwise they could not afford.

The current OPSO market is relatively small. The scheme was first supported in England with government grant funding in 2016 as part of the 2016-2021 Affordable Homes Programme. Over £11 billion of funding was made available in the current 2021-2026 Affordable Homes Programme, administered by Homes England and the GLA, which the new Government recently topped up by £800 million. Between 2017 and 2022, 1,238 homes were delivered by Homes England through the OPSO scheme.²⁵ This is just under 250 per year, which is less than 1% of the targeted annual delivery of homes supported by the Affordable Homes Programme.²⁶

HOW OLDER PERSONS SHARED OWNERSHIP DIFFERS TO TRADITIONAL SHARED OWNERSHIP:

- Buyers are downsizing generally and do not have a mortgage to pay
- If someone owns 75% of the property, they do not pay rent on the remaining share
- As older people are downsizing and moving into a new retirement property, which has better insulation, lower energy bills and lower bills generally, residents typically make an overall saving on running costs

²⁵ MHCLG (2022) – Ministerial answer to PQ on Shared Ownership Schemes: Older People

²⁶ The original target of the 2021-2026 Affordable Homes Programme was up to 180,000 but has since been scaled down by MHCLG due to changed economic conditions.

INTRODUCTION

Delivery of OPSO includes schemes like Sydney Grange, McCarthy Stone's first 100% OPSO retirement housing community, and other 100% OPSO schemes that the organisation is introducing in areas of low housing equity in the Midlands and North. Many of these projects are located in some of the most deprived communities in the UK. McCarthy Stone also includes the delivery of OPSO alongside other tenures.

Provision of subsidy for OPSO schemes through the Affordable Homes Programme unlocks the building of retirement housing in areas with lower sales prices. It otherwise would not be possible to do so in these areas. Build cost for residential property is higher than residential sale price in 60 local authority areas,²⁷ and this figure is higher for retirement housing which generally has much higher build costs than traditional housing, given it has large communal areas for its residents and higher accessibility levels.

An OPSO unit also offers value for money. The grant rate for an OPSO home in the most recent Affordable Homes Programme is approximately £60,000, which is lower than other forms of Affordable Housing.²⁸ Required subsidy levels for a new Social Rent home have been previously estimated to be £162,000, and are now likely higher due to build cost inflation.²⁹

The role of For-Profit Registered Providers

The first For-Profit social landlord was registered in 2010. The sector has grown gradually since. There are now just under 80 For-Profit Registered Providers that collectively own over 50,000 homes.

As the sector has grown, it has attracted significant investment into high quality Affordable Housing. Investment rates have increased markedly in recent years despite fundraising challenges faced by the wider real estate industry.

For-Profit Registered Providers have been able to bid for Affordable Homes Programme funding since 2021. As part of the current funding programme, Homes England agreed 31 strategic partnerships with 35 organisations, including four For-Profit Registered Providers and one developer.³⁰ In 2021, For-Profit Providers were granted £376 million to deliver 6,845 homes outside of London out of a total £5.16 billion under the strategic partnerships element of the Affordable Homes Programme.³¹

³⁰ [Homes England \(2021\) - Homes England's Strategic Partnerships for the Affordable Homes Programme 2021-26](#)

³¹ [National Housing Federation \(2021\) - What do the Affordable Homes Programme 21-26 strategic partnership grant allocations tell us?](#)

INTRODUCTION

The scope and urgency to scale up OPSO

While the wider availability of OPSO homes is currently limited, there is potential to scale up their supply significantly due to strong demand, particularly in areas of low housing equity in the Midlands and North. To meet this demand, and to catalyse more investment into these areas, it is essential that the Government continues to grant-fund OPSO in the next Affordable Homes Programme, which is due to be confirmed by HM Treasury in the forthcoming Spending Review in Spring/Summer 2025. As the All-Party Parliamentary Group on Housing and Care for Older People concluded, "there [is] not only scope for the [OPSO] market to expand but an urgency to do so to meet the growing demands of an ageing population."³²

OPSO is also supported by the Older People's Housing Taskforce, which noted that the Government should use the forthcoming Spending Review to continue with and expand grant funding for OPSO schemes in the new Affordable Homes Programme.

The rest of this report sets out the opportunities to the Government of scaling up the Older Persons Shared Ownership programme, boosting the supply and choice of homes on the retirement housing market, while delivering tangible benefits to the lives of people living in more deprived parts of the country. We first set out the views on the housing shortage of the public in less affluent constituencies, coincidentally including many where Labour faces an increased electoral threat from Reform UK. We then detail their attitudes towards the Government and the role that housing could play in improving these views. Lastly, we model the significant local economic benefits of an OPSO scheme to an area. Throughout the report we include case studies of the experiences of older people that moved into Sydney Grange, informed by one-to-one interviews with each resident.

³² [All-Party Parliamentary Group on Housing and Care for Older People \(2023\) - Shared Ownership for Older People](#)

²⁷ [The Housing Forum \(2024\) - The Cost of Building a House](#)

²⁸ [Homes England \(2023\) - 2021 to 2026 Affordable Homes programme Summary: end of March 2023](#)

²⁹ [NHF \(2019\) - Capital grant required to meet social housing need in England 2021 – 2031](#)



CASE STUDY: SYDNEY GRANGE

McCarthy Stone built its first 100% OPSO retirement community, **Sydney Grange** in Oldham in 2024, unlocking significant levels of private investment into one of the most deprived areas in the UK, along with other impacts detailed throughout this report. It is the first 100% OPSO development in McCarthy Stone's programme. They are now focused on delivering OPSO at scale in locations across the North and Midlands, providing hundreds of new affordable homes to provide greater choice to the older homeowners with lower levels of equity.

The organisation is also providing OPSO units 'pepper-potted' alongside other tenures in some of its developments to increase the range of affordability that can be viably offered. This includes **Whitaker Grange** in Ossett, Yorkshire where 17 OPSO apartments are provided as part of a total of 60 properties.

Sydney Grange is a McCarthy Stone retirement housing community that provides 51 OPSO homes, built on what was previously industrial land left fallow for 10 years following demolition of the historic Failsworth Mill in 2014. The scheme was completed towards the end of 2024, having received planning consent in 2023.

All of these homes were part-funded through the Homes England OPSO scheme and are constructed in full using Modern Methods of Construction (MMC). The scheme was constructed using an eco-friendly category 2 panelised system developed by Remagin. The panels were fabricated in Remagin's Leeds factory and then assembled on-site, helping build faster, greener and to a higher quality standard.

Prices start from £95,000 for a 50% share. The average cost of a 1-bed apartment in Sydney Grange is £142,000 for a 75% share, with no rent to be paid on the remaining 25%. The average house price in the area is £206,000, well below the UK average. The homes are provided under the Government's new Shared Ownership model that allows people to purchase a smaller initial share of the property and to staircase at smaller intervals.

Interest from people wishing to live in this scheme has largely come from the local area. This means that more local homes will become available as people move into the scheme, helping other areas of the local housing market. OPSO grant funding makes this type of project possible in areas like Oldham, by improving their financial viability.



SYDNEY GRANGE
IN FAILSWORTH, OLDHAM,
GREATER MANCHESTER



BEFORE

SYDNEY GRANGE HOMEOWNER CASE STUDY #1

“My life, my life has changed. It’s a lot easier, a lot better to manage... It’s great.”

Since moving into her OPSO home, Ms Mitchell's lifestyle has changed, relieving some of the stress she previously felt. She liked the smaller size of her 'cosy and homely' new home which means she no longer has to go up and down multiple flights of stairs like in her previous 3-bedroom house. Moving has also brought Ms Mitchell closer to her sons and grandchildren who live nearby, providing her with support and company. Shared Ownership, which she first considered after receiving a leaflet in the post, made the move financially possible as the apartment she moved to was cheaper than those in other areas Ms Mitchell had initially considered.

PUBLIC ATTITUDES TOWARDS THE HOUSING SHORTAGE



3 million older homeowners say they would like to move home



52% of people say there are insufficient homes suitable for older people



A lack of affordable housing is seen by **69%** of older people as among the top housing-related issues

THE OLD MARKET

A RETIREMENT VILLAGE IN WIMBORNE,
DORSET, BY MCCARTHY STONE

To better understand how people in areas with lower house prices perceive the housing shortage, in particular how it affects older people, we surveyed 1,003 people in 20 parliamentary constituencies. These areas have the same demographic profile as Oldham, where a 100% OPSO retirement housing community has been built. It is in these areas that older people with lower levels of housing equity reside.

These areas are also where Labour faces an increased threat from Reform UK, as our polling shows them now in second place in these areas. Indeed, in the constituencies we polled where Reform UK finished second in the 2024 General Election, they are now polling in first place.

Methodology

Public First conducted a poll of 1,003 adults in 20 constituencies in England which had similar demographic profiles to Oldham (and Oldham itself). The poll was conducted online, from the 14th to the 27th January 2025. The results were weighted to be representative of the population within these areas on age and gender.

Constituencies:

- OLDHAM
- MANCHESTER CENTRAL
- BRADFORD EAST
- CORBY AND EAST NORTHAMPTONSHIRE
- GEDLING
- KNOWSLEY
- LICHFIELD
- WELLINGBOROUGH
- WORSLEY AND ECCLES
- NEWCASTLE-UNDER-LYME
- LEEDS EAST
- PRESTON
- COVENTRY NORTH WEST
- BIRMINGHAM ERDINGTON
- TELFORD
- BARNESLEY NORTH
- BARNESLEY SOUTH
- WOLVERHAMPTON SOUTH EAST
- STOKE-ON-TRENT CENTRAL
- ASHTON-UNDER-LYNE

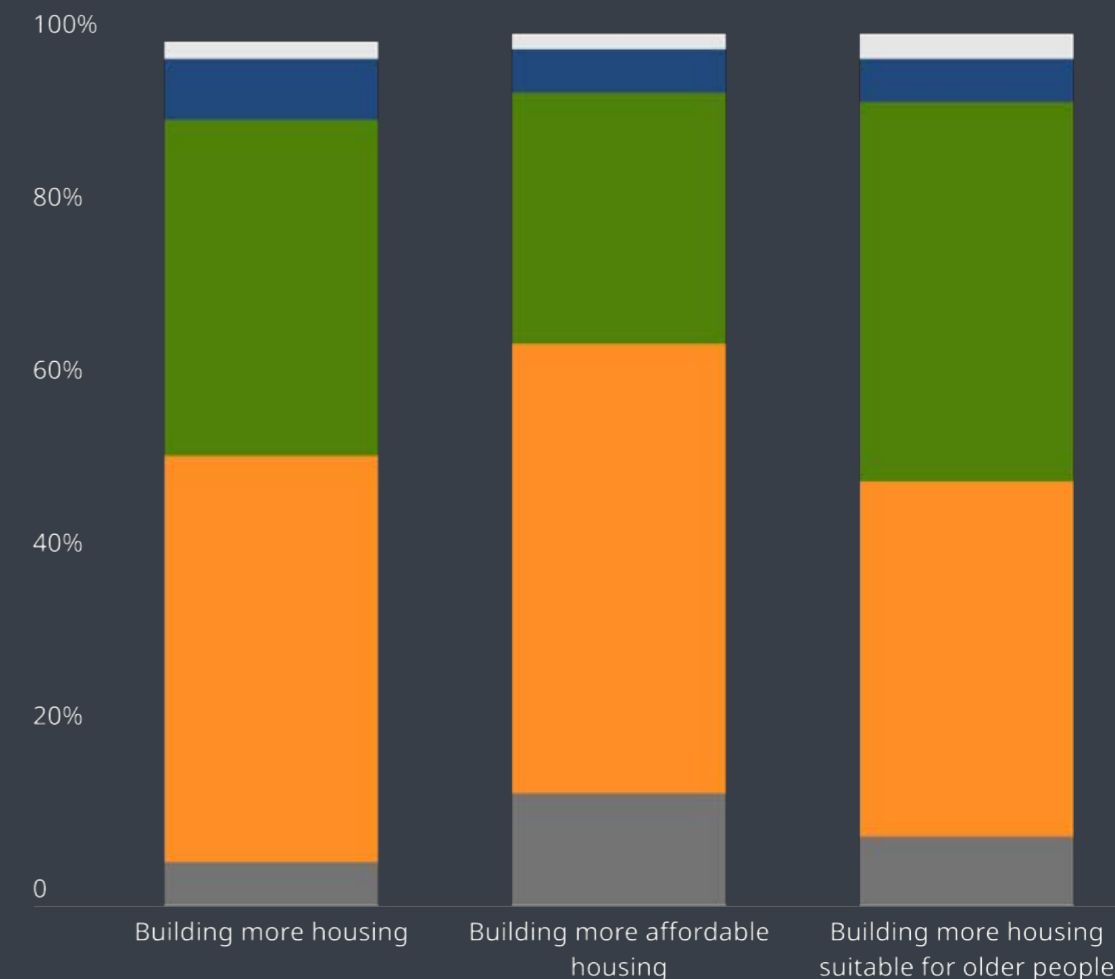
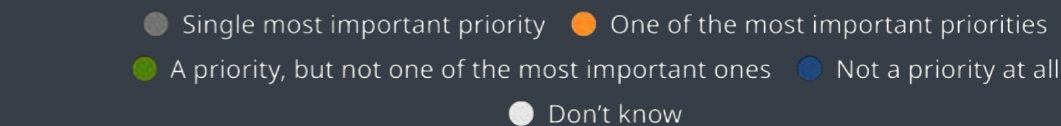
Affordability is the key driver of concern

Public concern about housing centres around affordability. Within the areas surveyed, the key issue believed to be facing the country was the cost of living, which 56% of respondents placed among their top three issues. While housing was lower down this list (14%), it was clearly an issue of concern.

When asked directly about the importance of various issues in their local area, 43% say the affordability of housing in their local area is a very important concern. This is comparable to the proportion citing crime (40%) and immigration (40%) and exceeds concerns about antisocial behaviour (32%). Concern was highest among those aged 25-34 but remained significant among the oldest respondents (31%).

Asked about the most important issues related to British homes, respondents largely identified cost concerns. In our survey, 55% identified high household bills, 55% a lack of affordable housing, 55% high renting costs. If anything, these concerns were higher among the oldest groups. 69% of those aged 65 and over regarded a lack of affordable housing among the top housing-related issues.

With cost and affordability seen as the major issue with housing today, respondents were most likely to view building affordable housing as a priority (although building housing suitable for older people as well as building more housing in general were viewed as priorities too).



How much of a priority do you think... should be for the government?

SYDNEY GRANGE HOMEOWNER CASE STUDY #2

“You know, I wasn’t stressed out at all about moving, which I thought I would be at my age. Yeah, it was just so easy.”

The OPSO scheme made moving home financially feasible for Ms Noble, as she was able to sell her previous property for more than she needed for her new home. This left her with extra funds for her ongoing support and care.

Ms Noble is more comfortable in her new home than she was in her old property, which she puts down to its smaller size and proximity to her friend who live in the same complex; *‘with my friend already living downstairs, it’s made it a lot easier, because I see her nearly every day, so you don’t feel as alone’.*



PUBLIC ATTITUDES TOWARDS THE HOUSING SHORTAGE

A large share of the existing market think their housing is ‘inappropriate’

While most people think their home is appropriate, a sizable minority say they live in inappropriate housing, including 15% of older people. People have a variety of reasons for believing their housing is inappropriate. Often it is because it is in poor condition (37%), or too cramped (30%); for older people, it was often because the house was too big to maintain, though the sample is too small to generalise. When we asked generally why people say they are interested in moving house, older individuals tended to indicate again that their house was too big to maintain, and too big to heat properly.

15% of older people say they live in inappropriate housing

67% say it is difficult for older people to find appropriate housing locally

63% of older people were interested in moving home

Undeniably, young people feel most strongly that their housing is inappropriate. A quarter (26%) of 18-24s, say that their current housing conditions are inappropriate, compared to 15% of those aged 65 and over. A majority of those under 35 (including a peak of 66% 25-34 year olds) report having had issues finding suitable housing for themselves in the past, compared to 14% of those aged 65 and over. Yet despite this, there is a broad recognition of the issues facing older people in housing. 67% say that they expect it is difficult for older people to find appropriate housing in their local area.

Concerns about appropriateness shape a desire to move

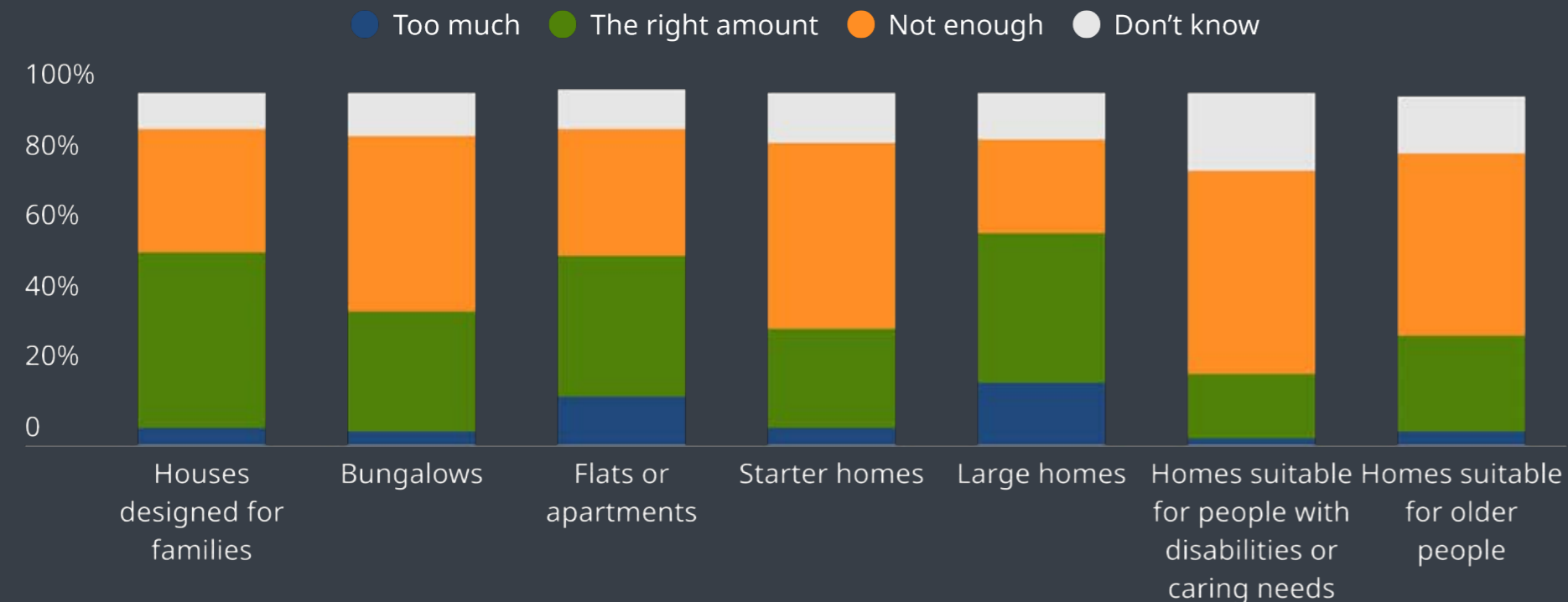
A majority (52%) indicated that they would be interested in moving from their home. This was mainly younger people (71% of 18–24s), though a significant proportion of older people (30% of those aged 65 and above) were also interested. Across all age brackets, this interest is driven by an ambition to live in a nicer home, although for older people, their main concern is that their home has become too big to maintain and too costly to heat.

For those who aren't interested, a majority simply do not want to move (53%), whilst one in five say that moving would be too expensive (20%). Similar concerns centred around affordability were expressed on issues like; 'House prices are increasing too quickly' (13%), 'More appropriate houses are too expensive' (11%), 'Not enough equity/savings to be able to move' (9%), 'Cannot afford a new/additional mortgage' (9%) and 'Stamp Duty is too high' (7%).

People are concerned about the lack of homes locally

There is a general view that there aren't enough homes in people's local area. This attitude varies considerably by the type of housing. While a plurality (42%) believe there are enough "large homes" in their area, and 40% say the same about flats or apartments, we find a majority believe there are insufficient homes suitable for older people (52%), and that there are insufficient starter homes (53%). Equally, one in two people believe there are not enough bungalows (50%), and a greater proportion (58%) believe there are insufficient homes suitable for people with disabilities or caring needs.

Reform UK voters were particularly likely to think there aren't enough bungalows (60%) or homes for older people (62%) in their area.



Thinking about your local area, would you say you have too much, the right amount, or not enough of the following types of housing?



People are looking to the government to build and provide a route to ownership

Our research showed high levels of support for building new homes to address these challenges. A majority of people in these constituencies believe that building more housing should be among the most important priorities for the Government (52%). When asked specifically about affordable housing, this rises to 64%. This includes a majority of Reform UK voters (51%) and an overwhelming majority of Labour voters (81%).

64% of people say **building more affordable housing** should be a **top priority** for the Government

51% of Reform UK voters say **building more affordable housing** should be a **top priority** for the Government

81% of Labour voters say **building more affordable housing** should be a **top priority** for the Government

PUBLIC ATTITUDES TOWARDS THE HOUSING SHORTAGE

While familiarity with OPSO is low (59% had not heard of it), Shared Ownership is well understood. Topline support for the concept of Shared Ownership is in the majority (58%), with 13% opposing the scheme and 29% holding no view. It shows little variation over demographic or political groups, though it peaks among 25-34 year olds (71%), and among higher social grades (69% AB, 46% DE). The core advantages people see of Shared Ownership are cost related - mostly, the public views Shared Ownership as a helpful step onto the property ladder, and an approach to housing with lower initial costs.

When we look specifically at OPSO, 58% said they supported the scheme, 16% opposed it and 27% expressed no view. Those who supported it indicated they did so because it might make it more affordable for older people to move to a more appropriate home (64%). A majority viewed this as a good solution to the expense associated with building appropriate housing for older people (64%). And a majority (71%) thought the Government should support older people to move to homes more appropriate for their needs, even if it costs the taxpayers money.

OPSO was particularly popular with younger people, despite its focus on the elderly. A quarter of those with older relatives believe those relatives would consider buying a home under OPSO. Those who had older relatives whose housing was inappropriate for their needs felt that the scheme would make it more likely for those relatives to move to more appropriate housing (40%). Younger people had a desire to see home ownership in general. They were more likely to feel that the government should prioritise making home ownership easier, than making renting more attractive.

58% of people supported OPSO schemes

64% of those supporting OPSO did so because it might make it more affordable for older people to move to a more appropriate home

71% of people would support the Government using grant funding to help older people move to a more appropriate home.



WHITAKER GRANGE
A RETIREMENT LIVING COMMUNITY IN
OSSETT, YORKSHIRE, BY MCCARTHY STONE

SYDNEY GRANGE HOMEOWNER CASE STUDY #3

“[This was] the perfect place to do a development because it’s an area where there aren’t a lot of other houses but a lot of older people.”

Ms Taylor decided to move into Sydney Grange after hearing about it from an older friend, primarily because she was looking for something affordable, well-maintained, and accessible. She wanted her new property to be all on one floor, but couldn’t afford a bungalow in the local area. OPSO allowed her to move into her ideal home without depleting her savings. Prior to moving in, Ms Taylor owned the home in which she raised her family, but the large property had become too much to maintain by herself.

THE GOVERNMENT'S STANDING WITH OLDER VOTERS



In our survey, **51%** of respondents told us that they think the Labour government doesn't care about the lives of older people.



In constituencies where Reform UK finished 2nd at the 2024 General Election, **72% of respondents** felt older people had been treated unfairly by the Labour government.



The affordability of housing is a very important concern to the **52% of respondents** that currently plan to vote for Labour.

THE GOVERNMENT'S STANDING WITH OLDER VOTERS

Our research shows that Labour's policy platform so far has given the impression of a party which cares mostly about public sector workers. Those who intend to vote for Labour believe it cares most about working class people (37%) and working families (35%), whereas Conservatives and Reform UK voters tend to feel Labour cares about public sector workers (Conservative 30%, Reform UK 25%) and higher-earners (Conservative 25%, Reform UK 28%).

The Government's poor standing with older voters has been commented on frequently, for instance the impact of policies like means-testing the Winter Fuel Allowance. Few indicate that old people are among the groups Labour cares about most. Among those who supported changes to the Winter Fuel Allowance, 17% indicated that Labour cared most about old people, but this dropped to just 2% of those who opposed the move.

51% of respondents said they think the Labour government doesn't care about the lives of older people, compared to 31% who said the opposite. A majority (62%) also feel that Labour has not treated older people fairly (62%). Older people themselves were particularly likely to say they have been treated unfairly.

Much of this sentiment is driven by the government's decision to restrict the number of people who are able to benefit from the Winter Fuel Allowance. We found broad opposition to the measure in the areas we surveyed - 57% opposed the move, while 31% supported it. Among those who supported the move, 23% felt the Labour government had treated older people unfairly, however among those who opposed the move this rises to an outright majority: 87%.

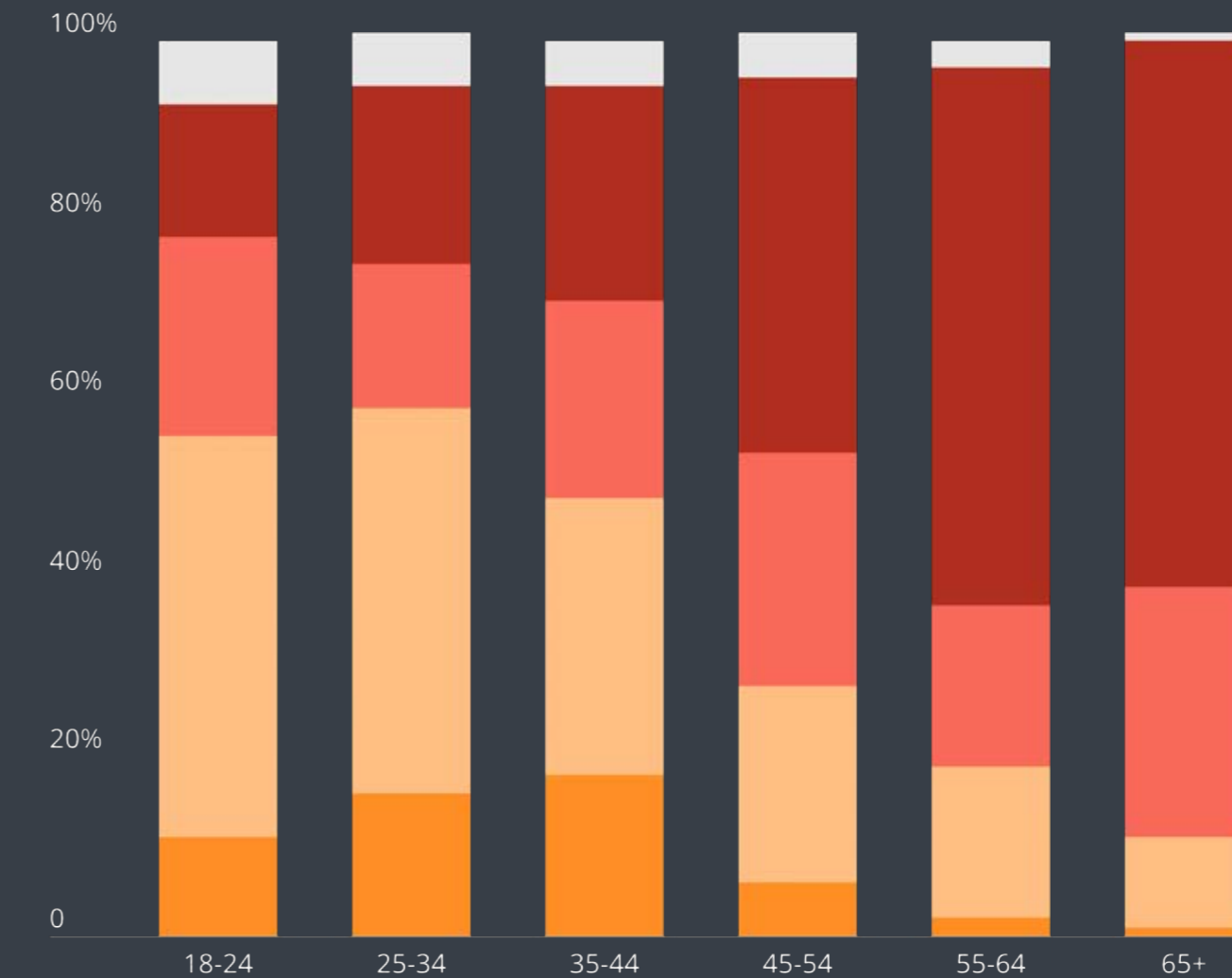
SYDNEY GRANGE HOMEOWNER CASE STUDY #4

Mrs Hamilton moved from a three-bedroom house to an OPSO retirement apartment because she no longer needed so much space. She wanted something easy to manage, ideally a flat without a garden, that allowed her to stay local. For Mrs Hamilton, the main draw to Sydney Grange was the sense of community - living alone had started to feel isolating, and this setup offered the perfect balance of independence and social opportunities. Mrs Hamilton owns 75% of the property, and she doesn't feel any different from a regular homeowner.



THE GOVERNMENT'S STANDING WITH OLDER VOTERS

Very fairly Somewhat fairly Somewhat unfairly Very unfairly Don't know



In general, do you think older people have been treated fairly by the new Labour government?



The potential electoral impact

Respondents reported that the decision to cut access to the Winter Fuel Allowance has affected their likelihood to vote for the Labour Party in the next election. In reality, this will be part of a broader picture of dissatisfaction with the government, which has been growing since the 2024 election.

50% of respondents in our target area said they were now **less likely** to vote for Labour

34% of **Labour voters** in our target area said they were now **less likely** to vote Labour

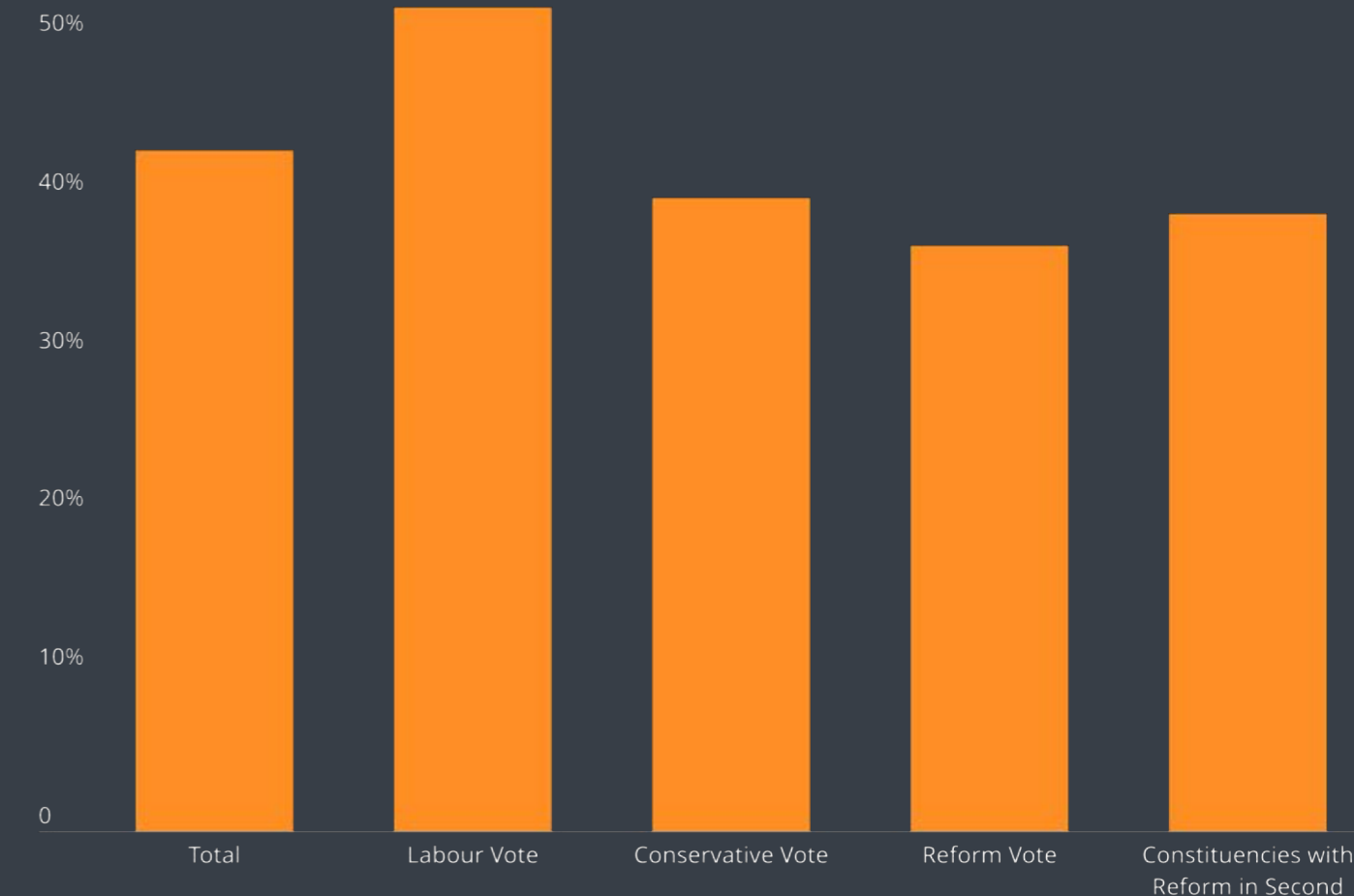
79% of **Reform UK** voters said they were now less likely to vote Labour

Across all groups, we found the decision had a net negative impact on voting intention - the largest impacts were felt among those groups that Labour needs to reach out to in order to increase their vote share in the next election. This is particularly important given the strong tendency of older people to vote in General Elections.



Housing can help rebuild support

Our research showed that the affordability of housing was an important issue in the constituencies surveyed, and it was highly important among those who currently say they will vote for Labour (52%). Action on this area would help to solidify support among Labour's voter base.



Proportion saying the affordability of housing is a very important concern

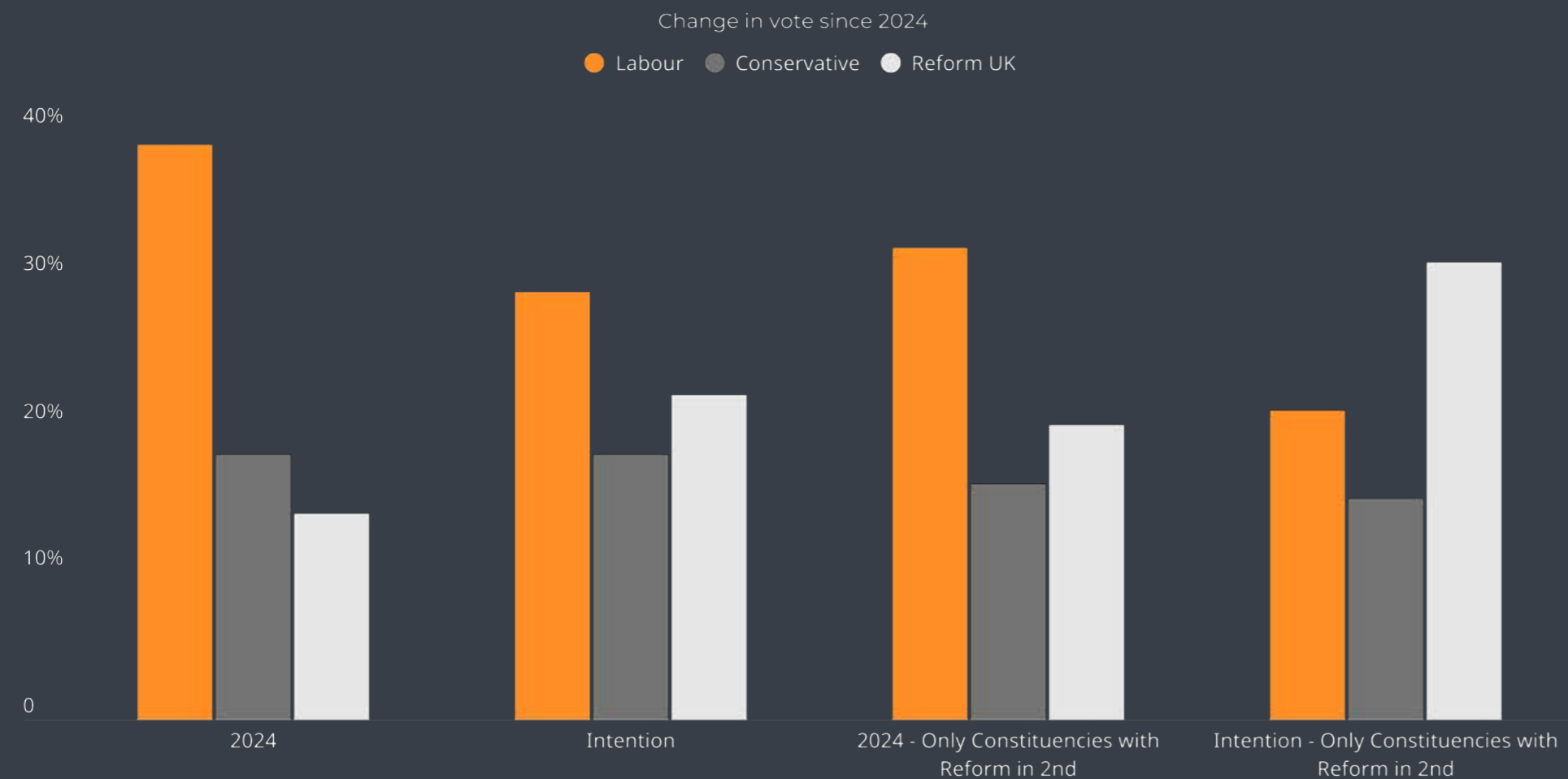
THE GOVERNMENT'S STANDING WITH OLDER VOTERS

In a number of the constituencies we polled, Reform UK was in second place in the 2024 general election. These are areas that Reform UK will be looking to grow its supporter base, and areas where it is particularly important for Labour to be demonstrating a response to the concerns voters are raising. Labour has an urgent need to meet these concerns.

Among those in our survey, in the constituencies where Reform UK was in second place in 2024, 31% now plan to vote Reform UK compared to 21% who plan to vote Labour. This is a significant shift from how these

voters report voting in 2024 (32% for Labour, 20% for Reform UK), and indicates for the Government a pressing need to turn attitudes around in these areas.

Voting behaviour is driven by a range of factors. The next general election is scheduled to be over four years away. But Labour will need to do things that persuade voters to change their mind, and this is particularly important in those constituencies where Reform UK came second.



Older people are part of the answer. Our research showed that, among these constituencies where Reform UK came second, 57% of respondents felt that the Labour government does not care about the lives of older people. Among the other constituencies this was 49%. 72% in these constituencies said that they felt older people had been treated unfairly by the Labour government, compared to 59% in the other constituencies. 65% opposed the Winter Fuel Allowance move.

There is widespread support for more homebuilding in the constituencies we surveyed. Delivering housing growth in these areas will be welcomed, particularly if it allows people to move to somewhere more appropriate. This support for housing development was in the majority in both the constituencies with Reform UK in second place (60%) and the other constituencies surveyed (58%).

Similarly, we find support for OPSO in the majority in both these constituencies and the rest of the sample (57% in constituencies where Reform UK was in second place, 56% in other constituencies). Given the scheme was explicitly linked to the government in the question, it is notable that it saw majority support even in those areas where Reform UK was currently leading in vote intention.





THE LOCAL ECONOMIC BENEFITS OF OPSO SCHEMES



The Sydney Grange OPSO scheme generated **£10.7 million of economic value** during the planning, development and sales phase of the development. Were 100 similar OPSO schemes rolled out this would equate to over **£1.1 billion**.



We estimate that Sydney Grange generates **£850,000 of economic value each year** both through the spending effects of residents on the local high street and cost savings to the NHS and social care services. One hundred similar OPSO schemes would equate to over **£85 million every year**.



To unlock one similar OPSO scheme would cost just over £3 million. One hundred similar OPSO schemes would require just over **£300 million of further subsidy**.

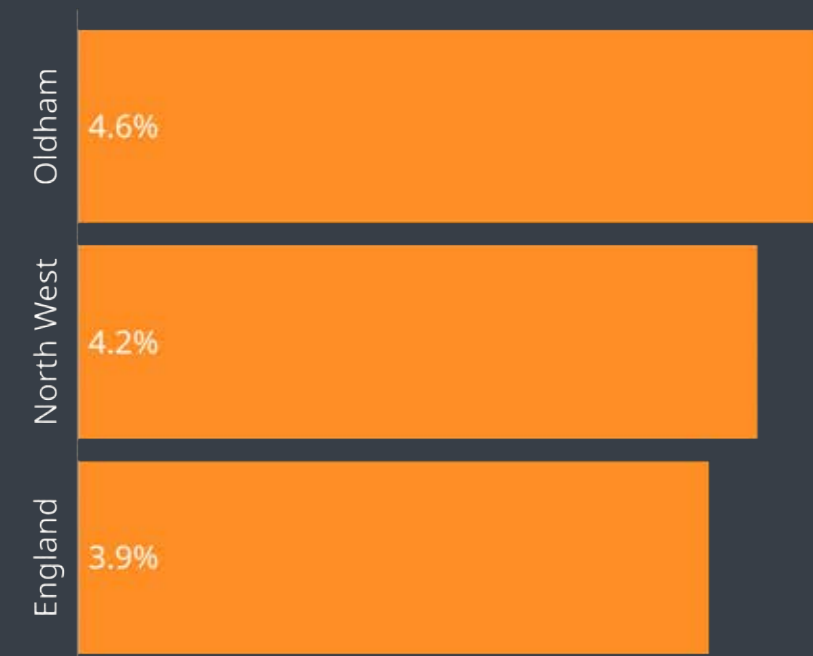


THE LOCAL ECONOMIC BENEFITS OF OPSO SCHEMES

An OPSO scheme that catalyses the development of new homes for older people in less affluent areas is a popular policy in its own right. However, there are also significant economic benefits. OPSO schemes are being developed in places where wages are lower than average and where deprivation is higher, meaning communities will be particularly affected by recent cost of living pressures. A policy that catalyses the development of OPSO schemes in such areas provides a range of economic benefits that we explore in this section.

We have used Sydney Grange in Oldham, a 100% OPSO scheme, as our case study. Oldham is an area of relatively low wages and high levels of deprivation. Approximately 39% of people living in Oldham live in areas of very high deprivation, as measured by the MHCLG's Indices of Multiple Deprivation.³³ Oldham has relatively high unemployment and low wages when compared to the average in both the North West and England, as illustrated by Figure 3. Local house prices are also reflective of local economic conditions, with a median house price in Oldham of £180,000 compared to £200,000 for the North West and £290,000 for England.

Unemployment Rate



Gross Weekly Pay (GBP)



Figure 3: Comparison of gross weekly pay and unemployed between Oldham, The North West and England

³³ We define 'very high deprivation' as areas within the 20% most deprived in England.



THE LOCAL ECONOMIC BENEFITS OF OPSO SCHEMES

Low house prices in Oldham make it suitable for an OPSO scheme. On average, homes typically have a market value 40% lower than the national average, making it difficult for someone to sell their home and purchase a standard retirement home. The only way to sell their current property and afford something more suitable for old age is through a Shared Ownership scheme, or something similar.

Relatively low affluence in Oldham also means this type of housing scheme has a particularly welcome local economic effect. This is because the investment in homes from local residents is complemented by both public and private investment, raising the levels of local capital formation that would otherwise not be possible and stimulating the local economy.

In the rest of this chapter, we explore all the economic impacts of the scheme, including: The value of the decision to allow its construction, known as Land Value Uplift (LVU); the economic activity and jobs created during construction, including the wider activity in the retail sector; the long-term private sector investment enabled by the OPSO structure; the chain reaction in the property market; the increased high street spending from locating pensioners close to the high street; and the health benefits for older people moving into OPSO homes.

Without the provision of subsidy for the OPSO scheme, these homes would not have been developed. As such, we model the benefits against a counterfactual scenario in which the plot was left undeveloped.

THE LOCAL ECONOMIC BENEFITS OF OPSO SCHEMES

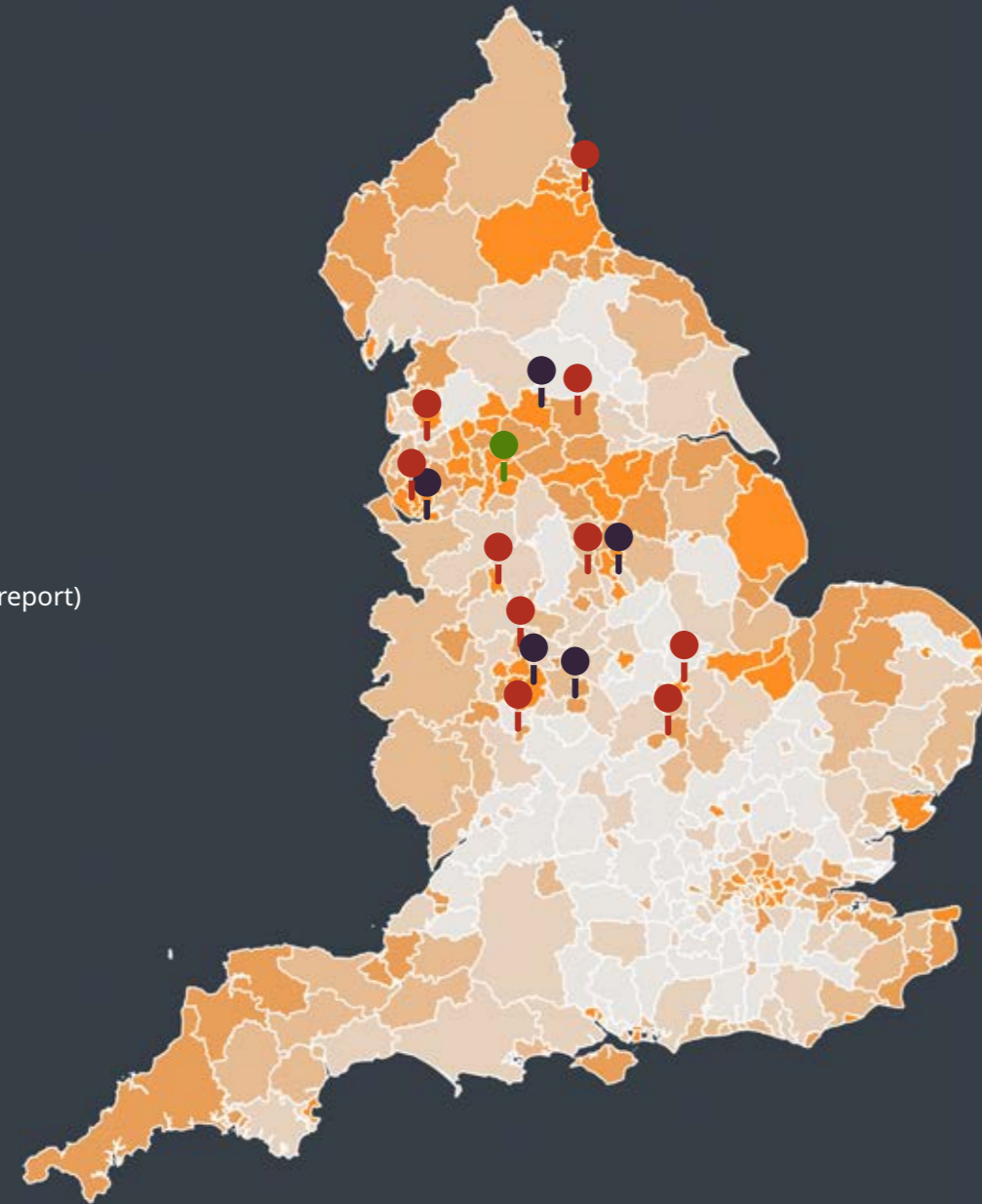


Figure 4: Map showing location of McCarthy Stone's forthcoming 100% OPSO developments against levels of deprivation



**SYDNEY GRANGE HOMEOWNER
CASE STUDY #5**

Mr and Mrs Hopper came across the OPSO scheme after moving back to the UK following years of living overseas. During their time abroad house prices in the UK outpaced those in South Africa and therefore they struggled to buy when they returned to the Greater Manchester area. They felt that renting in the UK was not the right future for them, so were keen to pursue other ownership opportunities. When speaking about the Shared Ownership scheme, they said they 'would have been a bit stuck really' without it and they felt it enabled them to move into a property which suited them which would otherwise not be an option. Both Mr and Mrs Hopper anticipate this to be their last home and feel that the facilities available will support them to be able to do that.

THE OLD MARKET
A RETIREMENT VILLAGE IN WIMBORNE,
DORSET, BY MCCARTHY STONE



Economic stimulation during the planning, construction and sales phase of the development

Land Value Uplift

Our analysis estimates the Land Value uplift of the Sydney Grange OPSO scheme to be **£1.2 million**. This represents the value of the decision that permitted the building of the scheme, including change in land use and permission to proceed with the OPSO scheme, without which the development wouldn't be achievable.

The value of LVU is relatively low because it is primarily driven by the gross development value, or the value at which the properties would be sold at. Property values are relatively low in Oldham and similar areas in which OPSO developments have been built. However, the positive value provides evidence that the OPSO concept provides economic value at the point at which planning permission is granted.

Construction impacts

We estimate that the construction of the OPSO scheme provided **£7.9 million** of economic activity to the UK economy through direct employment by the developer, indirect activity by those employed in the supply chain, and activity caused by the increased consumption spending of the wage earners from both the direct and indirect effects. This economic activity supported just over **33 jobs** annually.

Although useful to know, it is perhaps more useful to explore the place-based economic effects that happen locally in Oldham, and in the region. We estimate the value of economic activity occurring in Oldham associated with the construction phase to be **£2 million**, and in the wider region to be just over **£7.2 million**. This regional activity is focussed on Oldham itself, Sheffield, Leeds, Castleford, Rochdale and Halifax.

A key goal of the new Labour Government is to support the most vulnerable communities, especially at a time when the economy is struggling. We estimate that **40%** of the regional economic activity caused by the construction of Sydney Grange, or **£2.8 million**, occurs in areas of the country where deprivation is at its highest.³⁴

The Sydney Grange OPSO scheme was **built entirely with Modern Methods of Construction (MMC)**, which enabled faster construction. Schemes like Sydney Grange, and those that will also be built over the next few years to this specification, are important to realising the Government's long term ambition to grow the MMC sector.

³⁴ We define areas of very high deprivation as those that are within the 20% most deprived LSOAs, as defined by the [English Indices of Deprivation](#).



**DEPUTY LABOUR LEADER,
THE RT HON ANGELA RAYNER**
MEETING WITH MCCARTHY
STONE AT SYDNEY GRANGE,
FAILSWORTH, OLDHAM, IN 2023

Wider real estate activity

Beyond construction, the sale of new homes creates additional activity in the economy. This has a direct effect in the form of additional fees to real estate, finance, surveying and legal sectors. Additionally, this causes a knock on effect, as increased activity leads to additional wages, which in turn leads to more spending. These are known as the indirect and induced effects.

We find that for every housing unit at Sydney Grange, an additional **£7,700** of direct, indirect and induced economic activity is created through legal fees and surveying, generating a total of **£390,000** for the whole development. It should be noted, we haven't included outputs relating to sales activity in this calculator as this activity was largely carried out in house at McCarthy Stone. These are included in the following section, however.

Activity in the housing chain

Housing is a necessary and durable good - everyone needs a home in which to live, but usually only one, meaning the purchaser will either be selling a property or giving up a tenancy. With OPSO, purchasers are more than likely selling their existing home, setting off a chain reaction of transactions in the local property market. This is in contrast to other types of purchases such as first time buyers, where there is no other home to sell and no chain of transactions.

The chain reaction of transactions triggered by the OPSO purchase creates economic value in two ways: first, the transactions themselves create additional activity in the Real Estate market, and secondarily, after people buy a new home they typically spend money on improvements. In this way the development of new OPSO homes has a catalysing effect on the local economy.

We assume that for each property purchased at Sydney Grange there are 2 additional property purchases or a total of 102 additional transactions (our methodology is included in the appendix). We estimate the total economic activity in Oldham associated with these additional transactions including sales, legal, surveying fees, moving costs and the additional spend that new residents make in their new homes - delivered direct, supply chain and induced economic activity with a value of **just over £1.1 million**.

Total economic value of development and sales process

We estimate the total economic value associated with the planning permission, construction activity, wider real estate activity, and chain reaction property market effects to be approximately **£10.7 million**. Were this to be replicated in 100 similar locations across the country we estimate the value to the UK economy to be approximately **£1.1 billion**.

● Construction Impacts ● Wider Real Estate Activity ● Chain Reaction Impacts



Figure 5: The economic benefits of the planning, developments and sales phase of Sydney Grange

Long term investment

A unique attribute of the OPSO concept is that private sector investment is not only short term, during the development stage. Rather, equity within the property development is held for the long term by a private investor alongside the owner-occupiers share. The private sector takes on significantly more risk than usual by investing in the local area for the medium to long term. The benefit can be thought about in two ways, firstly, by considering that in Oldham, or places of similar levels of affluence, these homes simply wouldn't have been built without this additional investment. Secondly, we can think of the investment as delivering additional gross fixed capital formation to the area, which has economic value that simply wouldn't be affordable otherwise.

We estimate that the total long term investment in the Sydney Grange development from private investors is **£2.7 million**.

Supporting the high street

The decline of the high street is a well known trend. Many town centres have suffered significantly in recent years as a result of slow economic growth and the shift to online shopping, especially by younger people. The elderly spend a higher share of their income in physical shops than average, making OPSO schemes near town centres, such as Sydney Grange, particularly beneficial for local businesses. We estimate that elderly people do **78%** of retail spending in person, which is significantly higher than the national average of around 72%.

We estimate that residents in the Sydney Grange retirement home spend £415,000 a year on the local high street, generating £556,000 in economic activity in Oldham through direct spending, supply chain effects, and induced spending. The most significant driver of this spending is an additional £164,000 on food and drink shopping. We also estimate the scheme will generate £100,000 a year of spending on household goods, £76,000 on restaurants, and £35,000 on clothing goods.



Health benefits

Through a reduction in NHS and social care costs, there are significant fiscal benefits to building retirement homes occupied by the over 65s who had previously lived in normal housing. This is due to a mixture of factors including more appropriate design, communal living and improved access to support. Better design reduces the number of falls that elderly people have, a significant cost to the NHS. Communal living mitigates against loneliness and its links to dementia, and having support at hand in general reduces the number of visits to the GP. The provision of more retirement homes, which allow older people to retain independence while getting the right levels of care, also eases pressure on the wider social care system. To estimate the economic benefits, we draw on research carried out by WPI economics.³⁵ This provides estimates of the savings to the NHS and social care budgets of retirement homes through various mechanisms.

In total we estimate that the savings to the Exchequer through health and social care savings from the development of the Sydney Grange retirement home is £295,000 a year. The most significant contribution is through a reduction in the need for institutional social care, a saving of £153,000. This is due to living in a community with shared living spaces, and having an on-site manager whose responsibilities include ensuring residents are supported. Other notable benefits are through the reduction in falls due to better design, which we estimate saves the NHS over £43,000 a year. Loneliness and isolation are associated with various illnesses including even dementia, a significant cost to the NHS and social care budgets. We estimate that Sydney Grange provides a saving of £21,000 a year through reducing loneliness and the costs associated with it.

We estimate that the annual value of economic benefits through high street spending and health benefits are £850,000. Were this replicated in 100 places this would create £85 million of value every year.

³⁵ WPI (2021) - Homes for Later Living publishes report showing the importance of retirement housing to local high streets and economies



Net Present Value comparison of benefits and subsidy

We present in this section an analysis that allows us to compare: the longer term annual benefits of health and high street spend; the value to the economy of activity during the planning, construction and sales phase of the development, and; the cost to the Government through subsidy. To do this we calculate the net present value of each. We use a thirty year appraisal period with a base year of 2021, we discount future benefits and costs at 3.5% (HMT Green Book value), and provide all values in real 2024 prices. However, the results of this analysis are to allow for comparison only and are not the results of a full cost benefit analysis. As such the results should not be used to calculate a benefit cost ratio. Although the methods used to carry out our modelling are robust and accurate, the intention was not to build a treasury style appraisal model and as such the results should not be interpreted in that way.

The results can be seen in figure 6.

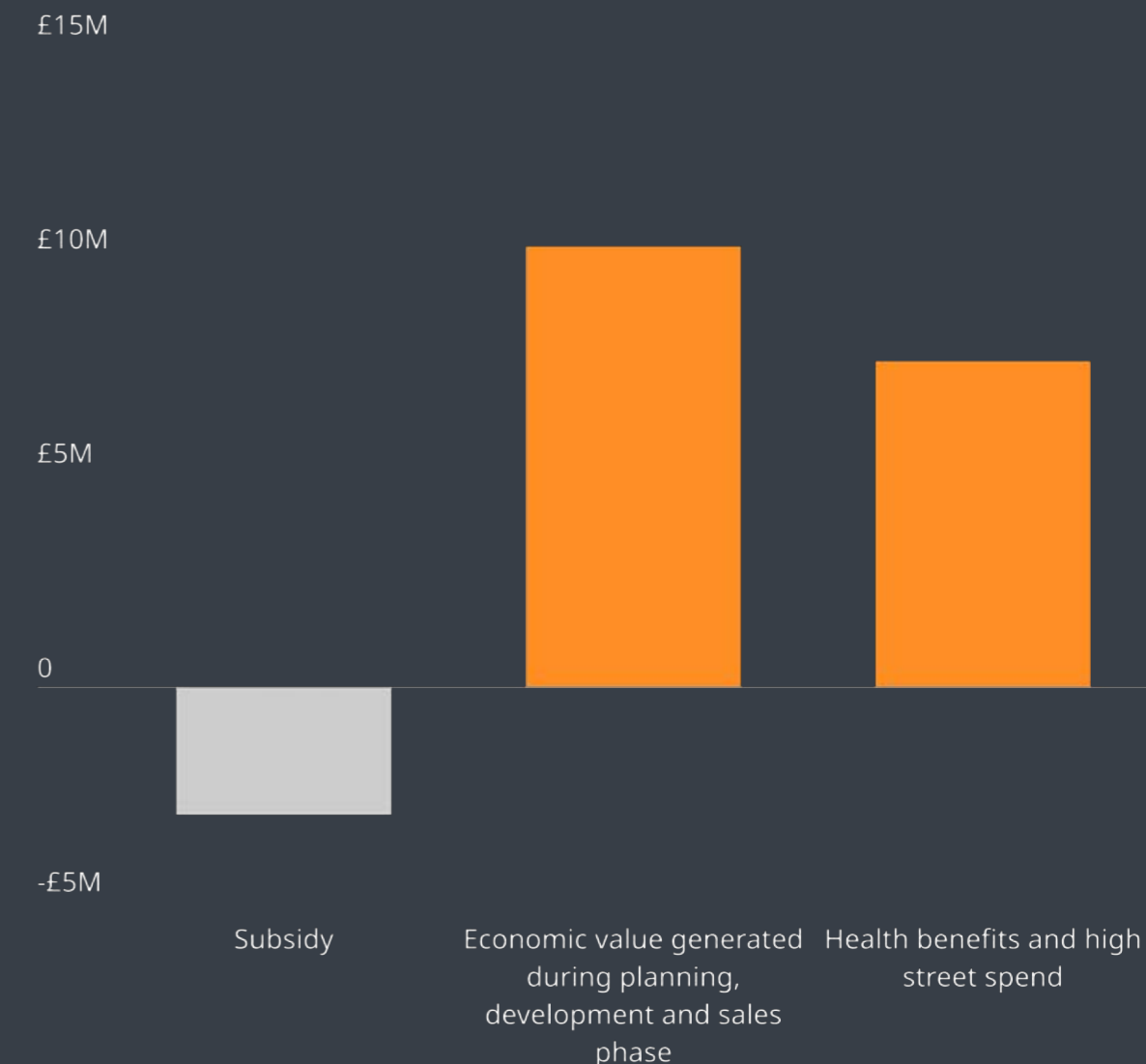


Figure 6: Net present value comparison of development phase benefits, annual health and high street benefits and subsidy



CONCLUSION

It is clear the housing market is not working for everyone in the way it should. Too many people are living in homes they feel are inappropriate to their needs. Too many feel housing is unaffordable. Too many feel they cannot move because there are not enough homes that are suitable to their needs and finances in the places they want to live. Housing is, in short, a drag on far too many people's living standards than should be acceptable.

The narrative around the housing crisis focuses on the way younger people are impacted by the shortage and cost of homes. But as detailed in this report, older people also face particular challenges in the housing market, especially those living in more deprived areas. This can have consequences for their health, happiness and pressures on public services.

Many older people want to continue living in the home they have grown old in - for example, because they have an emotional attachment to the home or because they want additional space for their grandchildren to stay. No one should ever feel forced to move home, especially if they feel happy, healthy and content in that property.

However, it is clear from research conducted for this report that there is a sizable proportion of older people that would like to move if they can find the right property at the right price. The goal for policymakers should be increasing the variety and availability of housing on the market that is suitable for older people so they can make that choice.

In more deprived areas, new retirement housing is only likely to be built if supported by subsidy, as the cost of building a new home will often exceed local property values. To support this part of the market, and to enable people living in deprived areas to buy a new home more appropriate to their health and care needs, continued subsidisation will be necessary.

Two key recommendations to central government from the Older People's Housing Taskforce

1. Mandating Homes England to support the expansion of older people's housing, including social and affordable housing for senior citizens.
2. MHCLG reviewing and expanding funding for the Older People's Shared Ownership Scheme for senior citizens who are unable to afford the full price of a new property in an older people's housing development.

The report of the Older People's Housing Taskforce, commissioned by the Ministry of Housing, Communities & Local Government and the Department of Health & Social Care, was published in November 2024.



The Spending Review is an opportunity for the Government to renew its support for OPSO in the new Affordable Homes Programme, enabling more older people living in deprived areas to move into housing more suitable to their health and care needs. In line with the recommendations of the Older People's Housing Taskforce, this would provide good value for money as OPSO requires relatively low grant rates, and each older person living in a home purpose built for their needs saves the NHS and care system £4,350 per year through reduced use of services.³⁶

As detailed in this report, the building of retirement housing in more deprived areas also has a positive impact on the growth of the local economy, generating significant levels of economic activity that otherwise would not have happened. Supporting the delivery of more OPSO schemes in these less affluent areas would be an effective way of unlocking growth.

For the Government, there is also a political opportunity. It is clear from our research on the views of people in constituencies where Labour faces a significant challenge from Reform UK that the Government's standing has fallen far and quickly with voters. There is also widespread belief that the Government has not treated older people fairly. Turning these perceptions around will take time and require real world evidence that Ministers are taking decisions that - or will in time - improve people's lives, along with the place they reside, in a way that responds to the concerns voters are raising. As demonstrated in this report, choosing to build more homes suitable and affordable to older people, like OPSO, would be an effective component of that strategy.

³⁶ WPI Strategy (2020) - Chain Reaction

RECOMMENDATIONS

To maximise the scale and pace of OPSO home delivery over the next few years in support of its 1.5 million new homes target, the Government should:

- Further boost the 2021-26 Affordable Homes Programme, for example through departmental capital underspends, to maximise the number of OPSO homes supported through the fund.
- Allocate a significant proportion of the new Affordable Homes Programme towards enabling the delivery of new OPSO homes.
- Ensure funds from the new Affordable Homes Programme are released by Homes England - and associated legal contracts agreed - as quickly as possible.
- Require a level playing field between Affordable Homes Programme providers, regardless of whether they are not-for-profit or for-profit, so they must start and complete new grant-funded homes to the same timeframes.
- Better promote OPSO with older consumers to build understanding of the product and support take up.



APPENDIX



All values are provided in 2024 prices.

Land Value Uplift

We use information provided by McCarthy Stone and apply the [Treasury approved method](#) for calculating land value uplift. We assume a developer profit of 15% of revenue and provide all values in 2024 prices.

Construction impacts

We take estimates of construction spending, including supply chain spending and location, and first apply type 2 GVA effects multipliers calculated using [ONS input output tables](#). We then do the same using the Public First local economic impacts model to calculate impact in Oldham and the local region. Finally, we map the regional effects onto the [English Indices of Deprivation](#) at an LSOA level and calculate the share of activity that occurs in the 20% moved deprived areas.

Wider real estate activity and activity in the property market chain

We have conducted desk based research on the typical costs of both selling and buying a house, splitting these fees into the various industries in which they accrue. We then apply the UK type 2 GVA effects at a UK wide level to estimate the total GVA generated for each category per home. For the 51 OPSO homes we aggregate all categories except sales which were undertaken by the developer internally. We assumed an additional two housing transactions for each OPSO unit sold to align with previous research carried out by WPI³⁷

³⁷ [chain_reaction_report_mccarthy_stone.pdf](#)

³⁸ [WPI Strategy \(2020\) - Healthier and Happier](#)

Investment

We take the total value of all sales from the Sydney Grange development, assume residents purchased 50% of their properties, and subtract a government subsidy of £60,000.

Supporting the high street

We use data from the [Living Cost and Food Survey](#) on the detailed spending habits of the population, including information of the age of respondents. This enables us to quantify the average amount of spending on retail goods and other spending that are made online vs in physical stores, by people over 65. We apply multipliers calculated from input output tables to estimate the total GVA associated with this spending, through direct, indirect and induced effects. We assume occupancy of the OPSO units of 1.33 per unit.

In order to update our estimates to the most recent estimates, we use the ONS Retail Sales Index to obtain an estimate for the population average for online spending on retail, finding this to be 27.1% for 2024. Applying the scaling factor for those over 65, we estimate that **78%** of retail spending is made in person, which is significantly higher than the national average.

Health impacts

We take an estimate of the total fiscal savings to the NHS pre retirement home resident, using analysis carried out by WPI.³⁸ We adjust for inflation, assume occupancy in the Sydney Grange Retirement home of 1.33 persons per unit (in line with the WPI analysis), and aggregate to an annual estimate for the 51 units.



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IMAGE:
SYDNEY GRANGE,
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