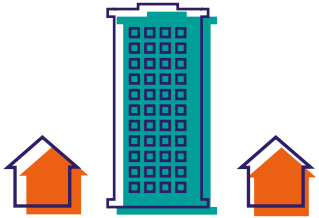


Developing more together


Anchor Hanover's development
strategy and plan **2019-2027**

Our focus is on developing retirement communities of 60+ apartments. These will include on-site wellbeing and care services and include facilities to promote independent living for sale and rent.

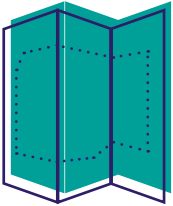
We are currently seeking sites for affordable and sale housing that:




Are within
residential suburban, urban and city/town locations (not rural)



Have a local population of over
20,000
within 3 miles



Provide a minimum
1.5+ acres
for development



Are in
prominent locations
(frontage)

Are in
development priority areas:


Key areas include:

- Leeds
- Liverpool
- Manchester
- Newcastle/Gateshead
- East Midlands
- Essex
- North and West Kent
- Hampshire
- Buckinghamshire
- Bristol and surrounds
- South Yorkshire


In London, our priority areas are

- Hillingdon Harrow
- Barnet
- Enfield
- Haringey
- Hackney
- Redbridge
- Havering
- Waltham Forest
- Barking & Dagenham

Allow for
65,000+ square foot
floor space over 3+ storeys in height



Local house
values of over £275
per square foot



Are close to
communities
with shops, facilities and public transport nearby

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There is a national housing crisis and a shortage of retirement options for older people.

Demand is clear - the number of people aged 65 and over in England is set to increase by nearly 60 per cent over 25 years. Specialist housing enables older people to stay independent for longer but increasing supply also helps everyone else on the property ladder. At present, 85% of four-bedroom properties in England are only released on the death of the current occupant.

As England's largest provider of housing and care to older people, Anchor Hanover is ideally placed to increase supply. We have more than fifty years of experience, financial strength and a not-for-profit model which enables a long-term approach and the reinvestment of returns.

At the heart of our new business plan is our objective to provide more homes where people love living in later life. Homes England will be a key strategic partner and we are keen to work closely with others, including local authorities and strategic landowners, to meet the specific needs of communities.

Our England-wide building programme is creating 3,200 new homes for older people in the next eight years, including 700 on sites we have already identified. This will involve a range of tenures to meet the varied needs of different groups of older people - approximately one-third socially rented, one-third shared ownership and one-third outright sale.

As a specialist Registered Provider, we are about more than simply providing a roof. All our new developments will provide a wellbeing offer for people of all tenures which will include a focus on the built environment, technology and support services - and the recognition that not one service will fit all.

We will build across England and will focus on clustering in areas where we already have a significant presence. As a large, national provider, we can offer significant economies of scale through standardisation of design and new methods of construction to manage cost and build times.

While we do have scale, our success comes from understanding local communities and taking opportunities to integrate into local authority plans for areas.

Our ageing society is an opportunity. Now is the time to be ambitious and to define a new future for older people's housing, care and support.



Jane Ashcroft CBE
Chief Executive

Meeting the need

Growth:

- 11.8m people are over 65-years-old. In the next 20 years this will grow by 47%
- 1.3m are considering downsizing
- 85% of four-bed homes are only released on the death of the occupier
- Only 6,000 retirement homes were built last year

There is already an undersupply of specialist housing and care and demand will increase.

Wealth:

- 71% of over 65s are homeowners with no mortgage
- Current 50-65-year-olds are more affluent than current 65-plus
- Gross average retirement income is £29,023 per year

The majority of older people are homeowners and benefitted from pension incomes and equity growth. However, many are asset rich but revenue poor.

Health:

- Improving longevity means the number of older people with care needs will grow further by 2025
- Lifespans are still increasing but a quarter of older people will have a health disability
- 850,000 people are estimated to be living with dementia in the UK, of whom 808,000 are aged 65 years or over. By 2025, the number is expected to rise to 1.14 million. By 2051, it is projected to exceed 2 million.

As overall numbers grow so will those requiring care - meaning more demand for housing with a focus on support and wellbeing.

Social value:

- 1.9 million (16%) pensioners in the UK live in poverty.
- The number of years you can expect to live in "good health" varies considerably, by as much as 17.8 years, according to where you live.
- Most supported housing for older people is 'sheltered' (for social rent) and owner-occupied retirement housing (mainly for sale). Across the UK there are nearly 18,000 developments and around 550,000 homes (480,000 in England), housing around 5% of the older population. About 7 per cent of older households (530,000 people) live in specialist housing
- Around 10 per cent of specialist homes are in schemes offering care as well as support. 77% of these are rented.

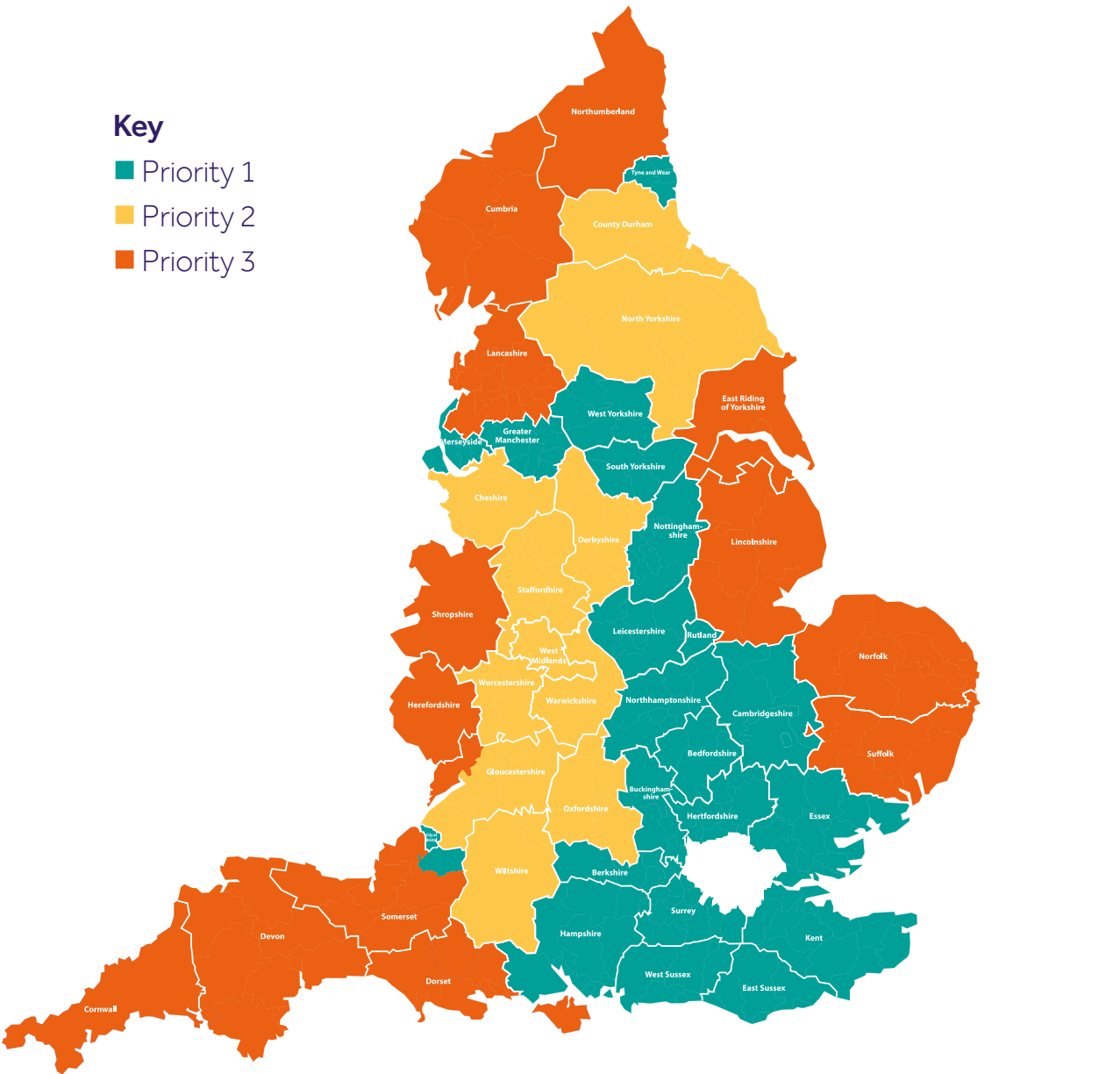
Not all older people are homeowners and many are in financial difficulty.

Our development strategy

We know that there is demand for older people’s housing across all tenures. In order to have a sustained programme we need to build up a supply of land to ensure a steady stream of projects and ensure developments have a sustainable revenue stream.

We will focus on:

- **Service types:** all for older people, all apartments, all with a wellbeing proposition; targeting mainly the mid-market, so many mixed-tenure developments.
- **Geography:** clustering in areas where we have a significant presence to optimise impact and services in that area. See diagram
- **Programme and products:** aiming for a total of 3,200 homes, including those already in development, or 3,125 which have yet to be started, and 32 new schemes open by the end of year 8 (2026/27). An overall approximate mix of one-third social rent, one-third shared ownership and one-third private sale. These will be mostly mixed-tenure schemes but some will be all for social rent and some will be all for private sale.



Geographical locations

Priority 1 (Green)

These are areas where we currently have an extra care, Independent Living Scheme or Care Home from which we could support service offerings to a group of properties or have adequate presence and strong local relationships.

Priority 2 (Amber)

These are areas where we may have a more limited presence but development within these areas would be sustainable and realistic taking into account local staffing, construction, resource centres etc.

Priority 3

These are areas where we are not locally present at scale. We have also taken into account intelligence around staffing and construction in deciding this group. This is not to say we will never develop in these areas but at the outset our focus is on areas where we can make the most impact given our resources and current geography.

Key areas include:

Leeds, Liverpool, Manchester, Newcastle/Gateshead, East Midlands, Essex, North and West Kent, Hampshire, Buckinghamshire, Bristol and surrounds, South Yorkshire. In London, our priority areas are Hillingdon, Harrow, Barnet, Enfield, Haringey, Hackney, Waltham Forest, Redbridge, Barking & Dagenham and Havering.

Key design parameters

We will design schemes to be:

- compliant with the 10 key principles of the HAPPI report (Housing our Ageing Population Panel for Innovation) – which are:
 - o Space and flexibility
 - o Daylight in the home and in shared spaces
 - o Balconies and outdoor space
 - o Adaptability and 'care ready' design
 - o Positive use of circulation space
 - o Shared facilities and 'hubs'
 - o Plants, trees, and the natural environment
 - o Energy efficiency and sustainable design
 - o Storage for belongings and bicycles
 - o External shared surfaces and 'home zones'
- a typical ratio of 65 per cent apartment space to 35 per cent communal/circulation space. Communal and ancillary spaces to suit a wellbeing-focussed service offer.
- tenure blind – so all renters and shared owners have apartments to the same standard and with the same fittings etc
- pepper-potted – so rented apartments are sprinkled throughout the building rather than having separate blocks
- Dementia friendly, without looking institutional
- Environmentally-sustainable
- We will use Anchor Hanover Standard Design Guides to ensure all standards are met and there is consistency in our approach.

Pemberley Place in Bath is one of Anchor Hanover’s newest locations.



The development for older people is made up of 43 shared ownership and 29 affordable rented properties. It forms part of a larger development of family properties and will benefit from a range of facilities including spa and wellbeing rooms, guest suite, café, scooter storage and sensory garden.

Bishopstoke Park in Eastleigh, Hampshire, is one of our luxury retirement villages.



As well as an on-site care home, facilities include a bar and restaurant, delicatessen, state-of-the-art wellness centre and spa with swimming pool and gymnasium.

Eaves Court in Princes Risborough, Buckinghamshire, is a care-led development of 69 one and two-bedroom apartments.



This type of housing is also sometimes called an assisted living development and residents are provided a minimum of two hours of care every week by the dedicated care and support team based on-site.

Products – Tenures, new models and the programme mix

In recent years, we have developed a mixed portfolio of developments including high-end market-sale offers such as Bishopstoke Park and Eaves Court, some mixed-tenure schemes such as Pemberley Place, Bath and multi-generational developments in partnership with Hill Residential. On the whole, we have focussed on the South East and London.

Our new programme is much more far-reaching with new models of development, a revised revenue strategy and, as discussed previously, far wider target areas.

We have a growing focus on the ‘mid-market’ while maintaining our high end products (to provide cross-subsidy) and housing let under social rents.

We would aim to deliver these within the following models:

Independent Living Schemes – Private sale of 70-plus units in much the same style and service offer as we have recently completed; all for outright sale, as at Eaves Court, or a mixture of Outright Sale and Shared ownership.

Mixed shared ownership/social rented model – 80-unit developments in which we will deliver a mix of social rented and shared ownership – the mix depending on location, grant availability, local housing need and build costs. An example would be Pemberley Place in Bath.

The ‘3 tenures’ option – Generally speaking, other providers have found it challenging to offer market sale, shared ownership and social rented on a single site. However, we have achieved this successfully at scale at our Denham Garden Village and will consider options.

All social rented 80-unit independent living scheme – such a development could deliver significant social benefits and could be developed in partnership with local authorities.

Retirement Villages - We have two existing models - Denham Garden Village (as a mixed tenure large scale development) and Hampshire Lakes and Bishopstoke Park as all-sales multi-phased private developments. We will not seek sites for private villages but if a mixed tenure development similar to our Denham Garden Village emerges we will consider it

Other models - We will review our Downsizer model, as well as assessing the strength of demand for a market rent model. We also see a clear role for remodelling or extending current developments, where there are opportunities including to purchase adjacent land, to do so

Care Homes – We are not building new care homes but will consider acquiring existing high quality assets.

Lifestyle, wellbeing and intergenerational work

We're in the business of building not just properties but communities.

As part of this, we want to support people to have healthy and active lifestyles. We are assessing the effectiveness of existing developments in supporting wellbeing, while also building on our BeWise strategy, which has helped older people save more than £10m by accessing benefits and energy savings.

We work hard to achieve genuine intergenerational links between our residents and younger groups, for example through school or nursery visits. Our intention is to continue to develop and enhance this –Pemberley Place in Bath will pioneer some of this and we will seek to develop the approach further elsewhere.

A new Community Fee could be set up to help fund this lifestyle offer.



Our Be Wise work has helped older people save more than £10m by accessing benefits and energy savings. Alongside this we used £50,000 gifted from Aviva's Community Fund to purchase tablets and train volunteers to open up the digital world to a new audience of older people.

Anchor Hanover’s developments provide homes where people can love living in later life.



Claire Banham, 91, was the first purchaser at Austin Place, a development of 65 one and two bedroom apartments in Weybridge, Surrey. She moved from nearby Sunbury, where she had lived alone for the last 29 years following the death of her husband.

“I was so impressed by the design and location that I decided to make my downsizing move here.”

Residents benefit from access to a range of communal facilities, including a rooftop terrace, café, hair and beauty salon, resident lounge and communal gardens. The development has been designed to be highly energy efficient and a 24/7 emergency call system is installed in every property.

“I have already met several of my neighbours and it is clear that a real community is developing here, with the shared facilities making it easy to get chatting to new residents. My apartment perfectly suits my needs and allows me to carry out my hobbies: I enjoy computing and have got my computer station set up from which I can surf the web and play bridge online.”



Alison Frankel, 76, moved into Bishopstoke Park in September last year, downsizing from a four bedroom bungalow just six miles away to a two bedroom apartment in the heart of the village.

“The main attraction of Bishopstoke Park was the sense of community and companionship. I sold my car five years ago and so had begun to feel extremely lonely in my previous property. When my beloved animals died, I decided it was time to move and the warm, welcoming atmosphere at Bishopstoke Park instantly appealed. I have certainly found my forever home.”

The range of facilities on offer was also instrumental in her decision to move and has enabled her to make lots of friends very quickly.

“The facilities are absolutely fantastic and were another major draw when I was looking for a new home. I feel extremely safe living within the village. Not only is my property secure, the village itself is very safe and I feel far more relaxed here than I did living on my own where I felt far more vulnerable.”

Financial

Rents - we need to ensure we maximise our income from rents and service charges while ensuring these are affordable to our customers and that we maximise their state benefits.

Event fees – in keeping with many other reputable operators in our sector, we will not use Ground Rents at new developments going forward.

Deferred Management fee (DMF) - we will look to implement a DMF to not only defer residents' costs and create sustainable revenue sources for future work on the schemes but also assist us in being more competitive in land-buying.

Minimum income guarantee – it's important that we ensure our charges are all fair and sustainable to our mid-market and rental customers – with this in mind we will consider having a Minimum Income Guarantee.

Other charges - as mentioned above and as many others in the sector have already done, we can consider a Community Fee for living in our new developments.

The Challenging Market

We live in a rapidly changing world and, with uncertainty over our relationship with the EU and its impact on the economy, it is important that our plans are robust. We will ensure the stability of our approach in a variety of ways:

- **Standardisation** – we are ahead of many in the sector, having standard designs.
- **Contractors** – one of the best ways to get costs and defects down is repeat business with reliable and stable contractors; focusing on the strength of their local subcontractor base. This will be the focus of our new Contractor Framework.
- **Modular** – we already have two projects underway and will progress these over the next 12 months. All our standard designs will be able to be easily modularised.
- **Hands on** – over the past 18 months our team have become increasingly hands-on and we are working on critical intervention strategies on projects, ensuring low levels of defects and swift resolution.
- **Approach to cross-subsidy** - Our approach assumes a degree of "internal subsidy" into the social housing services, using our not-for-profit status to apply the profits from the private model to affordable models. The criteria for acceptable levels of subsidy will ensure that this doesn't simply make poor schemes "stack up" but gets the best return – financially and in terms of social value.
- **Technology** - our use of technology and data as well as traditional methods for assessing land suitability and values means we can move quickly to understand whether a development will meet local needs and stack up financially.

Sites

We are currently seeking sites for affordable and for-sale housing that:

- Are within residential suburban, urban and city/town locations
- Have a local population of more than 20,000 within three miles
- Are in the areas we have identified as our development priorities (see p 5/6)
- Provide a minimum of 1.5 acres for development
- Allow for 65,000+ square foot floor space over three plus storeys
- Where local house values are more than £275 per square foot
- Are in prominent locations
- Are close to communities with shops, facilities and public transport nearby.

Partnerships

We are in discussion with Homes England about our future work with them and also have Recycled Grant (RCGF) at circa £9m (of which £1.8m is already allocated).

In the near term we can work with landowner partners and contractor partnerships where we already have relationships and develop new ones with owners of strategic land.

We are keen to explore ways to work with other Registered Providers who are not specialists in older people's housing and care where we can provide a complementary service.

As well as considering how we respond to Invitations to Tender for services, our scale and footprint means we are keen to develop long-term strategic relationships with key local authorities and work up packages of developments that meet local needs.

Timescales

2019	Start land buying at volume i.e. six plus sites
2020	Continue the land buying at eight plus sites a year and be working through planning process on eight plus sites
2021	We will be on site with the 2019 cohort of sites but will still be buying a further eight sites to maintain the on-going programme
2022	by this point we will be on site with around 16 sites and commissioning new developments in line with this proposed strategy
2023	first new residents are moving into our new Anchor Hanover developed schemes

Anchor Hanover is England's largest not-for-profit provider of housing and care for people in later life:



We manage
54,000
homes for
older people



Operating in
more than
90%
of local councils
in England

A leading employer
of more than

**10,000
people**



Across almost

1,700 sites



In excess of

**£ £550m
turnover**

For more information, contact Head of New Business Charles Taylor on
Charles.Taylor@anchorhanover.org.uk or **07920 591345**

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Anchor Hanover Group is a charitable housing association with registered society No 7843. Registered Provider No. LH4095. Registered office: Anchor Hanover Group, Suites A & B, The Heal's Building, 22-24 Torrington Place, London, WC1E 7HJ.

