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Retirement housing crisis exposed as Britons caught in a nightmare

Laura Zilincanova·8 min read·Aug 22, 2026

Retirement flats are notoriously difficult to sell (Image: Getty)

Britain is in the grip of a retirement housing crisis as families struggle to cope with high charges and low resale values. The Government estimates that around 30,000 to 50,000 later-living homes may need to be built every year. But as developers continue announcing new projects, there are already around 10,000 long-term empty retirement properties in privately owned developments across England and Wales.

In many cases, these are modern flats that could house older people struggling in unsuitable accommodation. Instead, they often end up in the hands of owners who cannot live in them, cannot easily rent them out and fail to find anyone to buy them - all while haemorrhaging thousands of pounds in fees to maintain a vacant property.

Retirement housing is designed to allow older people to live independently in accessible homes, legally restricted to people aged 55 and over. A typical development may offer communal lounges and gardens, while more expensive schemes can include bistros, emergency alarm systems, on-site managers and varying levels of care. Unlike a care home, residents live in a self-contained property which they own or rent and remain responsible for the costs attached to it.

Residents of retirement schemes live in self-contained properties (Image: Getty Images)

But for hundreds of families who inherit these properties after a parent dies, they can [become a financial nightmare] as they struggle to sell them for years.

One seller told the Express she has seen the asking price of an inherited retirement flat fall from £400,000 to £175,000, while continuing to pay £525 a year in ground rent, around £5,230 in council tax after an empty-homes premium and £13,147 a year in service charges for a property used by nobody.

"My dad would be turning in his grave if he knew where we're at with this," she said. "He would never have gone down this route had he known we were going to end up like this."

Rightmove searches have even shown retirement properties going to auction with guide prices lower than the annual service charge attached to them.

In England and [Wales], privately developed retirement flats have traditionally been sold on a leasehold basis. The lease gives the resident the right to occupy the property for a set period, while the freeholder (the developer) owns the building and land and is usually responsible, directly or through a managing agent, for providing services.

Leaseholders then pay service charges towards the running of the development. These can cover maintenance, repairs, lifts, cleaning, gardening, building insurance and communal areas. They may also fund house managers, emergency alarm systems, restaurants and other facilities.

Crucially, the charges remain payable after a resident dies and the property becomes empty. They can also surge with the costs of staffing, utilities, insurance, maintenance or major repairs increasing.

Hamptons analysis shows the average leaseholder in England and Wales paid £2,405 a year in service charges in 2025, up 32.6% from £1,814 in 2020. For retirement properties, the figure can be much higher, with Lottie's data putting the average monthly service charge at

£524.

The Express launched a new crusade after speaking to people who struggle to sell retirement flats (Image: Jonathan Buckmaster)

One owner said that the monthly service charge on her late mother's flat had risen from around £600 in 2020 to £1,159 today. Desperate to escape the mounting bills, she even asked the developer to take the property back for free. The request was rejected. "We all just keep banging our heads against a brick wall," she said.

And service charges are only one item on a potentially punishing list of bills. Depending on the lease and circumstances, owners may also face ground rent, double council tax on an empty property, insurance, probate costs, and contributions towards future repairs.

Then there are fees that can be charged when an owner sells the property, which go by different names - exit, transfer, event or deferred management fees.

For potential buyers, those costs, combined with age restrictions, make retirement flats a deeply unattractive prospect.

Sebastian O'Kelly, director of Leasehold Knowledge Partnership, described the retirement housing market as a "complete failure".

He argued that the vulnerability of some older buyers can leave them more likely to accept "highly aggressive" lease terms, "nodded through by at best complacent solicitors and at worst just stooges for the sellers".

While there are some consumer protections, they remain patchy. The voluntary ARCO Consumer Code requires participating operators to give buyers clear information about service charges, what they cover, whether they are fixed or variable and when they can change.

But two of the largest retirement flat developers do not subscribe to the code, citing business models that do not easily align with it.

Consumer expert Greg Wilson, chief executive of European Consumer Claims, said: "Self-voluntary regulation is a good step. But is it enough to protect consumers? I don't think so."

He said buyers should be given mandatory information at the point of purchase, including historic charges and information about resales. "At some point, there should also be one mandatory consumer code or authority that covers the whole sector," he added. "Because if not, that whole part of the industry will implode."

Adam Cliff, executive director of the Empty Homes Network, went further by suggesting reduced service charges while a retirement property is unoccupied. He also believes age restrictions could be reconsidered in some cases to widen the potential market and that developers should show local demand before new retirement schemes are approved in places where existing properties are already standing empty.

The question is also whether the Government's wider leasehold reform will make any meaningful difference.

Labour's draft Commonhold and Leasehold Reform Bill proposes capping ground rents in older qualifying leases at £250 a year before reducing them to a peppercorn after 40 years. But that’s pennies compared with service charges that can run into tens of thousands of pounds a year.

The draft Bill, which only mentions the word 'retirement' four times, also does not propose a general cap on service charges, remove age restrictions or guarantee that an existing retirement flat can be sold.

Following a consultation held in 2025, ministers confirmed in July that they would implement measures from the Leasehold and Freehold Reform Act 2024 intended to make service charges more transparent and easier to scrutinise.

Landlords will have to use standardised forms when demanding service charges, explaining what the money is expected to cover and providing clearer information about spending.

Leaseholders will also gain stronger rights to request information, including information going back six years. The measures should start coming into force in 2027.

For retirement flat owners, that could make things easier to understand and challenge. But transparency is not the same as affordability. A leaseholder may receive a much clearer explanation of why a service charge is £10,000 a year, without the law requiring that £10,000 charge to come down.

The Government has spent years reforming leasehold. The next test will be whether those reforms recognise that retirement housing is failing - and whether they can give buyers the security they thought they were purchasing without leaving their families with an unsellable inheritance.

The Daily Express launched its Stop the Retirement Flat Trap campaign last month to press for urgent change. If you have been affected, contact laura.zilincanova@reachplc.com.

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