

Downsizing? Try a fresh approach

*Stamp duty penalises
older people for moving.
Jane Slade searches for
alternative options*

The lofty branches of the Monterey pine provide a shady canopy over the communal gardens at Platinum Skies' new retirement development in Dorset. The protected tree, which is more commonly found near the coast of California, will be a much-loved part of the development for the owners who have just started to move into their apartments in Christchurch - especially when the circular bench has been built around the trunk, providing a cool respite from the sun or a refuge from the rain.

Jan and John Marshall cannot quite believe their luck in having this beautiful feature in the landscaped gardens backing on to their new ground-floor home. Jan, 62, a retired nurse, and John, 64, a former policeman and landscape gardener, bought their two-bedroom property on a 50 per cent part-buy, part-rent basis, which has saved them finding the entire £388,000 it would have cost had they bought it outright.

Part-buy, part-rent is just one of many ways of securing a new home that retirement housebuilders are starting to roll out. These developers realise that to provide affordable properties to cash-strapped retirees - those whose savings might have gone to help a child or grandchild buy a home, for example - they need to offer more flexible buying options.

These alternative buying methods can also reduce the amount of stamp duty, which the Adam Smith Institute has said penalises older people for downsizing. A retirement revolution is under way that is providing a solution to hard-up downsizers who want to move to a retirement property.

The Marshalls bought a bungalow in Norwich two-and-a-half years ago in order to be near Jan's sisters, but they felt lonely and remote. "We couldn't settle," Jan says, "but we never thought we would

have been able to move south because of the property prices."

As it is, they now have a brand-new, 850 sq ft home, with an open-plan kitchen/sitting room and patio garden.

"It is very high-spec and the area is lovely," Jan says. "We are active and love walking and swimming - my husband is a marathon runner and also plays golf. With the New Forest 15 minutes' drive away, it is ideal."

"We were worried about the idea of paying rent but we realised we are getting so much more than we could have afforded if we had to buy outright."

The other attraction for the Marshalls is that if they find they do not like their new home and want to leave, Platinum Skies will buy back their share. "I

would recommend this kind of scheme if you are still young and don't need all the facilities that come with retirement villages," adds Jan. "The big appeal is that it's an affordable option in a nice area and it is government-backed."

Platinum Skies is a registered social landlord, a housing provider approved and regulated by the Government.

Monterey is the developer's first scheme that offers both part-buy/part-rent and outright purchase options on its 35 one and two-bedroom flats. Prices start from £140,000 for a 50 per cent share of a £280,000 home. Rent is three per cent of the remaining value. The criteria for eligibility are that you cannot own more than one home already and must earn less than £80,000 a year.

A short stroll from the centre of Christchurch, and within the grounds of Churchill Hospital, Monterey is attracting older buyers who like the idea of living in a health hub, as well as baby-boomers, such as the Marshalls, who are looking for an easier lifestyle.

"We believe all retirees deserve a high-quality lifetime home," says David Hines, the chief executive of Platinum Skies. "Our unique approach to retirement is to make owning a home at



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have a wider range of choices, but those with less equity are more likely to remain in their homes unless illness or financial hardship forces them into sheltered housing.

"Traditionally the sector has focused on a pure for-sale model," says Henry Lumby, head of Savills' retirement living division. "Now we are seeing an increase in interest to provide shared ownership and rental as an option."

"The rental option is popular in the US and Europe, but with boomers' desire to own their own home it has never taken off here. However, as we have seen with the build-to-rent explosion in recent years within the mainstream market, new tenure options could see a growth in size of market and, most importantly, greater choice for consumers."

Lumby cites Birchgrove, the retirement developer backed by Bridges Fund Management, as an example of

a new private rental scheme for older buyers. Honor Barratt, managing director of Birchgrove, says: "Stepping off the housing ladder in retirement can be liberating - you have no stamp duty or exit fees to worry about and you can try for six weeks before you commit."

Birchgrove's first development will be a collection of 73 assisted-living apartments in Sidcup, Kent, due for completion in 2019. Rent includes all utilities, phone line installation, one hour of support each week and a £75 voucher to spend in the restaurant. There are no service charges. The average monthly rent for a two-bedroom flat in Sidcup is £1,400 and Barratt expects the rents at Birchgrove to be slightly above that, with increases linked to inflation.

Bridges Fund Management plans to build eight rental retirement schemes within the M25 and is looking at sites in Hammersmith and Fulham, as well as in Windsor in Berkshire, and Chertsey in Surrey.

"We are building quality homes, giving access to people who wouldn't normally be able to afford them," Barratt says. "There is a massive under-supply and very few options if you are aged 80 and living in London. There's no deposit to pay and no commitment beyond giving it a try to see if it feels



FRESH START
Jan and John Marshall, above left, bought a £388,000 flat at Monterey, above, on a 50 per cent part-buy part-rent

Monterey truly affordable: low home-purchase price, low costs and most of all no hidden charges; all lifestyle and care services are available on a pay-as-you-use basis." The initial programme of 1,000 homes is already well under way in areas of Bournemouth, Poole, Christchurch and Salisbury.

According to Savills, some 300,000 UK homeowners lack the equity to be able to downsize in the current market. The 40 per cent of over-65s who can afford to sell up and still be left with extra cash to supplement their pensions

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like home." Flexible options for buying a retirement home can have social as well as financial benefits, she adds. "We imagine that there are widowers for whom the idea of buying a home without their wives for the first time could be intimidating. For their whole lives they have probably been in the role of provider to their dependants. But now in later life, they feel more like a burden to their family." "We believe that if they can free up some of the equity in their house they can help their children and grandchildren, and get back some of that power that they have been used to."

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