

How to choose a retirement estate



Retirement estates offer a flexible form of housing. The connotations of sheltered housing and assisted living are somewhat outdated, and as the national demographic shifts housing for the 55+ market is about property that will suit purchasers for a significant portion of their lives – potentially for forty years or more. The concept of retirement as the third age, associated with free time and opportunity rather than a passive, sedentary lifestyle has changed the perception of retirement housing.

John Lavin of Cognatum says, *“The age demographic on estates ranges from 55 to 100, and we have had residents who have lived in their property for as many as 38 years.*

“If the choice of development and property is made wisely, the only reason for a future move should be a need for greater assistance or health care later in life.

“While choosing property for the long term is a consideration at any point, it’s arguably even more vital in retirement when the upheaval of a move potentially becomes more challenging, and when finances are generally less flexible than during working life.”

So how can those buying a retirement home be sure they’re choosing the right home on the right development?

John Lavin says, *“Start with the big questions, geography and environment being the top two.*

“The question of location is always difficult, is it best to stay in an area you’ve lived in for years? Or to move to be near family? Or to pick a new area that meets other needs or aspirations? There’s little question that staying in a familiar area is a safe option; it can be difficult to make new friends without the bonding aspects of life such as work and children. So before waving goodbye to an area that’s been home for decades, think hard about how you’ll feel about leaving your established support network. Those with active interests and good health will find a long-distance move easier than those who are less able to get out and about and engage with new people, as will those who have been used to establishing themselves in a new area.

“Moving to be nearer family is often seen as a sensible move – the ability to help with grandchildren for example or simply to see more of them, and around 40% of our residents have done just that. Regularly we see success stories of this nature, but it is worth considering how firmly established in that area your family are and whether they will remain there in the long term. I would advise buyers to be careful that the area has sufficient attraction that you can all continue to lead your own lives.

“Retirement brings with it the advantages of more leisure time, and greater flexibility. Selecting an area that is well served by public transport, with good rail links, and uncomplicated access to airports should be an important aspect of choice for those with a desire for travel, or for visiting friends, or cities for culture and leisure. And particularly in later retirement, these amenities can be useful for those who have reduced mobility or are less willing to undertake a long car journey.

“From a more day to day point of view, the ability to walk to facilities such as shops, pubs, church and local friends shouldn’t be underestimated.

“Having narrowed down the options geographically, environment should be the next priority. What should your chosen estate feel like? Aesthetics are as important as practicalities. Everything is out there – modern, traditional, urban, rural, some have beautiful grounds and gardens, some are in towns, cities or villages, some in the middle of nowhere. There’s no reason why your choice should be any more limited than when choosing a non-retirement property, so don’t settle for an environment that doesn’t suit you.

“Once you’ve established your preferences for geography and environment, you can then start looking at the detail. My advice is to be clear about what you need, and about what you’d like. If keeping a dog is a big part of your life, then stick to your guns and find an estate that allows pets. If your life involves spending a great deal of time away from home, then choose an estate and a property that allows you to easily lock up and leave, where an estate manager will look after your property and deal with difficulties that might arise in your absence, and provide the all-important security.

“The property itself is of course all important, but my advice would be to keep a very open mind. Your requirements in later life are likely to be different to what you have been used to historically, so don’t get bogged down by number of bedrooms, and having space to put all the furniture that you have accumulated over the years. This is an opportunity to live in a different way; ergonomics that suit you rather than a big family; less requirement for ‘stuff’; possibly less rooms but no compromise on proportions. A fantastic facility offered by many retirement estates is a separate guest apartment that can be used by residents’ family and friends, dispelling the need for guest bedrooms.

“Like minded neighbours are an important element of a new home, so once you’ve settled on an estate (or selection of estates) that meet your requirements, do what you can to find out about what life there is like. A good retirement estate should be helpful in facilitating this. One option offered by some estates is to ‘try before you buy’, giving you the option of staying in their guest apartment for a few days before you commit yourself. This can be a great way of establishing the more elusive aspects of a place and whether it suits you.

“It would be naïve to ignore the fact the retirement property sector has drawn some negative press recently, some of which is not without justification. A common myth is that retirement housing is a poor investment. Look at the trend of resale prices that have been achieved on the estate – there is always a premium to be paid for buying brand new but in the retirement sector that can be higher than the average. Properties on a good, well managed and maintained estate should perform in line with, or even outpace, the general market due to low supply. While the purchase price may well be your immediate concern when choosing your new property, the price that you will be able to achieve when the time comes to sell should be a consideration too; and you should be looking for a property that will be a sound investment. ►

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"Finally, be very clear about the small print, particularly around the financial aspects of the property. One of your aims may well be to release capital, so don't ignore the annual service charges which can be substantial and ground rents which are often uncontrolled. With some properties you may also find that you are subject to what are commonly known as 'exit fees' which are payable if the property changes hands – even on inheritance rather than sale. However, while there are undoubtedly some companies whose practices could be described as sharp, there is a huge variety of organisations who operate many different models; from large commercial organisations to those who hold not for profit status and don't charge ground rents. Any of these models may prove the right fit, but it is important to consider how these costs will impact on your finances in the long term and budget accordingly. As long as you are aware of the costs from the outset this can be a real positive - the service charge will be presented annually and as maintenance is the responsibility of the managing company budgeting should be far simpler.

"On any estate it is likely that there will be a code of conduct style document, setting out what is and isn't permissible on the estate. Where properties are purchased leasehold, this will in part be governed by clauses in the lease: for example conditions around resale, restrictions on who can live in the property, restrictions on letting, and activities in communal areas. These aren't necessarily problems, indeed the rules are there to ensure that problems don't arise, but it's very important that you are fully aware of what you're taking on."

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Cognatum has 60 retirement estates in 21 counties across central and southern England, a total of 928 retirement homes. All are in prime locations within vibrant market towns or villages, within walking distance of shops and restaurants. Each estate benefits from thoughtful architecture, landscaped grounds, and a dedicated estate manager.

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Editors Notes: Case studies of retirement home residents can often be found. Contact Amanda MacCaw in the first instance.