

Inheriting retirement property

70% of properties that change hands on retirement developments are inherited as part of an estate following the death of the owner. The majority of these are inherited by the children of the owners as next of kin. While inheriting a property on a retirement estate has many things in common with inheriting a mainstream property, there are specific things to be aware of, decisions that will need to be made, and immediate actions that beneficiaries will need to take.

John Lavin of Cognatum Property outlines what beneficiaries should be thinking about, and offers advice to those who find themselves the owners of a property that is likely to have an age restriction on the lease.

Immediate action:

John Lavin says, *"Most management companies and / or landlords of retirement properties will have a protocol for managing properties whose owners have died. Often there will be a relationship already established between the owners' families and the estate management service, so this is a good place to start. You will need to consider insurances (particularly how the property being empty affects the policy), council tax, utilities etc.*

"If your plan is to sell the property, be aware that you won't be able to do this until probate is complete. A valuation will be needed for this in any case which may inform your thinking. But preparations can be made in getting the property ready for sale.

"My advice to beneficiaries would be to make a prompt start organising the contents of the property, but not to try to do it all at once. The first step is to retrieve valuable items such as top line documents, paperwork, valuables, photographs and memorabilia.

"Don't rush the main clearance, but don't let it linger either. It's a good idea to bring the wider family together so that everyone can feel involved and make their peace with the situation, and keepsakes can be allocated, but don't try to make every decision by a large committee. Keep some quality pieces of furniture as properties are easier to sell when they haven't been stripped bare, but don't let it feel cluttered. You shouldn't underestimate

how emotionally draining you may find this process - often it's the trivial things that can trigger a reaction. There are countless charities or house clearance organisations who can empty the property for you, they will do a quick and efficient job so make use of them.

Decisions:

John Lavin says, *"Your immediate inclination may be to sell the property, but there are other options worthy of consideration. Furnish yourself with as much information as possible as to the likely sale value, but also whether renting the property out is a possibility under the terms of the lease, and whether that would make financial sense. Finally, don't rule out the possibility of moving into the property yourself.*

Regardless of whether the property is occupied, the service charge will almost certainly still be payable. You may be able to negotiate with the management company about deferring this until the property is sold, or wish to consider a let to cover the costs.

"Some retirement companies charge an 'event fee' if a property is transferred or let out; and they can be as much as 10%, so ensure you are in full possession of the facts before you make final decisions."

Selling:

"Achieving the best possible price for a relative's home can be challenging, but an attractive property on a well-managed estate, especially if it has been properly prepared for sale, should have held its value as well as any property on the mainstream market. It's understandable to want to be rid of it quickly, but you shouldn't settle for a low offer, as that is detrimental to everyone involved and may well leave a lingering sense of guilt.

"The first issue is of course that it is a covenanted market, i.e. only buyers of a particular age, usually over 55, can purchase. So it's important to use an agent who is either a specialist, or one who understands this sector and can demonstrate considerable experience and successful similar sales, ensuring that they highlight the services offered by the estate and benefits such as guest accommodation and communal space as well as the actual bricks and mortar.

"We would always suggest that modifications are removed from retirement properties. The majority of buyers of retirement property don't need stairlifts or handrails, and may not want to be reminded that they may need them in future - and the property will present better without them.

"Over 60% of our residents have lived in their house for over 15 years, so deep-cleaning, re-carpeting and painting throughout is generally recommended before putting it on the market. Some rearranging may also be beneficial, upgrading the kitchen or creating some more open plan living. Whilst some buyers of retirement properties are looking for a "project", most want a move with the minimum of fuss.

"Houses tend to look bigger, and sell better if they are cleverly furnished, but keep furniture to a minimum, use light fabrics, keep everything simple and impersonal. If the house has a garage, don't make the mistake of cluttering it in the process of de-cluttering the house!

"While the property is on the market, ensure that the property and garden are kept tidy, post is picked up, the property is heated, and that lights are on for viewings. On a managed estate the estate manager will be able to take care of this. A property can feel very un-lived in extremely quickly."

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Cognatum, a not-for-profit company, has 60 retirement estates across central and southern England. 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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