

Retired expats returning to the UK



Over the course of the pandemic Cognatum has experienced a significant increase in enquiries from UK nationals currently based in Europe and their families who are based in the UK. John Lavin of Cognatum says, *“While some of these enquiries are from purchasers pre-retirement, the vast majority are from UK residents who left the UK to retire to European countries.*

John Lavin says, *“Historically there are many reasons for a return to the UK. For some people, the life that they’ve looked forward to for years simply doesn’t live up to the expectation, or it runs out of appeal after a few years – holidaying somewhere is very different to living there full time. A significant concern for many of those returning is their physical wellbeing, which has been sharply brought into focus by the coronavirus pandemic; living overseas as a fit seventy-something is very different to remaining in a foreign country as your health deteriorates, especially for those who don’t speak the language. In the UK, the Welfare State picks up the slack if finances don’t run to full-time care, but this isn’t the case in most European countries. There are also those who are widowed, or concerned about becoming so. And of course on a more positive note the lure of grandchildren shouldn’t be underestimated, people do tend to develop a greater desire to be near family.*

“Statistics show that around 30% of those retiring overseas return within three years, but our expectation is that, as a result of Brexit and coronavirus, this figure will rise considerably over the next year or two.

“Another Brexit concern, as yet unresolved, is that shared healthcare arrangements between the EU and UK won’t continue in their current form. Out of 27 existing agreements, we currently know of only one that is due to survive beyond the transition period.

“We would advise those who are considering a move home not to panic, but equally not to delay. A move for those relocating country requires more complicated logistics than for those moving within the UK - organisation is the key.

“Treat the move as a proper exercise, start with the ‘what, where, why’, and debate each of these elements with relevant parties – partner, family and friends.

“Get professional advice early on issues such as CGT, transfer of assets, benefits and pensions, health insurance and property taxes, all of which may have changed since you last researched the matters.

“Prepare to be shocked, prices have gone up, and overseas property values may well have fallen. You may not be able to buy the financial equivalent of what you sold when you left. Familiarise yourself with the market.

“The ‘where’ question is always difficult for those retiring, but more so if you haven’t been living in the country for some time. Should you move near family? Back to where you moved from? Or pick a new area that meets other needs and aspirations? If you’re planning to move near family make sure that they don’t have their own plans to move in the short to medium term, and ensure that the area has sufficient attraction that you can all continue to lead your own lives. While they will no doubt enjoy having you back, it’s unfair to expect family and friends to arrange their lives around you now you’ve chosen to return home.

“If you moved abroad immediately after retiring, you may find it a new experience to have time on your hands. Make the most of it while also future proofing - selecting an area that is well served by public transport, with good rail links, and uncomplicated access to airports should be a consideration, after all moving back to the UK doesn’t mean your days of travel are over. This also opens up options for visiting friends, and for culture and leisure. And particularly in later retirement, these amenities can be useful for those who no longer enjoy the thought of 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.

“The property itself is of course all important, but my advice would be to keep a very open mind. Don’t narrow down your choices too early - your needs and habits will have changed in the time you’ve been away. If you retired abroad from the family home it is unlikely that you will need a large property this time around; consider everything from cottages to a city centre apartment. This is an opportunity to live in a different way; ergonomics that suit you, less requirement for ‘stuff’, and possibly less rooms but better proportions.

“Having narrowed down the options geographically, environment should be the next priority. If you have decided that a property with an element of support or care is required, don’t compromise on that, there are a lot of options available. And don’t ignore the resale potential.

“Running costs are always a factor when choosing a property, but in retirement when many people are on a fixed income, the ability to make an accurate financial plan is vital. Be clear about ongoing costs, the concerns around unknown maintenance and day to day running costs can be offset by a leasehold property with an inclusive service charge.

“Once you have a clear idea of what you’re looking for, what your priorities are, what’s negotiable and what isn’t, don’t just sit on the internet. It helps if you can recruit a family member, friend or professional to look at properties in your absence, but if you can’t, then book a trip back to the UK and go on a fact finding exercise. Line up a schedule of properties to look at, compare different areas if you are still undecided. Potentially living somewhere is very different to knowing them from previous visits in a previous life.

“It’s important not to make a bad move at this time of life as moving costs in the UK are high. It’s better to rent in the short term than to choose badly due to time pressures.”

Cognatum, an independent 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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