



A balance between classic and contemporary set within an attractive, landscaped setting, Millwood Homes' Cherry Trees in Ewhurst has two-bedroom homes starting from £415,000

# Free as a bird

The property challenge ahead for the baby boomers

WORDS: Fiona Brandhorst

**B**uying a property that suits you in your 60s and 70s that will continue to meet your needs in the years to come is a challenge that is being faced by more and more buyers as baby boomers come of a certain age. "This generation tend to be practised and efficient buyers," says Bill Spreckley of Stacks Property Search. "In the past, they have had to factor in working lives, schooling and space for a growing family. But a property at this stage of life will generally be smaller and its location can be less restricted."

Research by Savills shows that the number of people aged over 65 is set to increase from 550,000 to 1.4 million by 2037, an increase of at least 100,000 every

five years. The over 55s now account for 75 per cent of all housing equity in the UK. Many will be looking to trade in their family home and downsize.

Knight Frank identifies increasing wealth and income resulting in more informed housing and lifestyle choices. Average UK residential house prices have increased by 230 per cent over the last 20 years and long-term homeowners are able to release large sums of equity from a downsizing move. This can help pay for higher quality retirement living and earlier tax planning can bring inheritance tax savings for the next generation.

Over 66 per cent of respondents in Strutt & Parker's Platinum Generation housing survey indicate that they will use the

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profits from selling their primary home to purchase their next property, with nearly 20 per cent expecting to release between £100,000 and £200,000 of equity. Just over a third intends to live mortgage-free, while another third envisage spending nearly 30 per cent of their monthly income on their next home.

Typically, downsizers said that they are looking to move to a more manageable flat (30 per cent) or a bungalow (27 per cent), a recent Lloyds Bank report on empty nesters showed. Only two per cent would consider sheltered housing. The majority of downsizers (73 per cent) expect to make money from moving to a smaller property and plan to invest the additional capital. When downsizing from a detached three bedroom home to a flat or bungalow, downsizers receive £109,659 on average.

PwC estimates that moving from a three-bedroom, mortgage-free property to a two-bedroom leasehold apartment would save, on average, £1,530 per annum, including utilities, insurance and maintenance.

However, the Lloyds Bank also showed that nearly a third of empty nesters (32 per cent) say that they are 'financially comfortable' so have no pressing reason to downsize and one in four (28 per cent) say they need the extra space to look after grandchildren. Two in five (43 per cent) have also made improvements, mainly

to kitchens and bathrooms since their children left, making a move less likely. Stacks Property Search adds that buyers are planning a life that probably has more leisure in it than ever before. For downsizers it may well be a 'last home', which is a daunting proposition in itself.

"Try and choose a location where you already have some connections. Establishing a completely new social life in retirement, without work or children to network, can be difficult," suggests Spreckley. "You'll probably need fewer bedrooms, and perhaps a focus on living and entertaining areas and his and hers living spaces to ease the journey into spending 24/7 with a partner. A property that has good energy saving features will also rule out unexpected costs when income tends to be fixed." ♦



Red Lion Lane, Farnham. £375,000, Savills

## PRIME PROPERTIES



### Dormansland, Linfield

This three-bedroom bungalow sits on a private road in the heart of the village. £540,000, Hamberbs



### Anderson Road, Weybridge

A charming cottage recently modernised to combine the original character of the Victorian era with modern living. £775,000, St Hills

