Sizing up the situation:

the advantages of downsizing

hanover

Executive summary

Overview

Downsizing to a smaller home can be a sensible option for people in, or nearing, retirement.

There are many advantages of moving to housing that costs less to run and better meets the lifestyle needs of people as they age. Older homeowners, for example, can release equity to boost their income and standard of living in retirement.

Downsizing then, should be seen as a positive for many older people – whether they rent or own their current home. Research shows that retired people are far more likely to have spare bedrooms than those who work. Retirement housing is one of a range of options for those interested in moving home.

YouGov research shows retirees are also attracted by the lower housing costs and easier maintenance of a new home.[1] But people willing to downsize do not always consider the full benefits. And some can be deterred by misconceptions about the costs and charges involved in renting or owning a retirement property. They may assume that any savings - in rent or mortgage payments, and in lower utility and other costs - will be consumed by high service charges.

Hanover, and other specialist housing providers, are increasingly aware of the need for service charges to be transparent and affordable.

We wanted to test assumptions about the cost of retirement housing living. So we asked PricewaterhouseCoopers LLP (PwC) to carry out some research with us, based on publicly available data, to compare the running costs of a typical 3-bedroom home with a typical Hanover retirement property.

The costs and benefits we have used are based on estimates and the comparative public information that is available, and would differ according to personal financial circumstances and the property and regional location under consideration. Each customer would obviously need to check the personal impact for them before committing to moving house.

Nevertheless, the analysis suggests, as Hanover expected, that based on example scenarios downsizing can reduce running costs, including for those with no existing rent or mortgage costs.

In the future, Hanover expects these savings to be even greater as we find new ways to make our services charges even more affordable in existing and new-build properties.

The headline findings

The research indicates that downsizers could benefit from annual savings of between £1,530 and £5,765 by downsizing from a typical 3-bedroom house to a retirement housing property. The analysts looked at a wide range of publicly available data on housing and property costs across three scenarios, and agreed a set of assumptions with Hanover.

Overview of potential savings	Total annual saving	Total monthly saving
Owning 3-bed outright, moving to 2-bed leasehold	£1,530	£128
Owning 3-bed with mortgage, moving to 2-bed leasehold	£3,930	£328
Private renting 3-bed, moving to renting 2-bed Hanover existing property	£5,765	£480

Downsizing from an owner-occupied family home (with and without a mortgage)

Around a quarter of the properties managed by Hanover are leasehold. Downsizers moving to Hanover leasehold property can realise a number of savings.

According to the research:

- Homeowners of a three bedroom home are likely to face regular payments (including utilities, insurance and grounds maintenance) of around £4,600 per year, excluding mortgage costs. 'Cyclical' costs ranging from everyday small repair jobs to major works and internal and external decoration could average out at more than £2,600.
- Moving from a larger home would cut the regular costs from around £4,600 (excluding mortgage payments) to around £3,600 through lower utility bills and removing costs such as boiler insurance and grounds maintenance, but inclusive of service charges of around £390 per year.

Even with the regular service charges (as outlined above) to cover some of the works and repairs formerly borne by the homeowner, the end result could be an annual saving of more than £1,500 for the Hanover homeowner, including reduced spending on major works and external decoration which could reduce by about £500 to around £2,000.

Downsizing from a private rented family home

A significant proportion of Hanover's new residents move into our properties after renting from a private sector landlord.

According to the research:

- Households downsizing from a private rented property to a Hanover home could see their housing costs fall massively, with a saving of around £5,700.
- For those older people receiving it, a cut in housing benefit as a result of the lower rent would absorb much of these savings. However the household would still benefit from the lower running costs.
- The rent on a three bedroom home in the mainstream market was estimated to be £13,900 per year – the average rent on such a property in Runnymede in Surrey according to the Valuation Office. With a smaller Hanover property, and our rent policy, the household would pay a rent of around £7,900.

A fuller picture of these three scenarios is available on pages 8 - 15.

Downsizing for a secure and healthy retirement

Downsizing can offer more than day to day savings. Those older people who sell their home, for example, benefit from releasing the equity in their former homes. This money can be invested or drawn on to fund a high quality retirement.

Neither is downsizing solely about financial savings.

Properties in today's retirement developments are usually modern and accessible – many are also built to ensure that health and social care and support can be provided as residents' needs change as they age.

Research has shown that there are significant health and wellbeing advantages in moving to an age-appropriate property at the right time, often before or around retirement.

These wider benefits are discussed further in Part 3.

Part 1: Introduction and context

How housing can provide financial security in older age

Nearing or reaching retirement is one of those key moments in life when people may consider making major lifestyle changes.

During a time of public spending restraint, with uncertainty over future retirement benefits such as winter fuel allowance, people's decisions will inevitably be shaped by the need to make the most effective use of their incomes and assets.

Whether they have rented or owned their home as they raised a family, a smaller property that suits their needs as they age will usually prove less costly to run and maintain. That is likely to be a key motivation in decisions to downsize during uncertain economic times.

Recent research by YouGov shows that retired people are far more likely to have spare bedrooms than those who work. Yet they are also attracted by the lower housing costs and easier maintenance of a new home.[1]

This report highlights how downsizing to a smaller home, specifically in a retirement community, can bring peace of mind around future housing and property costs.

Retirement incomes in difficult economic times

There is a growing expectation that older people with the means to do so, including housing equity, will fund more of the costs of ageing in the future. So far, welfare cuts have largely focussed on the working age population and those with school age children.

The so-called 'lucky generation' – the post-war baby boomers – have benefitted from generous social provision (including universal retirement benefits) and in many cases enjoy income from generous final salary pension schemes now closed to most workers.

Many older homeowners have seen the value of their homes rise to levels that were unimaginable when they purchased them 30-40 years ago.

This relative wealth is starting to attract attention from policymakers and those who influence them. In its contribution to the Hanover@50 debate, the Fabian Society showed that the income gap between 'middle income retired people' and those of working age has narrowed considerably since 1979.

That trend has intensified since the financial crisis began in 2007: while real middle incomes have fallen by 5 per cent overall, retired households have enjoyed a real terms rise in income of 5%.

These trends mean the political consensus in favour of universality for retirement benefits is already beginning to fracture, despite the 'triple lock' agreement for state pension increases and plans for a flat rate pension of £130 per week.

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The rising cost of our ageing population

The number of people over 65 is predicted to rise by 3.8m over the next 25 years, with those aged over 85 expected to double.[2] This demographic change is partly driving a simultaneous rise in the number of people living with one or more long term conditions. For example, the number of people over 65 living with dementia is predicted to rise by 72% between 2010 and 2030.[3]

These figures have dramatic implications for the balance between self-funding and public provision. The government intends to cap the lifetime cost of social care in a bid to give people more certainty about costs as they age. But the £72,000 ceiling in the Care Bill is more than double the figure recommended by the Dilnot Review.

Local authorities have been facing rising demand for social care as a result of the ageing population for several years. Yet the current unprecedented squeeze on council spending has cut the already limited access to free social care. Aids and adaptations budgets, which help some people to remain in their existing homes despite physical disability or growing frailty, have been reduced to the point of extinction in some areas.

Releasing housing equity to ensure a good retirement

Older homeowners have the option of releasing a cash lump sum to support their retirement lifestyle - either though downsizing or an equity release product.

Equity release has not completely shaken off a reputation for poor value acquired during the 1980s. However, the financial products and providers responsible for that reputation have long left the market. In a recent contribution to the Hanover@50 debate, the Smith Institute said that for those remaining in their own homes, equity release may become a necessity in the future. It also suggested people are more relaxed about using their housing equity to fund appropriate housing in retirement than using it to fund social care.

In many ways, downsizing is the most straightforward form of equity release – and one that avoids many of the costs such as paying financial advisers.

The ‘push’ factors we have identified are, more positively, now increasingly matched by ‘pull’ factors. These include improved design of retirement housing and greater awareness amongst providers of the need to promote both the independence and social inclusion of residents. The landmark 2009 HAPPI (Housing our Ageing Population Panel for Innovation) report set out how developers, providers and their partners could provide specialist housing that older people actually want to live in.

Obstacles to providing more downsizing options

People looking to downsize need homes to buy or rent. The number of retirement housing units under construction has fallen from 30,000 a year in the 1980s to around 8,000.[4]

In a paper for the Hanover@50 Debate, the Independent Living Centre-UK (ILC-UK) argued that, as rational consumers, older people will only downsize if they can choose from a range of appealing smaller homes.

Providers such as Hanover are eager to build a new generation of retirement housing that is shaped by the aspirations of potential customers and the standards set out in the HAPPI report. However, the public spending cuts have reduced funding for construction by registered social landlords, several of whom specialise in retirement housing. Meanwhile commercial developers have either experienced difficulties in raising finance for new developments or are cautious about this market – just as they are with mainstream housing developments.

Additionally, providers frequently encounter planning obstacles and – in some cases – local opposition to building more retirement housing in areas where older people would like to live.

Part 2: Downsizing to retirement housing

Counting the pennies

The cost of running and maintaining a large 'family home' is likely to prey on the mind of many older people. This is even more likely if they are amongst the large numbers of retired people 'in the middle' - those who have benefitted from a significant reduction in pensioner poverty over the last 15 years but who can hardly be described as well-off.

While those who own their home outright have a substantial asset, analysis of official figures suggests that the median income of older households in 2010/11 was around £15,000.[5] Any savings on household and property costs would obviously be significant for those on that level of income or lower.

For others, the financial strain of continuing to pay off a mortgage after retiring can be a burden.

Meanwhile, some older people face the uncertainties and rising rents of the private rental market. The number of people renting in older age is likely to rise. Over the last two decades more people have reached their forties without securing a foot on the home ownership ladder due to the rising cost of housing relative to wages.

Hanover commissioned PwC to support Hanover in undertaking some high-level research around the property-related costs of households in each of these circumstances. The costs were then compared to the costs involved in renting or buying the leasehold on a two bedroom Hanover retirement home.

Significant 'cost of living' savings are estimated for all three notional groups – those who own their existing homes outright, those still paying off a mortgage and people who are renting in the private sector.

These potential annual savings ranged from £1,530 per year to around £5,765.

They reflect the lower costs of running and maintaining a smaller home and – for those moving from the private rental sector – the lower rents available in properties developed by registered providers such as Hanover.

Below are the scenarios tested.

Scenario 1: Moving from a three bedroom home owned outright to buying the leasehold on a two bedroom Hanover property.

Older homeowners can expect to make significant annual savings in 'regular' household payments. Research for this report included grounds maintenance in this category, alongside regular household bills. On moving to a two bedroom Hanover home a typical household would pay less for utilities, insurance and council tax (see table opposite). After all, a smaller home is likely to be cheaper to heat and be in a more affordable Council Tax band.

	Potential customer owns their house outright and wishes to downsize		Customer owns a 2-bedroom leasehold Hanover property	
Monthly/annual household payments	**Cost per year**	**Cost per month**	**Cost per year**	**Cost per month**
Home insurance – buildings and contents (only home contents insurance required for Hanover property)	£200	£17	£60	£5
Council tax (assume B and D in postcode area: TW20)	£1,490	£124	£1,160	£97
Utilities – gas and electric	£1,200	£100	£1,000	£83
Utilities – water	£560	£47	£370	£31
Boiler and heating cover	£130	£11	£130	£11
Phone and broadband	£240	£20	£240	£20
TV licence	£150	£13	£150	£13
Digital TV	£150	£13	£150	£13
Grounds maintenance	£520	£43	£0	£0
Service charges – sinking fund for major works	£0	£0	£330	£28
Service charges – repairs	£0	£0	£60	£5
Total annual/monthly costs	**£4,640**	**£387**	**£3,650**	**£304**
Cyclical costs	**Average cost per year**	**Average cost per month**	**Average cost per year**	**Average cost per month**
Day to day small repairs/jobs	£290	£24	£290	£24
External decorations	£440	£37	£220	£18
Internal decorations	£360	£30	£360	£30
Major works	£1,370	£114	£1,110	£93
Adaptations	£150	£13	£90	£8
Total annual/monthly equivalent	**£2,610**	**£218**	**£2,070**	**£173**
Total overall annual/monthly cost	**£7,250**	**£604**	**£5,720**	**£477**

Overall monthly saving £128

Overall annual saving £1,530

The research suggested regular costs of around £4,600 on a three bedroom property and most of these costs are the responsibility of the resident(s), whether they own or rent the home.

Similar costs for someone who owned the leasehold on a two bedroom Hanover home could fall to around £3,600 – a saving of around £1,000.

The annual 'cyclical' household costs to fund property maintenance and repairs that homeowners incur could be around £500 a year less in a two bedroom Hanover property.

Residents buying a leasehold Hanover property could face annual service charges of around £390 but as we have seen they would enjoy significant savings in major works, grounds maintenance and repairs – as well as the lower running costs mentioned earlier.

The overall 'cost of living' covering the broad property-associated costs would fall from around £7,250 to £5,720, a saving of £1,530.

There would also be cash flow advantages. These calculations and those for scenario two on page 12 assume that the cost of major works on the notional household's family home could be spread out over a 30 year cycle. It is actually more likely that a large slice of those costs would be incurred early in the cycle. By contrast, major works on a newly-built leasehold Hanover property would almost certainly take place later in that 30 year cycle and could be absorbed more evenly - either through the sinking fund payment or rent.

Greater certainty around property costs could be attractive enough to lead some older people to contemplate renting - rather than buying - a Hanover home after selling their leasehold property. The 'current' and 'future' scenarios used suggest that renting would be a more expensive option than buying the leasehold on a Hanover property. However, some might see the additional cost of around £7,000 as a way of spreading 'the cost of living' over several years and as an insurance premium against unexpected shocks, so securing further peace of mind in retirement.

Case study

Derek and Cindy Tickner

With just a few years until they are due to celebrate their golden wedding anniversary, Derek and Cindy Tickner made the positive choice to downsize from their three bedroom semi-detached house in Maidenhead to a two bedroom flat in Bracknell.

The couple, aged 69 and 66, have always believed in living in a property that matches their changing needs and personal circumstances. They originally purchased their family home nearly 30 years ago to raise their two children. At the time, their search criteria included good local amenities, lots of space and good schools.

When their children left home the couple soon realised that the 60 foot garden and large lounge were becoming increasingly difficult to maintain. Also, due to other interests, they were spending less time at the property.

For a short time the couple toyed with the idea of renting out their house to fund their own move to a rental property. Deterred by the management and administration hassle this might generate for them, they decided instead to purchase their own retirement flat.

Derek said: "Since moving to Beechcroft Court we haven't looked back. The service charge takes care of most of the repairs and maintenance and all of the work is carried out by a Hanover-approved contractor who we know and trust."

Cindy says: "We did used to worry when things needed doing at our former home and we did get ripped off over driveway repairs once. Here, there is no worry and it is nice to have someone do the gardening. We pay through the service charge but that is fine. We have a nice garden and all the grounds and outside of the building are taken care of while for any repairs inside I can't speak highly enough of the contractor."

Derek says: "The other benefit from downsizing is that we were able to release some equity from our family house which we have invested into investment bonds. This will help pay for our service charge and future holidays."

In addition to enjoying life in their new home, the couple have made many friends on the estate, with Cindy already the residents' representative.

Scenario 2: Moving from a three bedroom home with £30,000 remaining on the mortgage and buying leasehold a two bedroom Hanover property.

Many people nearing or having reached retirement are still paying off their mortgage, often on a home that has several spare bedrooms.

Table two shows that an individual or couple selling a three bedroom home, paying off their mortgage and buying the leasehold on a two bedroom Hanover property, could save nearly £4,000 per year. This assumes that £30,000 remains on the mortgage and that the sale of the current home would cover both the outstanding mortgage and allow for a mortgage-free purchase of the smaller Hanover property.

With the same costs (including the £390 service charges) and savings as those identified in scenario one, total household property-related costs **could fall from £9,650 to £5,720. This represents an annual saving of £3,930.**

	Potential customer owns their own house with a mortgage		Customer owns a 2-bedroom leasehold Hanover property	
Monthly/annual household payments	**Cost per year**	**Cost per month**	**Cost per year**	**Cost per month**
Mortgage	£2,400	£200	£0	£0
Home insurance – buildings and contents (only home contents insurance required for Hanover property)	£200	£17	£60	£5
Council tax (assume B and D in postcode area: TW20)	£1,490	£124	£1,160	£97
Utilities – gas and electric	£1,200	£100	£1,000	£83
Utilities – water	£560	£47	£370	£31
Boiler and heating cover	£130	£11	£130	£11
Phone and broadband	£240	£20	£240	£20
TV licence	£150	£13	£150	£13
Digital TV	£150	£13	£150	£13
Grounds maintenance	£520	£43	£0	£0
Service charges – sinking fund for major works	£0	£0	£330	£28
Service charges – repairs	£0	£0	£60	£5
Total annual/monthly costs	**£7,040**	**£587**	**£3,650**	**£304**
Cyclical costs	**Average cost per year**	**Average cost per month**	**Average cost per year**	**Average cost per month**
Day to day small repairs/jobs	£290	£24	£290	£24
External decorations	£440	£37	£220	£18
Internal decorations	£360	£30	£360	£30
Major works	£1,370	£114	£1,110	£93
Adaptations	£150	£13	£90	£8
Total annual/monthly equivalent	**£2,610**	**£218**	**£2,070**	**£173**
Total overall annual/monthly cost	**£7,250**	**£604**	**£5,720**	**£477**

Overall monthly saving £328

Overall annual saving £3,930

Scenario 3: Moving from a privately-rented three bedroom home to renting a two bedroom Hanover home

A significant number of new Hanover residents have previously lived in the private rented sector. The financial benefits of down-sizing from a three bedroom home to a Hanover property are greatest for this group – nearly £5,800.

Renting the smaller home would deliver similar lower running and maintenance costs as those outlined in earlier scenarios. However a large part of the additional saving is due to Hanover's much more affordable renting structure, compared to the private sector.

With the decline of council housing and the lifting of rent controls, the buy-to-let sector has boomed over the last thirty years. With many people in their 30s or even 40s unable to get a foot on the property ladder because of high house prices, the number of older people renting privately will continue to rise as this cohort ages.

As noted above, the household could enjoy similar savings on running costs - such as lower heating and council bills - as those outlined in scenario one. This report assumes that the regular household costs for renting a three bedroom home, including grounds maintenance, will be the same as for owning one - apart from around £150 in building insurance. A household renting a three bedroom home is likely to face 'regular' property-related costs of just under £4500.

As the private landlord is likely to carry the cyclical costs – such as external decorations – these have not been included in the calculations for those moving from private renting.

Adding to the savings on running costs, would be a major reduction in rent.

The rent on a three bedroom home in the mainstream market was based on the average rent on such a property in Runnymede in Surrey according to the Valuation Office, at £13,920 per year. With a smaller Hanover property and Hanover's rent policy, the household would pay a rent of around £7,900.

As the table opposite shows, **the 'cost of living' for people in this group could fall from £18,400 per year to just over £12,600.**

Older people receiving housing benefit to help fund all or part of their rent would obviously need to factor that into any decision around down-sizing or moving from the private sector to a Hanover property.

	Potential customer owns their house outright and wishes to downsize		Customer who rents a 2 bedroom existing Hanover property	
Monthly/annual household payments	**Cost per year**	**Cost per month**	**Cost per year**	**Cost per month**
Rent	£13,920	£1,160	£7,870	£656
Home insurance – contents				
Council tax (assume B and D in postcode area: TW20)	£1,490	£124	£1,160	£97
Utilities – gas and electric	£1,200	£100	£1,100	£92
Utilities – water	£560	£47	£370	£31
Boiler and heating cover	£130	£11	£0	£0
Phone and broadband	£240	£20	£240	£20
TV licence	£150	£13	£150	£13
Digital TV	£150	£13	£150	£13
Grounds maintenance	£520	£43	£0	£0
Service charges – sinking fund for major works	£0	£0	£330	£28
Service charges – repairs	£0	£0	£60	£5
Total annual/monthly costs	**£18,410**	**£1,534**	**£12,550**	**£1,046**
Cyclical costs	**Average cost per year**	**Average cost per month**	**Average cost per year**	**Average cost per month**
Adaptations (note: it is assumed adaptation costs in a private rented house would not be payable).	£0	£0	£93	£8
Total annual/monthly equivalent	**£0**	**£0**	**£93**	**£8**
Total overall annual/monthly cost	**£18,410**	**£1,534**	**£12,645**	**£1,054**

Overall monthly saving £480

Overall annual saving £5,765

Case study

Gina Ullman

Former senior civil servant Gina Ullman was still working when she decided that downsizing would be a good option on retirement.

The rising costs of running her three bedroom house in Stalybridge, Cheshire,
and the maintenance challenges posed by the large home and garden were the decisive factors.

Nearly ten years later, aged, 61, Gina made the change, leaving her three bedroom house for a one bedroom flat in the quiet village of Shepton Mallett in Somerset.

Gina says: "Although I decided to move to a smaller property, I had chosen Shepton Mallet several years before so that I could live closer to my mother to support her through her remaining days.

"At the time I carried out some extensive research of various retirement housing providers; Hanover was the only provider to offer an assured tenancy agreement.

"Downsizing has made good financial sense: I live in a secure environment without the inconvenience of noisy or nuisance neighbours."

After her mother's death, Gina, now 64, relocated to a similar Hanover property in Bolton where she has spent most of her adult life.

Having held senior positions with bodies such as the former Equal Opportunities Commission and the Department for Work & Pensions it is perhaps unsurprising that she has recently been appointed resident board member for Hanover Housing Association.

Part 3: Downsizing to a better lifestyle and a modern home

Equity release and improving retirement incomes

We have seen that downsizing to an appropriate property can reduce living and maintenance costs.

Earlier in this report we noted that many older people have enjoyed the fruits of a housing boom that has, with a few interruptions, lasted for several decades.

Equity in those valuable housing assets can also fund a decent retirement for older homeowners who choose to release it.

Downsizing is an obvious way for many older homeowners to free up some of that equity.

In its paper for the Hanover@50 Debate, the Smith Institute pointed to figures showing that around 2.3 million households who own their own home have incomes below £15,000. Many of these are headed by older people.[3] Looking back a decade, the institute quoted estimates that in 2002 around one million older people with housing wealth of more than £100,000 had incomes below the level defined as 'modest but adequate' by Age UK.

Downsizing provides an opportunity to release the housing equity that would allow many older people to supplement these incomes.

The health and wellbeing benefits of age-appropriate housing

Specialist housing, such as that used for the cost comparison exercise in this report, is modern and takes account of the care and support needs that frequently come with ageing.

Research has shown that older people living in appropriate housing make less use of NHS services and social care.

Depending on individual circumstances, retirement housing can deliver health benefits for older people. In its paper for the Hanover@50 Debate, the ILC-UK said: "Retirement housing has been associated with better physical and functional ability, fewer falls, lower levels of hospitalisation, decreased likelihood of movement to institutional accommodation, better rehabilitative outcomes, and better wellbeing and quality of life."➔

For some older homeowners there will be other, more urgent drivers to downsize. Older people are at greatest risk of living in homes that do not meet the official definition of decent housing. Even many homes regarded as decent are not appropriate for many people as they age and experience mobility problems.

For many older homeowners, downsizing ensures they can move – when it suits them - to a modern home that is easy to move around.

The government's Care Bill, which is currently going through Parliament, specifically recognises the role of housing in prevention and wellbeing.

This includes how our housing shapes our social interaction. With loneliness rising up the political agenda, campaigners are pointing to the potential role retirement accommodation can play in combatting social isolation. Such models offer ready-made communities while protecting the privacy and independence of residents.

These broad health and wellbeing benefits tend to be greatest if people move to a smaller home likely to meet their future health and care needs at a relatively early age. Moving in response to a health crisis means the housing choices are more limited and many of the potential health and wellbeing gains are lost.

Yet specialist housing for older people continues to face challenges around perceptions, including that it is only for the well-off. The analysis has shown that quality retirement housing can reduce the housing-associated costs of most people, shattering the myth that people have to be relatively wealthy to afford decent, age-appropriate homes.

Others see it as only for those with significant existing care needs - and not for them. ILC-UK was one of several think tanks in the Hanover@50 Debate to touch on our pronounced tendency as a society and as individuals to deny the realities of ageing. When older individuals refuse to recognise the practical implications of ageing, they are more likely to delay making housing decisions that could benefit their independence, health and wellbeing for many years to come.

Case study

John and Barbara Vedgen

When former sales executive and bus driver John Vedgen (62) and his wife Barbara (61) started to plan for their twilight years they did not expect to find their dream home just a few streets away from their family home in Bracknell.

The couple owned the three bedroom house that was home for 32 years, raising three daughters along the way. When the children left home the couple started to realise that the house was a little too large for them and, although they could still cope, John feared that this may not be the case in the future.

John and Barbara decided to downsize after hearing about a family friend who struggled to maintain her three bedroom house after her husband died, facing ever-mounting maintenance bills into the bargain.

John was also concerned that they had become more isolated in their house over the years. He worried whether Barbara could depend on support from neighbours if she needed it.

In December 2012 the couple moved to Hanover Gardens in Bracknell, where they rent a two bedroom ground floor flat. As well as avoiding spiralling maintenance costs, the couple have been able to release significant equity from the sale of their house. They plan to invest much of it in an investment trust to provide an income as well as purchasing a caravan for weekend breaks with their grandchildren.

John says: "Our new flat is lovely and the onsite estate manager is very helpful.

"If I were to make one recommendation it would be: if you decide to downsize to a rental property make sure you sell your house first. We were let down by our first buyer and found ourselves paying our rent and a mortgage for several months."

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