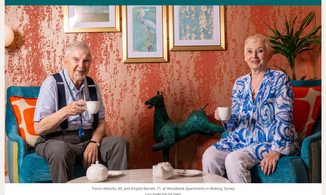
Why renting in retirement should not be taboo

Purpose-built flats to rent are increasingly popular with older downsizers who want independence, not a care home



Trevor Abbotts, 85, and Angela Barratt, 77, at Woodbank Apartments in Woking, Surrey
LUCY YOUNG FOR THE TIMES

Melissa York | Friday August 23 2024, 12.01am BST, The Times

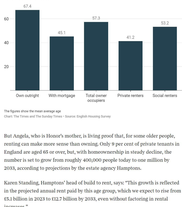
Share Save

There comes a point when a home becomes a hazard," Angela Barratt says. She fell out of love with her four-bedroom house in Camberley, Surrey, having lived there for 30 years and raised three daughters, following her husband Graeme's dementia diagnosis. As his condition worsened, it became unsafe for him to be left at home alone and Angela became increasingly isolated.

Eighteen months ago the Barratts decided to sell their house and rent a more manageable two-bedroom flat at Woodbank Apartments in nearby Woking.

"We presumed Graeme would die first, then, once I was on my own, I could give two months' notice and buy myself a little house where we were before," Angela says. Graeme died in March but Angela has no desire to climb back on to the property ladder. She has her rescue cat, a Bengal called Juniper, for company and she's made a new set of friends and joined the local croquet club.

"I'm far too comfortable here and the people are lovely," she says. "Quite honestly, now I'm going through probate, I think, thank God we haven't got a house. It's so much easier when there isn't a property involved."



Woodbank Apartments has 51 one and two-bedroom apartments available to rent for those aged over 65
ASHER WHITEHEAD

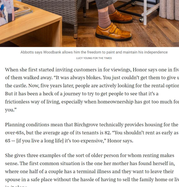
Angela, 77, is older than your typical tenant — 40 is the average age of a private renter — but she found, to her surprise, that renting suits her perfectly. "You don't have to worry if the fence blows down or the tiles fall off the roof. You just live," she says.

Woodbank Apartments has staff she can call on 24 hours a day, and a full schedule of about 80 activities a month, including exercise classes. There is also a restaurant and a communal lounge. The building has 51 one and two-bedroom apartments. All of them are available to rent for those aged over 65.

About 45 per cent of retirement operators offer the option of renting in some form, but Birchgrove, the company behind Woodbank, is the only developer in Britain building retirement homes exclusively for rent. Its chief executive, Honor Barratt, knows there is a "stigma" around renting in older age. "The whole [property] industry said we were mad [when Birchgrove started in 2017] because all of us have made so much money out of our rising house prices. Why would you step off that ladder?" she says.

Average age by housing tenure

People who own their property outright are the oldest demographic, while private tenants are youngest



The figures show the mean average age
Chart: The Times and The Sunday Times • Source: English Housing Survey

But Angela, who is Honor's mother, is living proof that, for some older people, renting can make more sense than owning. Only 9 per cent of private tenants in England are aged 68 or over, but, with homeownership in steady decline, the number is set to grow from roughly 400,000 people today to one million by 2033, according to projections by the estate agency Hamptons.

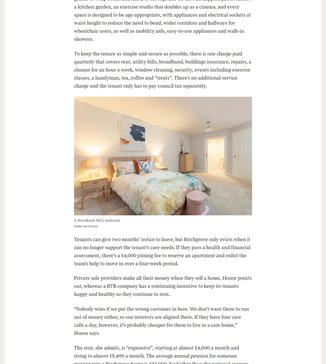
Karen Standing, Hamptons' head of build to rent, says: "This growth is reflected in the projected annual rent paid by this age group, which we expect to rise from £9.1 billion in 2023 to £12.7 billion by 2033, even without factoring in rental increases."

• Why we must do more to protect older renters

While working in the later life division of the private equity firm that bought her previous business, Honor kept meeting a type: eightysomethings, mainly women, who were living lonely lives in big houses but were overwhelmed by the prospect of downsizing.

Honor says: "She would trundle back to her four-bedroom house, where she was sleeping downstairs, and die alone. I kept worrying about that old woman. All of us know that at any age buying a home is just miserable and hard."

Purpose-built rental flats — known as build-to-rent (BTR) — with on-site amenities are usually targeted at affluent young tenants, but Honor noticed that flexibility and a convenient lifestyle were exactly what older downsizers wanted too.



Abbotts says Woodbank allows him the freedom to paint and maintain his independence
LUCY YOUNG FOR THE TIMES

When she first started inviting customers in for viewings, Honor says one in five of them walked away: "It was always blokes. You just couldn't get them to give up the castle. Now, five years later, people are actively looking for the rental option. But it has been a heck of a journey to try to get people to see that it's a frictionless way of living, especially when homeownership has got too much for you."

Planning conditions mean that Birchgrove technically provides housing for the over-65s, but the average age of its tenants is 82. "We classify rent as early as 65 — [if you live a long life] it's too expensive," Honor says.

She gives three examples of the sort of older person for whom renting makes sense. The first common situation is the one her mother has found herself in, where one half of a couple has a terminal illness and they want to leave their spouse in a safe place without the hassle of having to sell the family home or live in it alone.

Another growing demographic is older people who are childless. "Within Birchgrove, 33 per cent [of residents] don't have children. They haven't got a child to leave anything to or stepping up to help out, so they need to liquidate that big asset and pay for their own death and care. At the end it's much tidier — their death triggers a one-month notice period and we clear out their apartment for them," Honor says.

The restaurant at Woodbank Apartments
ASHER WHITEHEAD

The third situation is where an older tenant is mortgage-free but they want to live out their final years close to relatives in the southeast of England — but they cannot afford to buy there, so they use the equity they've built up to rent instead.

Tenants usually leave a Birchgrove flat with more than 50 per cent of their estate intact. In some cases they aren't eating into their funds at all. Angela pays her rent by combining her pension with the interest she earns from the lump sum she deposited in a savings account when she sold the family home. "She said to me she literally only bought Christmas presents last year because everything else is taken care of here," Honor says. "Ch ildgrove are not looking at our inheritance going down. It's not keeping up with inflation, sure, but she's still able to leave that sum to us, which is important to her."

• We are trying to rent for the first time in 40 years — it's a nightmare

Angela now lives on a leafy road half a mile from Woking town centre with a regular direct train service into London. The lounge is well-stocked with colourful, tall-backed armchairs where tenants ("We call them neighbours") gather to swap books and tales, or eat together on the sun-dappled patio. There's a kitchen garden, an exercise studio that doubles up as a cinema, and every space is designed to be age-appropriate, with appliances and electrical sockets at waist height to reduce the need to bend, wider corridors and hallways for wheelchair users, as well as mobility aids, easy-to-use appliances and walk-in showers.

To keep the tenure as simple and secure as possible, there is one charge paid quarterly that covers rent, utility bills, broadband, buildings insurance, repairs, a cleaner for an hour a week, window cleaning, security, events including exercise classes, a handyman, tea, coffee and "treats". There's no additional service charge and the tenant only has to pay council tax separately.

A Woodbank flat's bedroom
ASHER WHITEHEAD

Tenants can give two months' notice to leave, but Birchgrove only evicts when it can no longer support the tenant's care needs. If they own a health and financial assessment, there's a £4,000 joining fee to reserve an apartment and enlist the team's help to move in over a four-week period.

Private sale providers make all their money when they sell a home, Honor points out, whereas a BTR company has a continuing incentive to keep its tenants happy and healthy so they continue to rent.

"Nobody wins if we put the wrong customer in here. We don't want them to run out of money either, so our interests are aligned there. If they have four care calls a day, however, it's probably cheaper for them to live in a care home," Honor says.

The rent, she admits, is "expensive", starting at almost £4,000 a month and rising to almost £5,400 a month. The average annual pension for someone moving into a Birchgrove home is £32,000, far higher than the national average of £16,000.

As a small, specialist housing provider, the company faces higher borrowing costs that make building in affluent parts of London and the home counties the only viable option presently (so they can charge a higher rent), but Honor hopes success will bring better financing options that will allow them to build at scale in less expensive parts of the country.

A Woodbank flat's kitchen-dining area
ASHER WHITEHEAD

Four Birchgrove developments are fully let and have a waiting list for places. Two more are opening in October, in Godalming, Surrey, and Mill Hill, northwest London, and three more are scheduled to open next year.

These purpose-built buildings aren't just improving the lives of older people, they are also freeing up bigger houses for young families, Honor argues. "There are 300,000 homeless people and we've got nine million bedrooms with no one in them. I don't think people are blocking beds because they're lazy or greedy. We just haven't built them enough choices. About 30 per cent of people in care homes shouldn't be there — they went in too early because they didn't know there was another option."

One of those people is Trevor Abbotts, 85, who moved into a care home with his wife when her health deteriorated. Both of them then caught Covid and she died.

His daughters knew that Trevor did not belong in a care home yet, so they moved him into Woodbank three years ago. He's now a key member of the choir and an avid consumer of the restaurant's bread and butter pudding.

Abbotts says: "My daughters took me to one place with homes to buy and it was horrible — completely and deeply quiet. I cannot fathom why someone would put all

their money into such a place. I can find nothing to complain about here. I have a reasonable pension and my daughters, who come to see me often, have taken care of things to make sure I've got enough to be comfortable. The nice thing about being here is that you can socialise if you want to or you can stay in and, in my case, read or paint, and you still have your independence."

Property newsletter Inside Britain's most exclusive homes, plus what's really going on in the property market. Sign up with one click

Related articles

70 is the new 60 — so let's stop talking about 'retirement'
July 12 2024, 12.01am BST
Jane Slade

Bentleys and oxygen chambers: the posh pensioners retiring in luxury
June 07 2024, 12.01am BST
Jane Slade

Retirement developers set their sights on 'the John Lewis shopper'
March 08 2024, 12.02am GMT
Jane Slade

Read more

ANALYSIS
Should landlords sell up or splash the cash to meet Labour's new eco rules?
August 16 2024, 12.25pm
Melissa York

What you get for £2.25m the UK and Malta
August 22 2024, 12.01am
Property team

A manor house transported piece by piece to Devon is for sale at £6m
August 21 2024, 12.01am
Sasha Nugara

Comments (25)

Comments are subject to our community standards and participation guidelines policy, which can be viewed here. By joining the conversation you are accepting our community rules and terms. Update your commenting notification settings here. Our policy is for readers to use their real names when commenting, find out more here.

James Brilliant

J Add to the conversation...

Sort by Recommended

M Brien
6 HOURS AGO
Good if you can afford it .
Reply · Recommend (16) · Share

> **Michael Fisher**
> 6 HOURS AGO
> At £48k + p.a cash money you need a very big pension. I expect the model works in southern England if you are 85 and sold £1M + house the interest will help as long as rates don't return to 0.1%.
> Reply · Recommend (7) · Share
> 2 replies

> **Professor H Cochrane**
> 5 HOURS AGO
> Or if taxpayers pay (via housing benefit).
> Reply · Recommend (3) · Share
> 1 reply

Cliff Buffham
6 HOURS AGO
£48,000 to £60,000 a year in rent? To live in a small flat? They'll be queueing down the street.
Reply · Recommend (14) · Share

> **Jeremy Draper**
> 3 HOURS AGO
> My mum is a flat owner in assisted living and her service charge is coming up for £1000pcm....
> Reply · Recommend (3) · Share
> 2 replies

Mark Turner
4 HOURS AGO
To summarise this advertorial, make sure you've got enough capital or income for life in your mid seventies to make choices.
Reply · Recommend (8) · Share

> **Jeremy Draper**
> 2 HOURS AGO
> most boomers do, bought houses for a few thousand in the 1970's now worth millions!
> Reply · Recommended (0) · Share
> 1 reply

F Blanchard
4 HOURS AGO
I'd rather buy a resale (not new-build with huge premium) leasehold flat or bungalow in a retirement village for £150,000. Up north, monthly costs are about £800/month, which includes heating and hot water, plus council tax. Restaurant available and activities are included. Still expensive but mu...
See more
Reply · Recommend (5) · Share

> **S Garner**
> 3 HOURS AGO
> But I hear from friends and in the press that retirement homes have very poor resale value and can take years to sell, whilst service costs and annual charges mount up. Is that true do you think? That is what would put me off buying, especially as I don't want that burden on my family after I've go...
> **See more**
> Reply · Recommend (6) · Share
> 2 replies

> **G Taylor**
> 1 HOUR AGO
> Buying a resale is definitely the best option. My father bought an apartment in a new build which still had brand new apartments for sale. Invariably the sales team don't mention resales as they want to sell (and presumably make commission on) the new apartments.
> However, the remaining apartments a...
> **See more**
> Reply · Recommended (0) · Share

C McPherson
3 HOURS AGO
Is there a Thursday Murder club?
Reply · Recommend (2) · Share

Finlay McMillan
1 HOUR AGO
The service fees for owner-occupied retirement homes, which can often be challenging to sell, are also outrageous.

This development rent seems a bit high for fairly basic apartments and amenities.

Renting does make sense, but they need to reduce the rent to 2000 per month.
Reply · Recommend (1) · Share

SYeomans
35 MINUTES AGO
Faced with the prospect of that wallpaper, I'd take myself to Switzerland.
Reply · Recommended (0) · Share

Margaret MCCABE
2 HOURS AGO
I live in a sheltered housing development. It is fantastic. Good social life if you want it. I have agoraphobia so cannot mix and all my lovely neighbours know and respect that.it was a huge relief to give up bigger house with all the maintenance and stuff. Everything is taken care of for us here. ...
See more
Reply · Recommended (0) · Share

KGolding
14 MINUTES AGO
Forget trying to rent in the private sector. The letting agencies wanted 12 months rent upfront. As I have retired and need somewhere for a short period due to a change personal circumstances.
Reply · Recommended (0) · Share

OpenWeb Feedback

PREVIOUS ARTICLE
Boom town status where house prices are rising fastest outside London

NEXT ARTICLE
I lived in a haunted house for ten years

BACK TO TOP

© Times Media Limited 2024.
Registered in England No. 894646. Registered office: 1 London Bridge Street, SE1 9GF.

Privacy & cookie policy | Licensing | Cookie settings | Site map | Topics | Puzzles Archive | Authors | Commissioning terms | Terms and conditions

IPSO Regulated