



SELLING A PROPERTY TO PAY FOR CARE

L A W R E N C E R A N D

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WELCOME

My name is Peter Lawrence and I am the Managing Director at Lawrence Rand.

During the 22 years we've been serving the people of the community, we have supported many families selling their property to help pay for care fees, often for care homes.

Our experience means we know just how emotional, stressful, and draining this period can be for people and this can be an extremely difficult time for everyone involved.

You may be a homeowner who needs to fund care in your own home or your place in a care home. The person whose home it is may not be able to explain their wishes or express their feelings.

Sometimes, there are many family members involved. Sometimes, you're dealing with an awful lot on your own. Both situations come with their own challenges.

We understand that it may involve more than the practicalities of selling a building. It can also mean coming to terms with new needs and responsibilities. The feelings of grief you may experience as you embark on this process can make it difficult to navigate.

We never forget how overwhelming it can feel, and that is why we can assure you that you will always receive a patient, polite, and professional service should you decide to sell your home with us.

Our aim is to help and guide you to make the best decision for you and your situation.

After reading this guide, you may find it helpful to have a no-obligation, no-pressure chat with us if you are facing this journey.

Thank you for your time, and please get in touch with us if you have any questions.



Peter Lawrence
Managing Director

*Disclaimer: The information in this guide does not constitute legal or financial advice.

GETTING STARTED

If you are considering selling your home to fund the costs of care, ensure you have checked with your council about what you are entitled to before you begin the process of a property sale. Councils have a duty to ensure they signpost you towards the correct services, even if you are self-funding.

This might mean funding for care within your home, a place in a care home, or specialised care provision. There are also other services available, like adaptations for inside your home. Care needs assessments from adult social services are free. They can support you to uncover the variety of options open to you. There are also carers' assessments if you have a carer.

The assessments can be very helpful to identify how your needs might have changed. It can be easy to downplay things, often because you are used to coping. You may think it's just your family fussing over you. An independent opinion can be beneficial for clarity, as well as accessing any support.

You may find there are ways of supporting you at home. This is known as 'home care'. You might have a care worker visit regularly. A carer might move in to provide 24-hour care. This might be long term, or to give a family carer a holiday. It could also be to help you after a hospital stay or for emergency care. However, live-in carers can end up being more expensive than living in a care home.

Although moving to a care home can feel like a big change, there are many advantages. There's regular company, cleaning, and meals are taken care of for you. If you need it, you can have help with personal and nursing care (depending on the care home). It is also reassuring to know there are people around for you if you need them.



FINANCIAL ASSESSMENT

Once you have had a care needs assessment, you will probably then be means tested. This is also known as a financial assessment. It is designed to see if the council are able to assist with some or all of your care fees, whether that's for care at home or in a care home.

If you have the financial resources that allow you to self-fund, there is something called a 'light-touch assessment'. This means that the council will still support you to arrange your care.

The assessment looks at your income, including any benefits and pensions. It also looks at your capital which means your investments and savings. The value of your home may or may not be included. It depends on your needs and circumstances.

It is important to note that only your income and capital is considered. If you have a partner, their financial situation is not deemed relevant.



The assessment gives you an opportunity to find out more about what the council offers. This could be useful if your needs or circumstances change in the future.

You will likely have to pay for all care yourself if your capital is valued above:

- England: £23,250
- Scotland: £28,750
- Wales: £50,000 (for residential care)

You may receive a contribution towards care fees if your capital is below these figures. The exact amount will be determined as part of your assessment.

(Figures correct as at 13 April 2021.)

If you're a homeowner, your capital is normally calculated with its value included. If the property is the main residence of your current partner, it is exempt from inclusion in the assessment. If your former partner still lives in the property with you, it will be included. However, this is not the case if your former partner cares for a relative who is over 60 or disabled, or if they care for your child who is under 18.



YOUR FAQ'S ANSWERED...

Over the years we've been asked a lot of questions.

Q: Can I reduce my assets so they're not part of a financial assessment?

A: Selling or giving away of assets, including property, is called 'deliberate deprivation of assets'.

Unlike inheritance tax, there is no '7-year cut-off' rule. This means that assessments can take into account your past income and capital, as well as your current situation.

It may seem tempting to give away assets so they aren't then included in council calculations. It may also feel like a good idea to buy large value gifts, like art or jewellery, to reduce your capital.

However, the council can include the previous asset in your assessment. This means you'll have to pay fees as if you still had access to the asset. The council can also recover the difference between what they paid and what they would have paid from the person who now has the asset.

Q: If I put my property into a trust, will I avoid care fees?

A: Despite what many companies claim, this can be a risky strategy.

An agreement is drawn up between you (or your power of attorney) and the trust company, where you transfer ownership and management of a property over to them.

The promise is normally that the value of the property won't then be used for care fees and your beneficiaries will still receive their portion. However, it may be considered to be deprivation of assets by the council assessing you.

Many trust companies are not even regulated. As a complex and potentially risky solution, if you want to explore this route, please ensure you consult a solicitor.





YOUR FAQ'S (CONTINUED...)

Q: I know the property needs selling. Where do I start?

A: Selling your home at most stages of life can be very difficult and sometimes, overwhelming. Try not to make rash decisions because your emotions are fogging things. Easier said than done at times, of course.

It can feel tempting to use a 'quick sale company' or a company offering low fees. These styles of companies have their place but are more appropriate in dire emergencies. Start by looking at your local estate agents.

Ask for three different agencies to visit you and explain their marketing processes. If they tell you the property is worth a lot more than you'd expect, be cautious. Some estate agents aim to flatter you, simply to get your property on their books to meet their targets.

Q: How can I make my property more sellable?

A: In order to get your property sold in a timely fashion, and to help you achieve the maximum price in the market, there are a few easy things you can do.

Simply putting away precious ornaments and family photographs can start the process gently. It makes a big difference for buyers coming to look round as it allows them the freedom to imagine their own items in those spaces.

Q: I really don't want to sell but I know I'm going to have to. What are the downsides if I delay?

A: This is such a common question.

A lot of people try to put off the inevitable because they're scared to face it. It can be extremely daunting to leave behind a home full of happy memories.

What we do hear time and time again, is that people end up wishing they'd done it sooner.

Moving into a care home, or downsizing, can be so fantastic for your well-being and that of your family. Both situations bring with them new opportunities for friendship and different types of support. Even the act of sorting through the items within a home can become a special task. Things you'd forgotten you had done or that you owned bring a new joy when rediscovered.





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