



Selling a home to pay care fees – is it time to break the taboo?

- More than 4 in 10 (42%) homeowners aged 45+ expect to sell property to cover care costs, Just Group Care Report 2021 reveals
- More than half accept principle of using some or all of their property wealth to fund care
- London homeowners able to fund 12 years of residential care compared to an average of just under 4 years in the North East

Pragmatic property owners are realistic about the possibility of needing to use some of the value in their homes to pay for potential care costs, according to new research from retirement specialist **Just Group** that questions government aims to protect the value of the home for future generations.

Boris Johnson has said it is his job to protect people *“from the fear of having to sell your home to pay for the costs of care”* and there have been rumours the government intends to hike National Insurance by 1% to provide further funding for health and social care. The idea has been criticised for placing the financial burden disproportionately on younger and lower-paid workers.

ONS statistics demonstrate that property wealth is concentrated among the over 65s, with this age group holding 41% – or £2.1 trillion – of all housing value¹. And nearly half (47%) of homeowners aged 45+ accept the principle that some of the property value of a £500,000 home should be used to pay for care if someone has no other assets². A further 9% thought the whole value should be used.

That compares to 44% who thought the value of the home should be protected from care costs, according to research carried out for Just Group’s Care Report 2021, the ninth in a series dating back to 2012.

“The government has promised care funding reforms but finding the cash seems to be a sticking point,” said **Stephen Lowe, group communications director at Just Group**. “A big question is whether the value in a home should be protected for inheritance if it increases inequality and means taxpayers who may not be so wealthy picking up the bill.

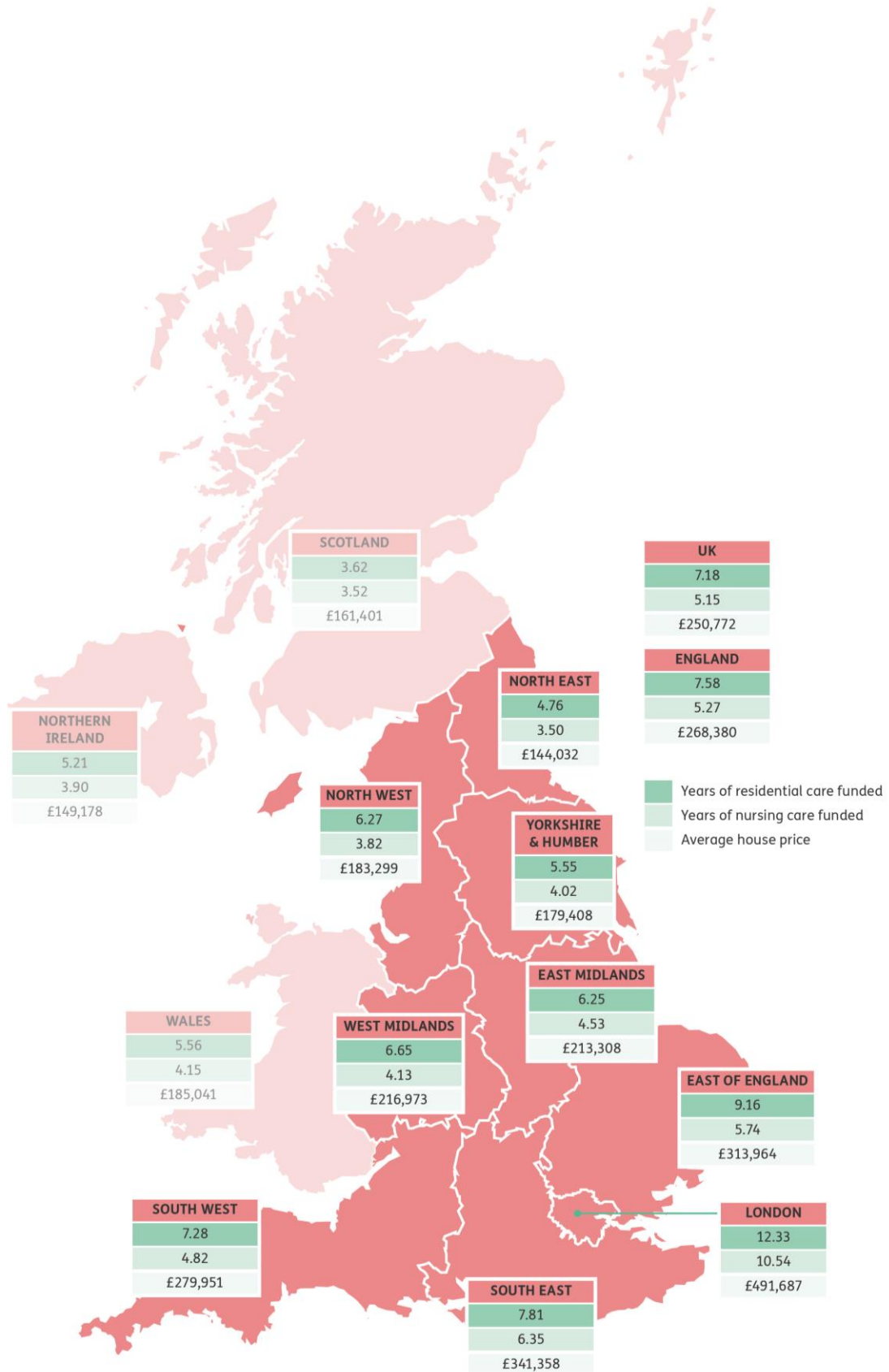
“In our research, the biggest group felt it was fair to use some proportion of the value of the home and two-thirds of these people thought that up to 50% was fair. The caveat is that in recent years we have seen rising numbers wanting to protect the value of the house.

“People are already primed to use their property too – our research found more than 4 in 10 homeowners aged 45+ expected to sell their property if they needed to pay for residential care,” said **Stephen Lowe**.

The Care Report compares the average house price in each region³ against the average cost of care⁴ and shows wide regional disparities in the number of years care property values could cover, with London homeowners able to fund 12 years of residential care compared to an average of just under 4 years in the North East. The England average is over 7.5 years.

“Part of the necessary political debate around social care reform will be to come clean about the role of property rather than treating it as a taboo,” said **Stephen Lowe**.

“Ignoring the issue only encourages the population to do likewise – we need a clear and honest dialogue so that people can confidently make the plans they need for later life.”



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Notes to Editors:

About the research

1. ONS, Total net property wealth by household representative person (HRP) age band: December 2019: <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/adhocs/11060totalnetpropertywealthbyhouseholdrepresentativepersonhrpagebandgreatbritainapril2014tomarch2018>

2. Data taken from the **Just Group Care Report 2021 – The Policy Vacuum**, online survey among 1,000 adults aged 45 years and older in England and Northern Ireland, conducted 7-13 April 2021 by Opinium: <https://www.justgroupplc.co.uk/~media/Files/J/JRMS-IR/news-doc/2021/just-1045-care-report-2021-v8-spreads.pdf>

3. ONS, UK House Price Index: April 2021

<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/housepriceindex/april2021#house-prices-by-country>

4. LaingBuisson Care Homes for Older People, UK Market Report, 31st Edition

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