

LV= Lifetime Mortgage case study Funding a retirement property purchase shortfall



With life expectancy continuing to increase, retirement can be the longest holiday of your life. And living independently into retirement is not always easy or affordable. For some, the solution may be buying a property within a retirement development, which can provide as much/as little support as required, in purpose-built and well-maintained accommodation. Mr M from Sussex did just that, funding the shortfall in purchase price via a lifetime mortgage from LV=.

Mr M had been living on his own for several years in a bungalow that he had inherited from his mother. Over time, he found that his pension was not sufficient to cover his regular bills and he was doing several small, part-time jobs locally to help with paying the bills, despite being well into his 80s. Following a fall several months ago, Mr M became unable to properly maintain his property and longed to move to the coast, to return to the many friends he had made during his long career as a holiday camp performer.

‘Great location and as much support as I need’

He had seen an advert for a retirement development in a SAGA magazine and received a mailing from the developer earlier in the year, offering him a substantial discount on an apartment within this development, together with a part-exchange scheme, provided he could move within a four week time period. He visited the development and was very impressed with the convenient location (close to local amenities, overlooking the park, and with a safe place to cross the road). He was also very reassured by the support available from staff at the development, and really interested in the varied social calendar they run, including coffee mornings, dinner clubs and even celebrity speakers. Once Mr M had chosen the apartment he wanted and paid a small deposit, he discussed his financial situation with his financial adviser. He had decided upon a slightly more expensive apartment than originally planned, giving him more living space as well as a loft space for storage, and he therefore needed to find funds to make up the shortfall in purchase price. Mr M’s adviser recommended a Lifetime Mortgage – lump sum from LV=, as they were able to offer standard terms and no reduction in the loan available (subject to certain terms and conditions being met).

‘Really easy process, everything went so smoothly’

Mr M says that everything was made very easy for him, from his discussions with his adviser and solicitor, right through to the actual moving-in process. And by taking advantage of the part exchange scheme, he did not have to worry about selling the family bungalow himself. His lifetime mortgage was completed by LV= in just 11 working days, enabling him to take advantage of the discount offered by the developer, and also securing new carpets throughout his new apartment. He found the documentation we sent him very well laid out and easy to understand, and was delighted that his application proceeded so smoothly.

‘I can enjoy my final years in clover’

Now that he’s moved into his apartment, Mr M has no regrets at all about his decision to move into a retirement development, or to take out a lifetime mortgage. Without the funds available via this mortgage, he would not have been able to buy the spacious, dual-aspect apartment that he wanted. He says that now he has settled in properly he can start to take advantage of the range of events organised for residents, and he has really enjoyed meeting up with old friends. He also has the peace of mind that there are people close by to check on him and support him, as and when he needs it. Mr M wouldn’t hesitate to recommend this course of action to anyone else.

This is a lifetime mortgage. To understand the features and risks, ask for a personalised illustration.

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