

Guide

Selling a property to fund care.

By The Bayzos Team



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Introduction.

When a loved one needs to move into a care home, it's often one of the most emotional and difficult decisions a family will face. If that person owns a property, families are frequently unsure what their options are and how the process works.

This guide explains the main choices available and how a property sale may fit into funding long-term care.



Understanding care home funding.

In England, whether someone pays for their own care depends largely on their financial assets.

A financial assessment is typically carried out to decide whether someone qualifies for support or not. This includes looking at all their assets, including any property.

Please note: If a spouse or qualifying dependent still plans to reside in the property, the property will be disregarded from any calculation of assets.



Situations where the property may not be counted in an assessment.

In certain circumstances the property may be excluded from the financial assessment.

For example, if it is still occupied by:

- a spouse or civil partner
- a partner
- a relative aged 60 or over
- a dependent child under 18
- a disabled relative

In these cases, the value of the property is normally disregarded.



Current thresholds for financial support in England.

If the person's assets are:

- **Above £23,250** – the person normally pays the full cost of their care
- **Between £14,250 and £23,250** – the local authority may contribute but the person needing care is still responsible for part of the fees
- **Below £14,250** – the local authority generally pays a greater share of the care costs

Figures correct at the time of writing

Because a property is usually the largest asset someone owns, families often decide to sell the home to help fund care fees.

The 12-week property disregard.

If someone moves permanently into a care home and owns a property, the local authority must usually ignore the value of the property for the first 12 weeks during the financial assessment.

During this period, the council will pay a standard amount to cover any care required.

Depending on the person's other financial assets – like accessible savings or income – they will still pay a contribution towards their own care during this time.



This period allows families time to:

- understand the funding situation
- consider their options
- decide whether the property will be sold or kept

After the 12-week disregard period, if a property is not sold, the property value will then be included in the financial assessment.



What are your options for funding care?

Option 1: Selling the Property

Selling the property is the most common route when care is needed long term.

The proceeds from the sale can be used to pay for care home fees.

Typical care costs in the UK are estimated at:

- £800 – £1,200 per week for residential care
- £1,200 – £1,800+ per week for nursing care

Source: Age UK and LaingBuisson UK Care of Older People Market Report.

For many families, selling the property provides the most straightforward way to fund care and removes the ongoing responsibility of maintaining an empty home.

Option 2: Deferred Payment Agreement

Some local authorities offer what is known as a Deferred Payment Agreement (DPA).

This arrangement means:

- The council pays the care home fees on the person's behalf
- The fees build up as a loan secured against the property
- The loan is repaid when the property is eventually sold

This can remove pressure to sell the property quickly.



Option 3: Renting Out the Property

Some families choose to rent the property instead of selling it.

Rental income can contribute towards care fees, although it rarely covers the full cost.

Things to consider include:

- landlord responsibilities and regulations
- ongoing property maintenance
- tax on rental income
- managing tenants while dealing with care arrangements
- if the rental income is enough for you to cover all the required care costs
- management fees for the property if you decide to use an agent to manage things for you



Important note on gifting the property.

Some families ask whether transferring ownership of the property to relatives can prevent it being used to pay for care.

Local authorities can investigate transfers of assets and may treat them as “deliberate deprivation of assets.”

If this is determined, the person may still be assessed as though they still own the property.

Source: Care Act 2014 – Deprivation of Assets rules.



Legal matters to consider.

Families should also check whether Lasting Power of Attorney (LPA) has been arranged for:

- Property and financial decisions
- Health and welfare decisions

If this has not been set up and the person no longer has capacity, the family may need to apply for Court of Protection deputyship, which can take several months.



How an estate agent can help.

Selling a property to fund care can require a sensitive and well-planned approach.

A good estate agent will help with:

- an accurate valuation of the property
- advice on preparing the home for sale
- marketing to achieve the best possible price
- managing viewings and offers
- keeping the process moving so funds are available when needed

Every situation is different, and families often benefit from clear advice and a calm plan during what can be a stressful time.

At Bayzos, our focus is on communication, care, and getting you the best possible outcome, not just getting the property on the market.

If you need any help selling property on behalf of a family member, you can get in touch or book a valuation at the link below.

[Get In Touch](#)

Important Disclaimer.

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For personalised advice, consult your legal or financial advisor.

We look forward to assisting you every step of the way! If you have any further questions, please don't hesitate to reach out.



Final message from the founder.

Funding care when a property is involved can feel overwhelming but there are clear options available. **Whether you choose to sell, rent, or explore a deferred payment agreement, the most important thing is to take the time to understand what's right for your family and your loved one's needs.**

Seeking the right advice early – from legal professionals, financial advisers, and experienced estate agents – can make the process much smoother and give you confidence in the decisions ahead. You don't have to navigate this alone, and with the right support, it's possible to find a practical solution during a very emotional time.

Got any ideas how we can improve this guide?
Please share them – gary@bayzos.co.uk

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