**Downscaling**

**Introduction**

Financial analysis has shown that there is a clear case for Residents who want to down scale to do so without financial disadvantage. Facilitating this process will result in the Resident’s current larger cottage being sold at current rates, rather than selling the smaller cottage to new applicants. The application of this policy will also encourage residents to follow a natural progression to smaller cottages as their need arises, whether through loss of a life partner or increasing financial difficulty.

**Parameters**

The ideal downsizing ratio would be approximately 50%. For example if the Resident currently occupies a cottage of 120 sq m, then a downsized cottage of 60 sq m would be ideal. Downsizing to a cottage of 40% of the original area and less should not be considered unless there are particularly compelling circumstances.

**Condition of Cottages**

In order to encourage Residents to downsize, the condition of the small cottage should be near to our current refurbishment standard. The Residents requesting downsizing will, in general, be single and probably quite old and their occupancy outlook may be fairly short. It would probably be likely that we could turn over a small cottage more than once after refurbishment.

Structural alterations would not normally be considered, if for the Parks’s account, but may be contemplated if at the Resident’s expense.

All refurbishment proposals must be handled in terms of the current Refurbishment Policy.

**Eligibility**

Current Residents would have priority for downsizing, and any small cottage would not be offered to an outside purchaser until all internal avenues have been exhausted. As small cottages come onto the market, they will be assessed for refurbishment, and then offered to Residents. The availability must be advertised to all Residents by means of individual slips in letter boxes and Silver Threads, if applicable.

**Contracts**

A new contract must be signed by the Resident. The Life Right will remain as originally contracted and the terms and conditions of the original contract will remain in force. The new Contract will detail the Cottage number and new leviable area.

**Delegated Authority**

The Sales and Operations Manager is authorised to negotiate a downsizing swop up to an area reduction of 45% and greater. Any request for a swop ratio of less than this must be authorised by the General Manager.