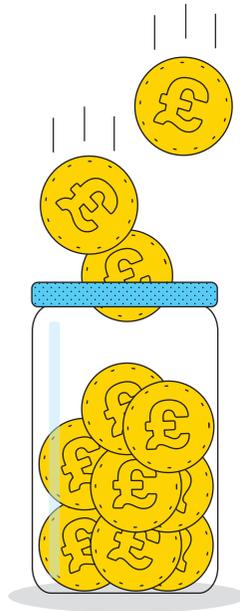


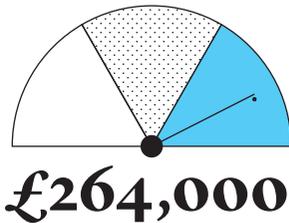
The value of lifetime mortgages

The market



2

Longevity. People are living longer and they want to do more. They need more money to fund their retirement. On average, people spend at least 20 years in retirement.



3

Property average housing wealth for ages 55+ is £264,000. Compare this with the average pension pot of £61,897 or savings and investments of £47,237.



1



£2.6 trillion approximately held in housing wealth by over-55s.

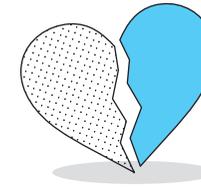
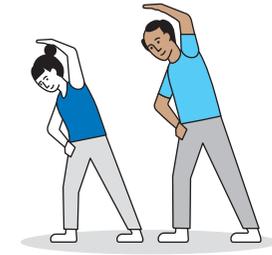
4

Property is increasingly considered as an asset in retirement planning. The Equity Release Council has implemented rules that improve customer experience and the industry's reputation. IFAs and mortgage brokers are getting qualified to tap into this fast-growing market

What is the customer need?

1

Living a more colourful retirement. Whether that means bridging an income gap or enabling a more adventurous retirement.



2

Helping support couples in divorce. The rate of divorce in over-60s is rising, and this trend is predicted to increase. A lifetime mortgage could be an alternative to a pressured sale, and allow one of the partners to stay in the family home.

3

First-time buyers. House prices are out of reach for many. Young people may struggle to get on the property ladder, and many families want to help. Grandparents can use a lifetime mortgage to release some of the equity in their home and the gift can be used as a deposit.



4

Inter-generational gifting. Parents and grandparents can use their housing wealth to help their family with expenses such as university fees, weddings and driving lessons.



5

Tax advantages. Lifetime mortgages can be a useful tool for estate planning, and for homeowners to gift to family while they are able to see them benefit.

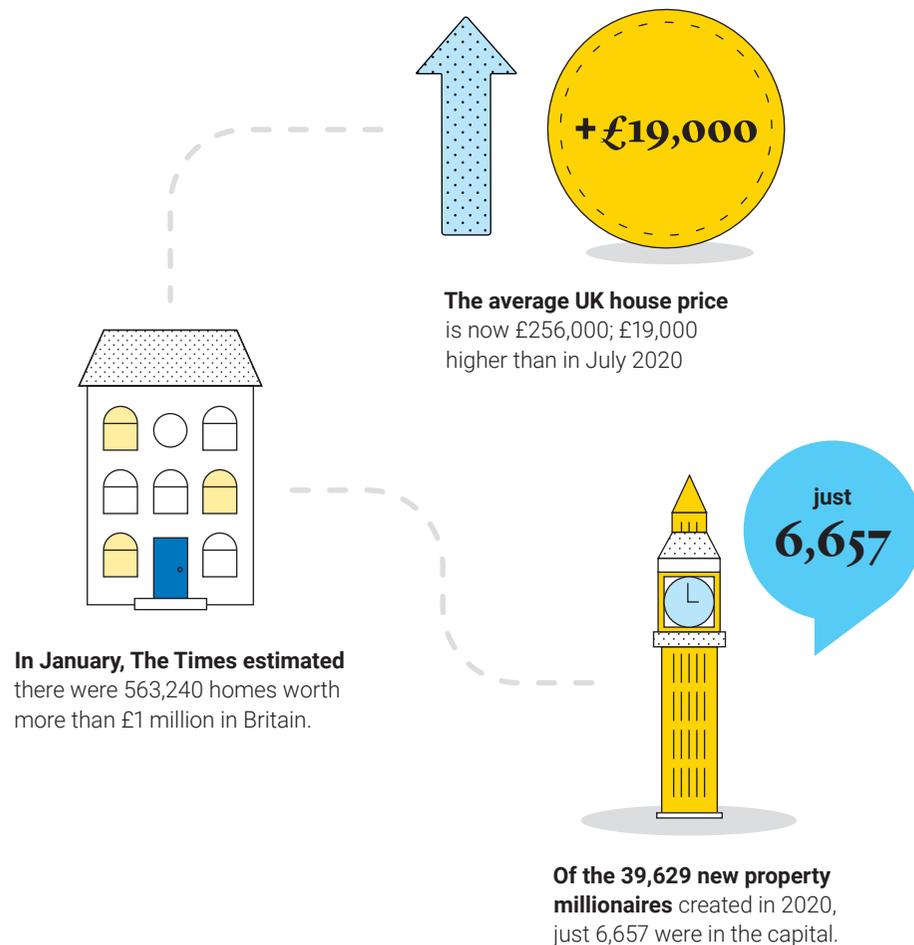
This is not a consumer advertisement. It is intended for professional financial advisers and should not be relied upon by private customers or any other persons.

A lifetime mortgage is a loan secured against your client's home and will reduce any inheritance they may wish to leave behind. If your client gifts the money away, the recipient may have to pay inheritance tax in the future. There may be cheaper ways to borrow.

Property millionaires

There is an **emerging group of 'asset-affluent' people**, who might not have particularly large incomes but, by virtue of the rising value of property, are now, effectively, millionaires. Helping individuals to maximise the management of their assets, including property and not just Pensions and Investments, is becoming increasingly important.

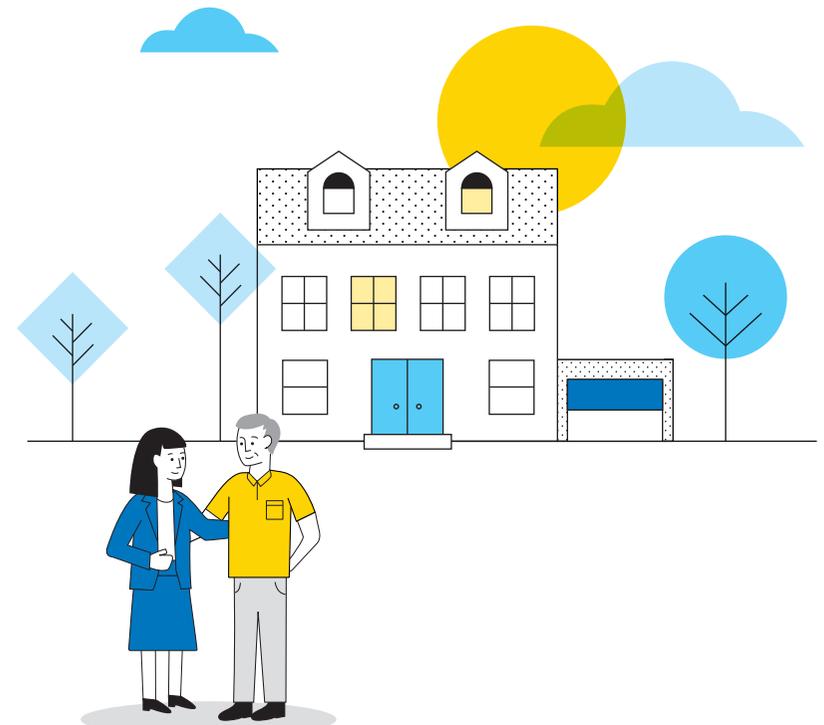
Not considering equity release could mean advisers missing an opportunity to grow their own business and equally, as a wider industry, not helping guide clients towards a solution which could give them a better quality of life in retirement.



John and June

“Our children will get our money when we die, but that’s not the time they really need it. They need it now, when there are bills coming through the door and they’ve their own children to bring up. This is the best use we can make of the benefits we have gained of being able to buy a house like this back in 1991.”

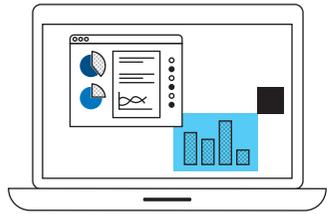
– John, L&G Lifetime Mortgage Customer



Find out more about John and June's story

Watch now >

What are the business growth opportunities?



1

Maintain control

Holistic “later life lending” proposition = better visibility of assets. The property is likely to be a client’s largest asset. By adding lifetime mortgages to the advice process, advisers offer more holistic advice by including “Property Funds Under Management”, avoid referring out to competition and maintain visibility of the full financial picture.

2

Future-proof

Broaden your firm’s proposition to include a growing sector. As the population ages, the over-55 market will increase, and many will be looking to access property wealth to fund their lifestyle or ambitions for retirement. Equity release lending reached £3.89 billion in 2020.



Succession planning.

Cascading wealth through gifting will introduce the adviser to the next generation of savers, build trust and instil the value of financial advice pre-retirement.

300 clients x
£500k
=
£150m

Build embedded value of customer base.

An IFA practice might have 300 clients with an average house value of £500k = £150m of property value under management. This is in addition to pensions and investments the adviser is looking after for their clients.

Develop recurring income.

Future drawdown commission, and lifetime mortgages that provide regular payments to the client, can provide an ongoing income for the adviser.

How do we support advisers?



1

We help advisers get qualified. Free ER1 qualification workshop and online study portal.

2

Ongoing support to help develop adviser confidence. Our highly rated technical workshops, webinars and educational materials help build adviser knowledge and confidence in the market.



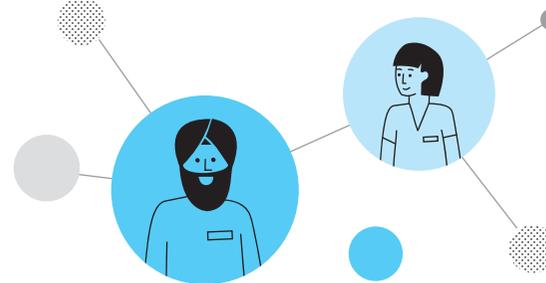
3

Marketing support. Access to marketing template letters, emails and promotional materials, to help advisers attract new clients and communicate the benefits to existing ones.



4

Develop strong professional connections. Support with lead generation, working with professional partners.



5

Help with vulnerable customers.

We work in partnership with advisers and charities to provide “full life” support to those who may become vulnerable.

To find out more about the value of later life mortgages

[Get in touch >](#)