



The Over 55  
**EQUITY RELEASE  
SERVICE**



A comfortable retirement, **on the house**  
– attitudes towards equity release among the over 55s

SunLife

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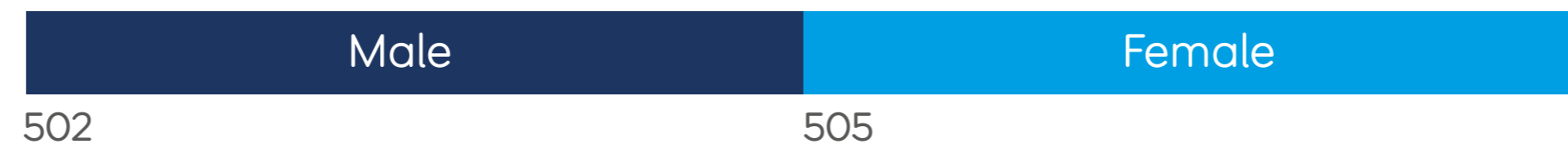
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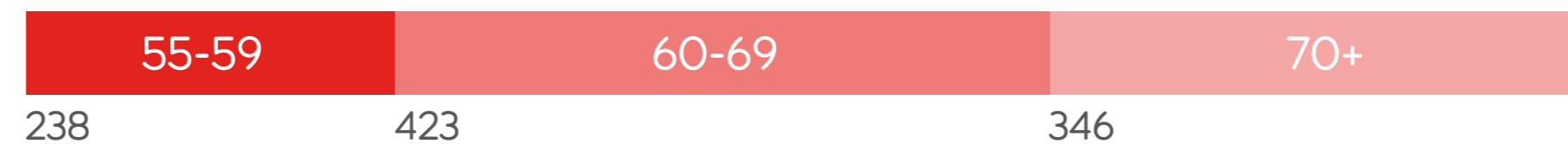
# About the report

An online survey was conducted of **1,007 UK homeowners aged 55+**

Gender



Age



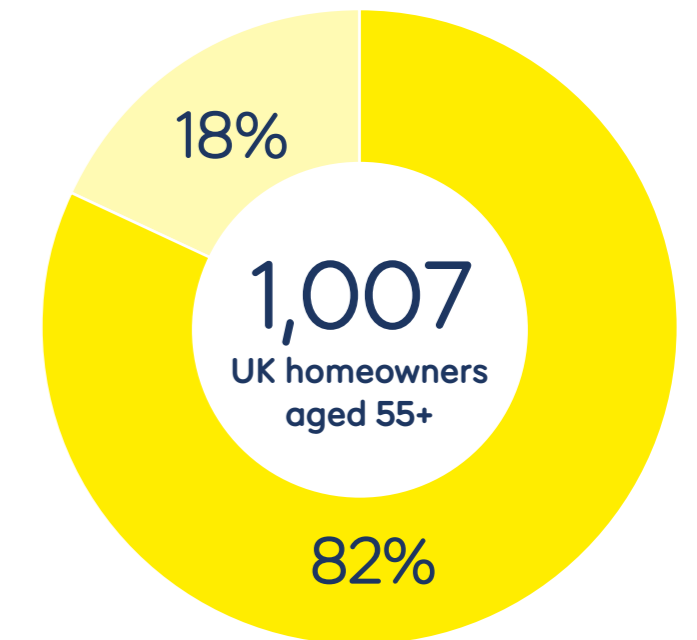
Country



Demographic



Own their home with a mortgage



Own their home outright



Results are weighted to be nationally representative of the UK population in terms of age, gender and country.

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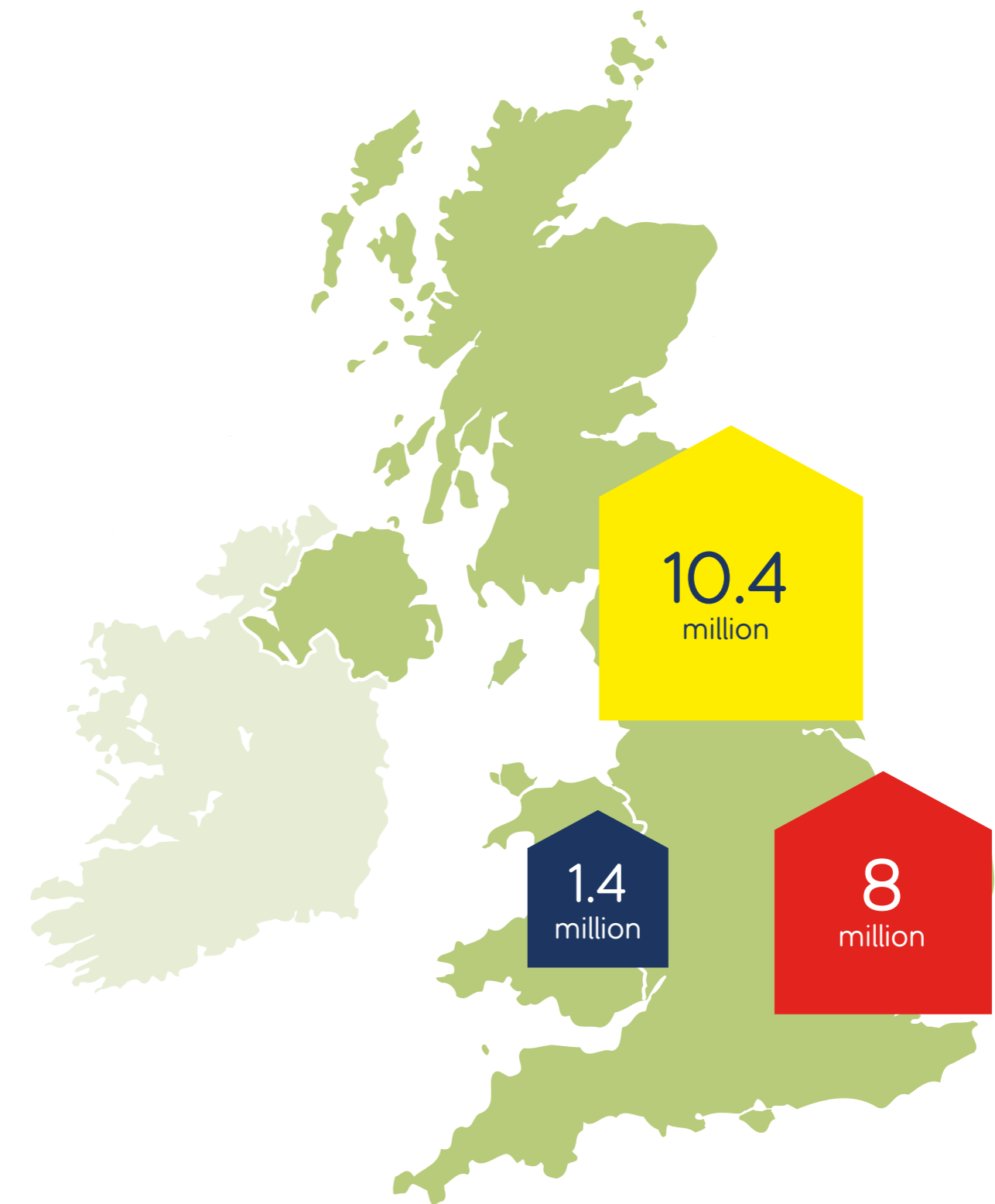
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# At a glance

-  Households where the main household reference person is over 55\*
-  Households that are owner occupied
-  Households with a mortgage still left to pay



Sources: 2003-04 to 2007-08: English House Condition Survey, full household sample; 2008-09 onwards: English Housing Survey, full household sample  
<https://www.gov.uk/government/statistics/english-housing-survey-2016-to-2017-headline-report>

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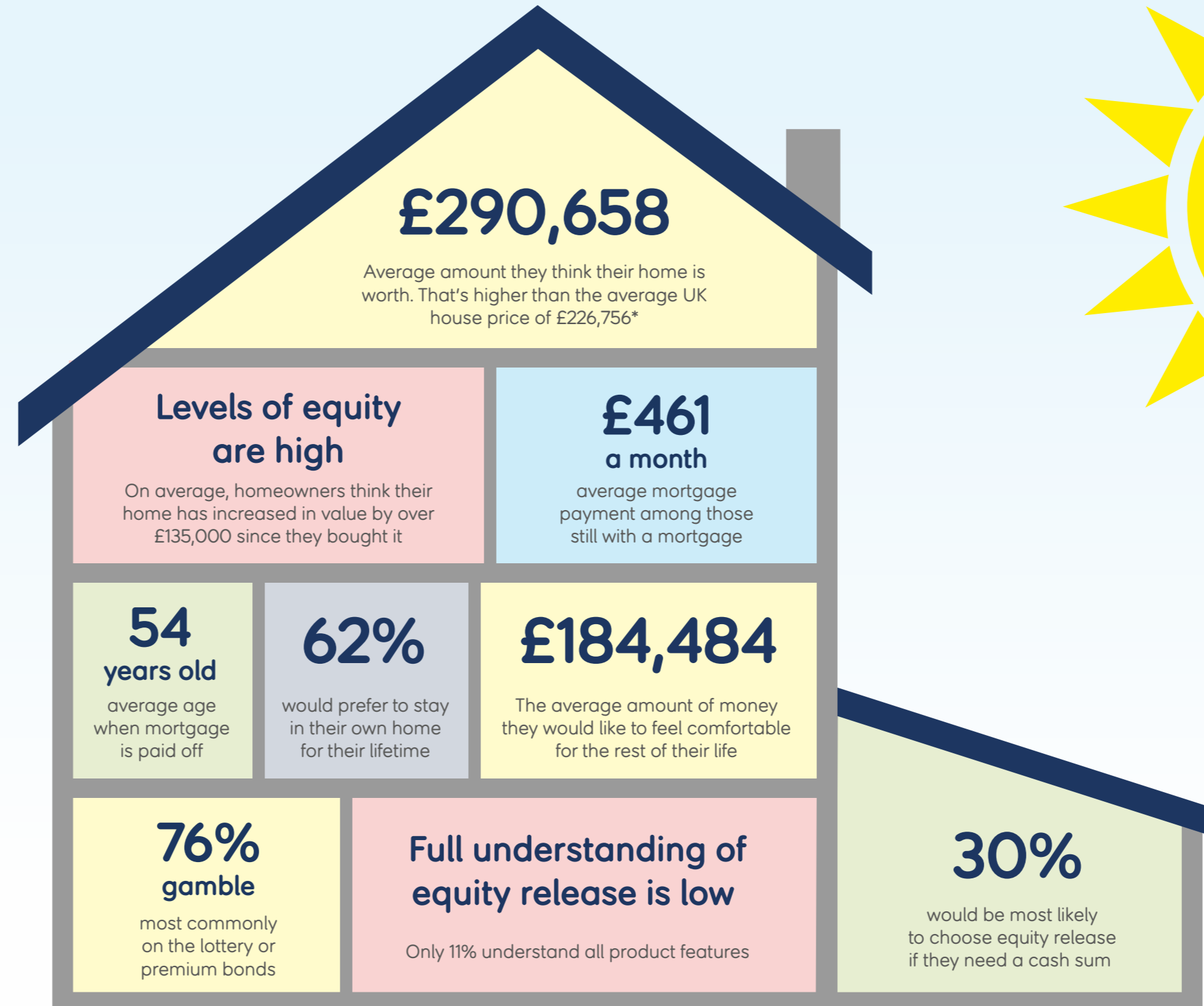
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# Highlights



\* ONS December 2017 figures show that the average house price in the UK is £226,756

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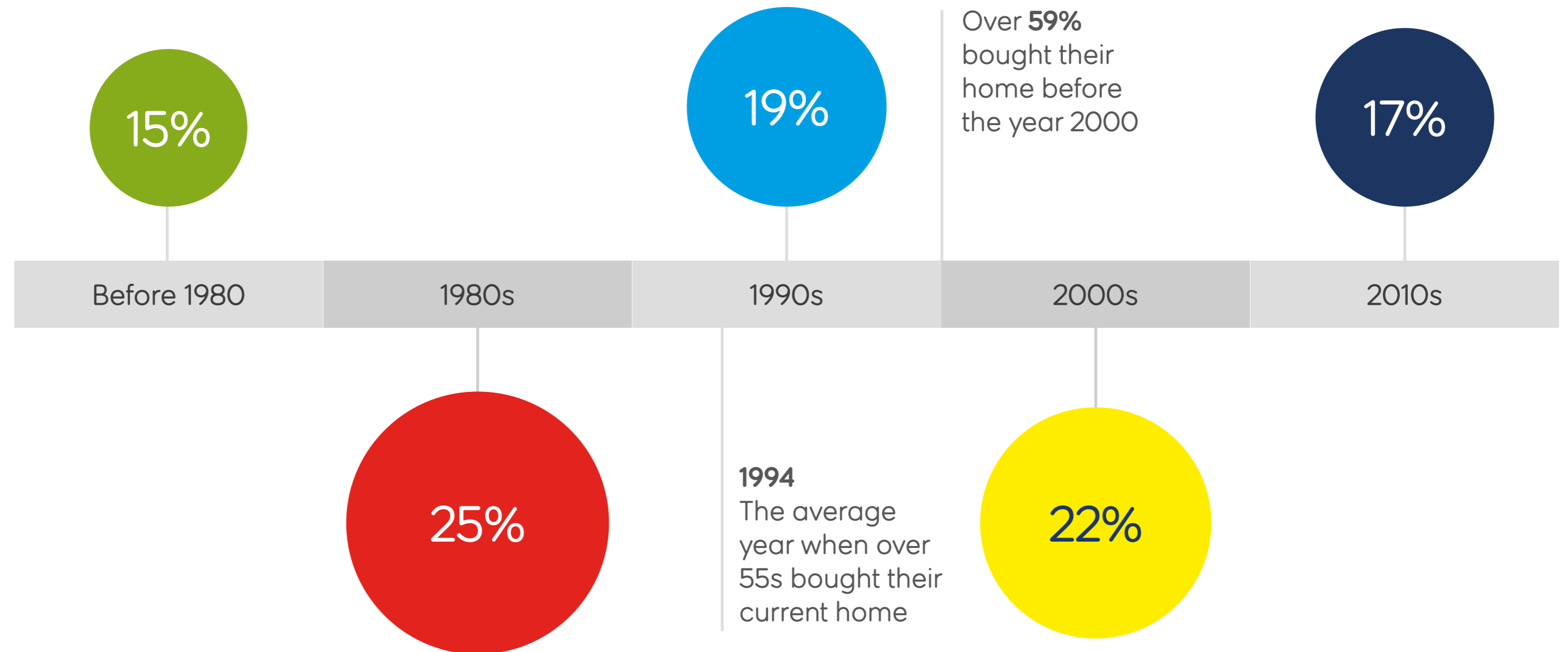
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# What year did you buy your home?



## Many have lived in their home for **over 20 years**

\* ONS December 2017 figures show that the average house price in the UK is £226,756.

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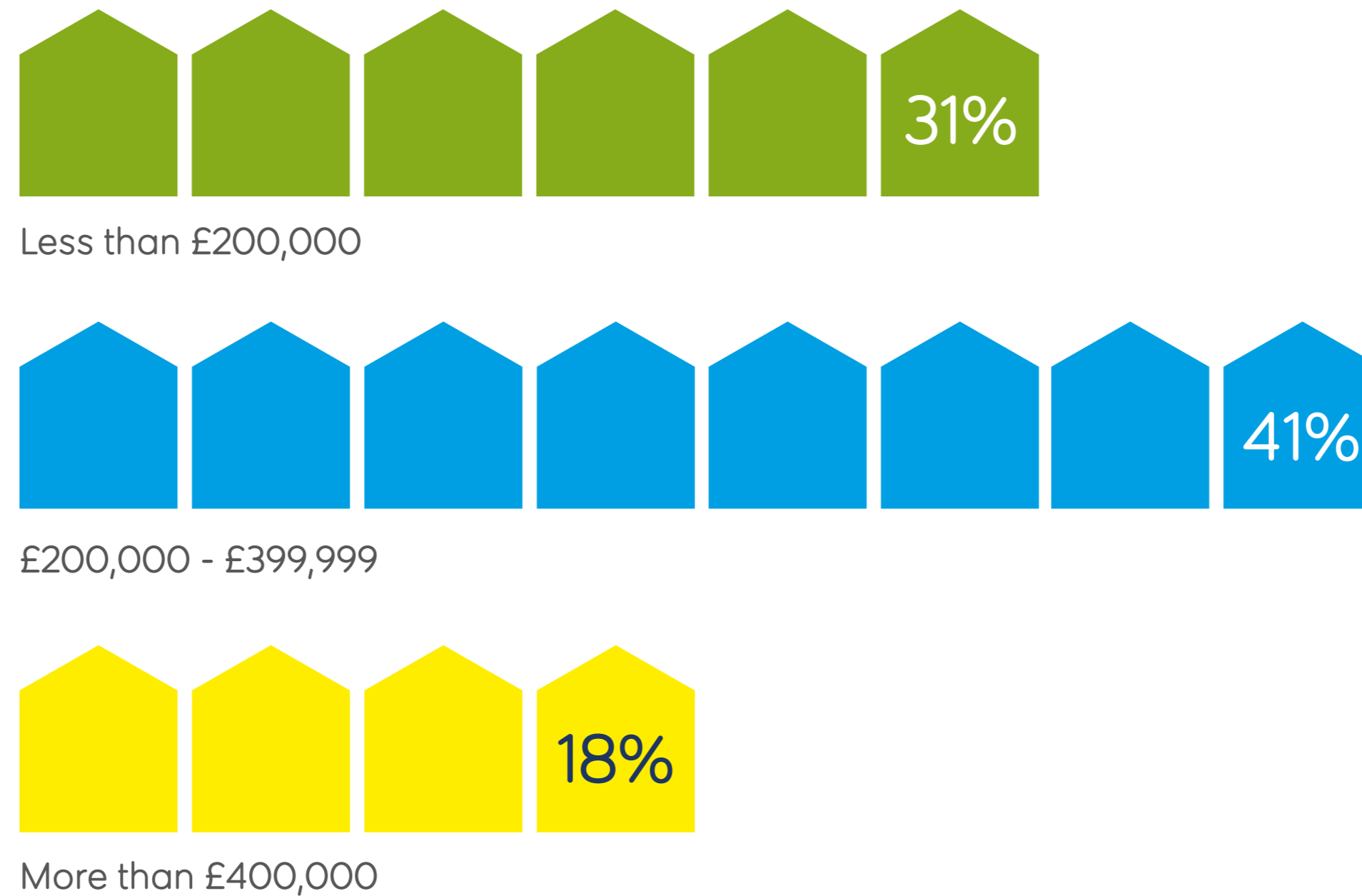
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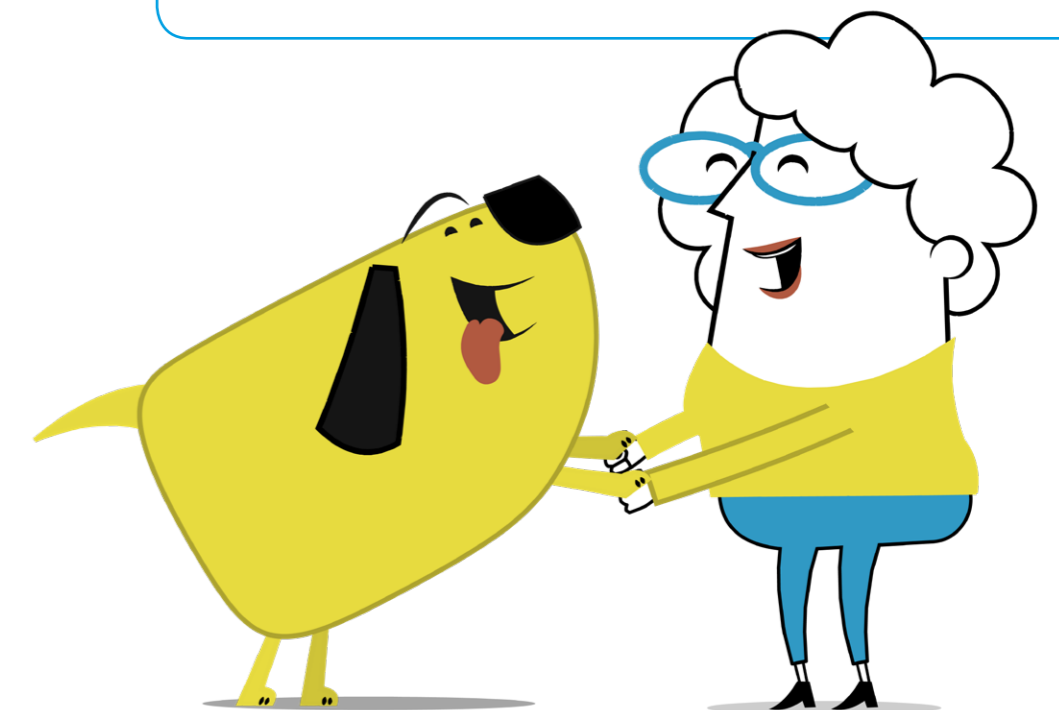
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# What do you think your home is worth?



On average, homeowners think their property is worth **£290,658**

That's more than the average UK house price, which is £226,756\*



Question: Q6. What is the approximate value of the property that you live in? Base: All home owners aged 55+. Excluding Don't know/Prefer not to say.  
\*Source: ONS December 2017  
<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/housepriceindex/december2017>

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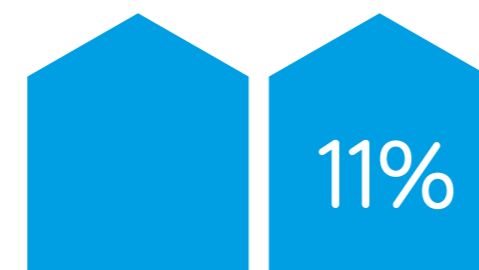
# How much do you think the value of your home has increased?



Less than £100,000



£100,000 - £199,999



£100,000 - £199,999



More than £300,000

The average amount individuals think their home has increased in value since they bought it is **£135,525**



say their home has increased in value since they bought it.

Question: Q6. What is the approximate value of the property that you live in? Base: All home owners aged 55+. Excluding Don't know/Prefer not to say.

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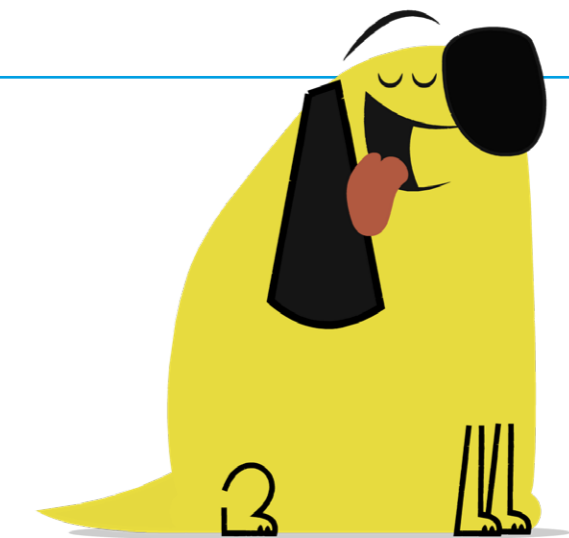
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# Over 55s have a good handle on property prices



That's just **£1,000** out...

On average, someone aged 55+ has lived in their home for 24 years – but they still show an excellent understanding of their home's true value.



Question: Q6. What is the approximate value of the property that you live in? Base: All home owners aged 55+. Excluding Don't know/Prefer not to say.  
\*Source: ONS December 2017

<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/housepriceindex/december2017>



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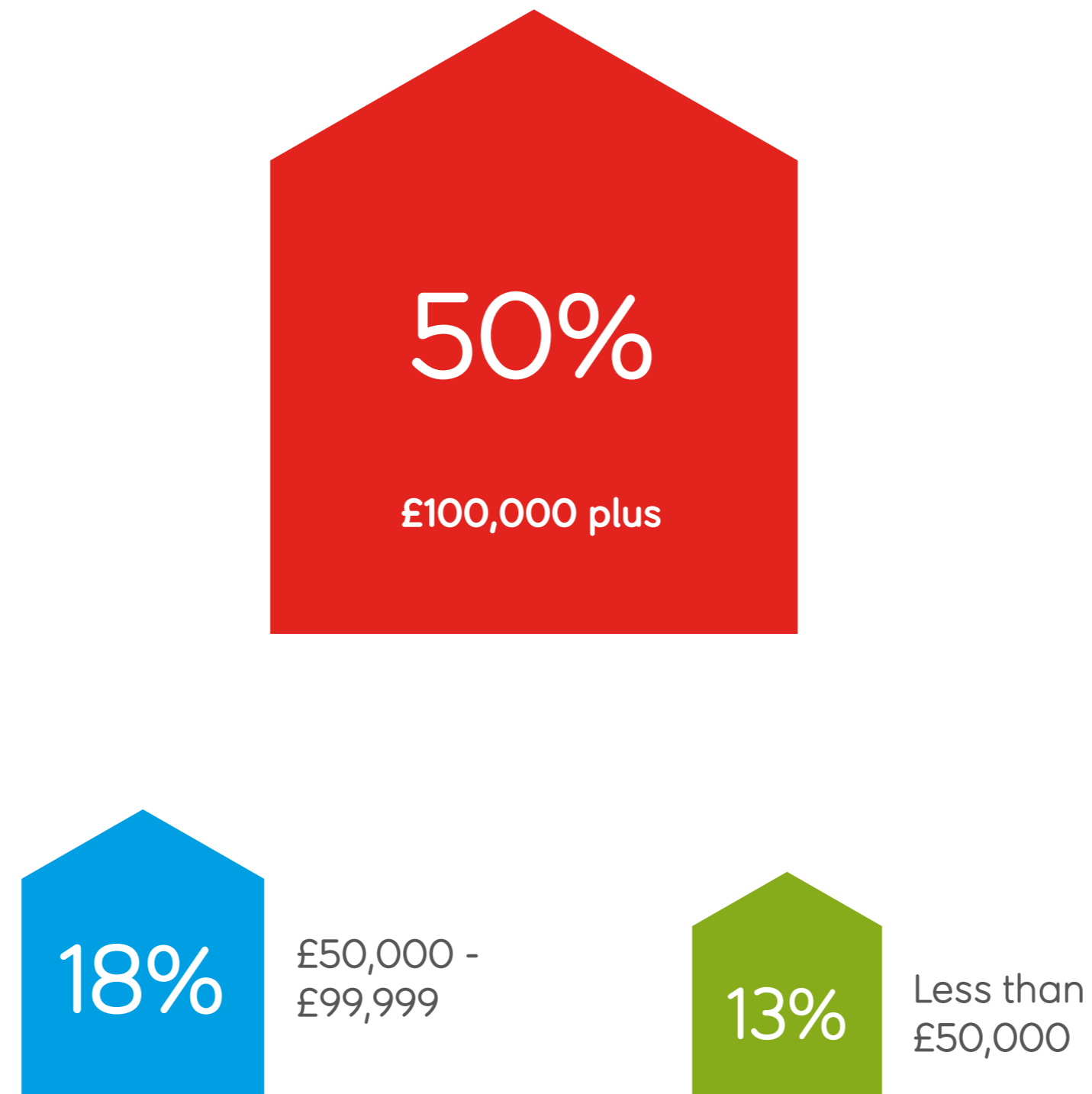
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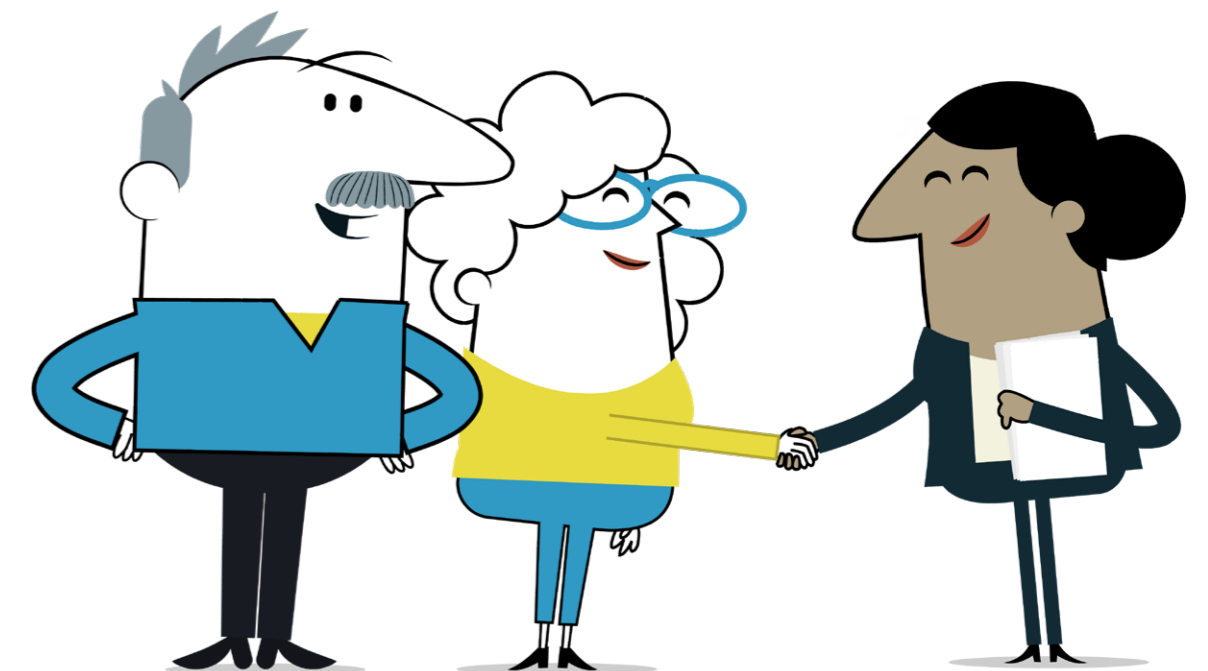
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# How much is left to pay on your mortgage?



**18% still have a mortgage...**

Among homeowners aged 55+ who still have a mortgage, the average amount left to pay is £55,044. Half owe less than £50,000.



Question: Q5b. How much in total is left to pay on your mortgage? Base: All individuals who own their own home with a mortgage aged 55+. Excluding Don't know/Prefer not to say.

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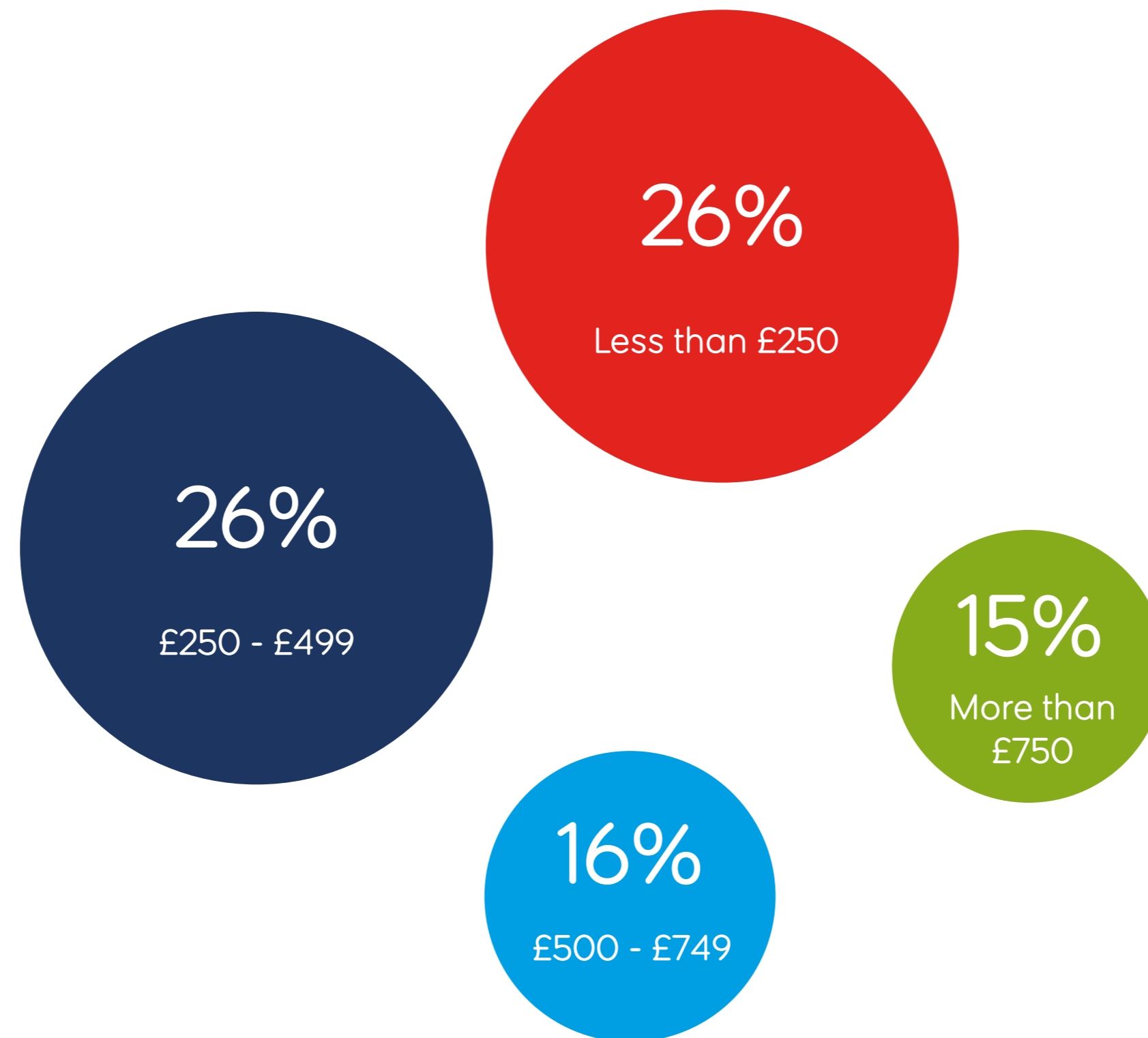
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# How much are the monthly repayments on your mortgage?



...and the average mortgage repayment is **£461 a month**



On average, they'd save £461 per month if they no longer had to make their monthly repayments.



Around a third (31%) would save more than £500 on their monthly repayments.

Question: Q5b. How much in, pounds, are the monthly repayments on your mortgage? Base: All individuals who own their own home with a mortgage aged 55+. Excluding Don't know/Prefer not to say.

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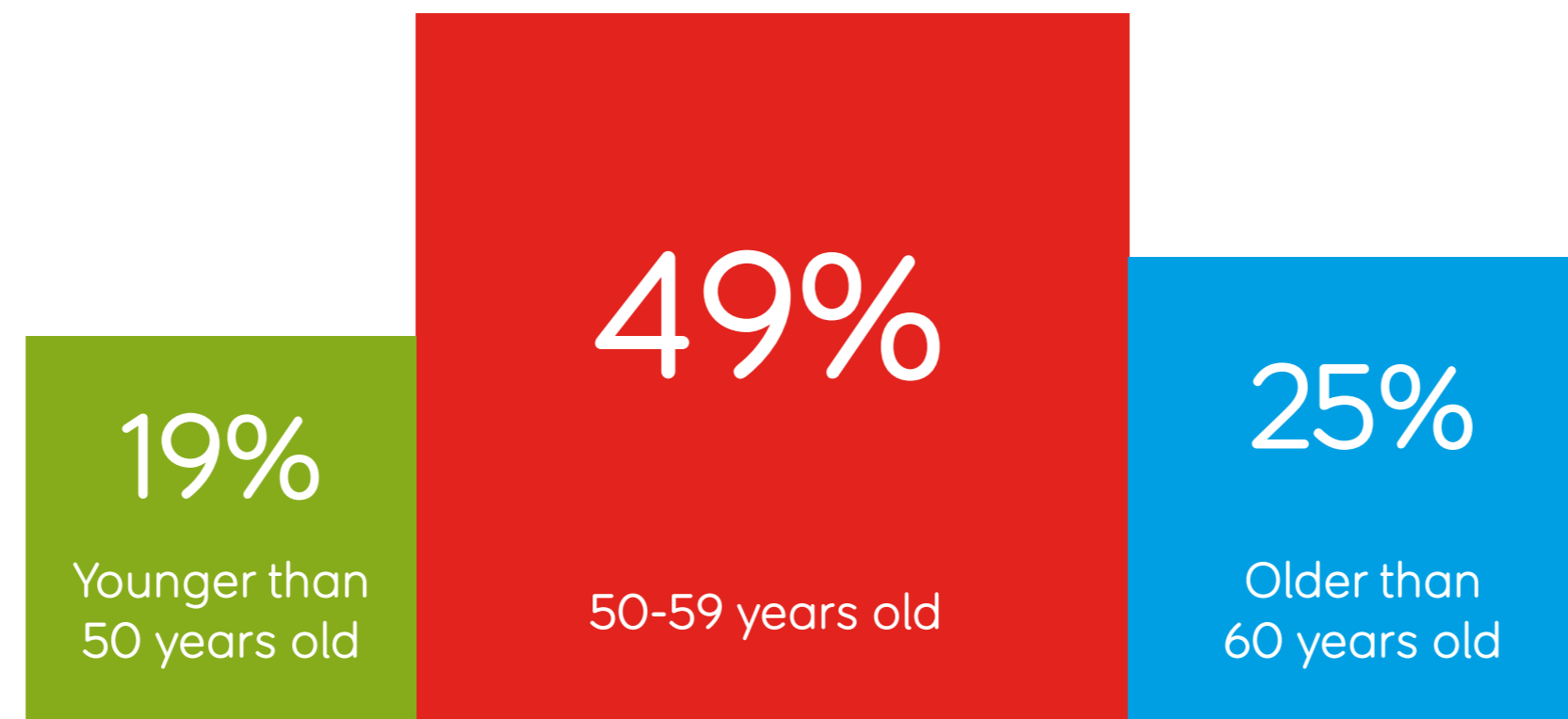
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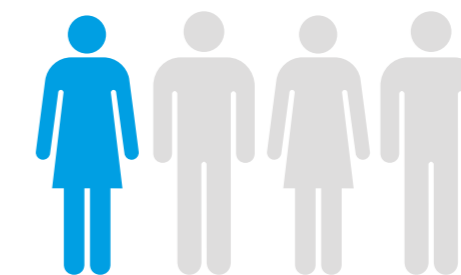
## How old were you when you paid off your mortgage?



**54** is the average age when homeowners pay off their mortgage



1 in 5 homeowners aged 55+ with no mortgage had paid off their mortgage by the age of 50.



Meanwhile, a quarter were still paying it off into their 60s and beyond.

Question: Q5d. How old were you when you paid off your mortgage? Base: All individuals who own their own home with no mortgage aged 55+. Excluding Don't know/Prefer not to say.

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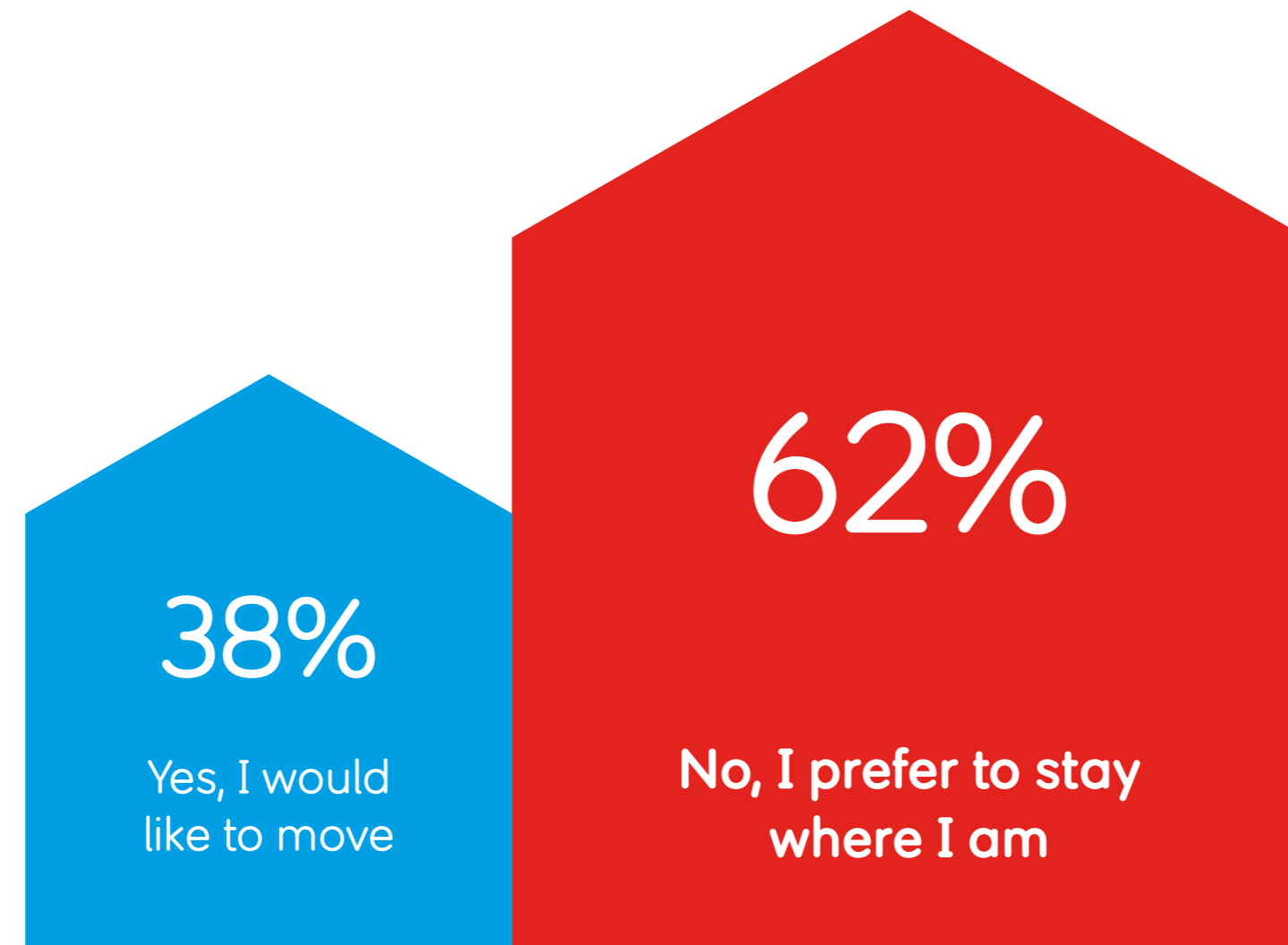
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## Home sweet home



In general, homeowners aged 55+ would prefer to **stay in their own home.**

62% would like to stay where they are – and this figure is higher among those aged 70+.

Question: Q8. Would you like to move home again in your lifetime, or would you prefer to stay where you are, if you were able? Base: All home owners aged 55+. Excluding Don't know/Prefer not to say.

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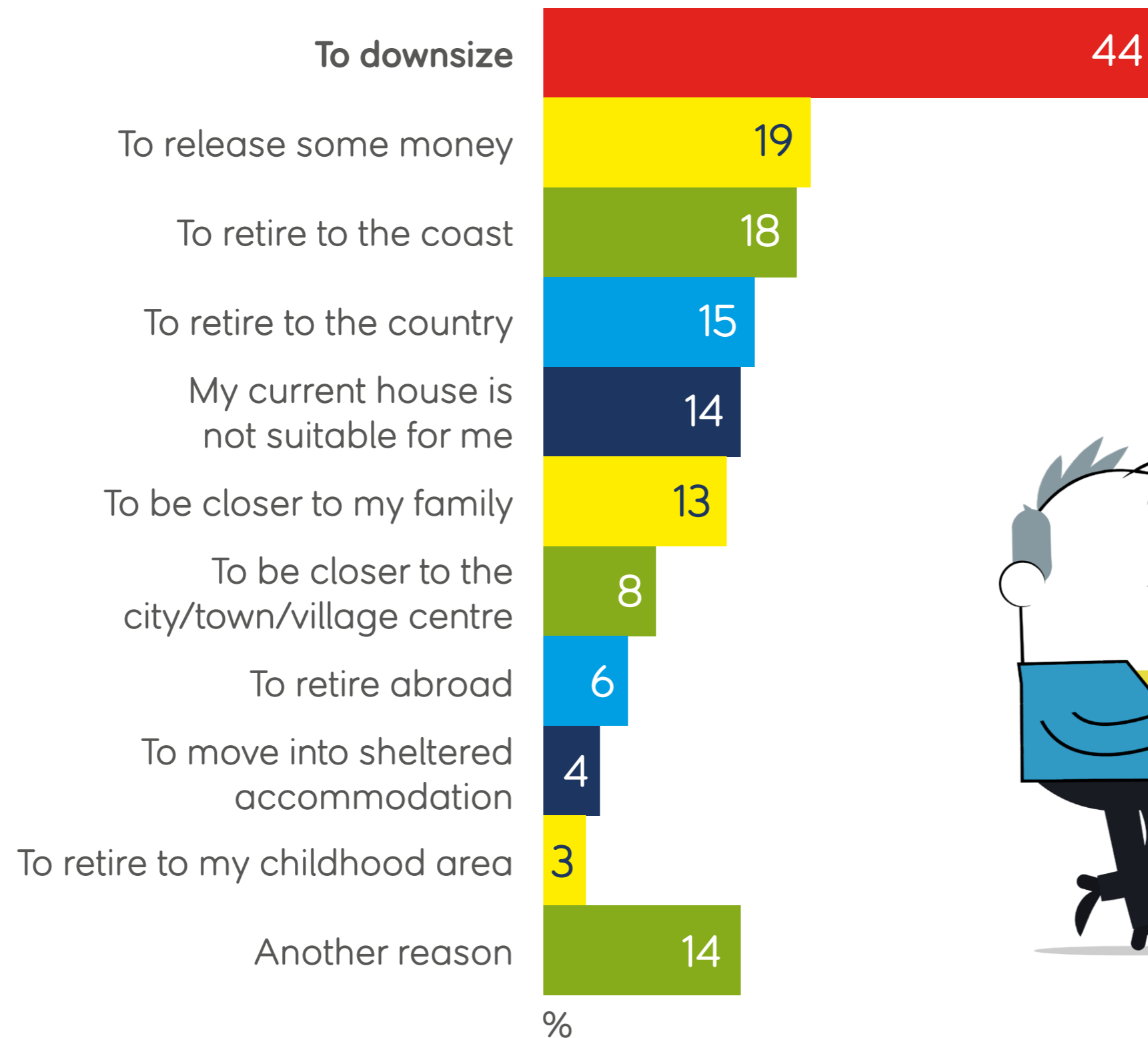
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# Why would you want to move home again?



**Downsizing is the main reason to move**

Among those who'd like to move home again, downsizing to a smaller property is the most popular reason – followed by releasing money and retiring to the coast or countryside.



Q8b. Why would you like to move home again? Base: All homeowners aged 55+ who want to move again.

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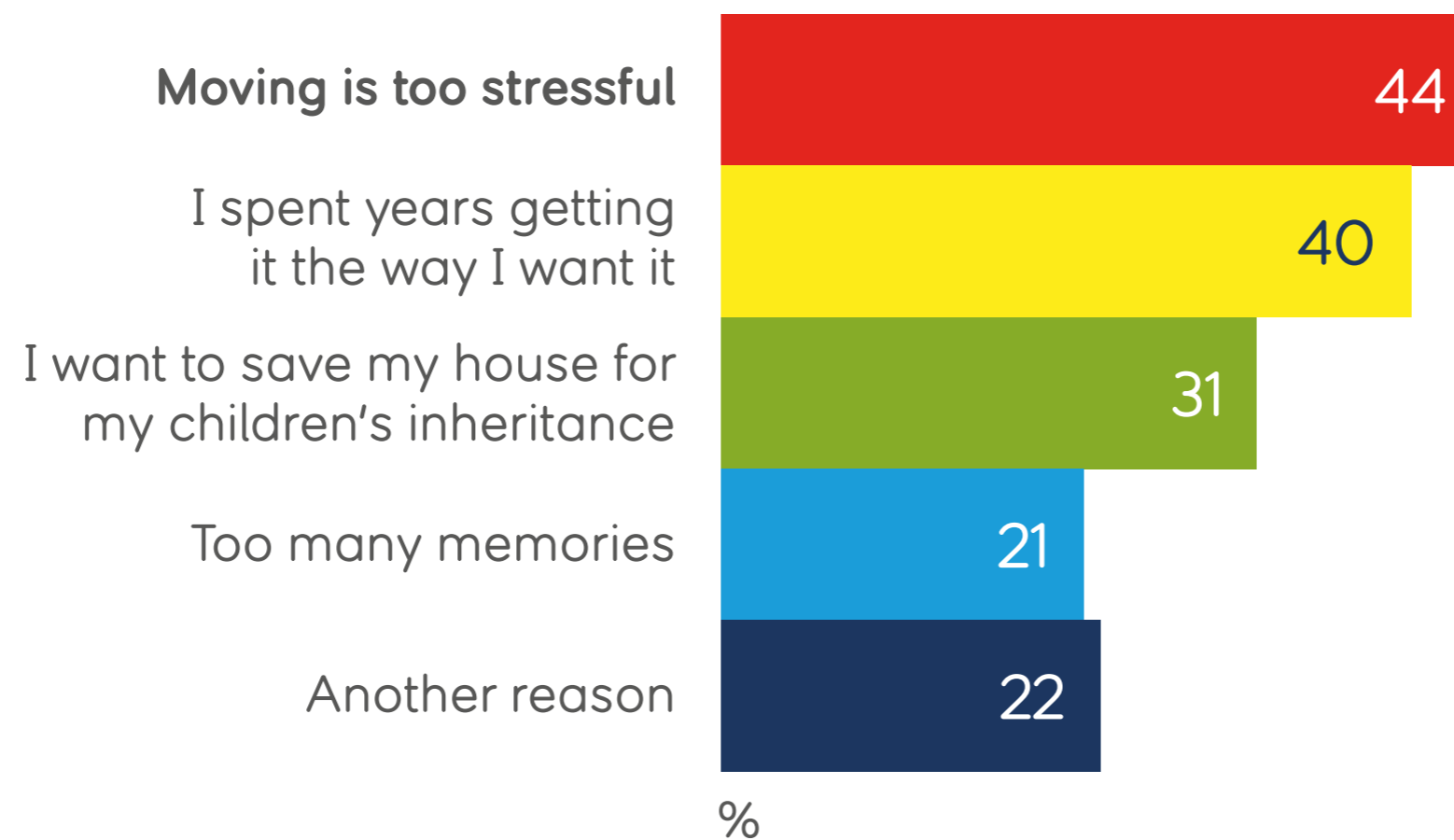
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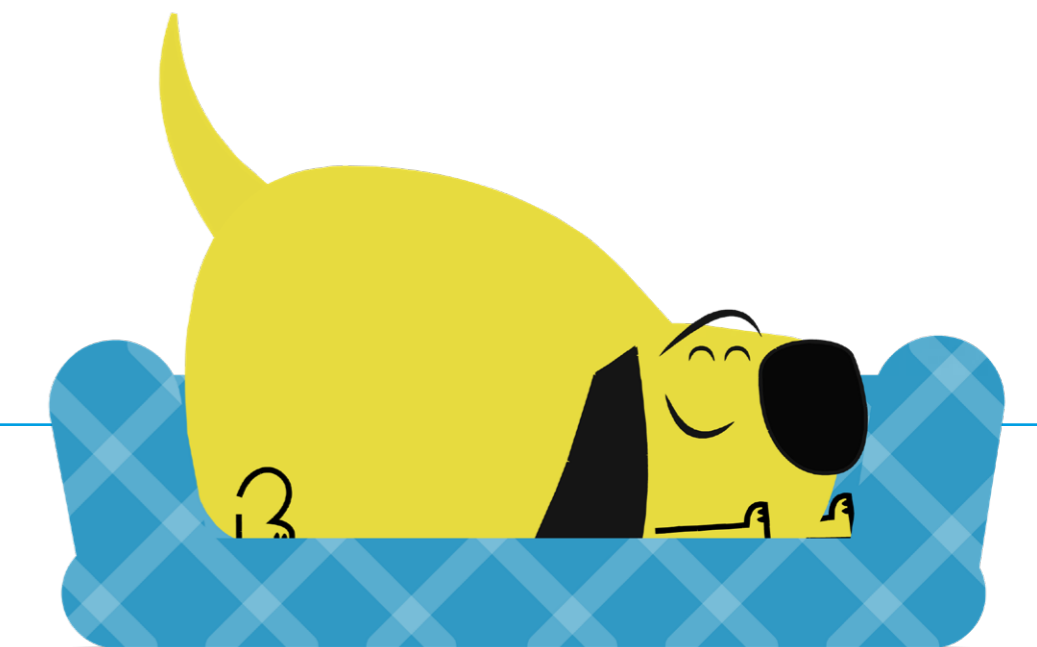
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## Why wouldn't you want to move home again?



### Staying put is less stressful

Among those who wouldn't like to move again, the stress of moving is the main reason – followed by the fact that they've spent years getting their home the way they want it.



Q8c. Why wouldn't you like to move home again? Base: All Homeowners aged 55+ who do not want to move again based on all given reasons.

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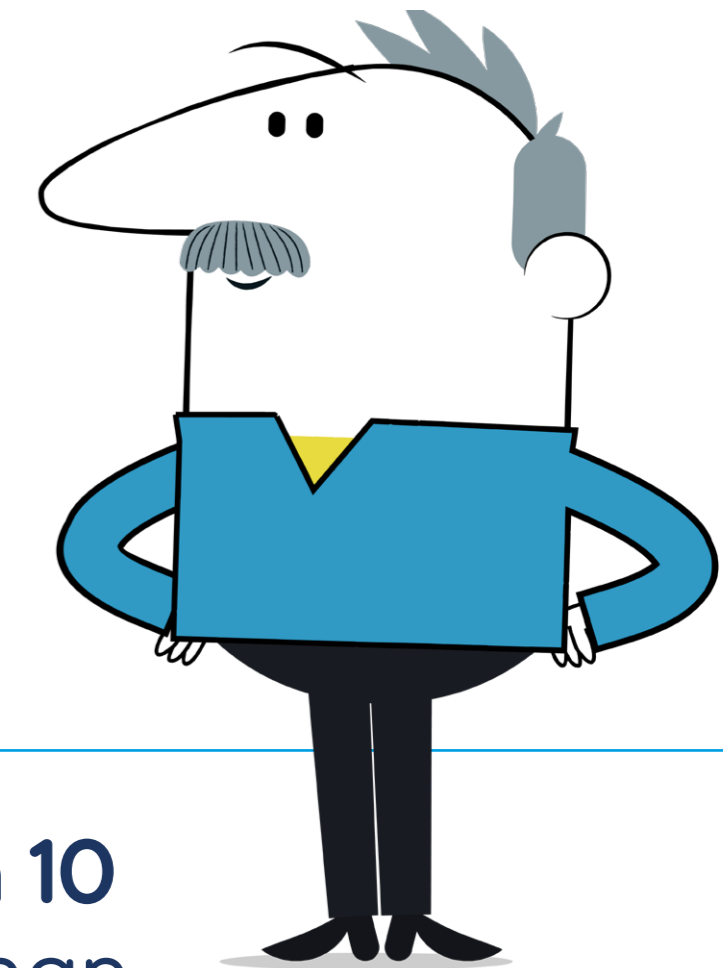
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## Do you feel better off, worse or as expected?



**Fewer than 4 in 10** are better off than they expected at this time of their life.



Q8B. Why would you like to move home again? Base: All homeowners aged 55+ who want to move again.

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# Why do you feel worse off?



## Rising living costs make people feel worse off

Among the 18% who feel worst off, the main reasons are the rising cost of living (65%) and poor interest rates on their savings (44%).

Pensions being lower than anticipated can also make people feel worse off (40%) – while having a good pension is the main reason why people feel better off (65%).

Q8B. Why would you like to move home again? Base: All homeowners aged 55+ who want to move again based on all given reasons.



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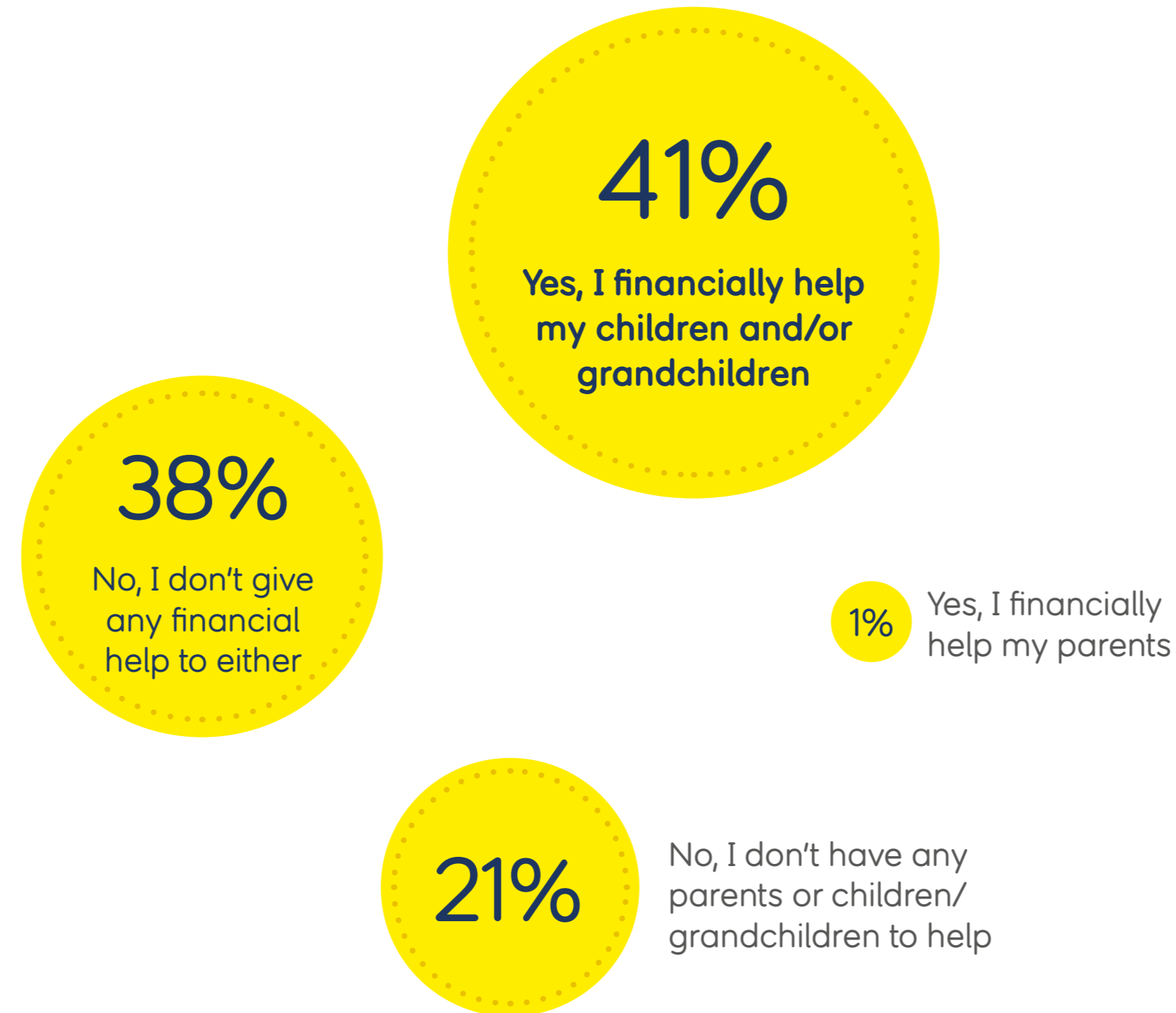
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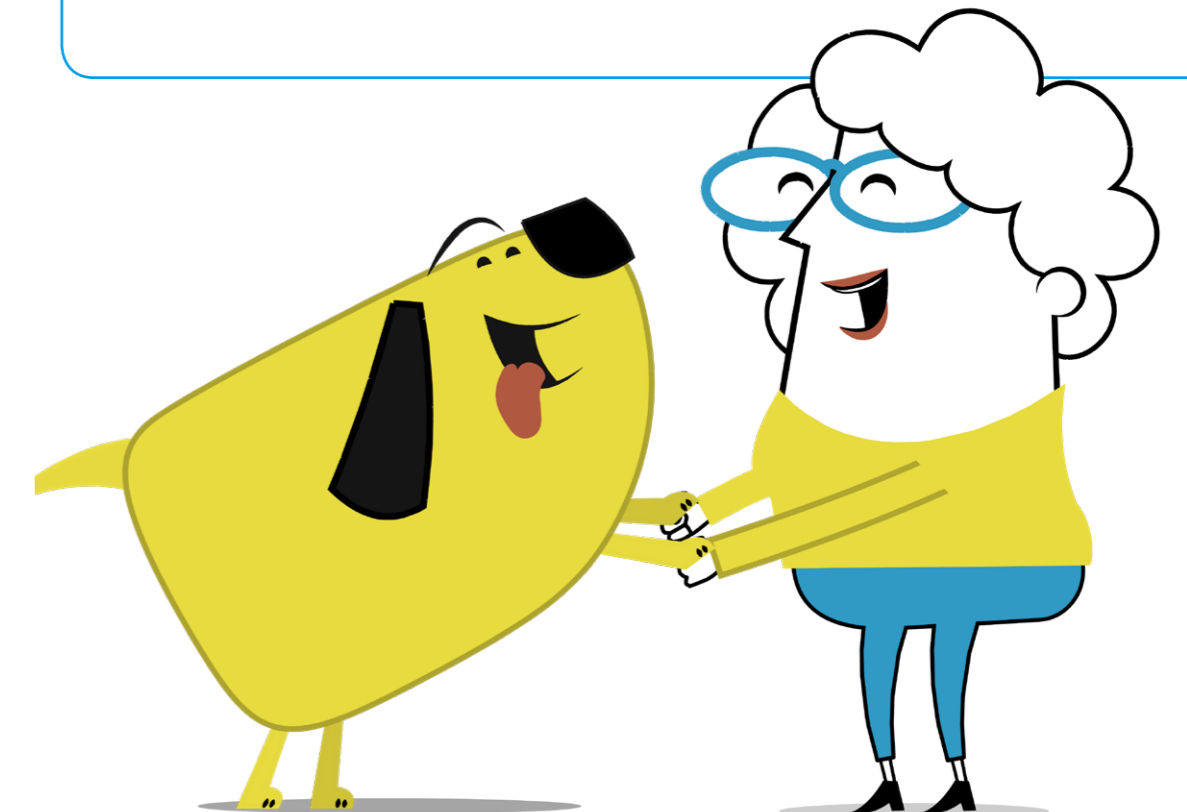
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## Who's lending a hand?



**2 in 5 (41%)** are providing financial support to their children or grandchildren.



Question: Q10. Do you give any kind of financial support to your parents or children/grandchildren? Base: All Homeowners aged 55+. Excluding Don't know/Prefer not to say.

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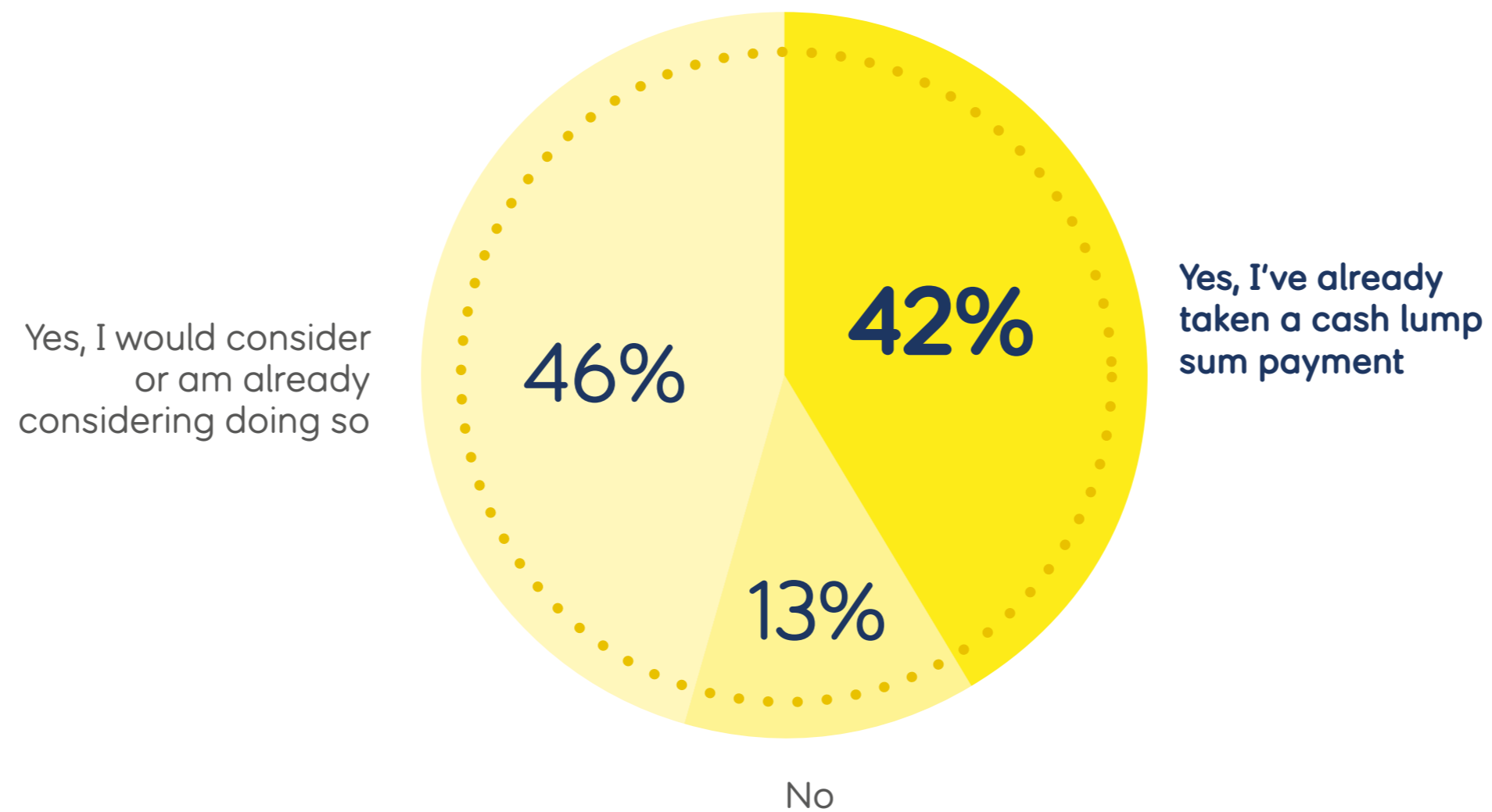
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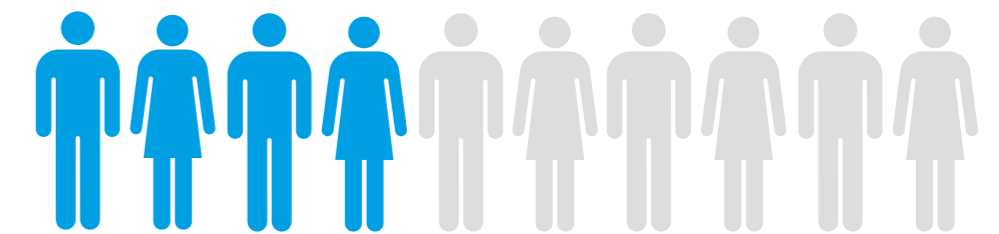
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# Have you, or would you ever consider taking a cash lump sum payment, from your pension pot?



**4 in 10** with a private pension have taken out a lump sum in cash



42% have already taken a cash lump sum payment. The average amount taken from their pension pot is £35,052.\*

Question: Q12. Have you, or would you ever consider taking a cash lump sum payment, from your pension pot? Base: All homeowners who have a private pension(857) / have taken out a lump aged 55+. \*Excluding Don't know/Prefer not to say.

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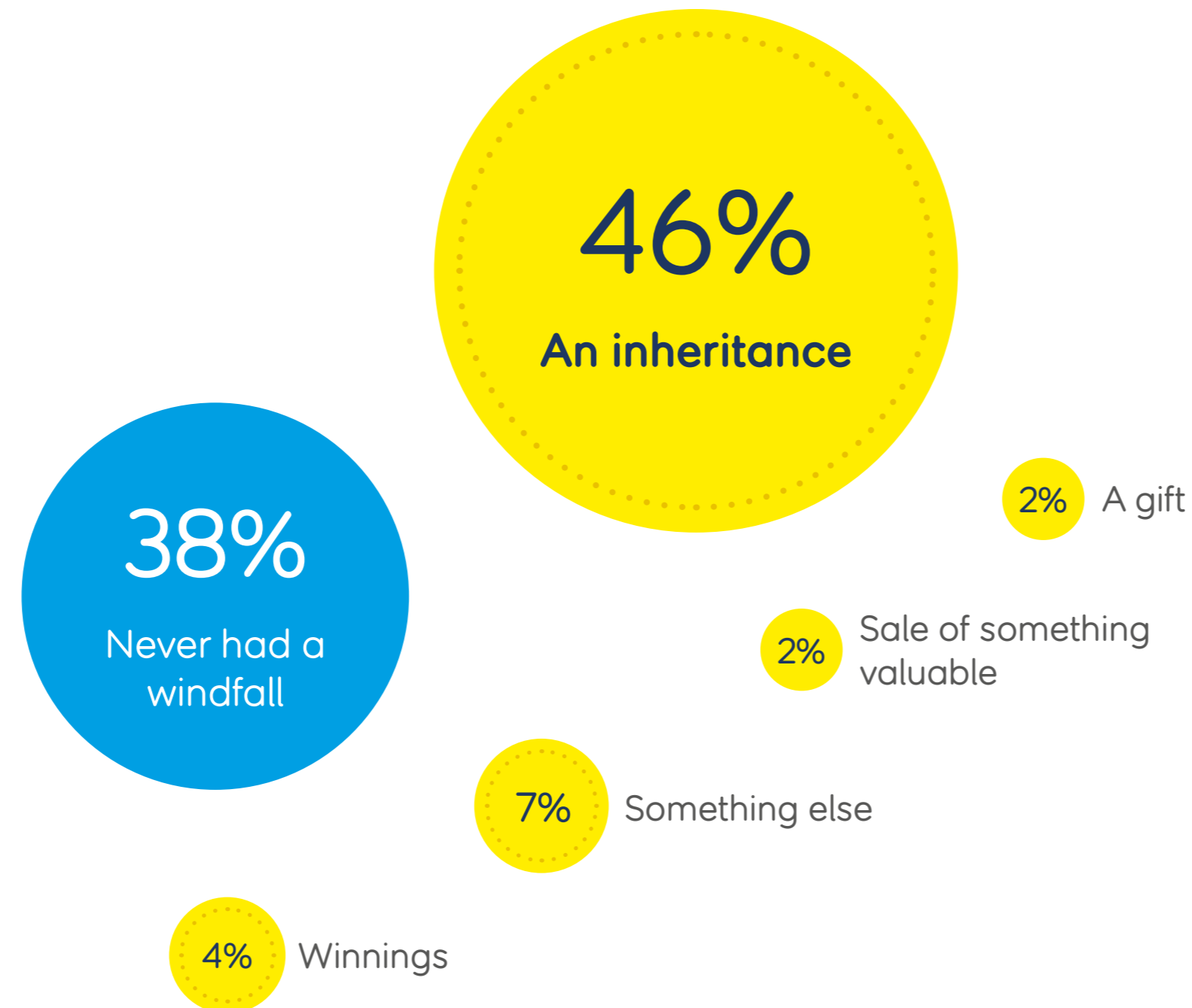
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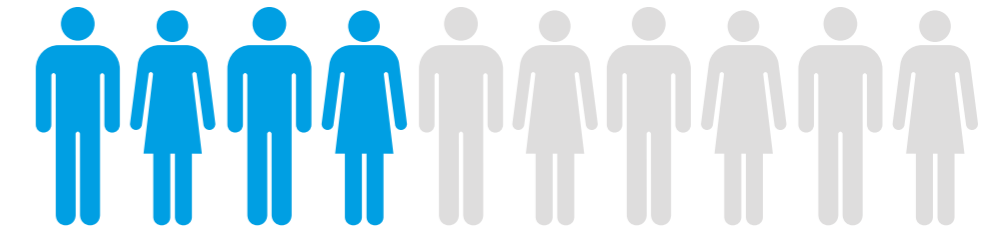
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## Where did the largest amount of money you received come from?



**4 in 10** have never received a 'windfall'



In total, six in ten (62%) individuals have received a 'windfall'. The most common source is an inheritance (46%).

Question: Q13. What's the biggest windfall you've ever had? What was it from? Base: All homeowners aged 55+.

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# How much money did you receive from this windfall?



**£72,079\*** is the average windfall

Over 14% received more than £100,000. 76% received this windfall more than 5 years ago.



Question: Q13b. How much money did you receive from this windfall? Base: All respondents who have had a windfall. \*Excluding Don't know/Prefer not to say.

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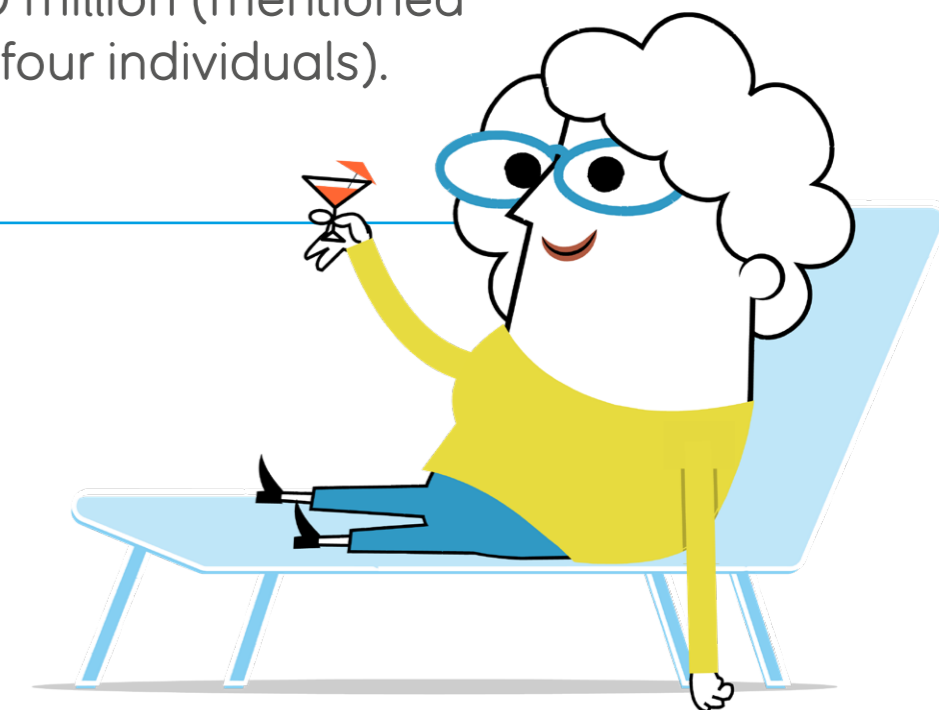
# How much money would you need to feel comfortable?



## £184,484 for a comfortable life

On average, individuals say they'd need an extra £184,484\* to feel comfortable for the rest of their life – but the amount varied a lot from person to person.

Many said they needed nothing, but some wanted as much as £10 million (mentioned by four individuals).



Question: Q14. How much money (a lump sum), in would you need to feel comfortable for the rest of your life, on top of the money and income you currently have?

\*Mean excluding don't know and prefer not to say.

NOTE: Due to the wide variance in data the mean average amount is higher than many of the individuals.

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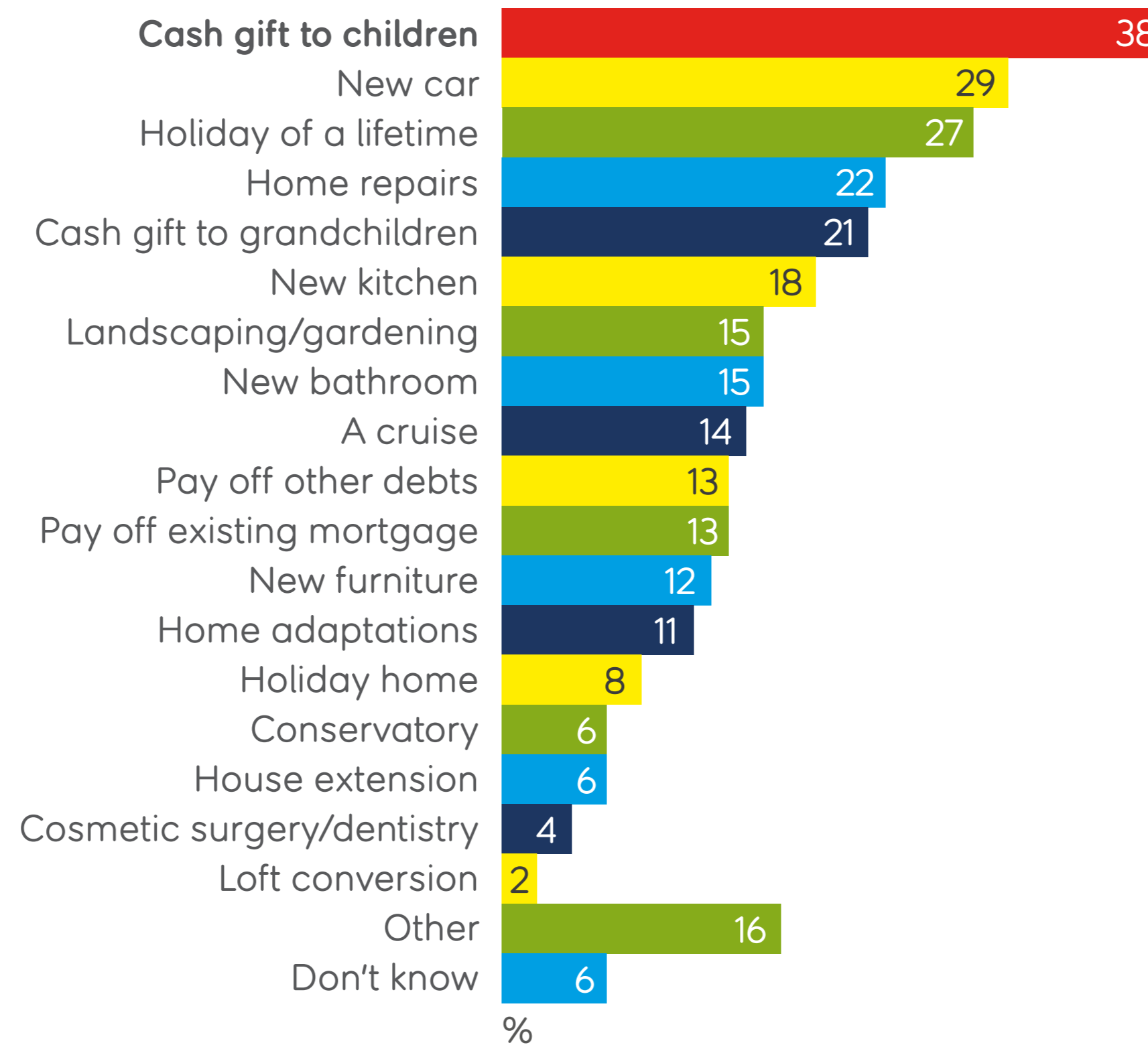
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## If you were suddenly given £100,000, how would you spend it?



### Spare cash for kids, cars, holidays and homes

When asked how they would spend £100,000, giving a cash gift to children came out top (38%).

This is followed by buying a new car (29%), having the holiday of a lifetime (27%) and home repairs (22%).



Question: Q15. If you suddenly were given £100,000, how would you spend it? Base: All Homeowners aged 55+.

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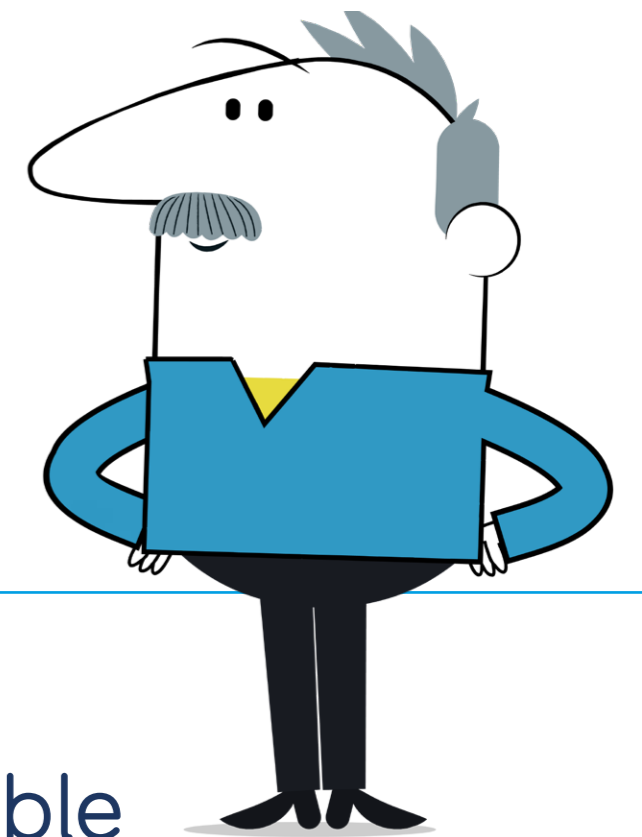
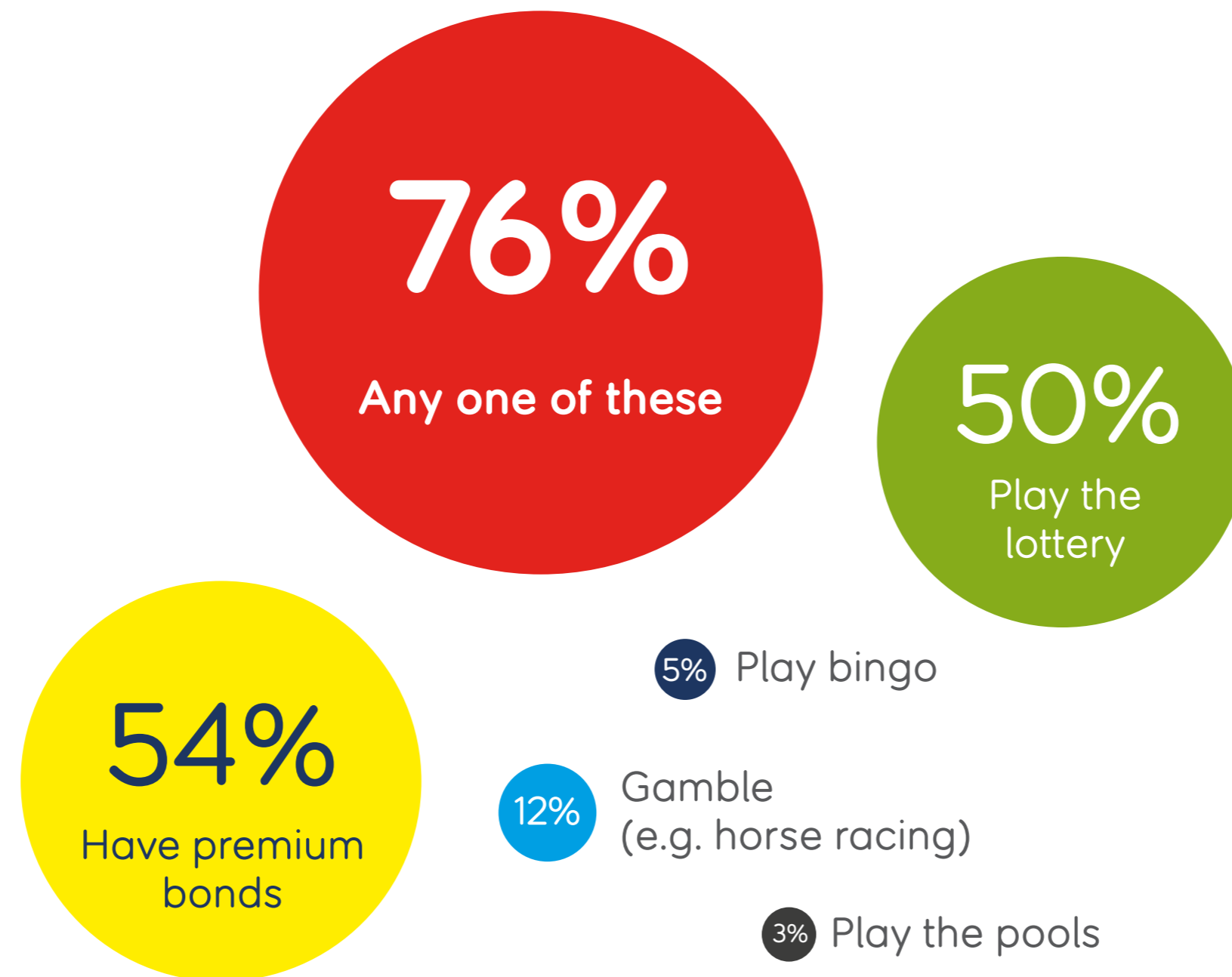
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## Do you do any of the following?

Play the lottery, the pools or bingo, have premium bonds or gamble



### Over three quarters gamble

In total, 76% gamble in one or more ways. Premium bonds (54%) and the lottery (50%) are most common types of gambling.

Question: Q16\_1. Do you do any of the following? Base: All Homeowners aged 55+.

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# True or false? If you take out equity release...

You risk losing your home



You can still leave an inheritance



You can stay in your home



You can still move house



The cash lump sum released from your home is tax-free



Your children will have to repay the loan



It's not possible to release equity from your home if you have a mortgage



**Just 1 in 10**  
understand all  
equity release  
product features

Only 11% answered all questions correctly – and 9 in 10 (89%) gave at least one incorrect answer.

True False Don't know Correct answer

Question: Q18\_1. Below are a series of statements about equity release, for each please say whether you think it is true or false. Base: All Homeowners aged 55+.



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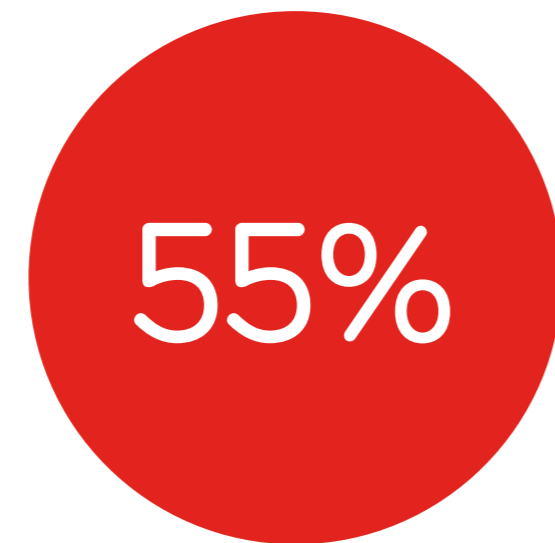
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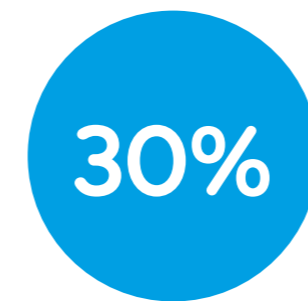
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# What would you do if you needed a cash sum?



## Downsize

(sell your home and move to a smaller, cheaper home to release cash after paying stamp duty and estate agent fees)



## Use equity release

(so you continue to own and live in your home and your pension is protected, but you release a tax-free lump sum from the value that is tied up in your home)



## Release money from your pension pot

(so you have the cash sum but a lower monthly pension income)

### 3 in 10 would use equity release if they needed a cash sum



30% would be most likely to choose equity release if they needed a cash sum – rather than releasing money through downsizing or their pension pot.

This figure rises to 35% among over 70s.



Question: Q19. If you needed or wanted a cash sum, which of the following are you most likely to do? Base: All Homeowners aged 55+.

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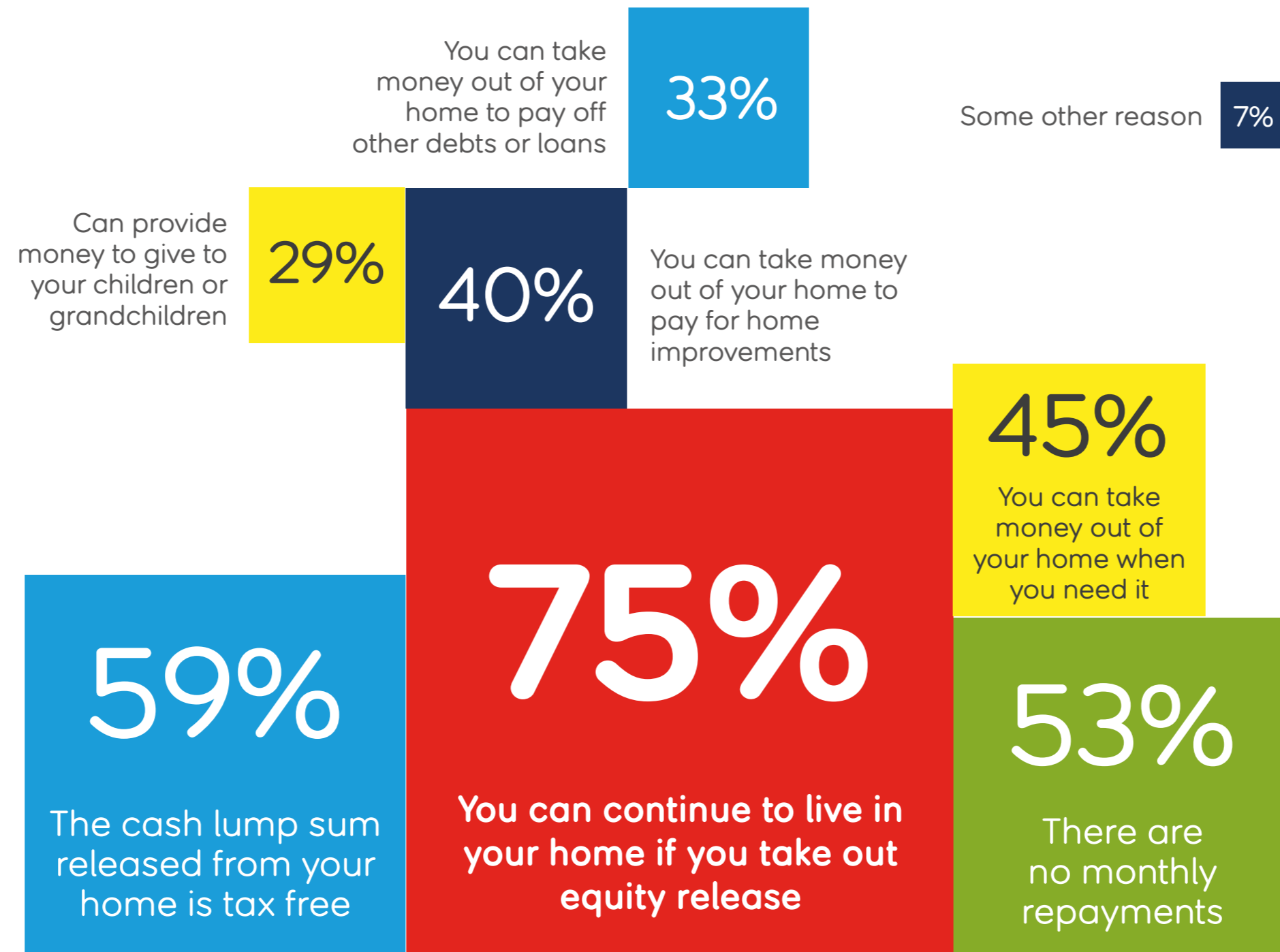
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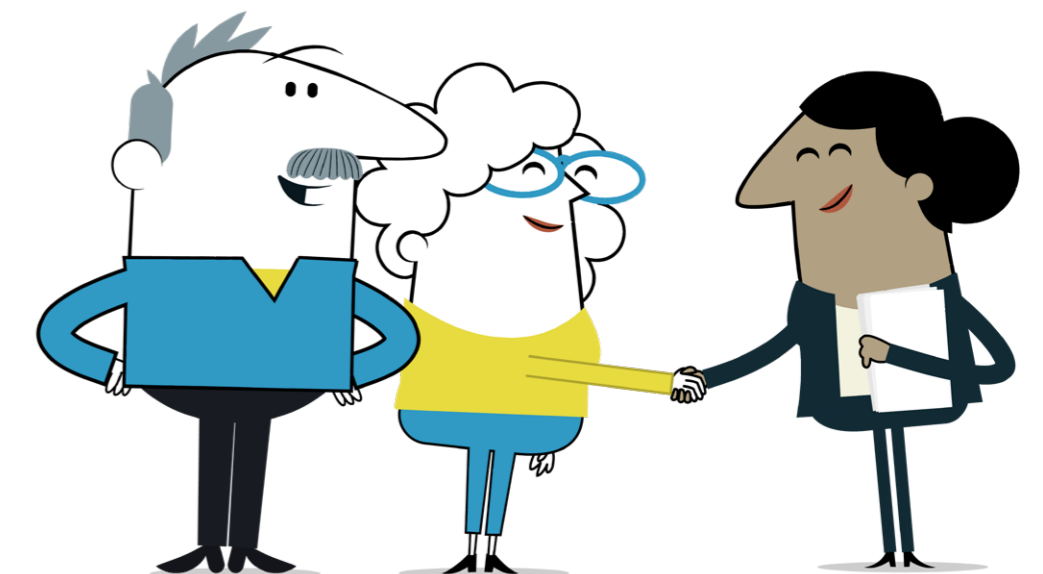
# What are the main benefits of equity release?



## Equity release has its advantages

Three quarters (75%) think that the main benefit of equity release is that you can stay living in your own home.

This is followed by releasing a tax-free cash lump sum from your home (59%) and no monthly payments (53%).



Question: Q20. What do you think are the main benefits or advantages to equity release? Base: All Homeowners aged 55+.

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