

# The retirement you deserve, **on the house**

Attitudes towards equity release among the over 50s

2020





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# Welcome to the SunLife Equity Release Report 2020

The COVID-19 pandemic has made 2020 a year unlike any other.

With 9.4 million jobs furloughed by the end of June<sup>1</sup>, average real pay is down<sup>2</sup> and with millions worried about their financial security, people are looking for ways to bolster their income or pension.

For some, equity release could be the answer. So perhaps it's no surprise that 6% of over 50s

said they would consider it now, when they wouldn't have before the pandemic.

But there's still a way to go when it comes to awareness, with 90% of people saying they don't fully understand equity release.

Read on to find out more about what's important to the over 50s in 2020 – and how equity release could help them.

**90%**  
of people say they  
don't fully understand  
equity release



<sup>1</sup> [bbc.co.uk/news/business-52660591](https://www.bbc.com/news/business-52660591)

<sup>2</sup> [bbc.co.uk/news/business-53427304](https://www.bbc.com/news/business-53427304)

# About the report

We asked **1,010 homeowners** aged between 50-80 to complete an online survey.

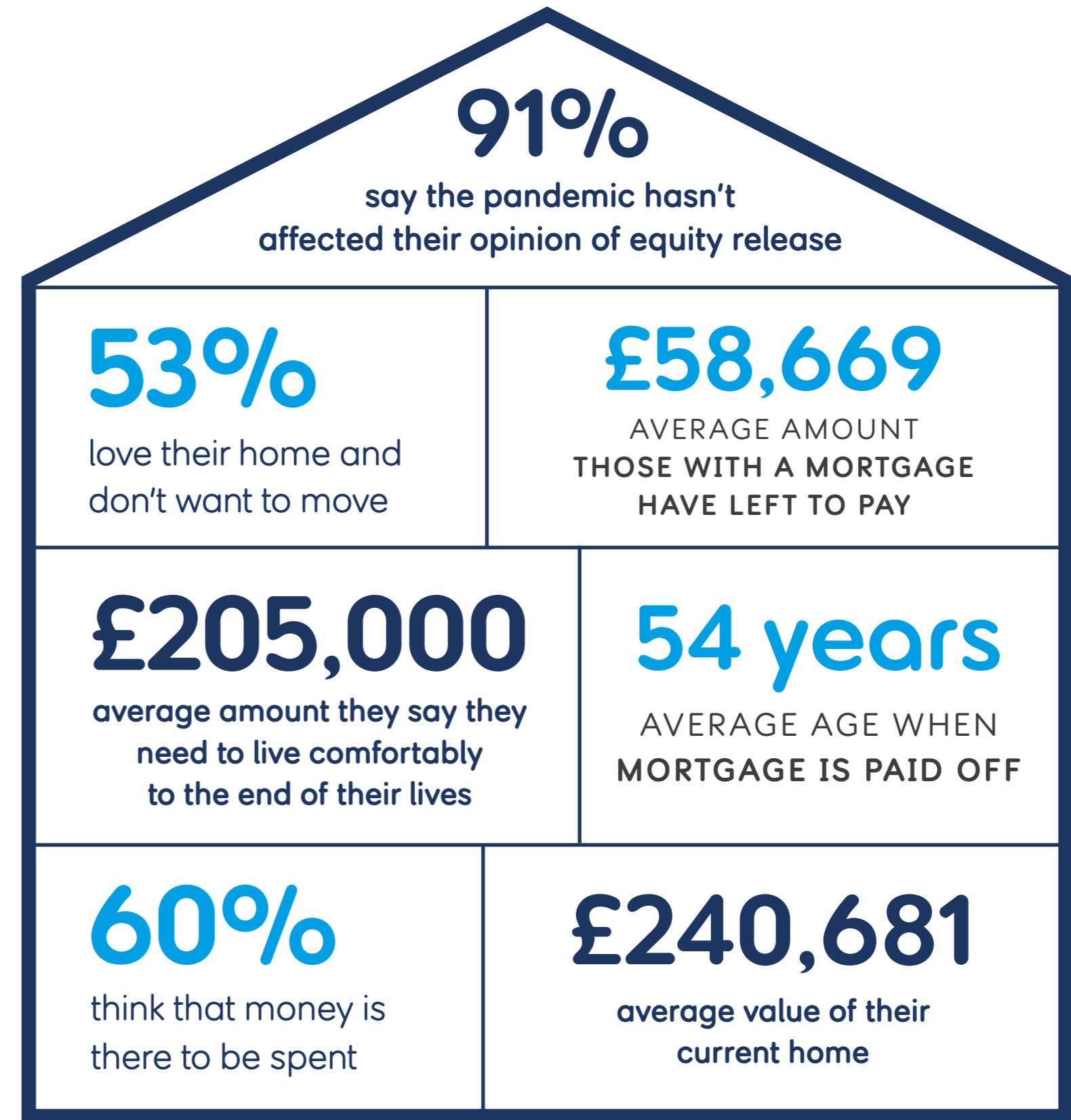
Our aim was to get an accurate picture of what the over 50s think about equity release.

The data is weighted to be represent the UK population in terms of gender, age, region and social class.



# The report at a glance

UK homeowners aged 50-80



# Home ownership



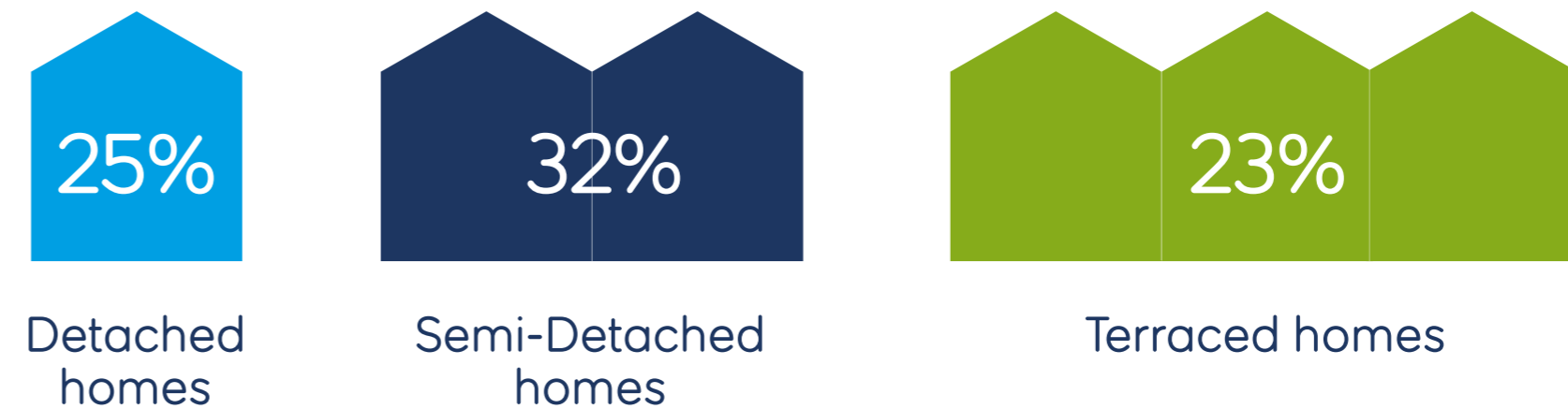
# What's a typical over 50s home?

## How many over 50s own their own home?



## What kind of houses do we own?

The most common house types among the over 50s are:



**3** THE AVERAGE NUMBER OF BEDROOMS PER HOUSE

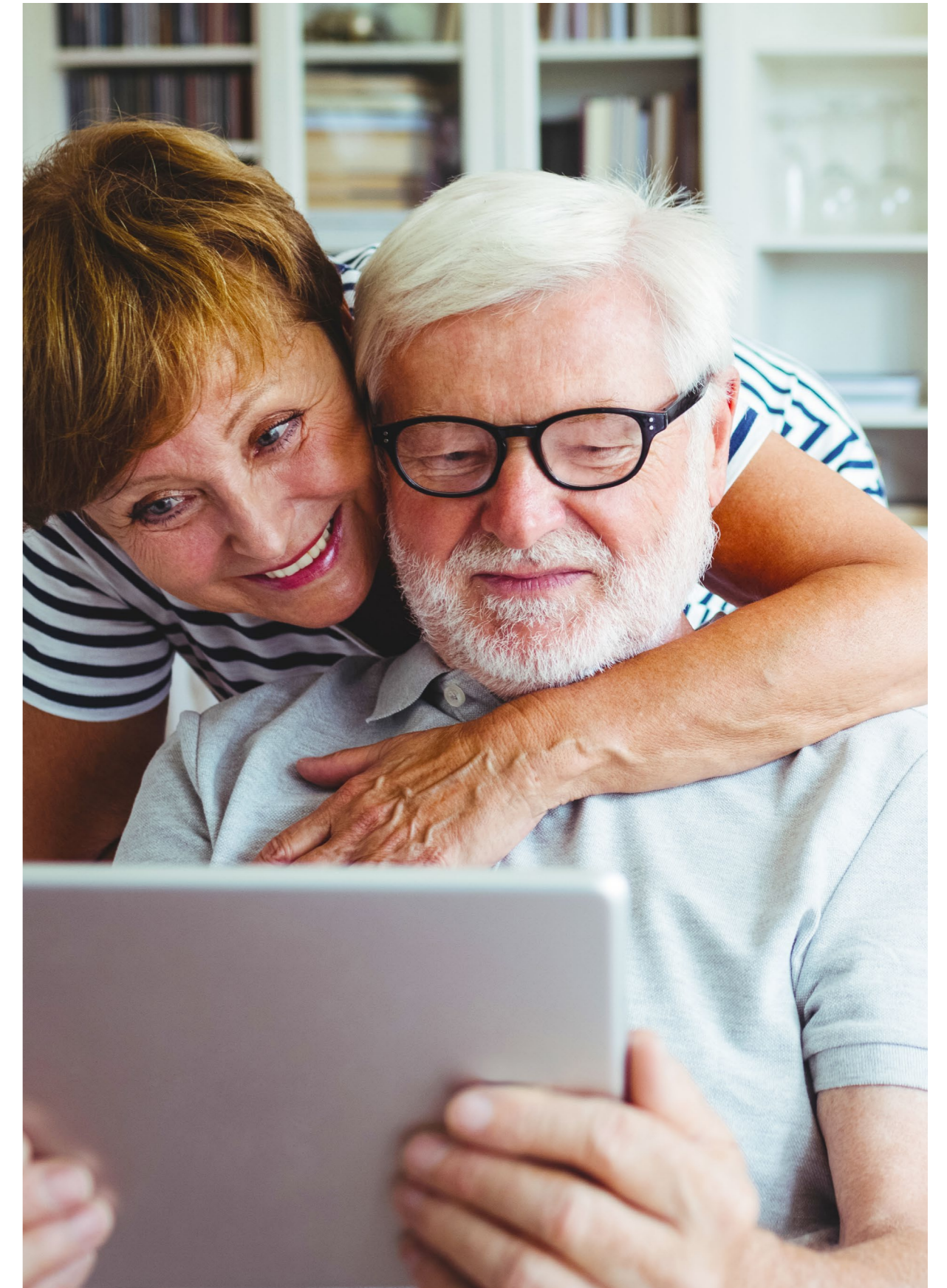
# How much is there left to pay?

**£58,669**

IS THE AVERAGE AMOUNT  
OVER 50s WITH A MORTGAGE  
HAVE LEFT TO PAY

**54 years**

IS THE AVERAGE AGE  
THAT THE MORTGAGE  
IS PAID OFF





# What are over 50s homes worth?



**Then**  
The average amount people over 50 paid for their home



**Now**  
The reported value of over 50s homes now

**20 years**  
THE AVERAGE AMOUNT OF TIME OVER 50s HAVE LIVED IN THEIR HOME

# How do the over 50s feel about their home?

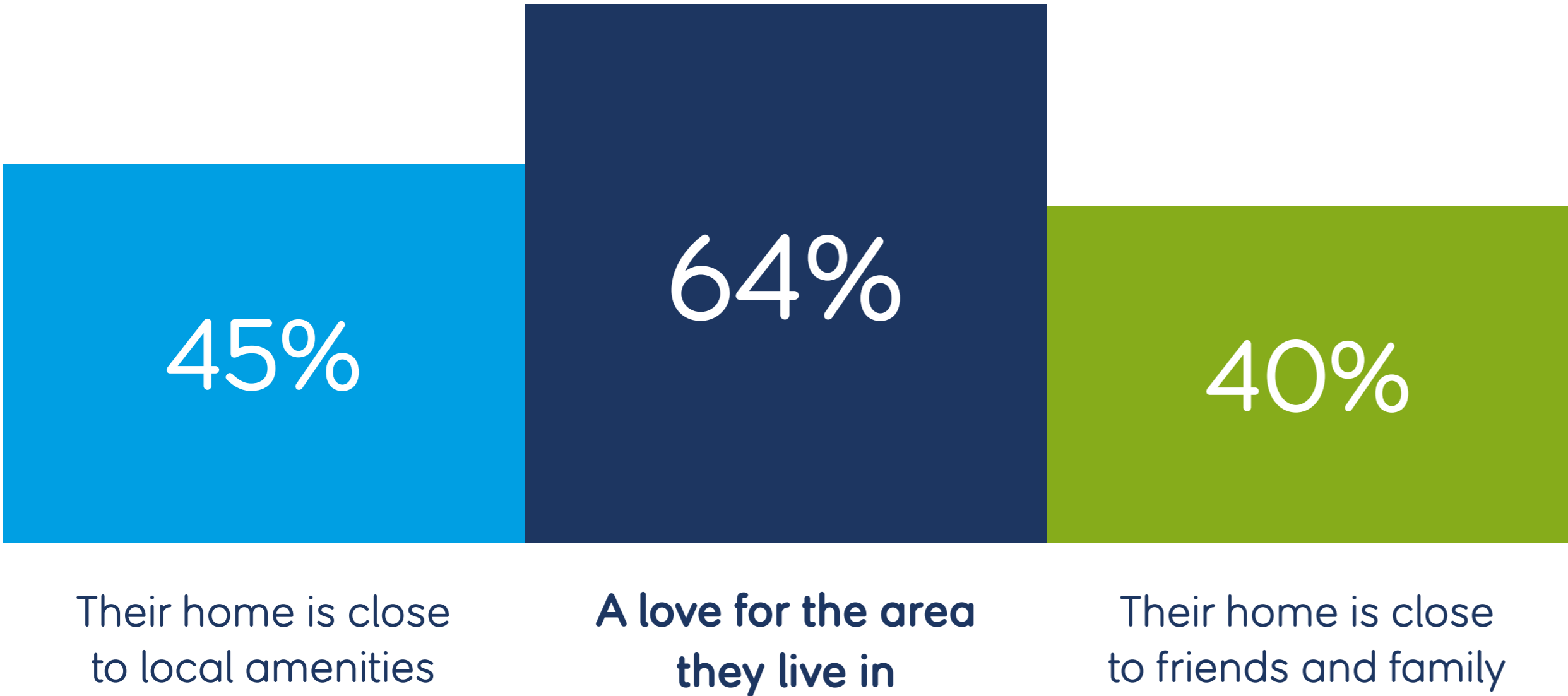
**53%**  love their home and can't see themselves moving

**28%**  are considering downsizing or moving in future

**12%**  say they'd like to move but can't afford to



For those over 50s who love their home, their **top three reasons** for wanting to stay put are:



The cost of moving also puts people off: **26% for financial reasons**, and **30% because of stress.**

# My favourite thing about my home is...

“

It reflects all the hard work my wife and I have put in over the years to make it a very happy and pleasant place to live.

”

“

Memories.

”

“

I'm able to shut the world out... to be myself.

”

“

The setting, out in the country with amazing views and plenty of living space.

”

“

I can close the front door and the world can carry on without me.

”

“

My garden is so peaceful and restful, and has been a great help during the last few weeks.

”

“

I feel it is a happy place – not posh, not scruffy, just home.

”



## Personal finances

# How do the over 50s feel about their finances?

**43%**

SAID THEY'RE ABOUT  
WHERE THEY EXPECTED  
TO BE FINANCIALLY

**32%**

SAID THEY'RE  
BETTER OFF THAN  
THEY EXPECTED TO BE

**25%**

SAID THEY'RE  
WORSE OFF  
THAN THEY EXPECTED

## And how do they want to spend their money?

“ Money is there to be spent. ”

**60%**  
agree

“ I want to have fun with my money now. I don't want it to be for other people, I want it to be for me. ”

**53%**  
agree

“ I try to save money, so I can pass it on as an inheritance. ”

**51%**  
agree

“ I prefer to save money for the future, rather than spend it now. ”

**59%**  
agree

**59%** of over 50s say they have enough money for their retirement.

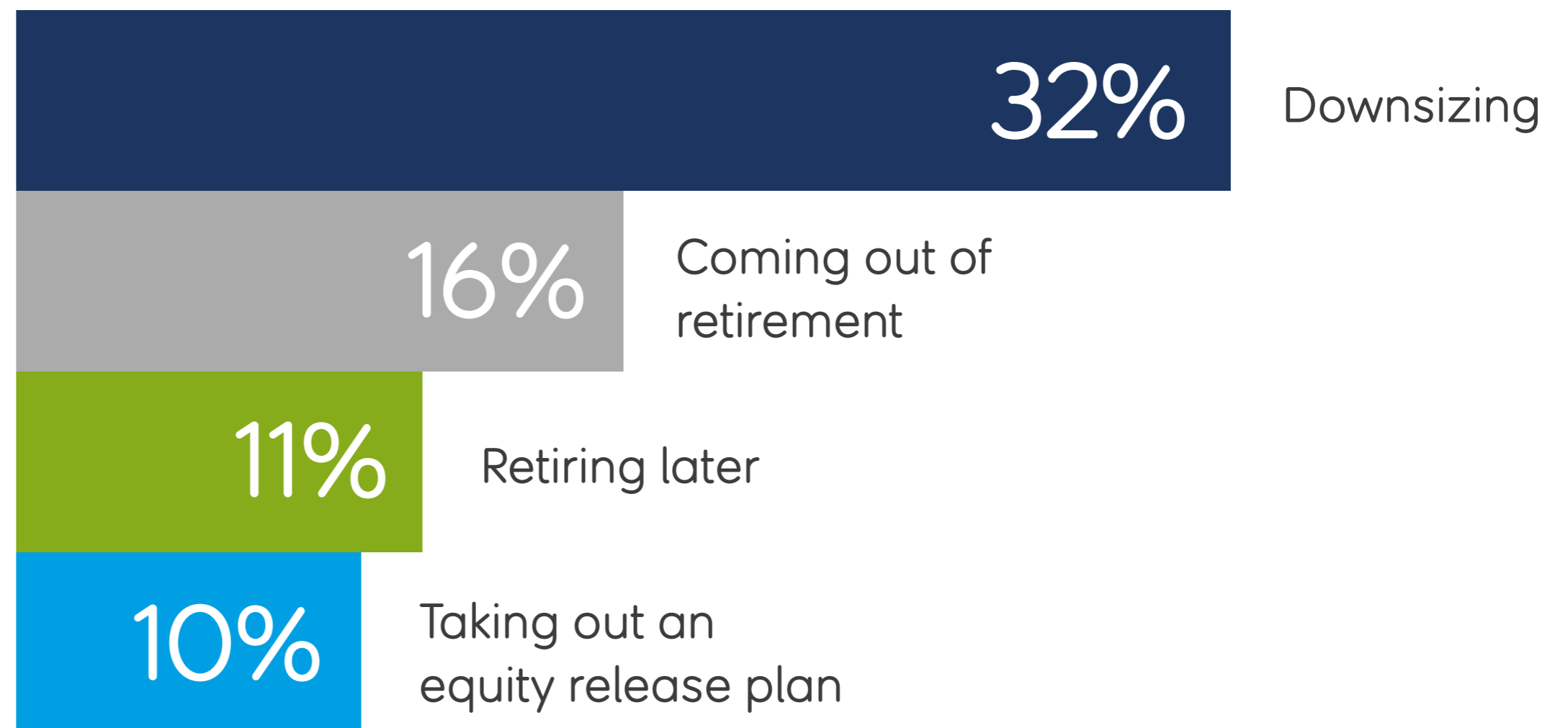
But 59% also say they'll **run out of money before they die.**

# How much money do the over 50s need?

**£205,000**

THE AVERAGE AMOUNT  
PEOPLE SAID THEY'D NEED  
TO LIVE COMFORTABLY TO  
THE END OF THEIR LIVES.

What over 50s say they are most likely to do if they need a cash boost in retirement:





# What would the over 50s spend their money on?

We asked over 50s what they'd do if they were given a lump sum of £100,000. The **top three answers** were:



**38%**

GO ON A HOLIDAY



**36%**

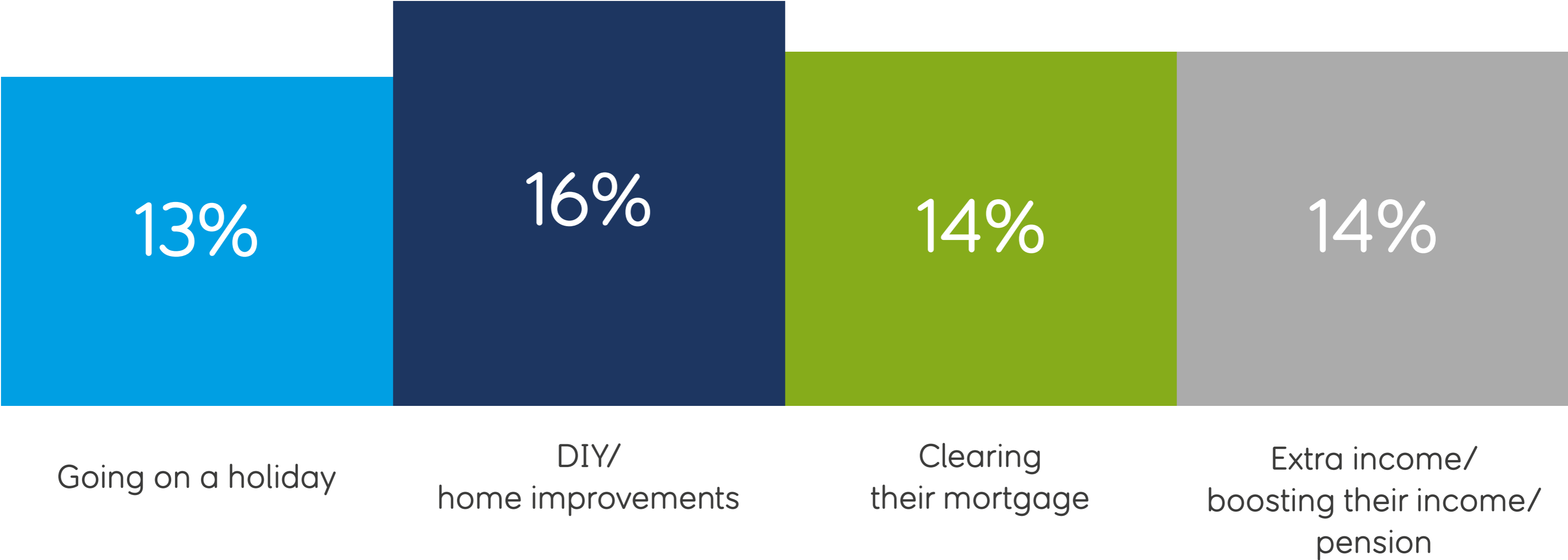
DIY/HOME IMPROVEMENTS



**33%**

GIVE THEIR CHILDREN/  
GRANDCHILDREN/  
OTHER FAMILY MEMBERS  
A CASH GIFT

But when it comes to **top priorities**, they'd use the lump sum for:



# Do the over 50s have enough space?

**53%**  of over 50s with children wait between 6 months and 5 years to redecorate their children's bedrooms

**13%**  haven't redecorated their children's old bedrooms since they left home

**22%**  of homeowners with children still have the kids living at home

**What do over 50s do with their kid's bedroom once they've flown the nest?**

<b>51%</b> Guest bedroom	<b>22%</b> Leave as it is
<b>18%</b> Grandchildren's playroom	<b>16%</b> Study

# If I could **change one thing** about my home, it would be...

“  
Bigger bedrooms  
for when the  
grandchildren stay.  
”

“  
A larger garden.  
”

“  
A bigger dining  
room for when the  
family visit.  
”

“  
The stairs.  
I'm getting too  
old for this sport.  
”

“  
Make the main  
door more  
wheelchair friendly.  
”

“  
A study or office...  
as I'm struggling  
to find somewhere  
to work.  
”

“  
Add solar panels  
to reduce costs.  
”

# Equity Release



# What do the over 50s think about equity release?

**71%**

SAID THEY'D NEVER  
CONSIDER EQUITY RELEASE

**27%**

SAID THEY'D CONSIDER  
IT OR ALREADY ARE

**3%**

SAID THEY ALREADY HAVE  
AN EQUITY RELEASE PLAN

## Has the COVID-19 pandemic changed how the over 50s think about equity release?

**91%**

of people say the pandemic hasn't affected  
their consideration of equity release

**6%**

said they would consider it now, when they  
wouldn't have before the pandemic

# How has the COVID-19 pandemic impacted my decision about equity release?

“  
Life is too short  
to not get on  
and do what you  
want to do.  
”

“  
We must live for  
today and not  
for tomorrow.  
”

“  
I have seen the struggles  
people are having  
financially, and think I would  
be better having a bit of  
money behind me in case  
things get worse.  
”

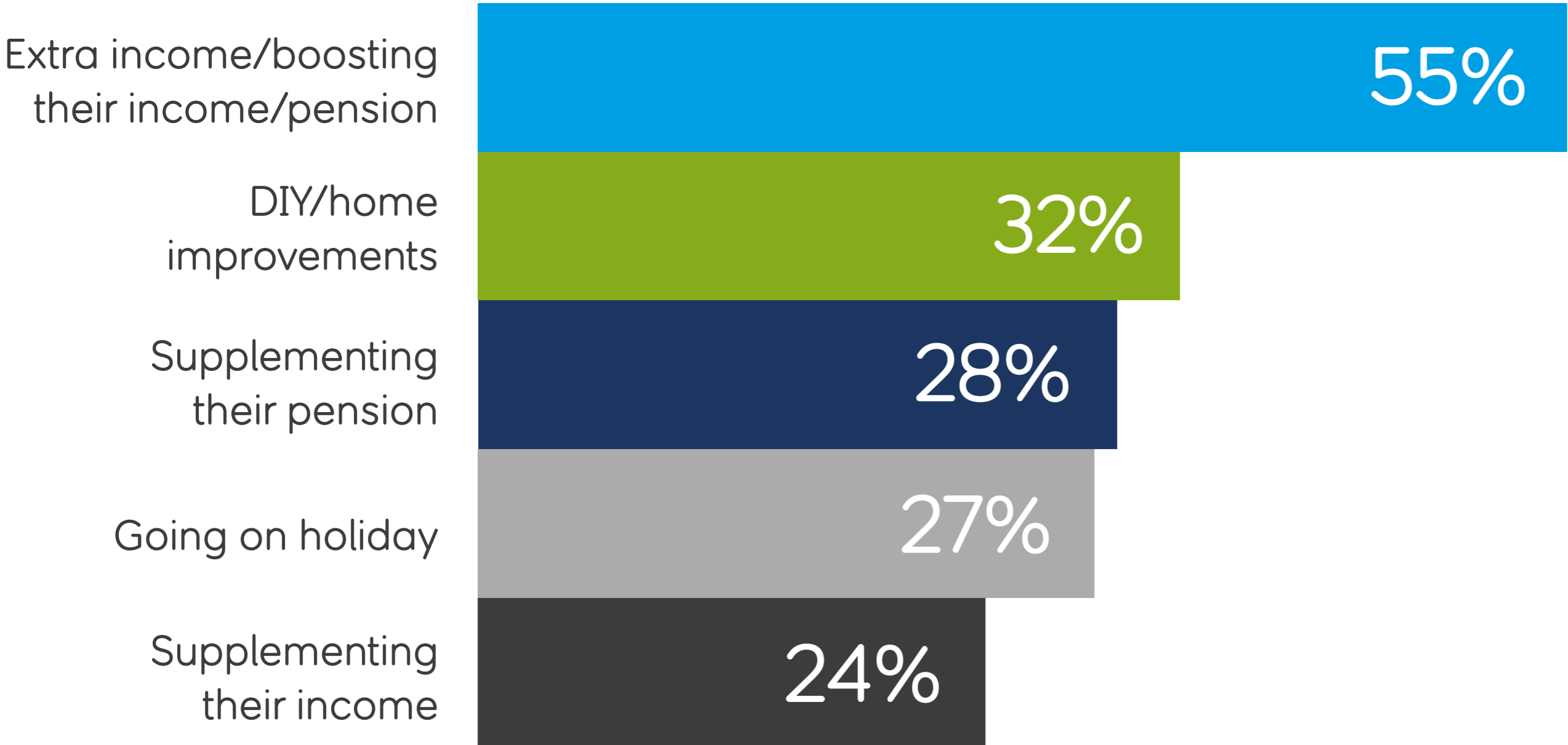
“  
My wife almost  
died from COVID-19.  
She's now unemployed  
so money's very tight.  
”

“  
A bit of extra  
money in the bank  
would give a sense  
of security.  
”

“  
I'm currently on  
furlough and am  
worried about the  
security of my job.  
”

“  
Because my  
daughters need  
help in a  
difficult time.  
”

# Why are the over 50s considering equity release?



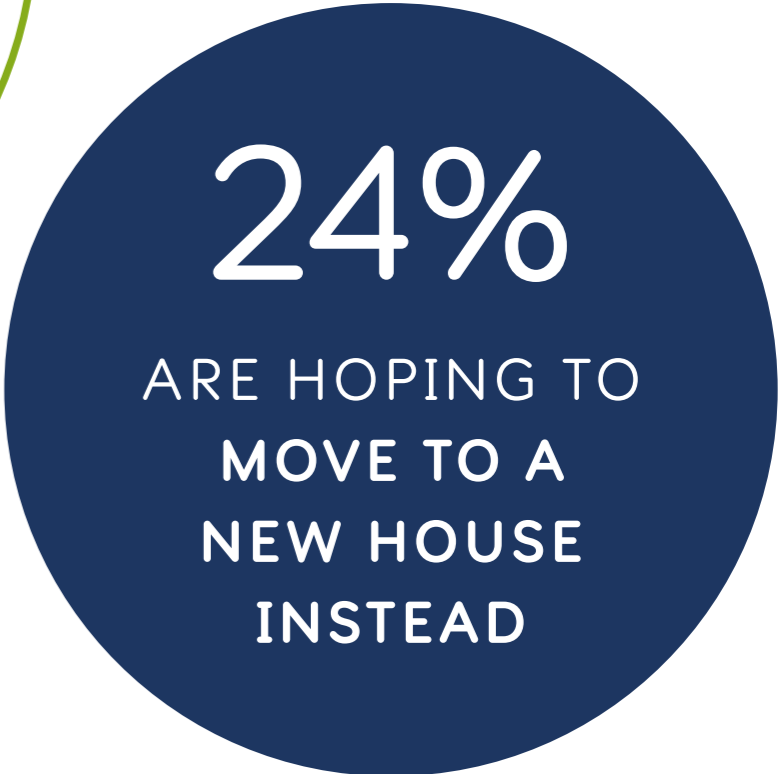
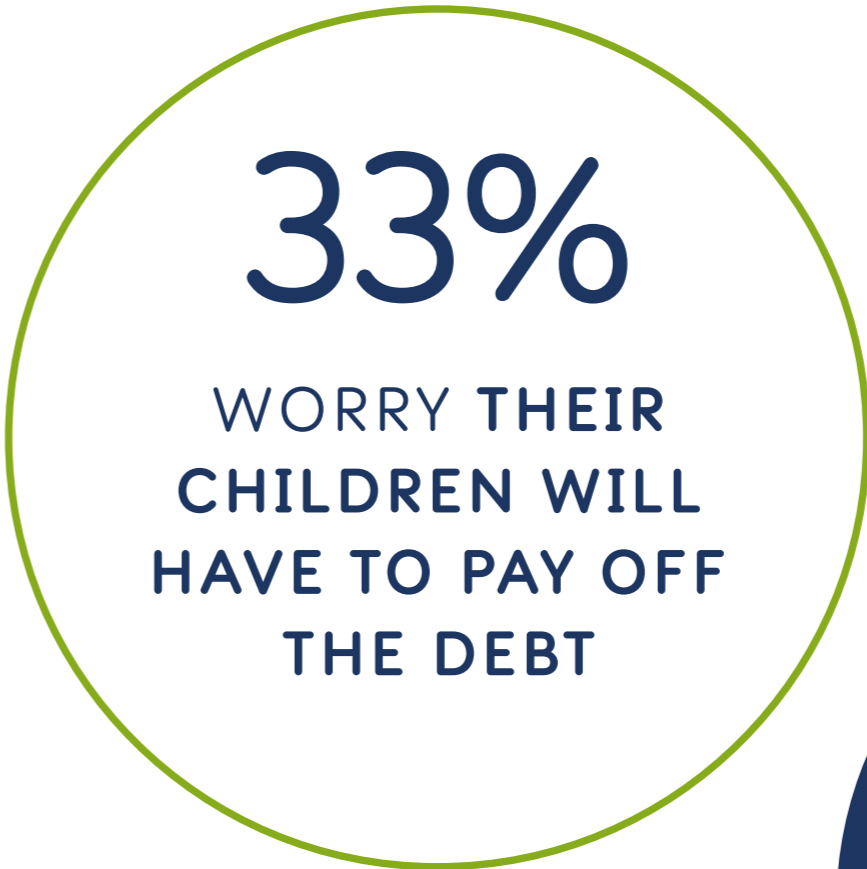
**35%**  
OF PEOPLE CONSIDERING EQUITY RELEASE SAY EXTRA INCOME/BOOSTING THEIR INCOME/PENSION IS THEIR TOP PRIORITY.





# What's holding them back?

We asked those who'd said they wouldn't consider equity release, **why not?**



# What are the over 50s using their equity release for?

Among those who've already taken out an equity release plan:

**£46,928**

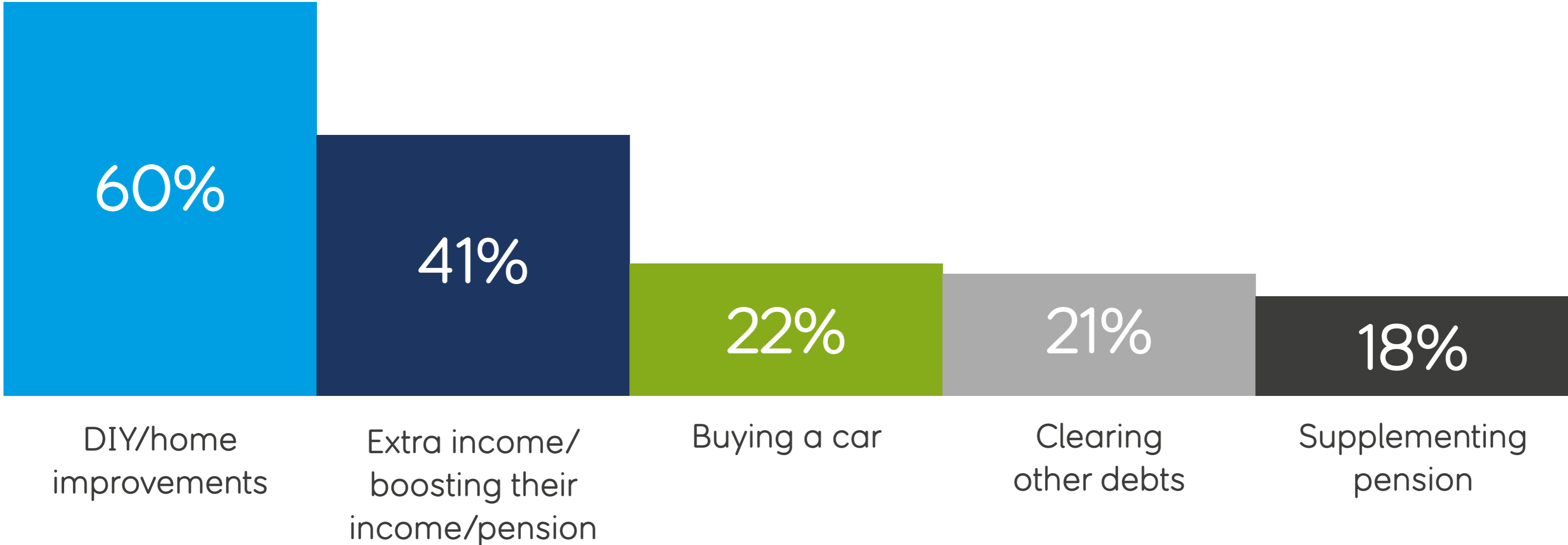
IS THE AVERAGE  
AMOUNT OF MONEY  
RELEASED

**23%**

OF THE PROPERTY'S  
VALUE IS THE  
AVERAGE PERCENTAGE  
OF EQUITY UNLOCKED



The top five reasons people chose to take out equity release were:

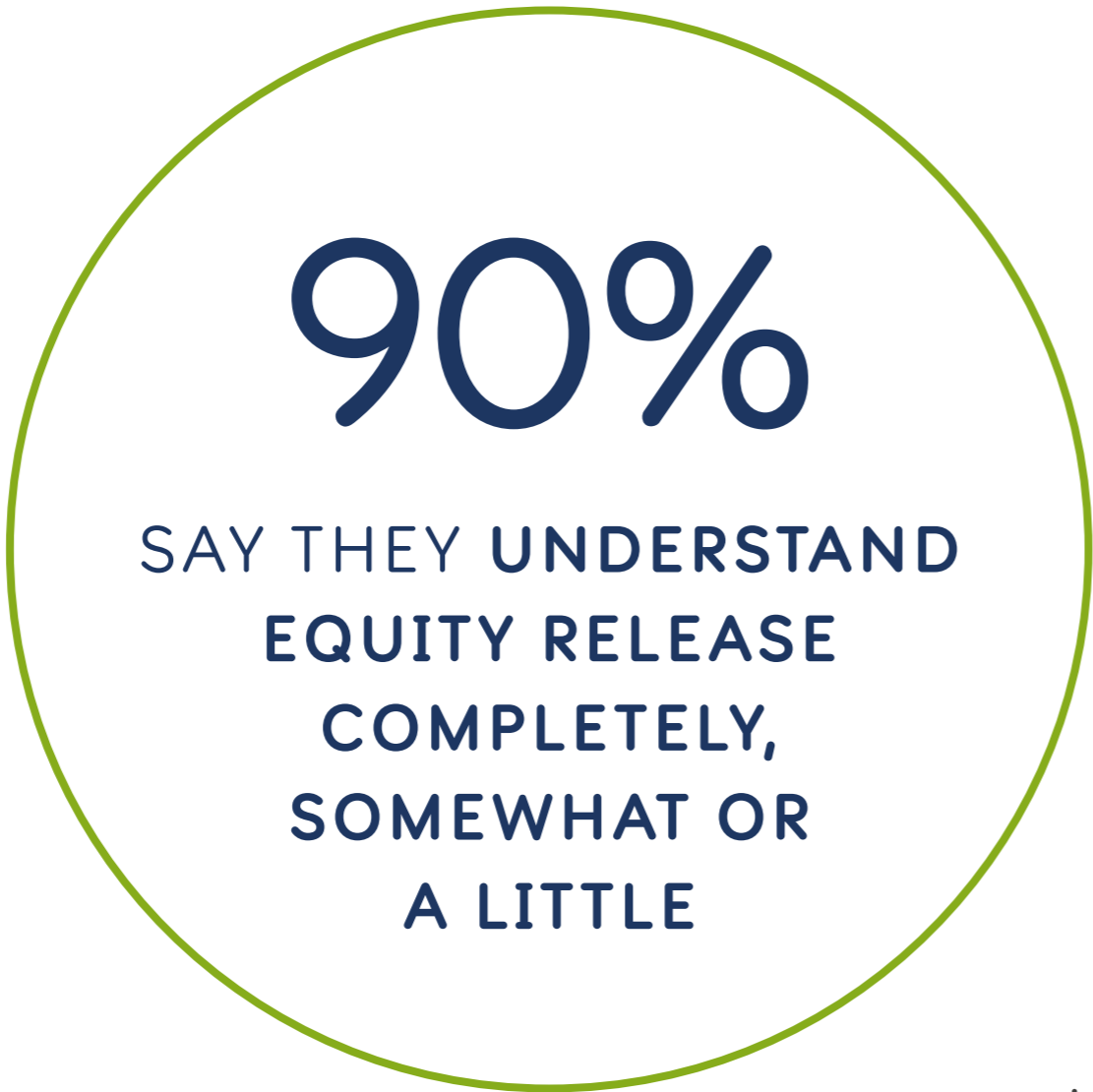


34% of people with an equity release plan say DIY/home improvements is their top priority, followed by extra income/boosting their income/pension at 31%.

# Do over 50s understand equity release?



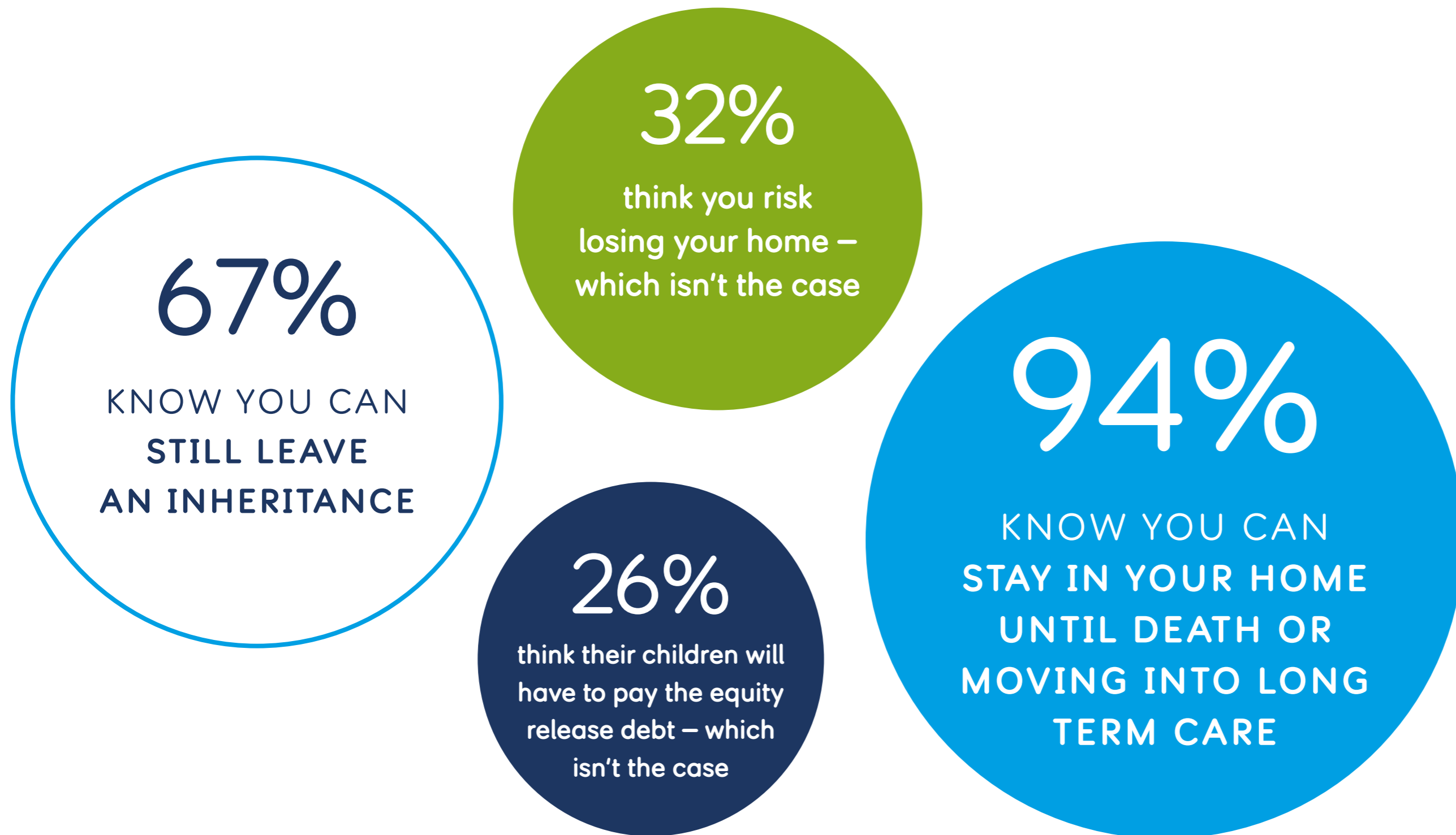
SAY THEY UNDERSTAND  
EQUITY RELEASE  
COMPLETELY



HAVEN'T HEARD OF  
EQUITY RELEASE

Among those who said they wouldn't consider equity release, when it was explained to them, 15% said they'd now consider it.

## We asked people what they think happens when you take out equity release...



**48%**  
know the cash lump sum you release is tax-free, but **42% didn't know this**

**46%**  
aren't sure if you can move house, while **41% think you can**

**45%**  
aren't sure if they can release equity from a home with a mortgage, but **38% know you can**



# Conclusion

# Conclusion

It seems the COVID-19 pandemic hasn't changed people's opinions on equity release too much. Although 6% of people would now consider getting a plan, when they wouldn't have before.

But with 90% of the over 50s still unsure about how it all works, there's more we could be doing to let people know the ins-and-outs of equity release.

Especially as a quarter of over 50s also think equity release will leave their children in debt, and over a third think you risk losing your home.

Misconceptions such as these could be preventing thousands of people from getting money when they need it most.

Of course, equity release isn't for everyone. But it's important that, where possible, people are given the chance to have the retirement they deserve. And equity release could be the solution for many.



