



# UK Equity Release Market Monitor Full Year 2018

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[www.keyadvice.co.uk/about/market-monitor](http://www.keyadvice.co.uk/about/market-monitor)

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good advice is  **key**  
equity release

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## Key's Market Monitor provides a quarterly, half yearly and annual review of the UK's equity release market.



**“2018 highlights a growing equity release market which continues to break records with 47,081 new plans taken out and £3.60 billion worth of equity released. This is a 19% year on year increase in lending which should continue through into a strong Q1 in 2019.**

“Not only have we seen strong growth but the market has doubled in size in three years demonstrating just how important this asset class is to retirement planning. Once further advances and additional drawdown is included it is getting close to £4 billion.

“This equity which is being released is having a hugely positive impact not only on the borrower but often on their families too. Gifting money to friends and family is a popular with 27% of customers using some or all of the proceeds from their equity release plan for this purpose – a 3% year on year increase.

“The reasons behind a customer choosing to gift some or part of their equity release funds to a family member or friend do vary but usually it is for either financial security – to clear debt or to use as a gifted deposit for a first time buyer, or to fund a life event such as university or a wedding. A clear example of how housing equity is helping to solve some of the pressing intergenerational issues facing the UK at the moment.”

Will Hale, CEO at the UK's largest Equity Release Adviser – Key

### Methodology

Key's Market Monitor provides insight on the trends in the equity release market on a quarterly, half-yearly and annual basis – including more in-depth data and analysis than any other freely available source. As the largest intermediary advising on equity release with a 25%+ market share, Key's data reflects how the overall market is developing. The monitor provides historical comparisons as well as comment on current trends in usage, demographics and regional splits.

Each quarter also includes a specific regional (FY 2019 – Yorkshire & Humberside) and usage (FY 2019 – Gifting to friends and family) spotlight.

### Contact

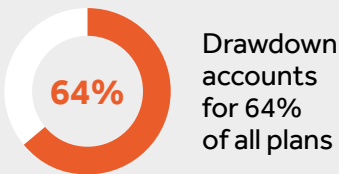
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# Full Year overview

## Full Year 2018 results

**47,081** New plan numbers  
▲ 21%

**£3.6bn** Total amount released  
▲ 19%



## Biggest movers by region

### Number of plans

Northern Ireland ▲ 47%

North East ▲ 34%

Yorkshire & Humberside ▲ 33%

### Lending

Scotland ▲ 38%

West Midlands ▲ 37%

Yorkshire & Humberside ▲ 36%

The Full Year 2018 report reveals a continued trend of growth within the equity release sector. Both plan numbers and total lending achieved record levels. Sales of plans were 47,081 up from 38,955 in 2017, an increase of 21%, whilst new lending in 2018 increased to £3.6 billion, from £3.01 billion across 2017, an increase of 19%.

The average loan amount has seen a slight decrease year on year from £77,380 to £76,473 in 2018.

Drawdown remains the most popular type of plan accounting for 64% of all new plans, a 2% increase year on year - Drawdown and Enhanced Drawdown. Drawdown, which retains accessible further funds, provides potential further borrowing of £1.46 billion in addition to the £3.60 billion in initial advances; giving a total market for the year of £5.06 billion, compared to the total of £3.92 billion in 2017. Lump sum releases account for 36% of new business, down 2% when compared with 2017 results.

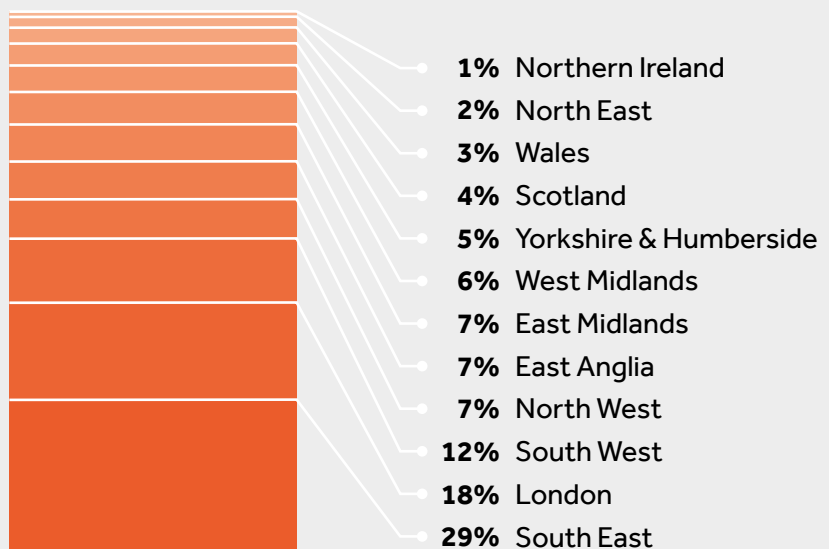
The latter half of the year saw a slight decrease in the average age for those releasing equity to 70 years old (Q3 2018) and 71 years old (Q4 2018). However, the overall year on year average age has remained the same at 72.

## Regional highlights

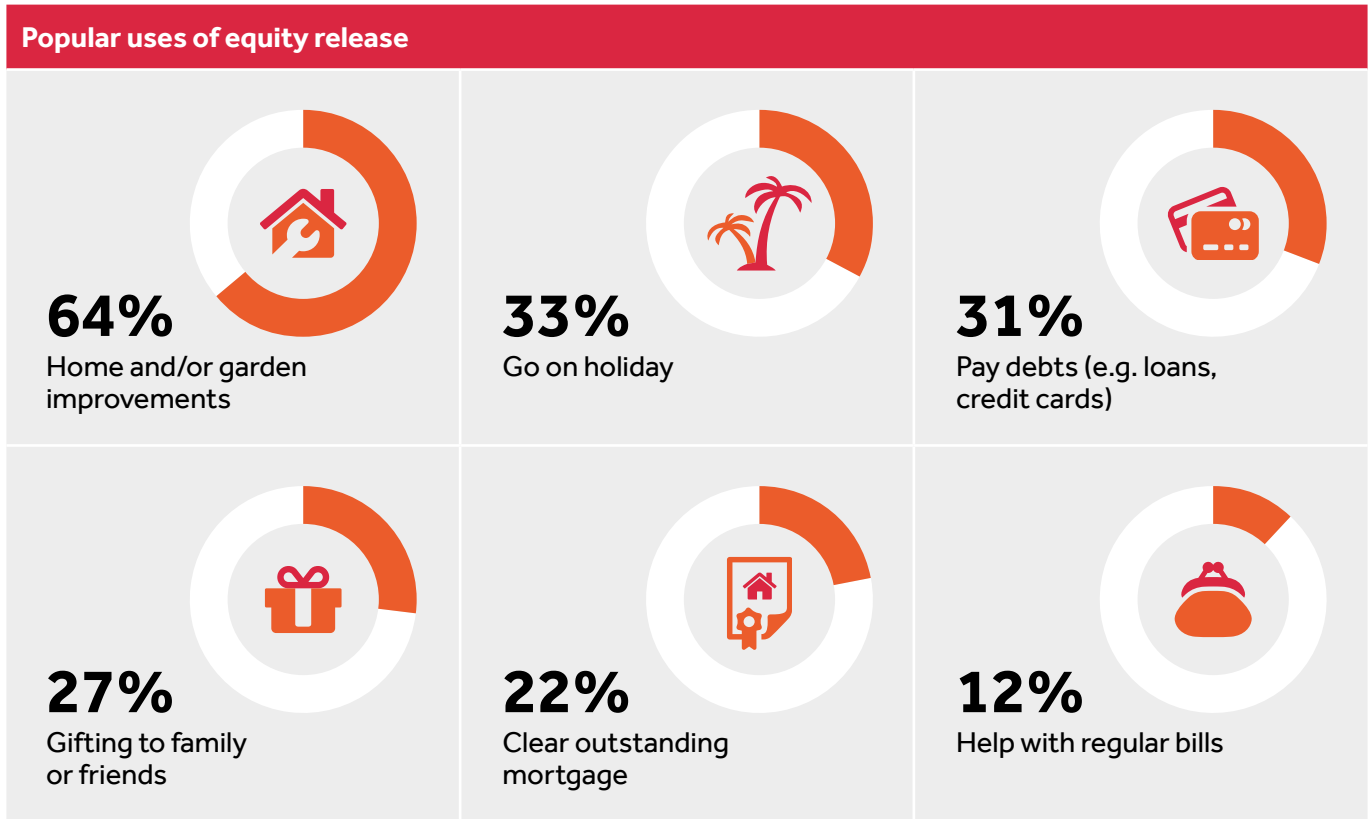
All twelve regions experienced growth in the total number of plans and total lending in 2018. The greatest percentage increase in the number of plans was seen across Northern Ireland (47%), followed by the North East (34.3%) and Yorkshire & Humberside (33.2%). Interestingly, Scotland leads the way with the greatest increase in the value of lending at 37.5%, following a very strong Q3 in 2018 which saw lending increase by 101% year on year. The West Midlands saw a lending increase by 36.7% in 2018 and Yorkshire & Humberside saw growth increase by 36.1%. Notably Northern Ireland saw strong growth in Q4 2018 with lending increasing by 66% and number of plans by 81% year on year.

Top region for overall lending was the South East (£1.05 billion) with London (£663.7 million) taking second place.

## Lending contribution by region



# Popular uses of equity release



## Highlights

**64%**  
released equity for home and/or garden improvements

**27%**  
use equity release to gift to family or friends

## Focus – Treating Friends & Family

Of those releasing equity from their homes, 27% are using the funds to treat friends and / or family. This is up from 24% in 2017 and highlights the intergenerational benefits seen within families releasing equity. Typically the focus for the funds are to clear debt (loans, credit cards), to help pay for a significant life event (i.e. wedding) or property investment (assisting a child onto the property ladder with a gifted deposit). Other popular reasons include: (these are in no particular order).

- Large family holiday
- Pay for university fees
- Purchase a car for a loved one

Anecdotal evidence suggests that other categories of equity release usage such as home or garden improvements (64%) may also have wider family benefits as it allows people to stay in the family home and within the support structure they have built up for longer.

# Regional summary of equity release

Regional summary of equity release									
Area	Value	Percentage Change 2018 on 2017	Number of Plans	Percentage Change 2018 on 2017	Average Value Released	Average LTV %	Average Customer Age	Average Property Value	YoY Av. ER House Price Var.
East Anglia	£242,062,256	17%	3,446	17%	£70,241	26%	72	£269,360	0%
East Midlands	£244,208,439	26%	4,088	29%	£59,731	25%	71	£236,709	0%
London	£663,715,596	19%	4,850	16%	£136,849	23%	73	£591,630	-2%
North East	£74,789,632	31%	1,438	34%	£51,993	28%	71	£184,583	1%
North West	£242,186,099	32%	4,223	30%	£57,348	27%	71	£213,299	4%
Northern Ireland	£19,452,641	29%	427	47%	£45,565	27%	70	£168,468	-11%
Scotland	£138,561,103	37%	2,596	26%	£53,372	28%	70	£191,435	7%
South East	£1,047,733,973	10%	11,777	12%	£88,965	23%	72	£385,017	-3%
South West	£420,952,839	13%	5,546	13%	£75,900	25%	72	£306,665	0%
Wales	£119,565,794	36%	2,073	27%	£57,676	27%	71	£215,237	7%
West Midlands	£222,771,390	37%	3,627	33%	£61,422	27%	71	£229,441	3%
<b>Yorkshire &amp; Humberside</b>	<b>£164,422,587</b>	<b>36%</b>	<b>2,988</b>	<b>33%</b>	<b>£55,019</b>	<b>26%</b>	<b>71</b>	<b>£210,004</b>	<b>3%</b>
<b>Total</b>	<b>£3,600,422,350</b>	<b>19%</b>	<b>47,081</b>	<b>21%</b>	<b>£76,473</b>	<b>25%</b>	<b>72</b>	<b>£310,992</b>	<b>-2%</b>

## Highlights for Yorkshire & Humberside

# £164.4m

Total lending

# 2,988

Plans arranged

# £55,019

Average released

# £210,004

Average property value

## Regional focus for Yorkshire & Humberside

The average value released in Yorkshire & Humberside is modest by comparison to other regions at £55,019 although this equated to a 67% increase year on year in Q4. The average age for those releasing equity in the region is 71, one year younger than the national average of 72. The region's appetite for equity release has grown dramatically year on year with a 33% increase in the number plans and a 36% increase in lending.

Over the past five years plan numbers and lending has been somewhat erratic for Yorkshire & Humberside but the past two years have gone from strength to strength with 2018 being a new record for the region.

Period	Plan number	Change Y/Y	Lending	Change Y/Y
FY 2014	1,778	+17.9%	£79,374,128	+37.4%
FY 2015	1,724	-3.0%	£92,049,565	+16%
FY 2016	1,628	-5.6%	£88,528,759	-3.8%
FY 2017	2,244	+37.8%	£120,801,124	+36.5%
FY 2018	2,988	+33.2%	£164,422,587	+36.1%

# Number of equity release plans

Number of equity release plans					
	Area	Full year 2018 number of plans	FY 2018	FY 2017	% change
1	South East		11,777	10,504	12.1%
2	South West		5,546	4,907	13.0%
3	London		4,850	4,172	16.3%
4	North West		4,223	3,245	30.2%
5	East Midlands		4,088	3,164	29.2%
6	West Midlands		3,627	2,727	33.0%
7	East Anglia		3,446	2,947	16.9%
8	Yorkshire & Humberside		2,988	2,244	33.2%
9	Scotland		2,596	2,058	26.1%
10	Wales		2,073	1,628	27.4%
11	North		1,438	1,071	34.3%
12	Northern Ireland		427	291	47.0%
<b>Total</b>			<b>47,081</b>	<b>38,955</b>	<b>20.9%</b>

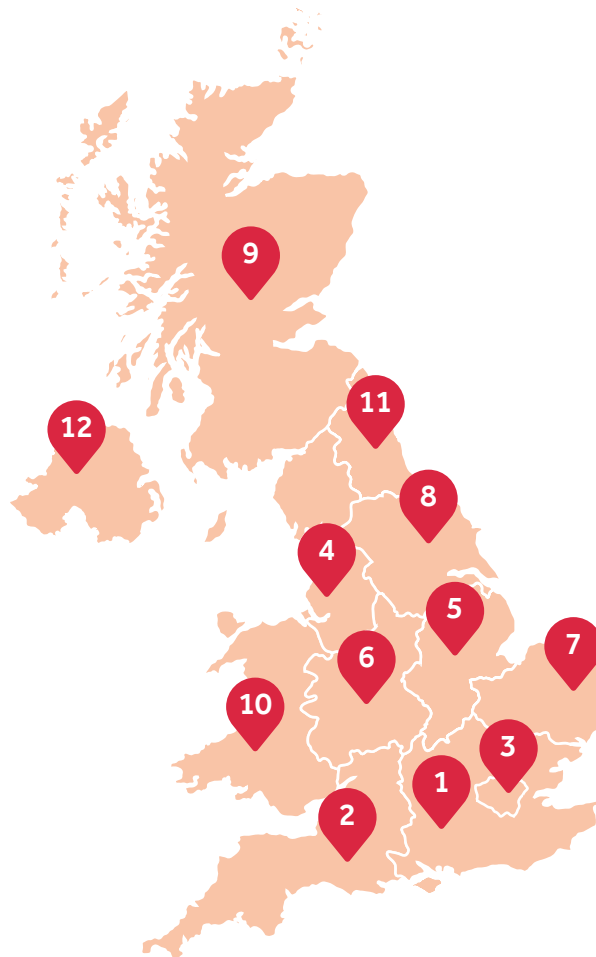
## Review

**11,777**

South East  
with the highest  
number of plans

**427**

Northern Ireland  
with the lowest  
number of plans



# Value of equity release plans

Value of equity release plans					
	Area	Full year 2018 value of plans	FY 2018	FY 2017	% change
1	South East		£1.05bn	£953.6m	9.9%
2	London		£663.7m	£557.7m	19.0%
3	South West		£421.0m	£373.9m	12.6%
4	East Midlands		£244.2m	£194.5m	25.6%
5	North West		£242.2m	£183.8m	31.8%
6	East Anglia		£242.1m	£206.2m	17.4%
7	West Midlands		£222.8m	£163.0m	36.7%
8	Yorkshire & Humberside		£164.4m	£120.8m	36.1%
9	Scotland		£138.6m	£100.8m	37.5%
10	Wales		£119.6m	£88.1m	35.7%
11	North		£74.8m	£56.9m	31.3%
12	Northern Ireland		£19.5m	£15.0m	29.3%
<b>Total</b>			<b>£3.60bn</b>	<b>£3,014.3m</b>	<b>19.4%</b>

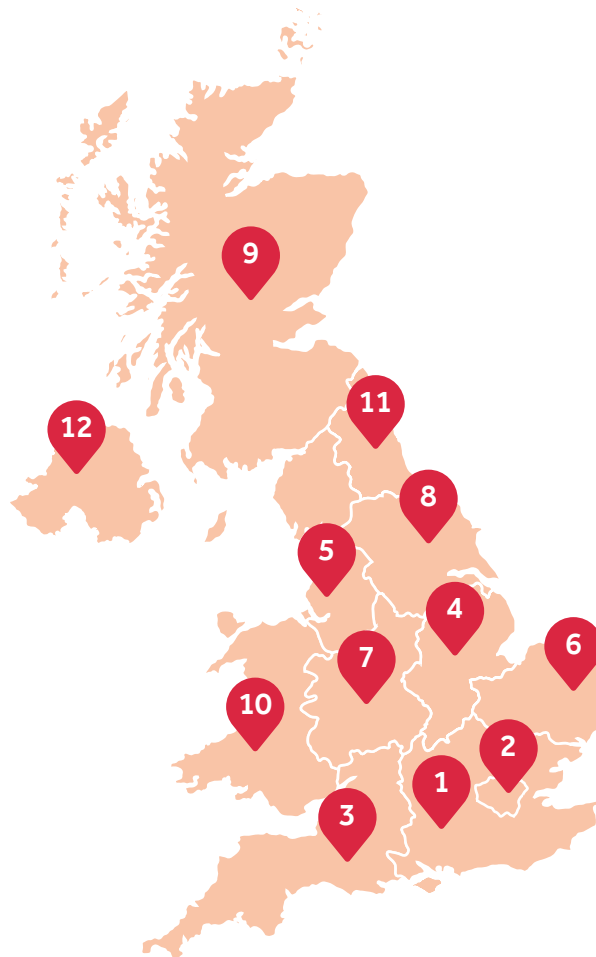
## Review

**£1.05bn**

South East  
with the highest  
value of plans

**£19.5m**

Northern Ireland  
with the lowest  
value of plans



# Analysis

## Highlights

**72**

Average age

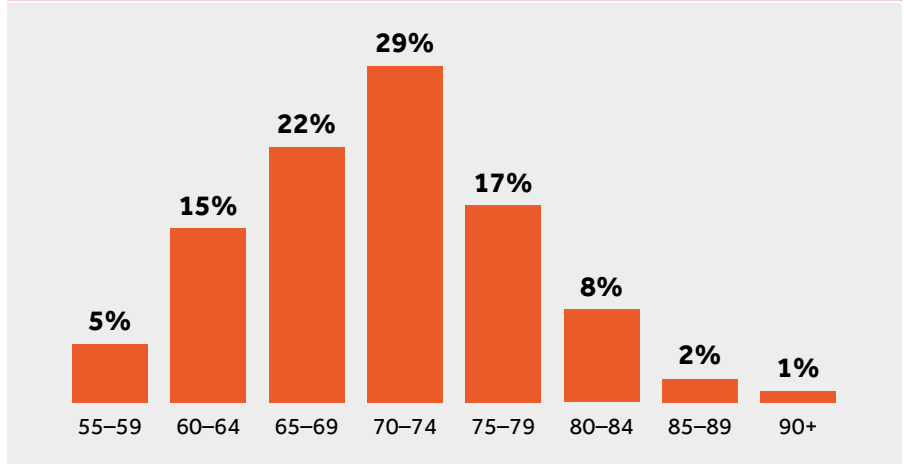
**62%**

of those releasing equity are couples, down from 66% in 2017

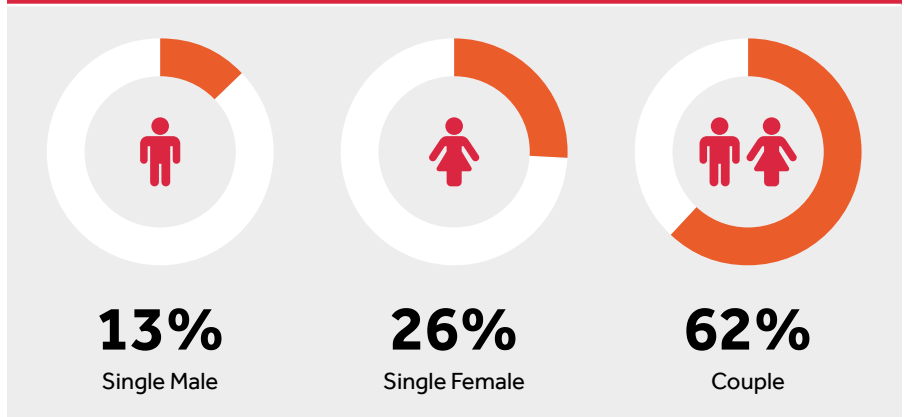
**26%**

of single women release equity, compared to just 13% of single men

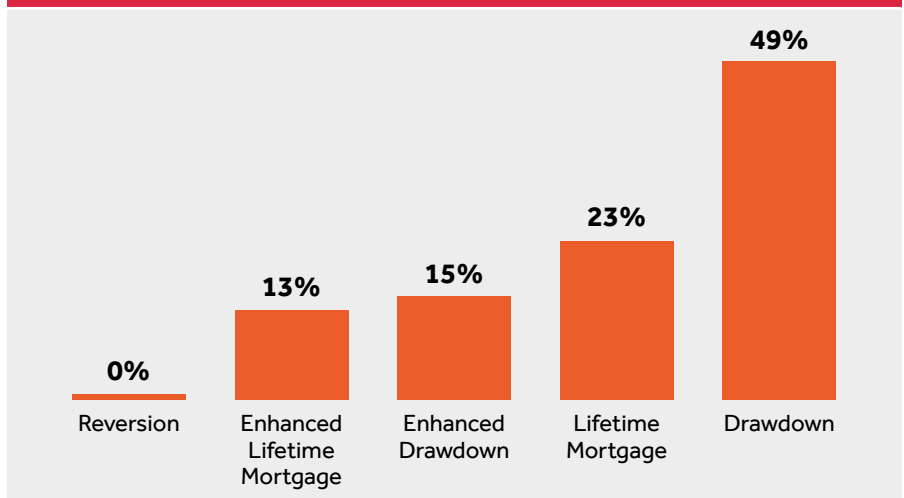
### Customers by age



### Customers by status



### Product mix



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