



# **UK Equity Release** Market Monitor

## Quarter 3 2017

Embargoed until 00:01  
Wednesday 29th November 2017

01772 508322

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

Key Retirement, Baines House, 4 Midgery Court,  
Fulwood, Preston PR2 9ZH

All images contained within this report can be provided  
upon request. Email [press.office@keyretirement.co.uk](mailto:press.office@keyretirement.co.uk)

## Contents

02

### INTRODUCTION

Dean Mirfin,  
Key Retirement

03

### EQUITY RELEASE MARKET MONITOR

Quarter 3 2017 Results

04

### EQUITY RELEASE MARKET HIGHLIGHTS

Popular Uses  
Quarter 3 2017 Focus -  
Clear Outstanding  
Mortgage & Repay Debts

05

### EQUITY RELEASE MARKET HIGHLIGHTS

Regional Summary  
Quarter 3 2017 Focus –  
East Anglia

06

### REVIEW

Number of Plans  
Value of Plans

08

### ANALYSIS

Customers by Age  
Customers by Status  
Product Mix

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

The Monitor provides journalists, and other industry stakeholders, with detailed data on the market alongside historical comparisons.

Key is the leading over 55's specialist adviser and the UK's number 1 equity release specialist; arranging over 35% of all Equity Release Council (ERC)[1] lending in the UK.

The Monitor uses Key's data to reflect the market as a whole and provides the most detailed analysis of the equity release sector, including:

- usage trends
- age analysis
- regional analysis based on:
  - plan numbers
  - plan values
  - property prices

The Monitor focuses on a particular region and also a specific usage driver for releasing equity in each edition.

- Quarter 3 2017 focus – Clear Outstanding Mortgage & Repay Debts
- Regional Summary, Quarter 3 2017 focus – East Anglia

For further details contact:

#### Dean Mirfin

Chief Product Officer  
KR Group

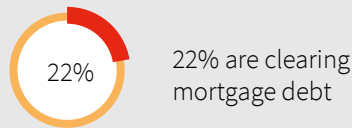
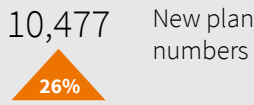
**Email** dean.mirfin@krgroup.co.uk

**Telephone** 07879 678737

**Press office** 01772 508322

<sup>[1]</sup> Equity Release Council (ERC) is the equity release trade organisation representing the Equity Release Sector

**Q3 2017 Results**



The Quarter 3 2017 report reveals continued strong growth, both for the number of new plans and for overall lending, compared to the same period of 2016. Sales of plans for the third quarter of the year were 10,477 from 8,348 for the same period of 2016, an increase of 26%, whilst lending increased to £749.2 million for the period, from £633.8 million in the third quarter of 2016, an increase of 18%. These figures exclude any drawdowns made from existing plans or further advance.

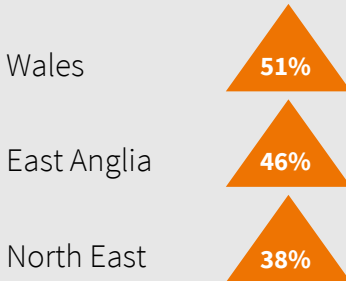
The average loan decreased slightly year on year at £71,509 compared to £75,921, reflecting slight increases in lower cost expenditure items during the period, shown in the usage data explored on page 4.

Drawdown remains the most popular type of plan accounting for 64% of all new plans (Drawdown and Enhanced Drawdown). Drawdown, which retains accessible further funds, provides potential further borrowing of £220.4 million in addition to the £749.2 million in initial advances; giving a total market for quarter 3 of £969.5 million, compared to the total of £856 million for the same period of 2016. Lump sum releases account for 36% of new business and are more evident at younger ages where mortgage repayment is more prevalent.

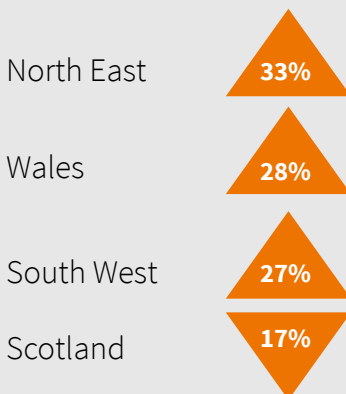
The average age for those releasing equity remains consistent at 71 year on year.

**Biggest movers by region**

**Number of Plans**



**Lending**

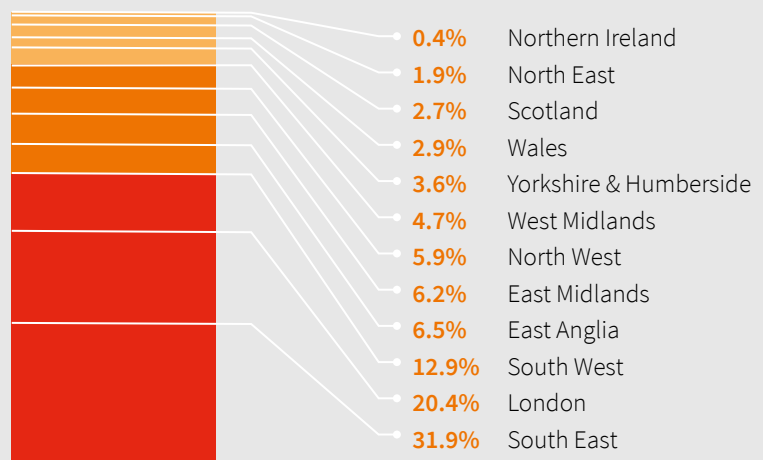


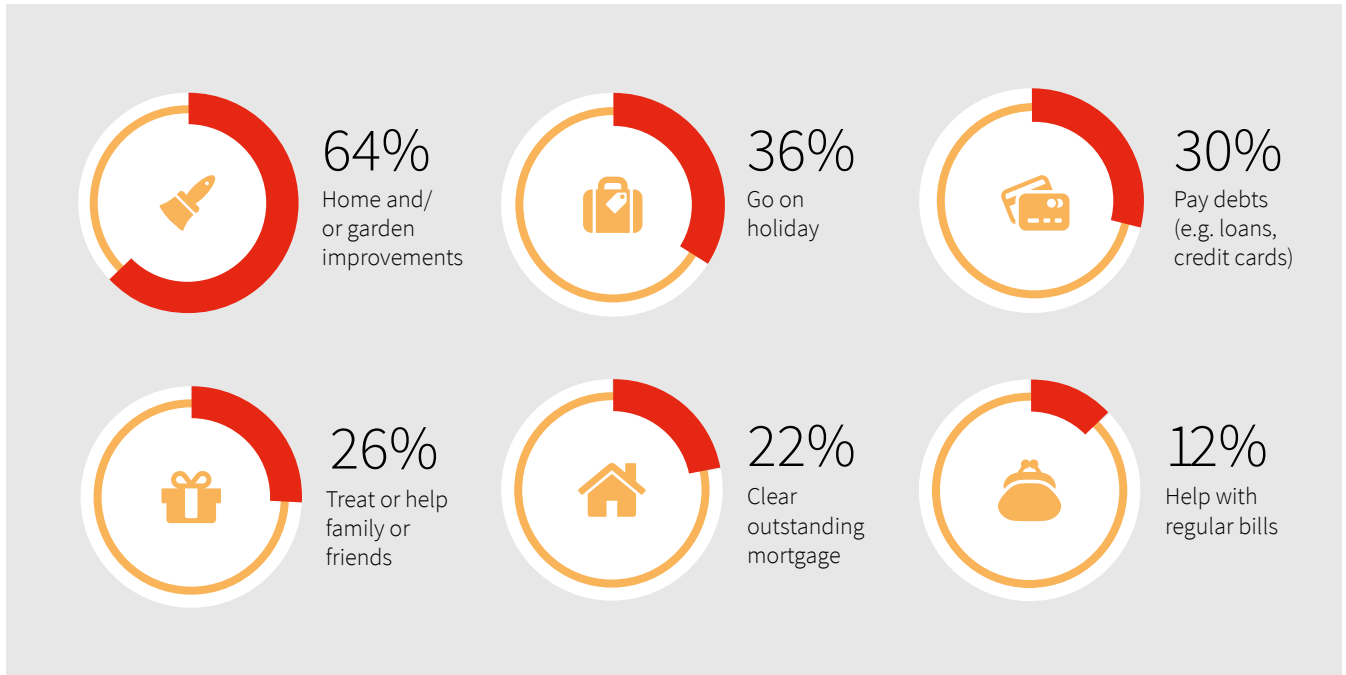
**Regional Highlights**

All regions experienced growth in the total number of plans, with only one region, Scotland, seeing a drop in overall lending figures. The greatest increase for plan numbers was experienced in Wales with the region achieving growth of 51%. The highest increase in lending was experienced in the North East where lending increased by 33%. There were other stand out regions as well; East Anglia achieving growth of 46% for plan numbers and, with the North East remaining strong for new plan numbers, increasing 38% year on year.

Top region for overall lending was the South East (£238.6m) with London (£152.5m) taking second place.

**Lending – Contribution by Region**





**Highlights**

- 64% released equity for home and / or garden improvements
- 26% gifted money to family or friends

**Quarter 3 2017 Focus –**

**Clear Outstanding Mortgage & Repay Debts**

As we enter the latter stages of 2017 interest only mortgage maturities still dominate the headlines and the lives of many borrowers. Those with shortfalls or no repayment method in place have little or no time left to plan for their interest only mortgage exit.

The average outstanding mortgage is £84,260. Mortgage repayment has grown as a usage for equity release more than any other, accounting for 17% in 2010, increasing to 22% for Quarter 3 of 2017, a trend which is expected to continue.

Other non-secured debt repayment features as a major reason for releasing equity with 30% repaying non-mortgage debt. A major driver for other lending in the form of loans is car finance. Total, all debt, analysis:

	Average Balance	Average Monthly Payment
Mortgages	£84,260	£498
Credit Cards	£10,515	£288
Loans	£12,672	£283

## Regional Summary

Area	Value	Percentage Change 2017 on 2016	Number of Plans	Percentage Change 2017 on 2016	Average Value Released	Average LTV %	Average Customer Age	Average Property Value	YOY Var
<b>East Anglia</b>	<b>49m</b>	<b>20%</b>	<b>793</b>	<b>46%</b>	<b>£61,808</b>	<b>23</b>	<b>70</b>	<b>£268,023</b>	<b>3%</b>
East Midlands	46.3m	22%	870	28%	£53,167	23	70	£229,460	9%
London	152.5m	17%	1,143	19%	£133,428	20	71	£655,150	9%
North East	14.7m	33%	293	38%	£50,250	28	71	£180,294	-6%
North West	44m	16%	900	28%	£48,876	24	71	£202,128	1%
Northern Ireland	3.2m	11%	77	17%	£42,156	21	70	£199,999	0%
Scotland	19.9m	-17%	463	3%	£43,010	24	71	£178,344	-7%
South East	238.6m	22%	2,827	23%	£84,429	21	71	£400,049	10%
South West	96.7m	27%	1,383	35%	£69,895	23	70	£309,169	6%
Wales	22.2m	28%	470	51%	£47,283	23	69	£204,462	4%
West Midlands	34.9m	0%	677	9%	£51,611	24	71	£212,181	-3%
Yorkshire & Humberside	27m	6%	580	21%	£46,484	24	70	£194,949	-2%
<b>Total</b>	<b>749.2m</b>	<b>18%</b>	<b>10,477</b>	<b>26%</b>	<b>£71,509</b>	<b>22</b>	<b>71</b>	<b>£325,038</b>	<b>6%</b>

## Regional Focus - East Anglia

Total lending

£49m

Plans arranged

793

Average released

£61,808

Average property value

£268,023

## Quarter 3 2017 Regional Focus – East Anglia

The average value released in East Anglia is £61,808, the fourth highest behind London, the South East and the South West. The region's appetite for equity release has grown dramatically, not just in the third quarter of this year, but over the past few years.

Plan numbers and lending for previous third quarters have been:

Period	Plan Numbers	Change	Lending	Change
Q3 2015	355	+8%	£27,654,035	+36%
Q3 2016	544	+53%	£40,749,280	+47%
Q3 2017	793	+46%	£49,034,242	+20%

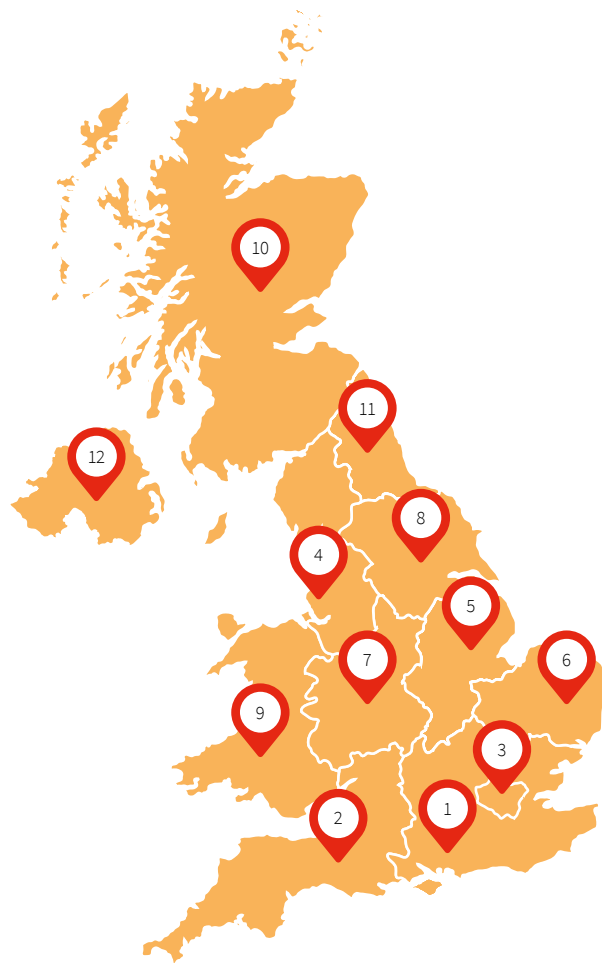
The increases both in lending and plan numbers has been one of the most consistent and strong of all regions across the UK, since Q3 2014 the average loan has also remained relatively level from £61,730 to £61,808. The average age has decreased slightly from 72 to 70.

**Number of equity release plans**

Area		Q3 2017 Number of Plans	Q3 2017	Q3 2016	% Change
1	South East		2,827	2,302	22.8%
2	South West		1,383	1,026	34.8%
3	London		1,143	957	19.4%
4	North West		900	702	28.3%
5	East Midlands		870	679	28.2%
6	East Anglia		793	544	45.8%
7	West Midlands		677	620	9.2%
8	Yorkshire & Humberside		580	479	21.2%
9	Wales		470	311	50.9%
10	Scotland		463	449	3.1%
11	North East		293	213	37.6%
12	Northern Ireland		77	66	16.9%
TOTAL			10,477	8,348	25.5%

**Review**

- Highest  
South East (2,827)
- Lowest  
Northern Ireland (77)





**Value of equity release plans**

Area		Q3 2017 Value of Plans	Q3 2017	Q3 2016	% Change
1	South East		£238.6m	£195.5m	22%
2	London		£152.5m	£130.1m	17.3%
3	South West		£96.7m	£76m	27.2%
4	East Anglia		£49m	£40.7m	20.3%
5	East Midlands		£46.3m	£37.9m	21.9%
6	North West		£44m	£38.1m	15.6%
7	West Midlands		£34.9m	£34.9m	0.2%
8	Yorkshire & Humberside		£27m	£25.4m	6.2%
9	Wales		£22.2m	£17.3m	28.3%
10	Scotland		£19.9m	£23.9m	-16.6%
11	North East		£14.7m	£11m	33.5%
12	Northern Ireland		£3.2m	£2.9m	11.1%
TOTAL			£749.2m	£633.8m	18.2%

**Review**

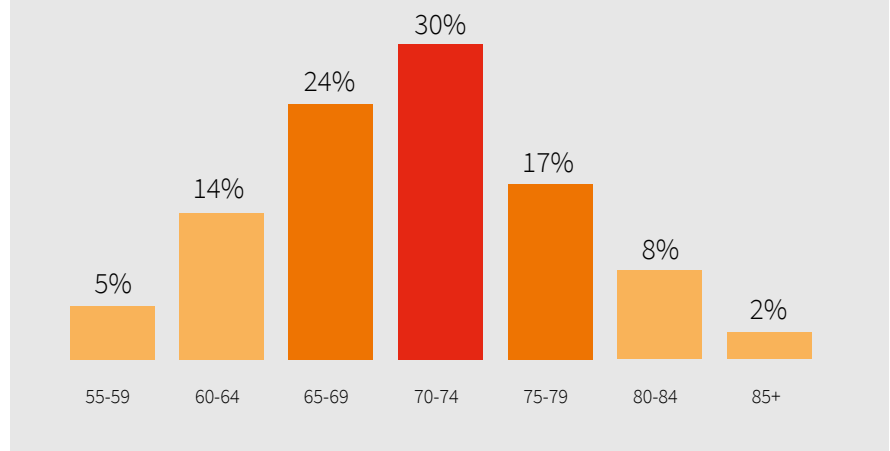
- Highest  
South East (£238.6m)
- Lowest  
Northern Ireland (£3.2m)



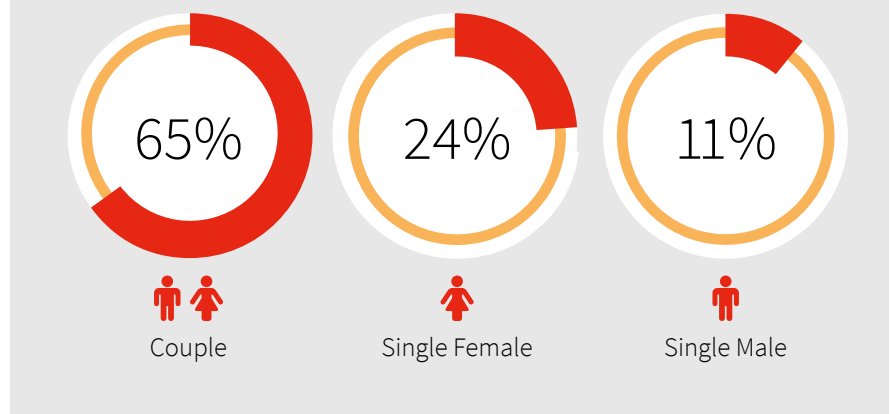
**Analysis**

- Average age 71
- 65% of those releasing equity are couples, from 64% in 2016
- 24% of those releasing equity are single women, more than double the number of single men

Customers by age



Customers by status



Product mix

