

Nearly one in five (18%) parents and grandparents who helped their family members onto the property ladder used their own property wealth to do so

- 42% of parents and grandparents aged over 55 have helped fund a family member's property purchase
- Parents and grandparents are frequently turning to the value of their own homes to come up with the cash, either through equity release, downsizing or remortgaging
- Despite making significant financial gifts, 72% of parents and grandparents don't seek formal advice, raising concerns among experts

Parents and grandparents – also known as the 'Bank of Family' – are turning to their own property wealth to get their children onto the housing ladder, according to new research from Legal & General and the Centre for Economics and Business Research (Cebr)¹.

Family help loved ones 'ladder up' using the value of their own property

Two fifths of all parents and grandparents (42%) aged 55 and over have stumped up the cash to help younger family members purchase a home. To meet these significant costs, many have used a combination of their savings (68%), investments (22%) and even their pension (14%), but some parents and grandparents have also made use of their own property wealth to help family members.

There is more than £3.5 trillion in housing wealth held by the nation's over 55s² and an increasing number of parents and grandparents are turning to this to unlock support. Nearly one in five (18%) have used their own home to generate the money their loved ones need to make a purchase; this could be via equity release, downsizing or re-mortgaging. Among Legal & General Home Finance's own customers, for instance, in the last year 11% took out a lifetime mortgage to make a financial gift to a family member³.

Parents and grandparents who gift will provide significant sums of money, with prospective homeowners who benefit receiving £25,600 in support on average.

And it's not just direct financial support that's being provided. A third of parents and grandparents have allowed adult children to move back home while saving for a deposit, avoiding an estimated £24,900 in outgoings.

Is a lack of advice leaving many worse off after gifting to loved ones?

For some financial products that help people access the value locked in their property, such as equity release, parents and grandparents must first undertake specialist advice. However, many people looking to make a financial gift to younger family members via other means could be missing out on additional types of expert guidance. 72% of parents and grandparents who provided support did not seek any advice before helping their family members with a house purchase. This is perhaps why many supportive family members see a negative impact on their own finances as a result (69%). Although most will not see their standard of living change, many could be making a significant financial decision without considering all of the necessary factors.

To help families better navigate this, Legal & General has launched a new [‘Guide to Gifting’](#) to support parents and grandparents thinking about the financial support they can offer their loved ones.

“For families across the country, property is often one of the most significant financial assets they have. We know that many parents and grandparents feel there is no better use of that asset than to provide for the future of their loved ones, helping many younger people overcome the huge challenge of getting on the first rung of the property ladder.

“However, it’s really important people take a considered approach when providing support like this. Our research shows many parents and grandparents do not seek any guidance or advice before parting with significant amounts of money, unless of course it’s a requirement of the product, as with lifetime mortgages. This is a big decision and people should carefully consider how and what they gift to ensure they don’t risk their own financial difficulties later in life.

“While not for everyone, later-life lending products, such as lifetime mortgages, might be suitable for some people over 55 to help family members step onto the ladder, but these should only be considered following a conversation with an adviser about all the options available to provide family with support.”

Craig Brown, CEO of Legal & General Home Finance

-ENDS-

Notes to editors

¹Unless otherwise specified all figures given in the release are drawn from Legal & General’s 2023 Bank of Family research. Read more [details on this, here](#).

² [Office for National Statistics, Household net property wealth by household representative person \(HRP\) age band: Great Britain, April 2016 to March 2020](#)

³ Legal & General Home Finance, internal data, September 2023

About Legal & General

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**as at HY 2023*

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In 2022, we had total individual annuity sales of £954 million, and issued £632 million of Lifetime Mortgages and Retirement Interest Only Mortgages. Our Workplace pension platform served 4.9

million members, while our Protection businesses gave peace of mind to more than 6.3 million UK life insurance, 1.8 million group and 1.5 million US customers, taking in £3.1 billion of gross written premiums.

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