

Legal & General Group Plc  
EMBARGOED: Wednesday 25 August 2021

## Rise of the “Forever Homeowner” as more over 55s decide to stay put but 2.9 million still plan to downsize

- One in four homeowners over 55 in UK now plan to downsize – a drop of 200,000 since 2018
- Over 55s elect to stay put as they prioritise community and space following Covid-19 lockdowns

The number of homeowners over 55 and looking to downsize in the near future has dropped by 200,000 in the last three years, according to research by Legal & General Financial Advice<sup>1</sup>.

The latest study shows that potential downsizers now make up nearly a quarter (24%) of all households aged 55 and over, amounting to 2.9 million homes. When Legal & General last analysed the market, in 2018, this figure stood at over a quarter (26%) of households, meaning there were then 3.1 million potential houses to be sold. According to the Office of National Statistics, the total property wealth amongst the over 50s is estimated to be £3.8 trillion<sup>2</sup>, with three quarters (74%) of those aged 55 and over in the UK owning their own home<sup>3</sup>.

The drop in over 55s considering downsizing means that over the course of the last three years, there has been a growing trend in “Forever Homeowners” who now want to stay put. The 2.9 million older households who may sell their home still hold considerable property wealth, with the current value of the housing stock in Great Britain standing at £767 billion, however this is a drop from £938 billion when the analysis last took place<sup>4</sup>.

### Sense of community

When asked why their plans had changed, the main reason amongst homeowners aged over 55 was that they don’t want to leave the community they live in, with the Covid-19 pandemic further emphasising the importance of having friends and family close by.

The lockdown resulted in us spending more time in our homes than ever before, which has clearly influenced many of this group’s decision not to downsize. One in four (24%) said they have enjoyed having more space during lockdown, and don’t want to give that up, while a further one in ten (13%) deciding to invest in their current home rather than move on.

### Awaiting clarity

While some “Forever Homeowners” have made their mind up not to sell, others impacted by the pandemic are keen to reassess their decision in the near future. Nearly a quarter of over 55s who haven’t sold their home stated that they would still consider downsizing but want to see how their financial situation develops before deciding (12%) or are uncertain about the housing market currently (10%).

**“The impact of Covid-19 has clearly changed the mindset of many older homeowners, and we can see there has been an uplift in those who want to keep hold of their home. Over time, priorities can change, and it is only natural that over the course of the 16 months people have grown closer to their local community, valued having family nearby and enjoyed having the space to relax while in lockdown.**

**“Of course, the decision to move home is a big one, particularly in later life, and there are practical considerations, as well as emotional ones. Our research suggests many over 55s are still open to the idea of moving, but are mulling things over before making any decisions, so we may see a shift in stance now that lockdown has eased.**

**“A property is often our most valuable asset and deciding not to downsize presents a potentially difficult situation if the funds are one day required to supplement retirement, or gift money to a family member. For those who don’t want to move, unlocking some of the equity tied up in their housing could therefore prove a huge help, particularly when the time comes to make a home fit for older age. While this may be a lifeline for some, for anyone thinking about this route, it’s important to consider all of your options and seek proper advice before doing so.”**

**Sara McLeish, CEO, [Legal & General Financial Advice](#)**

**The information contained in this press release is intended solely for journalists and should not be relied upon by private investors or any other persons to make financial decisions.**

**-ENDS-**

<sup>1</sup>Opinium Research ran a series of online interviews among a panel of 2,000 UK adults, of which 603 were homeowners aged 55+, from the 23<sup>rd</sup> July to the 27<sup>th</sup> July 2021.

<sup>2</sup>[Office for National Statistics, Wealth and Assets Survey](#)

<sup>3</sup>[Office for National Statistics, English Housing Survey 2019-20](#)

<sup>4</sup>[Last Time Buyer Report 2018](#)

## **Notes to Editors**

### **About Legal & General**

Established in 1836, Legal & General is one of the UK’s leading financial services groups and a major global investor, with international businesses in the US, Europe, Middle East and Asia. With almost £1.3 trillion in total assets under management\*, we are the UK’s largest investment manager for corporate pension schemes and a UK market leader in pension risk transfer, life insurance, workplace pensions and retirement income. Through inclusive capitalism, we aim to build a better society by investing in long-term assets that benefit everyone.

*\* at 31 December 2020*

### **About Legal & General Retail Retirement (LGRR)**

Legal & General Retail Retirement’s mission is to help its customers lead longer, healthier, happier lives. We believe everyone should be able to have a ‘more colourful retirement’. The Division comprises the Group’s retirement savings and income, later life lending and care solutions businesses. In 2020, LGRR wrote £910 million of annuity premiums and issued £791 million of lifetime and retirement interest only mortgages.

Lifetime mortgages are available to homeowners aged 55 or over and are a type of equity release that allows the customer to unlock some of the equity from their home without having to move. It’s a loan secured against their home. If the customer gifts money away, the recipient may have to pay inheritance tax in the future. There may be cheaper ways to borrow money.

## **Further information**

**Name: Lewis Wilks**

**Company: Lansons**  
**Tel: + 44 7903 260 560**  
**Email: [lewisw@lansons.com](mailto:lewisw@lansons.com)**

**Name: Claire Byrd**  
**Company: Legal & General Retail Retirement**  
**Tel: + 44 7385 347 769**  
**Email: [Claire.Byrd@landg.com](mailto:Claire.Byrd@landg.com)**

Legal & General Assurance Society Limited. Registered in England and Wales No. 00166055. Registered office: One Coleman Street, London EC2R 5AA. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.