Legal & General Group Plc
16 September 2024

One in five (19%) parents and grandparents who helped family members get on the property ladder used their own property wealth to do so

- Family gifting is at a record high, with 42% of all homes bought by buyers under 55 years old in 2024 receiving support from the 'Bank of Family'
- One in five (19%) of the parents and grandparents supporting younger family members do so by using their own property wealth, either by downsizing, equity release or remortgaging
- 74% of those making significant financial gifts did not seek formal financial advice

Family contributions are increasingly essential for home purchases, and generous parents and grandparents are looking to their own property wealth to help support younger buyers, according to new research from Legal and General and the Centre for Economics and Business Research (Cebr)[1].

The 'Bank of Family' is expected to help fund 42% of UK property purchases made by those under 55 years old, contributing to a total of 335,000 housing transactions supported by family lending in 2024 – the largest number of property purchases since Legal & General began tracking lending from family members in 2016. Gifting from parents and grandparents is also predicted to hit £11.3bn by 2026.

To help meet these costs, a fifth (19%) of those providing support are doing so by downsizing their property (12%), using equity release (8%) or re-mortgaging (4%). Among Legal & General's customers, 9% used equity release for financial gifting in the first six months of the year[2].

While gifters who use equity release are required to seek financial advice, the research found that the vast majority of parents and grandparents who made a financial gift (74%) did not seek the guidance of a professional before parting with their money.

Lorna Shah, Managing Director, Retail Retirement: "Property wealth remains one of the most significant assets for families across the country, so it comes as no surprise that relatives are using it to provide financial support to younger members buying a home.

"Although products like lifetime mortgages are always supported by specialist financial advice it's important that anyone making a significant gift seeks help from a financial adviser, even if their property isn't the source of their funds. Our research shows that, at the moment, very few parents or grandparents seek out professional advice

---

[1]**Bank of Family Methodology**

The Bank of Family research was compiled using primary survey data as well as existing data sources relating to the housing market.

The survey work was carried out by YouGov. For the survey of borrowers, the total sample size was 2,506 adults who have purchased a home in the past five years or are considering purchasing a home in the next five years. For the lenders survey, the total sample size was 2,017 adults aged 55+ with children or grandchildren aged 16+. Fieldwork for both surveys was undertaken between 26th June and 2nd July 2024.

In order to arrive at the overall value of the Bank of Family (in terms of the value of lending), we used data from the survey to obtain the share of transactions supported and the average value of the assistance. This was then scaled up using Centre for Economics and Business Research (Cebr) forecasts for total property transactions. The underlying data for property transactions come from HMRC and are published as National Statistics.

[2]**According to Legal & General Home Finance internal data, June 2024.**

when offering financial gifts to family members, unless they use a fully advised product such as equity release, and this can impact their finances in the long term.

"As equity release moves more into the mainstream, more people are likely to turn to it for help. The 'Bank of Family' is predicted to have a busier year than ever, so we might see more people drawing equity from their property to support their loved ones."

-ENDS-

Notes to editors

About Legal & General plc

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with £1.2 trillion in total assets under management (as at FY23) of which c40% (circa £0.5 trillion) is international.

We have a highly synergistic business model, which continues to drive strong returns. We are a leading international player in Institutional Retirement, in Retail Savings and Protection, and in both public and private markets through our Asset Management division. Across the Group, we are committed to responsible investing and dedicated to serving the long-term savings and investment needs of customers and society.

As at 7 June 2024, we estimate the Group's Solvency II coverage ratio to be 224%.

As at 11 June 2024, Legal & General has a market capitalisation of £14.6 billion.

Our Retail Division

Legal & General Retail helps create brighter financial futures for all our customers. The division covers the savings, protection and retirement needs of our c.14 million retail policyholders and workplace members.
In 2023, we had total individual annuity sales of £1,431 million, and issued £299 million of Lifetime Mortgages and Retirement Interest Only Mortgages. Our Workplace pension platform served 5.2 million members, while our Protection businesses gave peace of mind to several million direct, group and US customers, taking in £1,991 million of UK and $1,584 million of US gross written premiums.

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.

Further information

Name: Claire Byrd
Role: Senior PR Manager
Division: Legal & General Retail
Tel: +44 (0) 7385 347 769
Email: Claire.Byrd@landg.com

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