



22% of workers plan to use their home to fund their retirement, as house prices continue to soar

- 22% of current workers plan on using the value of their home to fund their retirement, following record house price increases
- A third all non-retirees (35%) have less than £10,000 in their pension pot but own a property
- The average homeowner in England and Wales could access £72,988 in equity release based on analysis of median house prices, which could greatly improve the retirement of the 70% of over 65s who are 'state pension dependent' but are also homeowners.

22% of people planning ahead for their retirement expect to use the value of their home, according to research by [Legal & General Home Finance \(LGHF\)](#).¹

The findings indicate that a third of all people who aren't currently retired (35%) own a property but have less than £10,000 saved in their pension pot. A further 22% of people hold no pensions savings at all. The significant number of small or empty pots, coupled with the 24% increase in median house price values in England and Wales since 2016², could be driving more people to consider using their property wealth to fund their retirement. Based on current house prices in England and Wales, the average homeowner could access over £72,988 in equity release, for instance³. People who aren't currently retired expect to downsize their property (10%), sell their property (9%) or access equity via a lifetime mortgage (6%) to help fund their later life.

While many people looking ahead to retirement are hoping to access property wealth there are a significant number of retired homeowners who could also benefit from considering the role their property might play in funding their lifestyle. Nearly two-thirds of people over 65 (70%) are dependent on the state pension as their main source of income and are also homeowners.

“The significant increase in house prices in recent years has likely shifted many people’s expectations of the role property wealth will eventually play in supporting their retirement. We anticipate that using your home to fund your retirement will become more commonplace in the future, whether that’s by downsizing to free up funds or releasing money tied up in your home through products like lifetime mortgages. It’s never too early to start thinking about how you plan to fund retirement, and to seek the appropriate advice to get your affairs in order, and for many homeowners their property could be the key to getting the lifestyle they desire.

“Our findings also show there are a large number of people currently in retirement who may be on a limited income and could benefit from the likely increases in the value of their home. It’s important we challenge the discomfort some people still have with using cash from their home to help them achieve better financial outcomes in retirement.”

Claire Singleton, CEO, Legal & General Home Finance

-ENDS-

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.

¹ Opinium survey of 4,000 UK adults between the 31st October and 3rd November 2021

² [Office for National Statistics, House price statistics for small areas in England and Wales: year ending March 2021, Nov 2021](#)

³ Legal & General customers accessed, on average, 24.5% of the value of their home through equity release, putting the expected amount that can be accessed across England and Wales at £72,988: [Office for National Statistics, House price statistics for small areas in England and Wales: year ending March 2021, Nov 2021](#)

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, alternative asset origination, 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 30 June 2021

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

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