



Paying off the mortgage put off into retirement

Legal & General Ignite data reveals a 156 per cent increase in searches for 10 to 15 year remortgage terms among the over-50s

New proprietary data from Legal & General's Ignite platform on broker searches shows a significant increase in over 50s searching for remortgages with terms that will carry them close to or into retirement.

- Searches for 21 to 25-year terms among over 50s climbed 83% from Q1 2023 to Q1 2024
- In Q1 2024, over 50s remortgaging owed an average of £217,065
- Average loan amounts increased the most among remortgagers aged between 51 and 55, up by 18.9% from Q1 2023 to Q1 2024.

According to [UK Finance data](#), the average first-time buyer will be paying off their loan until the age of 64 – the oldest age since records began in 2005. Legal & General can reveal that the proportion of over 50s who have searched for mortgages with 10 to 15-year terms has increased by 44% from Q4 2023 to Q1 2024 and by 156% from Q1 2023 to Q1 2024.

The findings coincide with a growing trend of people working longer and often transitioning into retirement gradually. The proportion of people working past their 65th birthday has doubled since the turn of the century from 5.2% to 11.5% in 2023 according to analysis by the [Centre for Ageing Better](#).

Searches for 21-25-year terms among over 50s shoots up by 83% from Q1 2023 to Q1 2024

Using the Ignite platform, brokers can input specific information on a customer, which is processed to generate a list of suitable financial mortgage products for that customer's financial profile. As a result, this can support the adviser to make a more tailored and informed recommendation to guide a customer's mortgage journey.

Data collected by the platform indicates that borrowers in the over 50s age bracket are researching mortgage deals that go far beyond a 10-15-year term. Among the over 50s customers, including customers of ages up to 70, searches for a 21-25-year term mortgage have increased by 50% from Q4 2023 to Q1 2024 and by 83% from Q1 2023 to Q1 2024. The number of over 50s looking for mortgages with a 16-20-year term increased by 88% from Q4 2023 to Q1 2024 and 136% between Q1 2023 and Q1 2024.

When compared against the entire sample, which includes remortgaging customers from age 18 to 70, the overall proportion of over-50s who searched for a remortgage option remained consistent year on year. In Q1 2023, 28% of all remortgage searches were ordered by a customer aged over 50, the same was true for Q1 2024.

Average remortgage loan amounts increase

Average remortgage loan amounts are also increasing, reflecting the affordability challenges faced by buyers across the sector. In Q1 2023, the average loan amount searched for by advisers on behalf of all remortgage customers was £221,625. This increased to £224,129 in Q1 2024.

Across 2023, the average loan-to-value searched on the platform stayed relatively similar, sticking to 58%. During this time, the average purchase value for remortgage customers was £403,902. This increased slightly to £409,787 in Q1 2024 – an increase of 1.50%.

The size of the average loan amounts varies according to the age group of the remortgaging customer. In Q1 2023, a borrower aged between 18-30 owed an average of £207,720. In Q1 2024, the average loan amount of a borrower in the same age group was £205,558, 1% lower.

However, average loan amounts increased the most among remortgagers aged between 51 and 55, climbing up by 18.9% from £197,343 in Q1 2023 to £234,716 in Q1 2024. The YoY increase reflects a tangible rise in the volume of older remortgagers liable to carry large amounts of mortgage debt well past retirement age.

The full data is presented below:

Age	Average Q1 2023	Average Q1 2024	Percent change
65+	£185,707	£217,949	17.40%
56-65	£202,979	£200,587	-1.20%
51-55	£197,343	£234,716	18.90%
41-50	£234,682	£231,317	-1.40%
31-40	£233,306	£230,836	-1.10%
18-30	£207,720	£205,558	-1.00%

Remortgaging activity across the board up by 153% from Q1 2023 to Q1 2024

The increase in remortgaging activity is not limited to the over-50s. Between Q4 2023 and Q1 2024, there was a 53% increase in the levels of remortgage activity across the UK market. When comparing Q1 2023 to Q1 2024, activity saw an even greater increase, reaching upwards to 153%. Many customers who had been holding off on their decision to remortgage may have seen more compelling rates which have encouraged them to come to a decision sooner, while the range of affordable options available has also increased.

Demographic differences

According to Legal & General Ignite data, the average age of a remortgage customer in 2023 was 43.6. The 18-30-year-old age category saw the largest growth in searches between Q4 2023 and Q1 2024 with 66%. However, the second largest growth in activity was in the 56-65-year-old age bracket, with 65% in total growth.

This was followed by the 31-40-year-old and the 51-55-year-old age brackets which each saw a 54% increase from the previous quarter. 51-55-year-olds grew from 713 to 1,100 and 31-40-year-olds grew from 2,244 to 3,455.

Repayment methods

The average outstanding loan amounts of remortgaging deals are growing, but there is a diverse range of repayment options on the market to suit the needs of every customer. Across 2023, 57% of customers across the residential and buy-to-let spaces searched for capital & interest payment mortgages, compared to 43% who searched for interest only. However, more positively, in Q1 2024, the percentage of searches for capital & interest mortgages increased by 7% to 65%, bringing the proportion of searches for interest only down to 35%. This transition is another positive sign for the market, as fewer people are relying on interest-only mortgages to manage their repayments.

Kevin Roberts, Managing Director, Legal & General Mortgage Services: “As our data has revealed, there is a significant increase in homeowners aged over 50 looking to remortgage on a term that is likely to spill over into their retirement, although how and when people retire looks to be changing. In a challenging and dynamic interest rate environment, a large uptick in remortgaging requests was perhaps inevitable. If interest rates remained low, many homeowners might have stayed put and renewed with their existing lender. But in a newly competitive market, more people than ever are carefully considering their options to ensure they can access the best rate possible.

“It’s encouraging to see that customers are still seeking professional advice to inform their remortgaging journey. The market is flush with available options, so it’s really important homeowners seek advice to pinpoint the products that are best for their individual financial situation. After all, a traditional mortgage may not be the right choice for everyone, especially with the recent injection of hybrid mortgages and later-life products that can help customers manage mortgage debt in retirement.

“Right now, the right course for many borrowers may be a conversation with a professional adviser. An adviser can use their frontline experience and access to modern tech tools to ensure customers are across the most suitable products on the market. Moreover, advisers will often have access to rates and deals that are not available on the high street. Their insight is invaluable and can provide customers with much-needed peace of mind when the time to sign on the dotted line finally arrives.”

-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.

About 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.

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