

Legal & General: Demand for energy-efficient homes rose in December

- Criteria searches for products that consider a property's energy performance certificate (EPC) increased by 21% in December 2022
 - Criteria searches for interest-only mortgages grew by 30%
 - Most criteria searches were made on behalf of applicants with a visa

London, January 2023 - Legal & General has today revealed which areas of the mortgage market are continuing to grow, despite the ongoing cost-of-living crisis. According to data from its SmartrFit platform, the most popular mortgage criteria searches in December 2022 were made by applicants with a visa and those in search of green and interest-only products.

Borrowers consider green options amidst soaring energy bills

With many facing high gas and electricity bills, increasing numbers of homeowners are looking for more energy-efficient homes to help cut future costs and protect the environment. Searches for products that consider a property's energy performance certificate (EPC) climbed by 21% in December.

The growing demand for eco-friendly homes is also reflected in Legal & General Capital's [research](#), conducted with YouGov, which found that buyers will pay up to 20% premium for low-carbon homes. Additionally, the data shows that consumers are now rating energy-efficient, sustainable features as more important than the size of the property, when it comes to finding a new home.

Specialist solutions grow in popularity

At the same time, ongoing affordability constraints, and a sharp increase in rates in 2022, have meant that more borrowers are opting for alternative, innovative solutions to maximise their borrowing potential.

December saw a 30% jump in criteria searches for interest-only mortgages as borrowers sought more flexibility in how they would like to repay their mortgage. In addition, joint borrower-sole proprietor mortgages were the second most searched criteria point in December, indicating that more borrowers are leaning on income from family and friends to fulfil their homebuying dreams.

UK property market attracts foreign buyers

For another month in a row, most criteria searches were made on behalf of applicants with a visa, reaffirming that UK housing is a safe bet in uncertain economic times.

Jodie White, Head of Mortgage Products & Transformation, Legal & General Technology:

"2022 certainly wasn't without its challenges, but it is encouraging to see that, as customers' needs changed in response to the surging cost-of-living and rising energy bills, the UK's mortgage market was able to meet this demand with clear advice and innovative products. Affordability has naturally come under pressure in recent months, but our data shows that advisers are stepping up to meet this challenge and helping their customers find alternative solutions. This responsiveness is a positive sign for the health of our mortgage market."

"Whether it's navigating interest-only products, or exploring the plethora of green mortgages appearing on the market, advisers play a vital role in helping borrowers review their circumstances and establish which will be the most appropriate option as part of their advice. Taking on high volumes of complex work is difficult, but new technology is here to help deal with the administrative"

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.

burden. As we start a new and busy year for the market, brokers can lean on the various digital tools at their disposal so they can focus on what they do best – giving high-quality advice.”

-ENDS-

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 over £1.4 trillion in total assets under management* of which a third is international. L&G also provides powerful asset origination capabilities. Together, these underpin our leading retirement and protection solutions: we are a leading international player in pension risk transfer, in UK and US life insurance, and in UK 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 9 March 2022*

About Legal & General Retail

As of 1st January 2022, Legal & General Retail Retirement and Legal & General Insurance (our two retail businesses) have been combined into one division, Legal & General Retail to enable us to better serve the needs of our retail customers.

Legal & General Retail helps protect lives and futures of our customers; the division covers the savings, protection and retirement needs of our c12 million retail policyholders and workplace members. In 2021, we wrote £957 million of annuity premiums, and issued £848 million of Lifetime Mortgages and Retirement Interest Only Mortgages. Our Workplace pension platform served 4.4 million members, while in the UK we paid out a total of £1,133.8 million in insurance claims.

<https://www.legalandgeneral.com/adviser/mortgage-club/>

Further information [journalists only]

Patrick Davies – Account Director

landgmc@rostrum.agency

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.