

Homeowners could nearly double their retirement savings by combining pensions and property wealth

- Homeowners in England and Wales could release an average of £69,600 worth of equity release from their homes using equity release— a 20% increase on five years ago
- This could compliment the average pension pot (£72,000) and add five extra years' worth of retirement income
- The areas that have seen the greatest increase in property wealth include Blaenau Gwent and Merthyr Tydfil in Wales, Broxtowe in the East Midlands and Salford in the North West

New analysis of Office for National Statistics (ONS) data by Legal & General Retail¹ has found that homeowners could nearly double the amount of money they have on hand for retirement by using their property wealth.

Housing wealth continues to rise

In the last five years, house prices in England and Wales have increased by 20%, to an average of £290,000.

The most significant growth has been in the East Midlands and Wales, where house prices have increased by an average of 26% and 25% respectively, adding more than £40,000 to the overall value of the average property.

Property could add five years' worth of retirement income

For older homeowners, property wealth could help to boost the amount of money available to fund their retirement. The average pension pot at the point of retirement for Legal & General drawdown customers is £72,000² but if they were to access their property wealth using equity release, for instance, they would receive an average of £69,600 (24%). This would create an overall retirement fund of £141,600.

This could improve the prospects of many pensioners by adding an equivalent of five additional years' worth of retirement income³.

The regional picture

While homeowners in London and the South East continue to have some of the highest value properties in the country, house price growth has plateaued in these areas in recent years. Meanwhile, homeowners in other areas of the country have seen significant increases in the value of their properties.

Areas like Blaenau Gwent (+49%), Merthyr Tydfil (+46%), Broxtowe (+39%) and Salford (+38%) are some of the most increased in terms of overall property values [top 20 listed below].

Lorna Shah, Managing Director, Legal & General Retail Retirement: "Many retirees are not able to maintain the lifestyle they want with their existing pension pots alone. This will only become a greater challenge as people live longer and have to meet increased costs, such as those associated with residential care. Property wealth, using products like equity release, could increasingly be integrated into retirement planning in the future, as a larger number of homeowners turn to the value held in their bricks and mortar to bolster their retirement funds.

¹Legal & General analysis of Office for National Statistics, [Median house prices for administrative geographies](#), September 2024.

²Legal & General, workplace pension data.

³Based on PLSA's Retirement Living Standards' minimum income for a single person £14,400 per year.

“If more people look to property wealth to fund their retirement, this could have interesting regional implications, as local house price fluctuations impact how much homeowners have at their disposal. Some areas of the country might end up taking a greater proportion of their retirement funds from their homes as a result.”

Top 20 local authorities with the biggest increase in house price values over the last five years

Region	Local authority	House prices (2024)	Average equity release (24%)	Change in the last five years
Wales	Blaenau Gwent	£128,000	£30,720	49%
Wales	Merthyr Tydfil	£137,000	£32,880	46%
East Midlands	Broxtowe	£247,500	£59,400	39%
North West	Salford	£220,000	£52,800	38%
North West	Trafford	£350,000	£84,000	37%
North West	Oldham	£180,000	£43,200	36%
North West	Tameside	£195,000	£46,800	36%
Wales	Neath Port Talbot	£155,000	£37,200	35%
Wales	Caerphilly	£174,975	£41,994	35%
North West	Manchester	£235,000	£56,400	34%
East Midlands	Leicester	£232,000	£55,680	34%
East Midlands	Gedling	£240,000	£57,600	33%
North West	Bolton	£180,000	£43,200	33%
West Midlands	Sandwell	£200,000	£48,000	33%
West Midlands	Wolverhampton	£200,000	£48,000	33%
East Midlands	Nottingham	£186,500	£44,760	33%
Wales	Isle of Anglesey	£225,000	£54,000	32%
North West	Bury	£225,000	£54,000	32%
West Midlands	Dudley	£218,000	£52,320	32%
North West	Rochdale	£178,000	£42,720	32%

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Notes to editors

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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.

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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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