



For immediate release: 27 April 2023

Legal & General Home Finance customers continue to reinvest property wealth to enhance homes

- With people looking to enhance home efficiency, and potentially lower bills, home improvements remain the most popular use of equity release funds
- New lifetime mortgage applicants are also looking to access equity to help pay off existing mortgages and fund more comfortable retirements

Equity release drawdown data from Legal & General Home Finance has revealed that home improvements remain the most popular reason for releasing additional funds from a lifetime mortgage (54%), as homeowners draw on property wealth to make long-term improvements and enhance their home's energy efficiency.

Examples of energy-efficient improvements include installing double glazed windows, installing insulation or replacing boilers. With the Government recently announcing the allocation of nearly £2 billion to retrofit homes towards net zero¹, it's likely homeowners will face further nudges in coming years to make their homes more sustainable.

In the first three months of 2023, Legal & General's existing customers continued to drawdown funds to supplement and support everyday living expenses (25%), amidst a backdrop of high inflation and challenging living costs. Despite recent market volatility, house prices across the UK remain high and properties continue to be a useful asset. Recent ONS statistics showed that the average UK house price increased 6.3% in the 12 months to January 2023, at £310,000 on average in England. With new Legal & General Home Finance customers releasing 24% from their homes on average, this could see customers in England accessing more than £74,000 from a lifetime mortgage³.

With over-55s looking to support family with big ticket items, like housing deposits and weddings, gifting remains a popular use of equity release funds, with 9% of existing customers including this as a reason for drawing down additional funds and 13% of new applicants saying they intend to share their housing wealth.

New application data also indicates that, after home improvements, paying off an existing mortgage is one of the most popular uses of funds (23%), as people use the equity in their home to set up for retirement.

“Our data shows lifetime mortgages are playing an important role in long term financial planning and that making a home comfortable and sustainable in the long term continues to be a popular use for funds. We also know that many people see releasing equity from their property as a way to provide a ‘living inheritance,’ with the opportunity to see loved ones benefit from the money when they need it most. It’s important to note that equity release is a lifelong financial commitment and won’t be suitable for everyone. Anyone considering applying for a lifetime mortgage must speak to a financial adviser to be clear about all the options available to them.”

Craig Brown, CEO, Legal & General Home Finance

-ENDS-

¹ GOV UK, [£1.8 billion awarded to boost energy efficiency and cut emissions of homes and public buildings across England](#) (22/03/23)

² Office for National Statistics (ONS), [UK House Price Index: January 2023](#) (19/04/23)

³ Legal & General Home Finance data analysing loan and drawdown statistics from 2023

⁴Equity Release Council, Spring 2023 Market Report, [To be published]



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 £1.2 trillion in total assets under management* of which a third is international. We also provide 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 31 Dec 2022*

About Legal & General Retail

Legal & General Retail helps create brighter financial futures for all our customers. The division covers the savings, protection and retirement needs of our c.13 million retail policyholders and workplace members.

In 2022, we had total individual annuity sales of £954 million, and issued £632 million of Lifetime Mortgages and Retirement Interest Only Mortgages. Our Workplace pension platform served 4.9 million members, while our Protection businesses gave peace of mind to more than 6.3 million UK life insurance, 1.8 million group and 1.5 million US customers, taking in £3.1 billion of gross written premiums.

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