

Legal & General sees equity release enquiries for home improvements more than double in 2021

- Enquiries relating to equity release for home renovations have increased by 134%, as increased interest in home improvements continues
 - 96% rise in enquiries about gifting money to loved ones

2021 has seen a huge surge in over 50s customers seeking equity release to undertake home improvements, increasing by 134% compared to the same period last year, according to data from Legal & General Financial Advice.

The business compared the first 5 months of 2021 to the same period last year, with the data showing a huge rise in the number of customers looking to unlock wealth from their home to make renovations. This initially shot up in August last year and has been one of the main reasons for customers looking to take out a lifetime mortgage since.

Recent research commissioned by [the Good Home Inquiry](#) found that the majority (63%) of people approaching later life in England see home renovations as a priority in the next two years. However, half (50%) of those aged 50-70 said the main reason they would not be able to carry out all the renovations they want is because they cannot afford it.

“Over the past year we have spent more time in our homes than ever before, which has led to a rise in home improvements to make our homes as comfortable, enjoyable and functional as possible. As well as cosmetic improvements, as we get older it’s important our homes adapt as our needs change and renovations can be vital in improving accessibility. Sadly, many people are not able to undertake this vital work because they cannot afford it. Unlocking equity from the home is one possible solution for those who need extra money to make much needed improvements.”

Sara McLeish, CEO of Legal & General Financial Advice

Gifts on the rise

The data also shows a 96% rise in the number of enquiries about gifting money to loved ones in the first 5 months of this year, compared to 2020. Research from Legal & General last year found 5.5 million parents expected to offer additional financial support to younger family members due to Covid-19, providing loved ones with an extra £1.9 billion¹.

Requests to unlock cash for the purpose of gifting may come as parents and grandparents provide housing deposits following the Stamp Duty holiday, but the spike in requests may also be an indication of how the older generation has been relied on as a vital source of regular financial support for those hit by the pandemic.

“We know that the Bank of Family has been lending money for decades for things like house deposits but, during the pandemic, the older generation has been relied upon as a vital source of financial support. Our data shows there has been a significant rise in the number of older family members looking to use equity release to gift funds to their younger relatives, a trend that we expect to become more commonplace.”

“Giving money to a family member can be hugely rewarding and can often make good financial sense, but the key is not to lose sight of our own longer-term plans. There is a risk that people could be underestimating what they need to fund a comfortable retirement and, therefore, it’s important to gift sensibly. This includes thinking about

our own ambitions for our lifestyle in later life as we cautiously begin the transition back into our normal way of living.”

Sara McLeish, CEO of Legal & General Financial Advice

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.

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Notes to Editors

1. Opinium Research ran a series of online interviews among a nationally representative panel of 4,001 UK adults between the 25th September and 3rd October 2020

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, 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 31 December 2020*

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

Name: Robbie Steel

Company: Lansons

Tel: +44 7538 775 501

Email: robbies@lansons.com

Name: Millie Hyde-Smith

Company: Legal & General Retail Retirement

Tel: + 44 7393 753 588

Email: Millie.Hyde-smith@landg.com