

THE Adviser

YOUR ROUND-UP OF EQUITY RELEASE NEWS
brought to you by Key Partnerships

Equity Released Hits over £4 Billion

In 2021, for the first time since the market was formed, the amount of equity released broke the £4 billion barrier, with 41,991 customers releasing £4.4 billion worth of new equity. Many customers used their housing equity to remortgage, with 38% using their equity in this way.

Throughout 2021, one in five plans taken out was used to support the wider family, with older borrowers gifting an average of £58,734 to help loved ones onto the property ladder. This gifting trend was boosted by the Stamp Duty Holiday, but remains a popular use of equity release despite the end of the property tax break.

Source, Key Market Monitor FY2021

Equity release headlines



Equity release market grows by 24% in 2021

A rundown of the 2021 equity release market



Advisers say pandemic has made it harder to spot vulnerable clients

A growing need for greater education in spotting vulnerable clients



Equity release customers borrowed £12m a day in 2021

Breaking down the drivers of equity release throughout 2021

Equity release could boost your clients' finances in later life



Wider market headlines



3.4 million pensioners facing 'savage' cuts amid rising inflation

Over 65s could be reducing their spending power with cash ISAs



UK inflation rises to highest level in almost 30 years at 5.4%

Piling pressure on Bank of England to raise interest rates



Good news for retirees as annuity income reverses three year decline

Average annual annuity income was 3.9% in 2021

Basic equity release qualification criteria



Aged 55 or over

In joint cases this is based on the age of the youngest client.



UK resident

Clients must be UK residents and the house they want to release equity from must be in the UK.



£70,000 house value

They must own a home valued over £70,000.

Clients can typically release up to 58% LTV depending on their health and lifestyle.



Want to know more about the equity release industry?

Download Key's Full Year 2021 Market Monitor Report

If you would like more information about equity release referrals, please get in touch:

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