



Nearly half of homeowners in England and Wales could access more funds from property wealth than the average pension pot

- Homeowners in 53% of areas in England & Wales could be able to access more from the value of their home than is saved in the average pension pot (£61,930)
- In March 2021, homeowners in England and Wales could release on average £72,988 worth of equity from their homes, an average increase of £14k in just five years due to a 24% increase in median house price values since 2016

Homeowners in 53% of areas in England and Wales could access more than the average pension pot (£61,930)¹ by using equity release, according to analysis by [Legal & General Home Finance \(LGHF\)](#) of median local house price data from the Office for National Statistics (ONS).²

The most recently available ONS data outlining median house prices in England and Wales saw an average increase of 7.5% between March 2020 and March 2021 and of 24% between March 2016 and March 2021. Throughout 2021, house prices have increased even further.

Legal & General customers accessed, on average, 24.5% of the value of their home through equity release, putting the expected amount that can be accessed across England and Wales at £72,988. Due to the impact of the property boom, the average homeowner could access £5k more in 2021 than in 2020 and £14k more than five years earlier.

Ongoing house price growth has led many homeowners to consider the role their property might play in their long-term financial planning. One in seven pre-retired over 50s (16%) plan to use their property wealth to boost their finances via products like lifetime mortgages, a type of equity release, or via downsizing. However, an additional 13% said a significant increase in the value of their property could also convince them to do so.

While in previous years the highest increases were in high value areas of London, properties in Buckinghamshire Hertfordshire and Surrey were those that saw the most significant growth between 2020 and 2021. **[Full table of areas with highest increases in Notes to Eds]**

“In recent years, we have seen house prices increase to the extent that they will have become the most significant asset available to many UK homeowners. House prices have increased by an additional 11.8% over the year to September 2021, alone³.

“We anticipate that using your home to fund your retirement will become more commonplace, whether that’s by downsizing to free up funds or releasing money tied up in your home through products like lifetime mortgages. This, in turn, can have a broader economic impact, with our data demonstrating that every £1 released via a lifetime mortgage can generate £2.34 of economic growth.”

Claire Singleton, CEO, Legal & General Home Finance

-ENDS-

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.

¹ Refers to average pension pot of a pre-retired person over 50. Opinium survey of 2160 UK Over 50s in the UK who have not retired between the 9th and 13th August 2021

² [Office for National Statistics, House price statistics for small areas in England and Wales: year ending March 2021, Nov 2021](#)

³ [Office for National Statistics, UK House Price Index: September 2021](#)

Areas with the highest potential rise in average equity release available from March 2020 to March 2021

| Local authority name | Ward name | Median house price (March 2020) | Median equity release available based on average L&G customer - 24.5% (March 2020) | Median house price (March 2021) | Median equity release based on average L&G customer - 24.5% (March 2021) | Difference in average equity release available from March 2020 to March 2021 |
|------------------------|-----------------------------------|---------------------------------|--|---------------------------------|--|--|
| Kensington and Chelsea | Norland | £1,692,500 | £414,663 | £3,137,500 | £768,688 | £354,025 |
| Hertsmere | Elstree | £453,000 | £110,985 | £930,000 | £227,850 | £116,865 |
| Hertsmere | Aldenham East | £820,000 | £200,900 | £1,280,000 | £313,600 | £112,700 |
| Waverley | Shamley Green and Cranleigh North | £647,000 | £158,515 | £1,101,111 | £269,772 | £111,257 |
| Buckinghamshire | Hambleden Valley | £690,000 | £169,050 | £1,015,000 | £248,675 | £79,625 |
| Mole Valley | Westcott | £400,000 | £98,000 | £712,500 | £174,563 | £76,563 |
| Kensington and Chelsea | Campden | £1,945,000 | £476,525 | £2,250,000 | £551,250 | £74,725 |
| Brent | Tokynghon | £188,000 | £46,060 | £482,500 | £118,213 | £72,153 |
| Waverley | Blackheath and Wonerh | £620,000 | £151,900 | £911,000 | £223,195 | £71,295 |
| Haringey | Alexandra | £792,250 | £194,101 | £1,062,500 | £260,313 | £66,211 |

Areas with the highest potential rise in average equity release available from March 2016 to March 2021

| Local authority name | Ward name | Median house price (March 2016) | Median equity release based on average L&G customer - 24.5% (March 2016) | Median house price (March 2021) | Median equity release based on average L&G customer - 24.5% (March 2021) | Difference in average equity release available from March 2016 to March 2021 |
|------------------------|-----------------------------------|---------------------------------|--|---------------------------------|--|--|
| Kensington and Chelsea | Norland | £1,720,000 | £421,400 | £3,137,500 | £768,688 | £347,288 |
| Waverley | Shamley Green and Cranleigh North | £530,000 | £129,850 | £1,101,111 | £269,772 | £139,922 |
| Hertsmere | Elstree | £375,000 | £91,875 | £930,000 | £227,850 | £135,975 |

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|------------------------|--------------------------|------------|----------|------------|----------|----------|
| Westminster | West End | £1,395,000 | £341,775 | £1,950,000 | £477,750 | £135,975 |
| Kensington and Chelsea | Royal Hospital | £1,500,000 | £367,500 | £2,012,500 | £493,063 | £125,563 |
| Southwark | Dulwich Village | £1,000,000 | £245,000 | £1,487,500 | £364,438 | £119,438 |
| Kensington and Chelsea | Campden | £1,775,000 | £434,875 | £2,250,000 | £551,250 | £116,375 |
| Hammersmith and Fulham | Parsons Green and Walham | £920,000 | £225,400 | £1,350,000 | £330,750 | £105,350 |
| Brent | Queens Park | £725,000 | £177,625 | £1,150,000 | £281,750 | £104,125 |
| Hertsmere | Aldenham East | £860,000 | £210,700 | £1,280,000 | £313,600 | £102,900 |

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 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, alternative asset origination, 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 30 June 2021

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: Claire Byrd

Role: PR & Marketing Manager

Division: Legal & General Retail Retirement (LGRR)

Tel: + 44 7385 347 769

Email: Claire.Byrd@landg.com

Name: Lewis Wilks

Company: Lansons

Tel: + 44 7903 260 560

Email: lewisw@lansons.com