

Equity Release Schemes - UK - 2022

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This report looks at the following areas:

- Market performance and a five-year market forecast
- An analysis of competitive strategies and launch activity
- Sources of retirement income
- Consideration of equity release schemes
- Understanding of equity release schemes
- Attitudes towards equity release schemes

Lifetime mortgages are becoming more accepted and are starting to be seen as a mainstream choice. Mintel's research shows that 41% of homeowners aged 45+ think more people are using equity release now than five years ago. This rising acceptance will increase engagement and the potential number of customers.

Rising inflation will put some pressure on the equity release market, although growth is still expected in 2022. The rising cost of living could prove a double-edged sword for the equity release market. If consumers become more financially cautious, some will be reluctant to release equity. In contrast, others might be forced to use these products to supplement their income. Mintel's research shows that openness towards equity release increases among those with tight finances.

65% of homeowners aged 45+ wouldn't consider using equity release. This includes 47% who say they would definitely not consider it and 19% who are unlikely to consider it. Besides personal reasons and circumstances, a limited understanding of these products can explain consumer reluctance to consider equity release schemes.

43% of adults don't know that equity release schemes can be used to repay their existing mortgage, suggesting that understanding of how lifetime mortgages can be utilised is still not widespread. While this is likely to be a barrier to taking out equity release, it also presents an opportunity for providers



"2021 was the strongest year yet for equity release sales, and the prospects for future growth remain positive. However, rising inflation could prove a double-edged sword. Providers should continue to focus on tackling misconceptions about equity release schemes to improve consumer knowledge and accelerate the industry's progress."

– **Stefania Apostol, Financial Services Analyst**

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to increase awareness of how these products can be used and how they can help consumers to manage debt in later life.

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