



# House purchase and protecting an inheritance

**Jack and his wife Paula (both aged 64) currently live in Wirral and have both recently retired. They have a son called James who lives in Middlesex with his wife and 2 young children. Jack and Paula would like to relocate to be closer to their grandchildren so that they can spend more time with them in retirement.**

Their current 3-bedroom detached house is valued at £327,000. They have found a 2-bed semi-detached property, a couple of streets away from their son, which is on the market for £429,000.

They have £10,000 in savings and have both released the 25% tax free amount from their pension pots to a value of £25,000. With the sale of their home, savings and money from their pensions, they have a total amount of £362,000, leaving them £67,000 short of the amount needed to purchase their new home.

They are not eligible for a loan of that size and do not want to cash in their full pension pots. Their financial adviser has suggested equity release as a potential option to fund the difference. He doesn't have any specialist equity release qualifications, but has a great relationship with an equity release referral partner, Key Partnerships, who he has used previously to help clients pay off their outstanding interest-only mortgages.

Jack and Paula could take out an equity release plan on the home that they are purchasing in order to cover the £67,000 deficit. Their adviser visits the Key Partnerships website to use the eligibility checker, which qualifies the lead and provides an estimate of how much money they could release. They find out that they could release a sum of £134,706.

### Jack and Paula's calculation

#### Assets

Total:

**£362,000**

*House: £327,000 / Savings: £10,000  
Pension released: £25,000*

#### Costs

New house:

**£429,000**

#### Shortfall

**£67,000**

#### Release amount available

**£134,706**

Jack and Paula are relieved that they finally have an option that could help them out, but they are concerned that they would not be able to leave an inheritance for their son and grandchildren.

Their financial adviser arranges a meeting with one of Key's specialist advisers to discuss equity release and their clients' concerns. The Key adviser explains that there are products available for clients to protect a percentage of the future value of their home to use as an inheritance, as long as they don't take the full release amount available to them.

For example, Jack and Paula are looking to release £67,000, roughly 50% of the release amount available; this means that they can protect 50% of the future value of their home to leave as an inheritance.

Jack and Paula are over the moon with this news, knowing that they can now move closer to their son to spend time with their grandchildren in retirement.