Market monitor

Equity release performance in the UK

H1 2023

Welcome

Twelve months ago, we were celebrating the mid-point in what would turn out to be a record-breaking year for the equity release market. However, the fall out from the September mini-budget and the Government's subsequent efforts to manage inflation via a series of base rate increases means that H1 2023 looks very different from H1 2022.

We've seen the number of new customers fall fall to 13,194 and the amount released reduce to £1.09 billion. When we review the performance of the market in Q2 2023 vs. Q1 2023, we find that while things have continued to be tough, the decline has slowed. Indeed, we seen an 11% fall in new customers (6,975 to 6,219) and 9% drop in value (£569.9 million to £518.3 million) which suggests that things will start to improve as we head towards the end of the year.

It would appear that the hangover from last year is lingering, which is frustrating as we know that not only are the market drivers strong, but are arguably made stronger by the challenges facing many older homeowners.

Pension income that - even with the recent State Pension increase - is failing to keep up with inflation, the need to repay secured borrowing ahead of retirement and the desire to support the wider family are all ambitions that have not decreased. The market has moved away from more discretionary spending and – with the support of specialist advisers – borrowers are being modest with regards to the amount taken.

At the end of H1 2023, interest rates had risen to 6.3% which saw the number of existing borrowers who chose to rebroke their existing equity release plans fall from 15% (H1 2022) to 7% (H1 2023) as the rates or available loan to value (LTV) did not support this desire.

Indeed, cautious funders trimmed available loan to values (LTVs) as a housing market correction continued to be discussed and we saw a gentle reduction in house prices in some parts of the UK.

So what next? While rates in the equity release market are not linked directly to the Bank of England base rate, but more impacted by the gilt markets amongst other factors, we can except to see a higher interest rate environment in the short-term. However, given the proliferation of products offering the opportunity to make ad hoc repayments or service interest, this should be less of a barrier than in previous periods of higher rates.

So, as customer confidence starts to improve and people realise that any house price correction is not nearly as serious as some pundits have predicted, I do think that people will start to reconsider their later life lending options. The industry will be ready for this and given the recent discussions at conferences, I feel confident saying that we will see more product innovation than we have for some time.

As with other residential property markets, the later life lending market has had a tough start to the year, but all the indicators suggest that H2 should be stronger than H1.

WILL HALE
CEO of Key

Contents

Methodology

Key is the leading over 55s specialist adviser and the UK's number one equity release specialist. It is comprised of Key Equity Release and The Equity Release Experts.

Our Market Monitor uses the company's detailed data to reflect the market as a whole and provides the most detailed analysis of equity release in the UK, alongside historical comparisons.

In addition, we focus on a particular area and also a specific usage driver for releasing equity. This quarter it will be London and marital status respectively.

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Overview

While rates in the equity release market do not track the Bank of England base rate, the disastrous Mini-budget in September 2022, the short-term housing market outlook and the impact of the Government's efforts to manage double digit inflation has hit consumer confidence as well as funder appetite.

Against this challenging backdrop, H1 2023 saw £1.38bn worth of total borrowing – which puts the market 54% down on the record achieved in H1 2022 (£3.43bn). New lending in H1 2023 fell 57% from £2.56bn (H1 2022) to £1.09bn (H1 2023) as did further advances (-52% to £42m) and drawdown (-56% to £96m).

With consumer confidence impacted by "cost of living crisis" headlines, more people adopted a "wait and see" attitude which saw the number of plans taken out fall YOY to 13,194 (H1 2023) from 25,448 (H1 2022). The average amount released also fell from £100,468 (H1 2022) to £82,475 (H1 2023) as the lower LTVs on offer and input from specialist advisers encouraged modest borrowing.

However, the picture on a quarterly basis (Q2 vs. Q1 2023) is more positive as we've only seen an 11% fall in new customers (6975 to 6,219) and 9% drop in value (£569.9 million to £518.3 million) as well as a 2% increase in the amount borrowed from £81,707 (Q1 2023). It would appear that while Q1 2023 bore the full brunt of the economic shockwaves from late 2022, green shoots had started to grow before the ongoing base rate increases impacted consumer confidence.

The focus on prioritising essential borrowing was once again a feature of the equity release market in H1 2023 with 32% of the total amount released being used to repay mortgages, 14% being used to rebroke existing plans and 5% to repay unsecured debt. The proportion of the amount released being used to repay unsecured debt has fallen sharply since H1 2022 (9%) as people prioritise mortgages and look to repay more flexible borrowing from other income sources.

One in five (20%) of borrowers gifted money to friends and family to help support their aspirations and 45% spent money on home renovations. Interestingly, (as we will look at in more depth in the Spotlight later in this report), these investments into their home often focused on essential or money saving repairs.

New lending
£1.09bn
Down 57% (YOY)

New plans
13,194
Down 48% (YOY)

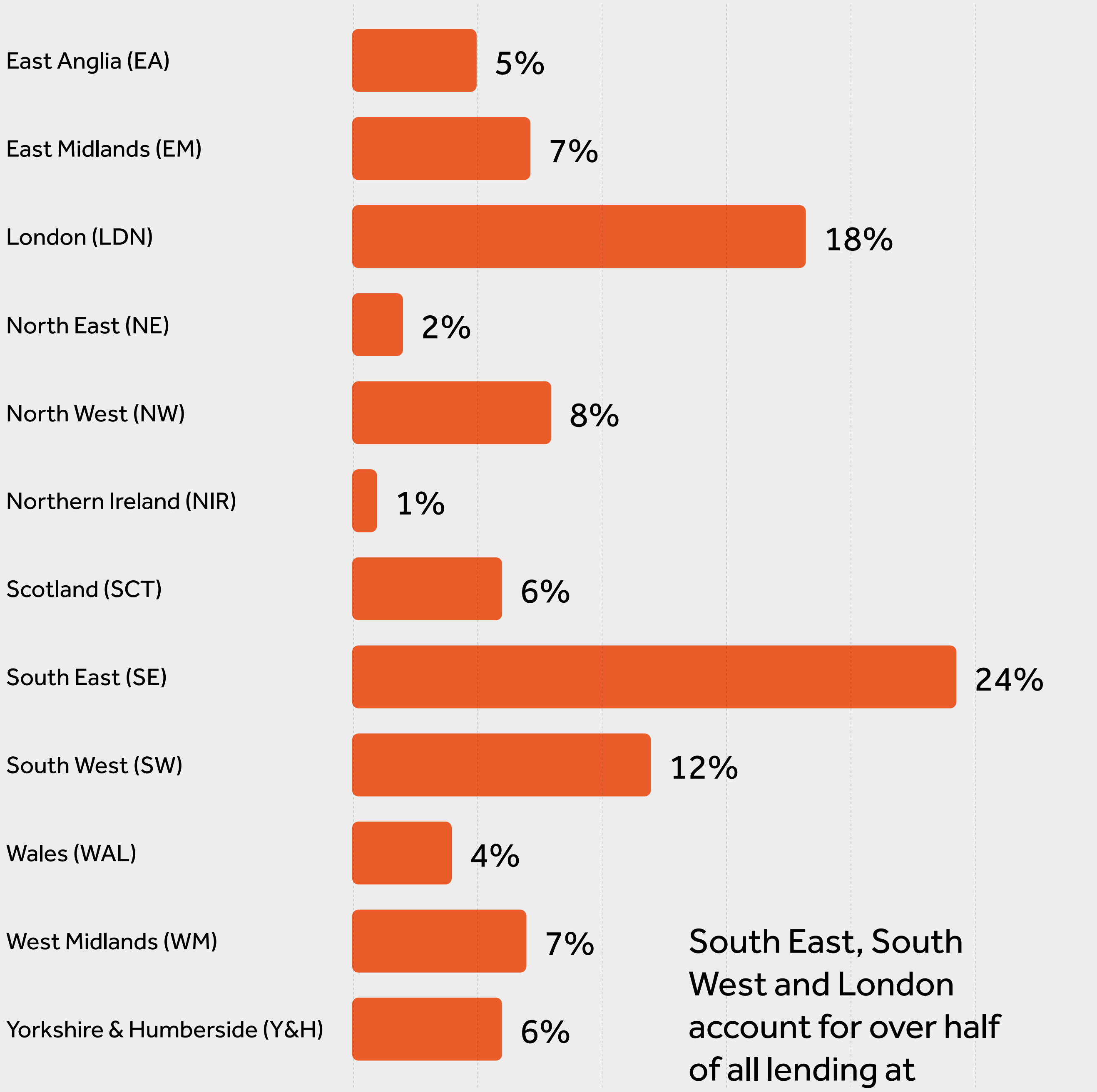
Avg. amount released
£82,475
Down 18% (YOY)

While a view across the UK suggests that all areas have seen fewer people and more modest sums being released, the North East (-57%), South East (-54%) and West Midlands (-53%) saw the biggest fall in customer numbers. The North East (-64%) also saw the biggest reduction in the amount borrowed followed closely by the South East (-63%).

Interestingly, the average home used for equity release in the North East (£217,719) was the least expensive across the country so borrowers in this region may have a more cautious approach to borrowing or struggle to borrow enough to meet their needs due to the lower LTVs available.

Regional highlights

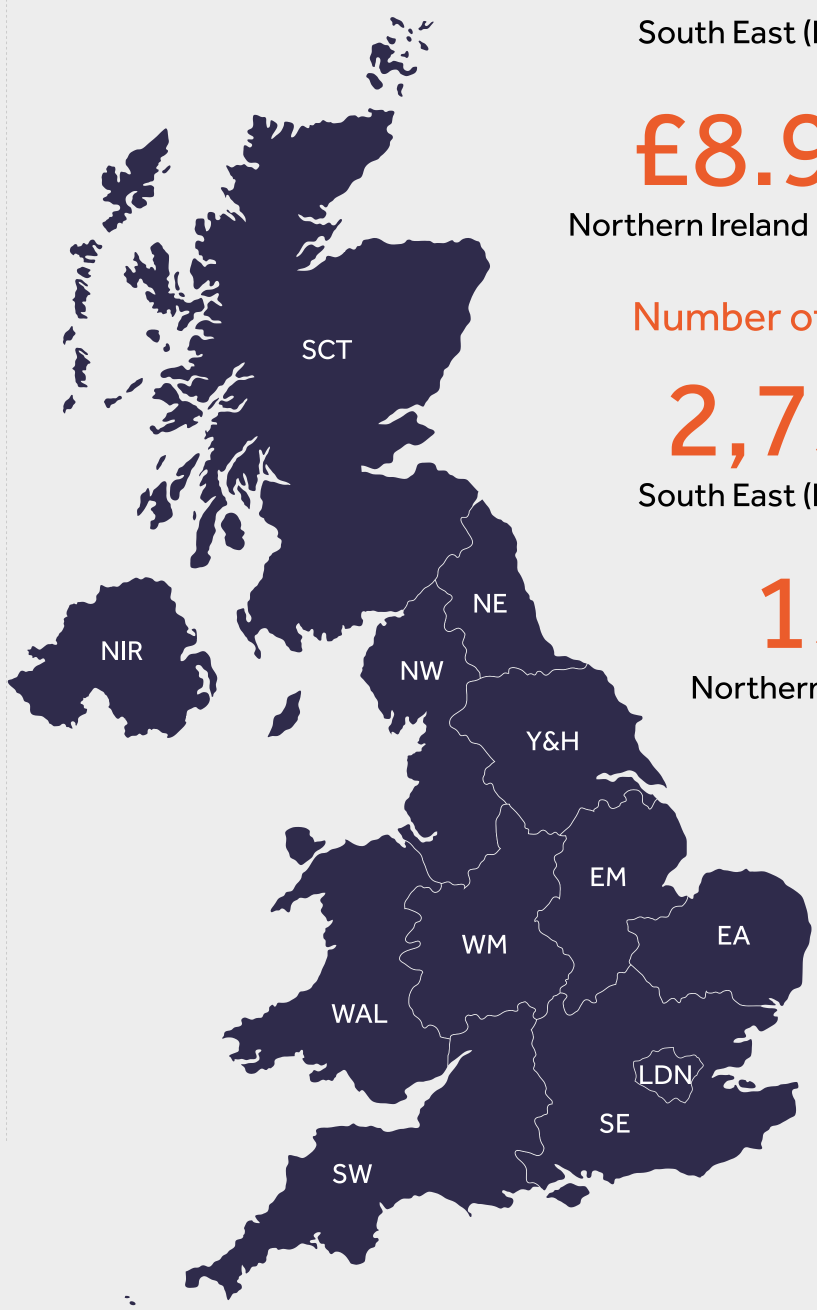
Lending mix



South East, South West and London account for over half of all lending at

54%

Highest and lowest performing regions



Value of plans

£263.7m
South East (highest)

£8.9m
Northern Ireland (lowest)

Number of plans

2,756
South East (highest)

151
Northern Ireland (lowest)

Spotlight on Q2 2023

The latest figures released by the Bank of England suggest that new residential mortgage commitments fell 41% between Q1 2022 (£82.5bn) and Q1 2023 (£48.9bn) so it is perhaps unsurprising that H1 2023 has been a tough year for the equity release market as well.

However, while the shockwaves caused by the mini-budget, rampant inflation and consecutive base rate increases continue to be felt, the market started to return to a more even keel in Q2 2023. Indeed, the rate of change slowed and customer numbers fell by -11% (Q1 – 6,975 to Q2 – 6,219) and volumes reduced by -9% (Q1 - £570m to Q2 - £518m).

Discretionary spending started to return as we also saw more people gifting (+2% to 21%), undertaking home improvements (+8% to 44%) and spending on holidays (+7% to 18%). The amount release also increased slightly from £81,706 (Q1 2023) to £83,340 (Q2 2023) as lenders started to relax criteria and broaden their product ranges.

While the market has a long way to go to reach the record performance seen in 2022, there is much to be hopeful about including the potential for significant product innovation before the end of the year which should push lending figures higher.

Drawdown

Due to the richer data set provided by Key's bespoke advice delivery platform, we have been able to track more in-depth data on drawdown products over the last 36 months.

The proportion of drawdown plans taken out fell from 67% (H1 2022) to 62% (H1 2023) as the lower LTVs available saw more customers needing to take out lump sum products to meet their immediate needs. This saw the amount of equity reserved for further use fall from £876 million in the first six months of 2022 to £358 million in 2023.

The amount reserved also fell from £52,363 (H1 2022) to £43,987 (H1 2023) as a combination of cautious customers, lower LTVs and more modest funder appetite saw less room as well as appetite for discretionary spending..

Drawdown that allows older homeowners to access their borrowing in tranches has historically been more suited for discretionary spending as well as boosting income so this decrease reflects the current market. As the market gradually returns to more normal trading conditions over 2023 and into 2024, we do anticipate that some of these customers may consider rebroke or further advances if the conditions in the housing market prove favourable.

We also saw a year-on-year decrease in the amount of further advances from £88.4 million (H1 2022) to £41.7 million (H1 2023) as again lower LTVs restricted borrowing of both new and existing customers.

Amount Reserved

£43,987

Down 16% (YOY)

Remortgaging

While the concept of remortgaging has been popular for residential mortgages for at least twenty years, it is a relatively new idea in the equity release world, spurred on by specialist advisers highlighting historically low rates and products which are increasingly flexible.

However, with rates increasing, we've seen the proportion of customers choosing to rebroke more than halve from 15% (H1 2022) to 7% (H1 2023).

Typical Amount Rebroked

£99,449

Down 24% (YOY)

Product Features

7.52%
Average Standard Variable Rate
(end of Q2 2023)

As with other residential property markets, the equity release sector has been hit with a series of challenges over the last few years. Having exited the pandemic and seen record growth, the September Mini-Budget caused significant instability in the bond markets and as rates were finally starting to settle down, the thirteen consecutive base rate increase in June 2023 unsettled the economy again.

So it is perhaps little surprise that the number of products on the market has halved in 12 months from 676 (end H1 2022) to 331 (end H1 2023). That said, this is up on the 310 plans we saw at the end of Q1 2023 and suggests that there is a slow but steady return.

Given the fact that c. 99% of all equity release products sold are lifetime mortgages, the type of the plan is arguably less important than how its individual features meet specific customer needs. Early Repayment Charges (ERC) – either fixed or variable – have often been a bone of contention as if they were gilt linked, they were difficult for customers to work out themselves.

Over the last few years, we have seen the market dominated by fixed ERCs (67% of plans) or offering a choice of fixed vs. variable depending on a client's circumstances (28%). Only 4% of plans offer just variable ERCs and the recent launch of more2life's Apex plan introduced ERCs which finish after as little as four years.

Interest Rates Return to Historic Levels

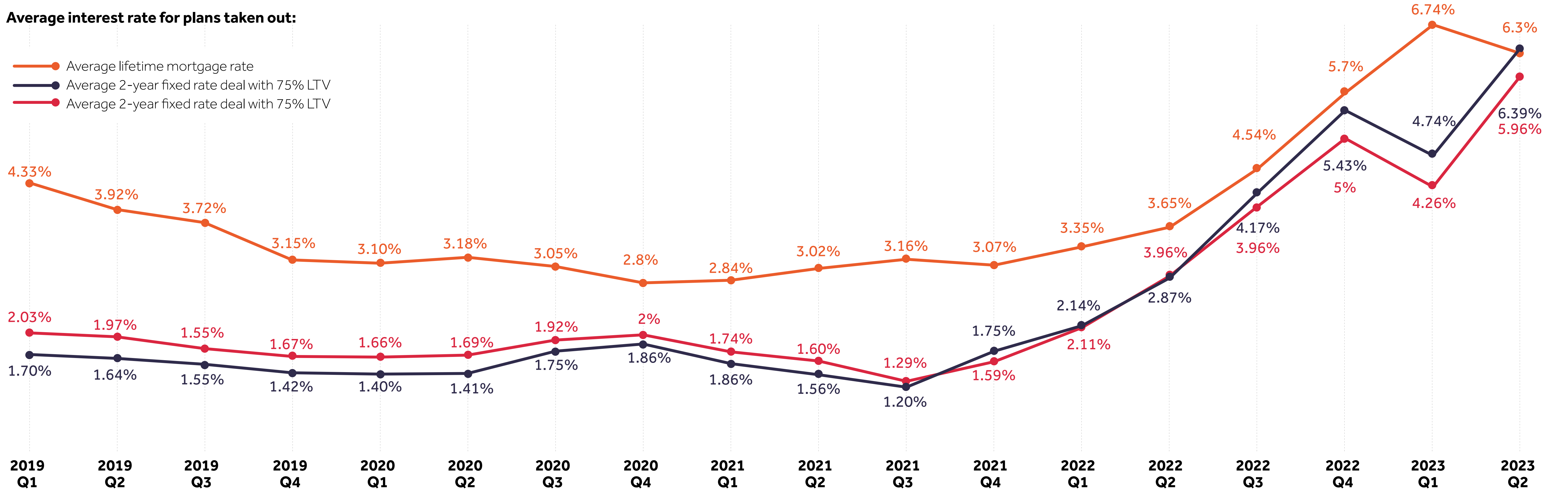
Following a period of historically low interest rates which saw rates on lifetime mortgages fall to 2.8% (Q4 2020), the equity release market has returned to more normal trading conditions with an average rate of 6.3% (Q2 2023).

Rates on equity release products are impacted by a host of different factors including the performance of gilts. The current economic uncertainty has made these bonds more attractive to investors and therefore rates on lifetime mortgages have increased. However, this is not entirely out of step with the residential market with Moneyfacts reporting that the average two-year fixed rate deal for someone with an 75% LTV had hit 6.39% at the end of June.

Given the long-term nature of equity release products, rates have tended to be higher than in the residential market but the gap has been steadily narrowing over the last few years – from a difference of 2.63% (Q1 2019) to -0.9% (Q2 2023).

When the small difference between the rates available on lifetime mortgages and residential mortgages are considered alongside the increased opportunity to manage borrowing via ad hoc and/or ongoing interest payments as well as the enhanced protections available, the products appear particularly attractive to older borrowers.

Average interest rate for plans taken out:



Flexibility a focus

When an adviser discusses equity release features with a client, they will typically encourage them to consider whether they may want to move, what sort of inheritance they wish to leave and how they wish to manage their borrowing.

With the Equity Release Council's fifth standard guaranteeing new customers the ability to make ad hoc penalty free repayments (within lenders criteria), 88% of plans now offer this feature. The remaining 12% already have regular mandated repayments factored into the basic features of the plan.

Three quarters (75%) also offer clients the option to choose downsizing protection and most lenders also include a compassionate clause which suggests that if the product is held on a joint-basis and one partner dies, the other can downsize without penalty within a certain period.

Over the last twelve months, we've seen the number of plans offering inheritance protection fall from 41% (H1 2022) to 21% (H1 2023). In current market conditions and with the limited LTVs available, customers are less likely to be able to lock in this feature and still achieve their borrowing ambitions so fewer lenders are offering this.

The Impact of Aging

With equity release typically being a 'lifetime' or long-term product, providers need to consider the age of the borrower when they determine the LTV they are prepared to lend to manage the risk of house prices increasing or falling substantially over that period.

Therefore, younger borrowers (55-59 years) typically take out lump sum products (68.97%) as they provide sufficient funds to meet their needs while older borrowers (75-79 years) take drawdown (67.07%).

Given the number of older people with an interest-only mortgage balance to repay and those struggling on their lenders SVR as they do not meet affordability criteria, the squeeze on available LTVs could arguable not come at a worse time. Indeed, while 24% of people use equity release to repay an outstanding mortgage, they need to repay the entire mortgage with this borrowing which is not always possible due to the lower LTVs available.

That said, there are indications that innovation in the market may see products launched before the end of 2023 which help to address this issue.

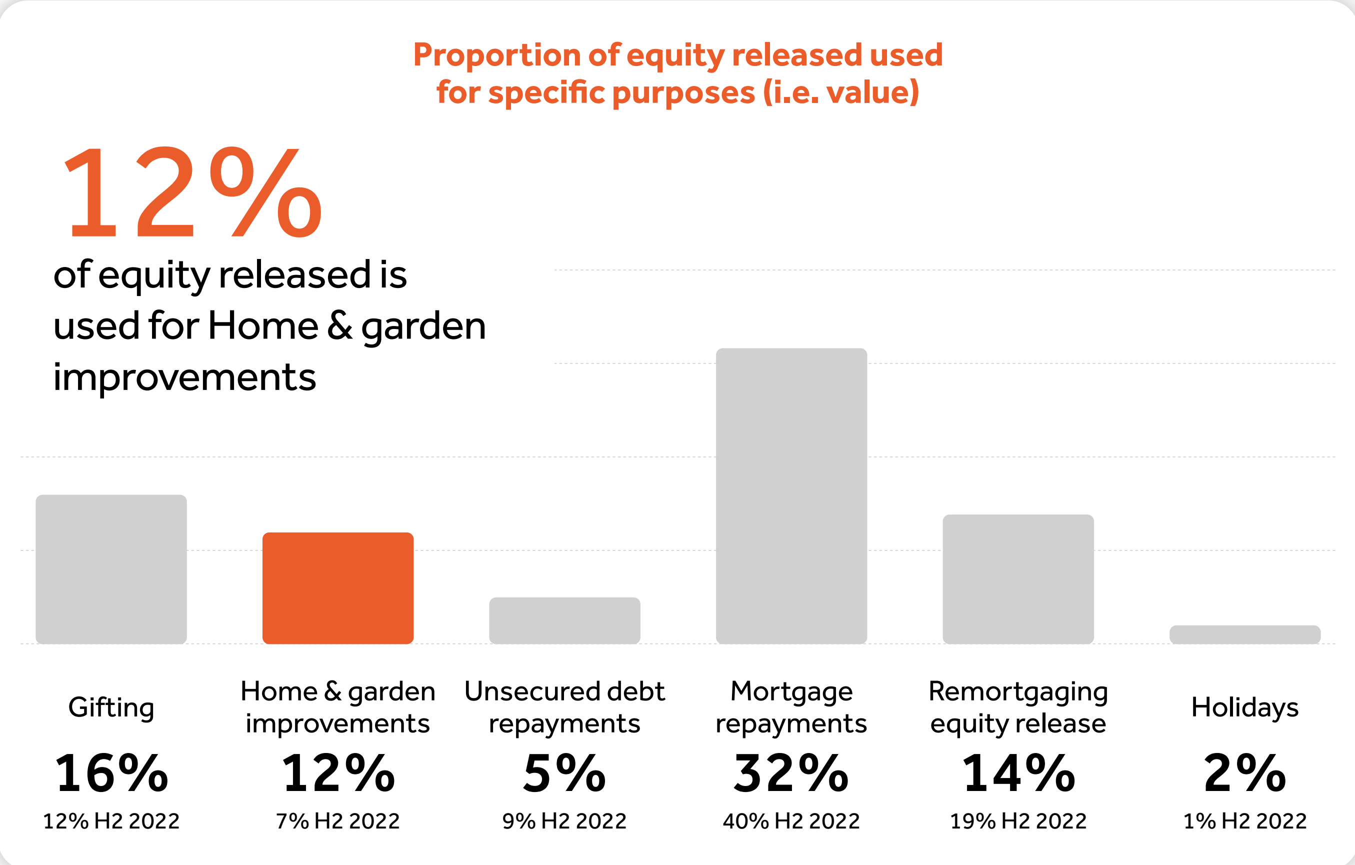
Average LTV for all Age Groups

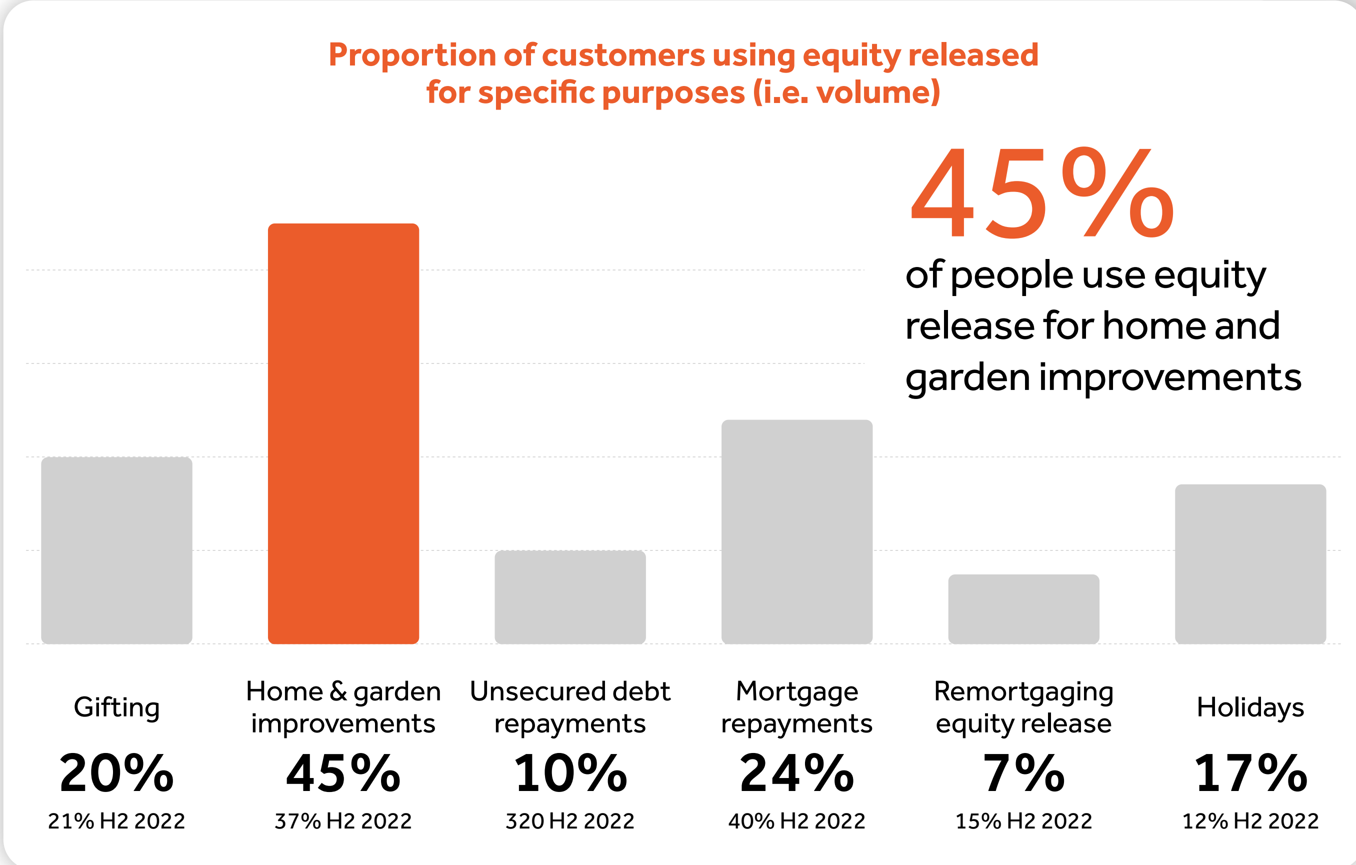
23%

Average LTV by Age

	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
55-59	27.3%	26.5%	27.8%	22.1%	19.7%
60-64	29.4%	30.2%	30.3%	25.2%	23.3%
65-69	31.8%	33.1%	32.9%	27.1%	25.7%
70-74	34.3%	34.2%	34.6%	27.9%	28.8%
75-79	41.2%	35.6%	34.5%	27.4%	27.4%
80-84	37.9%	36.8%	37%	31.2%	28.9%
85+	36.2%	41.5%	33.6%	26.4%	25.6%

Equity release uses





Having produced the Market Monitor since 2006, Key boasts the largest data set within the later life lending market on how the proceeds of equity are used. This is enhanced by the more granular detail provided by the bespoke advice platform introduced in 2019, which allows interrogation of both the value of equity released for a specific purpose as well as the number of customers who are using this asset for that reason.

Against the backdrop of a 'cost of living' crisis and having seen 13 consecutive interest rate increases to the end of June 2023, it is perhaps unsurprising that spending on holidays only accounts for 2% of the total amount released. Instead, people are repaying mortgages (24%), supporting their families (20%) and improving their homes to make them more appropriate for older age (45%).

Interestingly, we have seen the number of people repaying mortgages fall from 40% (H1 2022) to 24% (H1 2023) as lenders restrict LTVs in the face of a housing market adjustment, leaving some customers unable to access the financing they need.

Remortgaging of existing equity release products has also fallen from 19% (H1 2022) of the amount released in H1 2021 to 14% in H1 2023 as again the lower LTVs available and higher interest rates precluded or dissuaded some customers from refinancing existing equity release plans.

Finally, the proportion of people using equity release to repay unsecured debt has fallen to one in ten with just 5% of the proceeds use for this purpose. While Covid-19 did see some borrowers repaying outstanding balances, debt management charities are reporting high call volumes so the modest numbers are likely to be due to people needing to prioritise other spending and advisers recommending a cautious approach to borrowing.

Equity release for home improvements

Historically, the image of equity release has been that is has been used for conservatories and kitchens, but in reality, this is far more nuanced.

Typically, while a fairly substantial amount of plans (45% or 5,937 in H1 2023) are used in full or part to pay for home improvements, a relatively low amount of the equity released (12% or £131m) is actually spent. So what sits behind this?

It would seem that this is twofold – having decided to remain in their home for the long-term older homeowners either deal with those nagging issues they had put off or they want to 'age-proof' their property to make it as suitable as possible – or a mixture of both.

In H1 2023, the average amount released to cover home or garden renovations was £14,082 which is down from H1 2022 (£17,978) and H1 2021 (£16,907). Again, it would seem that lower LTVs, higher rates and more cautious customers have seen borrowing fall.

This is particularly true when you consider how the home improvements being made have changed year on year. The largest decreases were on spending on kitchens (-4%), extensions (-2%) and driveways (-2%) which suggests that essential repairs are being prioritised.

When the surveyor visits the property as part of the application process, they will often feedback if they spot particular issues and the lender may choose to retain some of the equity they are prepared to lend until these works are undertaken. It is therefore entirely possible that some of these essential repairs may also have been initiated due to this advice.

Proportion of Borrowers Spending on Home Improvements

	H1 2021	H1 2022	H1 2023
Bathroom	29%	31%	31%
Home Furnishing	16%	20%	21%
Kitchen	31%	33%	29%
Conservatory	8%	8%	7%
Landscaping	26%	26%	26%
Extension	6%	5%	3%
Decorating	29%	29%	32%
Driveway	9%	11%	8%
Rewiring	2%	2%	2%
Windows & Doors	23%	26%	26%
Central Heating	11%	11%	13%
Repairs	4%	2%	2%

£131m on home improvements

Just over one in four people (26%) use equity release to replace windows and doors while 13% use it for central heating, 2% use it for rewiring and 2% use it for repairs. Year on year, we also saw an increase in the proportion of people spending on home furnishing (+1%) and decorating (+3%) as other major works funded by equity release often result in cosmetic changes needing to be made.

Finally, it is worth noting that while the renovations will improve the standard of living for the older resident and make it possible for them to remain in their homes for longer in old age, there is also a societal benefit.

All properties sold in England and Wales need to have an Energy Performance Certificate (EPC) and from 2025, any newly rented commercial or residential property will need to have a rating of C or above. While the UK does have older housing stock, there is a suggestion that eventually we will see residential lenders asking for minimum standards to secure financing as well.

Therefore, investing in these types of upgrades are likely to ensure the property has a more secure resale value than those which require substantial work.

	H1 2021	H1 2022	H1 2023
Total proportion – %. customers	33%	37%	45%
Total proportion – no of plans	6,747	9,416	5,937
Total proportion - % of equity released	8%	7%	12%
Total amount spent (million)	£155 m	£179m	£131m
Average Amount	£16,907	£17,978	£14,082

Demographic analysis

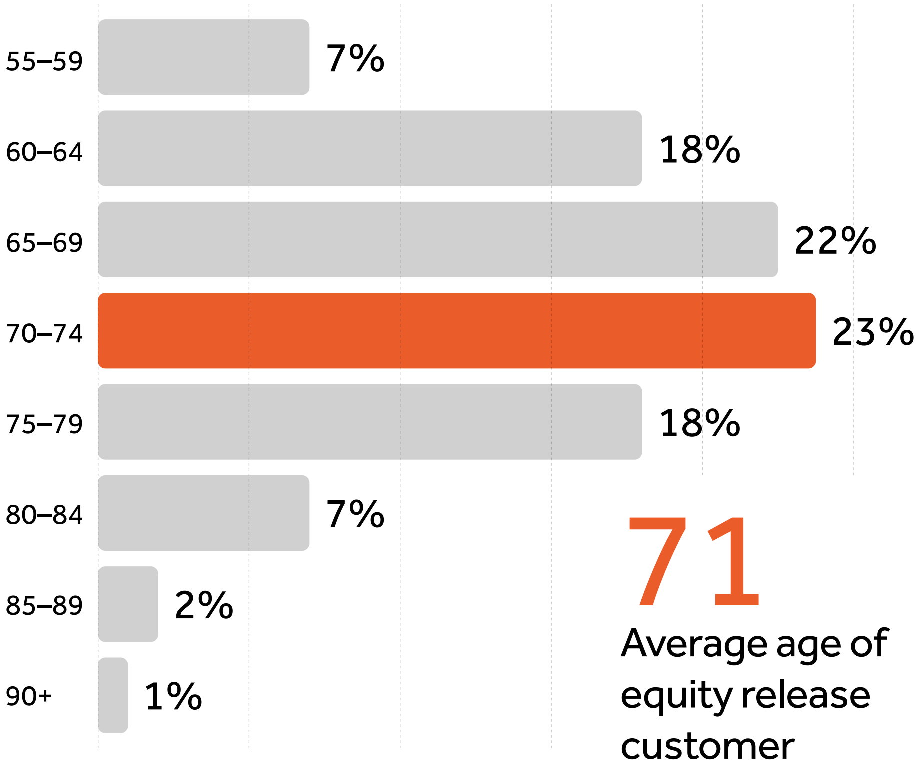
Over half (55%) of those who take out equity release are married or in a long-term relationship while 30% are single women and 15% are single men.

It is interesting to note that while the proportion of single women has been growing since this data was first tracked in 2011, 2023 is the first time they have accounted for 30% of the plans taken out.

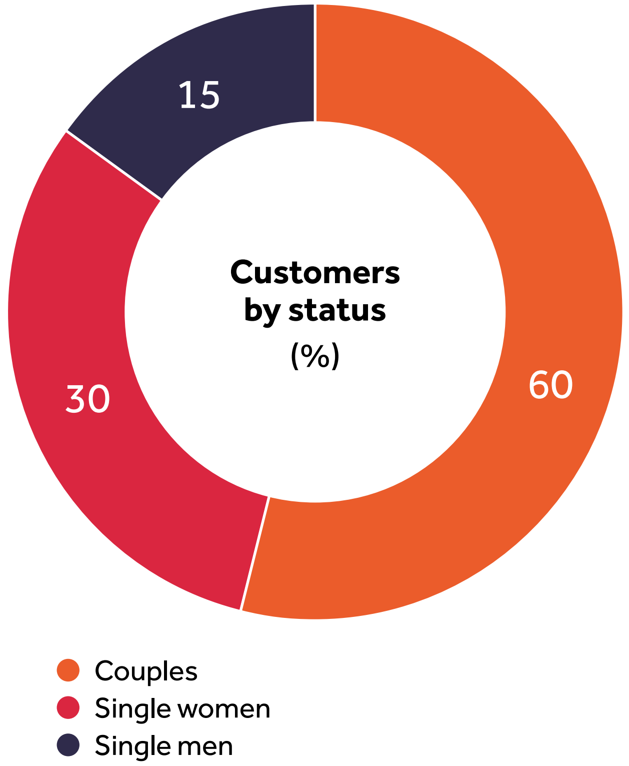
The average customer is 71-years-old (H1 2023) which is up from 70-years-old (H1 2022) and reflects the fact that lower LTVs and higher rates have seen younger customers considering a wider range of options.

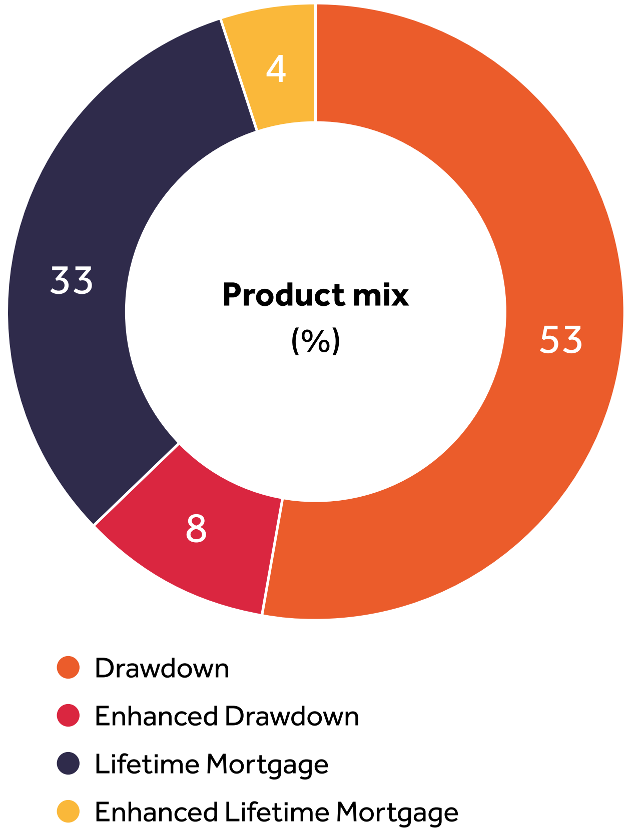
Currently, only one in four customers is under 65-years of age and the focus of their spending is on the management of both secure and unsecured debts. Given the ability to repay borrowing either on an ongoing or ad hoc basis, the customers are better positioned than ever before to avoid interest rolling up.

Customers by age (%)



71
Average age of equity release customer





Across the UK

While each region across the UK saw a fall in the amount of equity released, some proved to be robust than others. Scotland (-36%) saw the smallest decrease in the total amount released followed by Northern Ireland (-38%), North West (-48%) and the East Midlands (49%).

The markets in the South East (-63% to £263 million) and London (-60% to £197 million) which are often driven by gifting, inheritance tax planning and other discretionary spending requirements were particularly hard hit but remained the largest in the UK.

Interestingly, London also saw a 14% decrease in the typical value of the home (£697,112) used for equity release. This is higher than the 4.3% YOY decrease in house prices reported by Nationwide and further underscores the point that the more affluent discretionary customers are waiting for rates to stabilise.

While each region is impacted by more localised trends, we interrogated the data to ascertain whether any area was particularly badly hit and found that eight of the 12 regions had retained the same position on the leader board as in H1 2022. Changes were seen in the East Midlands (rose from 6th to 5th), West Midlands (fell from 5th to 6th), Scotland (rose from 9th to 7th) and East Anglia (fell from 7th to 9th) which seems to suggest that while some areas fared worse than others, there was a general downward trend.

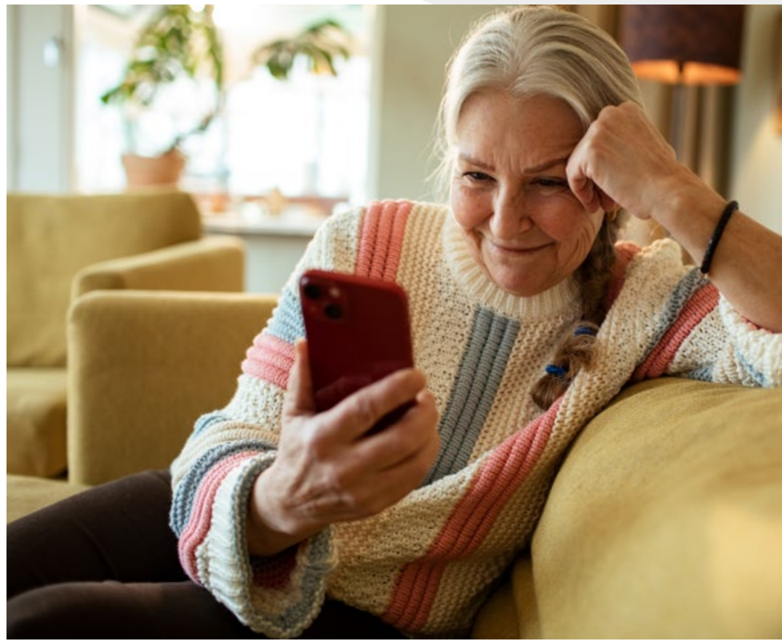
The average LTV taken across the UK was 23% (H1 2023) which was down from 26% (H1 2023).

However, those in Northern Ireland (27%), West Midlands (26%), Yorkshire (26%) and Scotland (26%) all borrowed more.

Avg. amount released

£82,475

(£100,468 – H1 2022)



Region	Value of plans (% change on H1, 2022)		Number of plans (% change on H1, 2022)		Average release amount	Average loan-to-value	Average property value (% change on H1, 2022)		Average customer age
East Anglia (EA)	£136,445,362	(-59.6%)	1,524	(-43.2%)	£55,074,971	20%	£314,041	(-12%)	71
East Midlands (EM)	£146,890,983	(-49.3%)	2,055	(-47.1%)	£74,444,506	23%	£297,348	(+6%)	70
London (LDN)	£492,375,911	(-60.0%)	2,227	(-46.7%)	£197,158,343	24%	£697,112	(-14%)	73
North East (NE)	£54,863,274	(-64.3%)	874	(-56.7%)	£19,595,455	24%	£217,719	(-1%)	70
North West (NW)	£176,490,440	(-47.9%)	2,534	(-41.2%)	£92,017,727	24%	£256,759	(-2%)	71
Northern Ireland (NIR)	£14,348,905	(-37.9%)	248	(-39.0%)	£8,908,362	27%	£214,968	(-6%)	66
Scotland (SCT)	£107,869,491	(-35.7%)	1,465	(-27.7%)	£69,339,907	26%	£255,616	(0%)	70
South East (SE)	£716,419,849	(-63.2%)	6,006	(-54.1%)	£263,727,875	21%	£449,851	(-5%)	71
South West (SW)	£313,034,529	(-58.6%)	3,030	(-49.0%)	£129,659,517	21%	£404,165	(+1%)	71
Wales (WAL)	£107,290,289	(-58.5%)	1,429	(-49.7%)	£44,541,689	24%	£260,204	(-6%)	70
West Midlands (WM)	£166,113,006	(-55.9%)	2,108	(-53.4%)	£73,193,269	26%	£290,548	(-2%)	70
Yorkshire & Humberside (Y&H)	£124,614,196	(-51.5%)	1,949	(-50.0%)	£60,497,279	26%	£240,410	(0%)	71
Total	**£2,556,756,237**	**(-57.4%**	**25,448**	**(-48.2%)**	**£1,088,158,900**	**23%**	**£360,875**	**(-6%)**	**71**

Location Spotlight
London

With an estimated 9.6 million residents, London is the UK's largest and most multi-cultural metropolitan area in addition to being the Capital. House prices are typically far higher than other areas of the UK but can vary greatly in a little as a few miles depending on things like access to public transport.

London is also the second largest market for equity release in the UK (£197.2 million), surpassed only by the South East (£263.7 million) which includes the commuter towns of Godalming, Weybridge and Haslemere. While there are some older homeowners in London who are 'asset rich but cash poor' having seen their family home leap in value, there are also a number of more sophisticated borrowers.

Keen to use their good fortune to boost their loved ones onto the property ladder and allow them to remain close to the family home or perhaps looking to mitigate inheritance tax liabilities. However, with rates now c. 6% and talk of a housing market correction, people are choosing to wait and see.

The number of plans taken out has fallen 47% to 1,187 and the amount released has more than halved to £197.2m over the last year. The average property price has also fallen from £807,559 (H1 2022) to £697,112 (H1 2023) further underscoring the point that the wealthiest borrowers have temporarily stepped away from the market.

That said, while house prices have fallen slightly, London is less homogenous than some other UK markets and sought after boroughs remain resilient. While the amount of equity release has fallen, this is likely to pick up again towards the end of the year as people grow in confidence and accept that higher rates are likely to be a feature for the short-term.

New plans
1,187
(2,227 – H1 2022)

Average LTV
24%
(27% – H1 2022)

Average age
73
(71 – H1 2022)

Period	Plan numbers (% change YOY)		Lending (% change YOY)	
H1 2018	2,254	(+16%)	£300,070,791	(+35%)
H1 2019	2,332	(+3%)	£296,605,415	(-1%)
H1 2020	1,762	(-24%)	£252,291,290	(-15%)
H1 2021	2,160	(+23%)	£438,906,036	(+74%)
H1 2022	2,227	(+3%)	£492,375,911	(+12%)
H1 2023	1,187	(-47%)	£197,158,343	(-60%)

Period	Average Released	Average LTV	Average Age	House Prices
H1 2018	£133,128	23%	72	£583,166
H1 2019	£127,182	22%	72	£576,947
H1 2020	£143,157	23%	72	£615,616
H1 2021	£203,157	27%	71	£743,741
H1 2022	£221,142	27%	71	£807,559
H1 2023	£166,162	24%	73	£697,112

Case study

Plans don't always work out as you think but I've grown roots in my community, and this is very much my forever home

Sarah

Sarah (70) had lived with her partner Jennifer (75) for twenty-years and while they had planned to get married, it was never a priority – even when the laws changed in 2013. Sadly, Jennifer passed away from breast cancer just before the pandemic and Sarah was left with the house, a range of different pension pots and a lot of difficult decisions.

Sarah explains: "When we bought our forever home, we knew that it needed work, but it was exactly what we wanted. Close to everything London had to offer but still easy to drive up to the Midlands and our families – besides which, we had our whole retirements to undertake the work. That all changed when Jen got sick, and the focus was very much on fighting the disease and making the most of the time we had together.

"Five years isn't very long but we made it count and she passed away in late 2019. Losing a partner and dealing with the grief isn't easy but when the pandemic hit in March 2020, the world stopped as well. I didn't realise it but my friends as well as the wider community had been keeping an eye on me.

"Lots of zoom calls and talking on the phone as well as neighbours 'cooking a little too much' and conversations over the fence. I think I underestimated how much community you could find in a London Borough and when the world started opening up, I became involved in lots of local initiatives – but my home still wasn't the comfortable warm space I needed.

"Having worked in local Government, I have a good defined benefit scheme and a couple of other defined contribution pots as well as owning my home. Speaking to my neighbour, she recommended having a chat with The Equity Release Experts which is part of Key to explore my options.

My pension income covers my lifestyle and I want to use the other pots to ensure I can have care at home – or pass on to my nieces – so, while I'm not struggling, the £50,000, I need for work on my home will not be easy to find. My adviser explained my options and encouraged me to think really carefully about my choices – especially as I explained I had lost my partner only a couple of years ago.

"The process was really thorough and having decided to take out equity release, I even received independent legal advice as part of the process to ensure I was completely comfortable. I took a drawdown plan with £50,000 up front and £30,000 to draw, should I need it.

"I've replaced the windows and doors, undertaken essential repairs that I had been putting off, put raised beds in the garden so I can keep growing my vegetables into old age and finally replaced the hideous impractical kitchen.

"Plans don't always work out as you think but I've grown roots in my community, and this is very much my forever home."

This case study is fictional and while based on issues faced by people every day, bears no resemblance to a specific person or set of personal circumstances.

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