

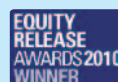


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## UK Equity Release Market Monitor 2010 Review

**01772 508533**  
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# UK Equity Release Market Monitor

## Introduction

Key Retirement Solutions' Market Monitor provides a quarterly review of the equity release market in the UK. The monitor provides journalists and other industry stakeholders with detailed data on the market alongside historical comparisons.

Key Retirement Solutions are **the UK's number 1** equity release specialist adviser, arranging almost 1 in 4 of all SHIP<sup>(1)</sup> equity release business in the UK, and over 1 in 3 of all intermediary SHIP equity release business in the UK.

The Monitor uses Key's data to reflect the market as a whole and provides the most detailed analysis of the equity release sector, including:

- **Usage trends**
- **Age Analysis**
- **Regional Analysis based on –**
  - **Plan Numbers**
  - **Plan Values**
  - **Property Prices**

For further details contact:

**Dean Mirfin**

Group Director  
KRS Group

**Email: [dean.mirfin@keyrs.co.uk](mailto:dean.mirfin@keyrs.co.uk)**

**Tel: 07879 678737**

**Press office: 01772 508533**

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# Equity Release Market Monitor Highlights

## 2010 Results

- **New plan numbers 22,020 up 3.36%**
- **Total amount released £910.6m down 11%**
- **Drawdown dominates the market**
- **Home improvement remains top reason for releasing equity**

The latest annual report on the equity release market in the UK shows the first year on year increase in new plan numbers since 2007. Plan numbers increased by 3.36% to 22,020 compared to 21,305 in 2009.

The latest figures conclude the trends established throughout the year of quarter on quarter growth in the market.

Drawdown plans have increased further in popularity accounting for 74% of all plans compared to 64% for 2009. Single advance lifetime mortgages accounted for 23% of the market with home reversion making up the remaining 3%.

The average age of equity release customers was 69 for 2010 which remains unchanged against 2009.

## Regional Highlights

Across the country 7 out of 12 regions saw growth in the total number of plans sold, of those 5 regions experiencing falls, these were mainly single digit declines apart from Wales who suffered a 23% drop. Of those regions experiencing increased demand Scotland recorded the highest increase with a rise of 27% in total plans sold, closely followed by the North with an increase of 23%. However just the North and Scotland saw increases in the total value of equity released.

## Uses of Equity Release

The most popular use for the funds released is improving the home and garden. Commonly, as well as for cosmetic purposes, this is for relatively major projects such as extensions, new kitchens, bathrooms or conservatories.

34% of those releasing equity from their homes in the past year did so for holidays. The market analysis also shows that equity release is still viewed as an important option for debt repayment. Repaying debt and helping the family remain as major reasons.

## Dean Mirfin, KRS Group Director, comments on the latest Market Monitor findings:

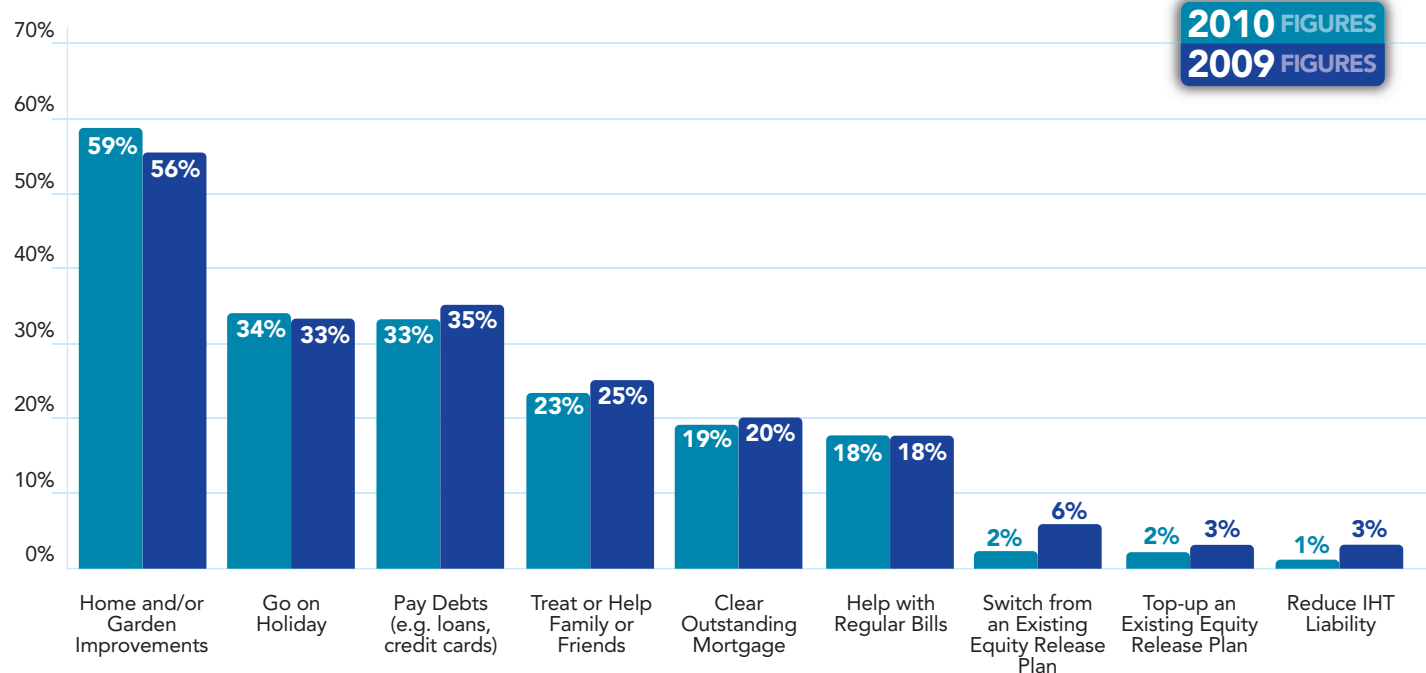
"The true barometer for the industry clearly rests with the number of plans sold rather than total amount released. The products available to consumers today naturally make equity release a more attractive option through the overall flexibility available and greater control over the cost of borrowing.

"Innovation by providers including the launch of products offering enhanced terms for customers with medical or lifestyle conditions plus increasing use of drawdown all adds to more competition among providers which points to further potential growth in 2011."

# 2010 Review

## Equity Release Market Monitor Highlights

### Popular Uses of Equity Release



### Regional Summary

AREA	Value	Percentage Change 2010 on 2009	Number of Plans	Percentage Change 2010 on 2009	Average Value Released	Average LTV	Average Customer Age
East Anglia	£37.7m	-34.8%	1,075	-4.5%	£38,615	21%	69
East Midlands	£59.5m	-9.7%	1,790	-3.1%	£36,557	22%	69
London	£114.4m	-22.7%	1,820	6.1%	£69,148	21%	70
Northern Ireland	£5.5m	-10.7%	125	-0.8%	£48,542	25%	69
North	£28.2m	8.5%	865	22.7%	£35,827	24%	68
North West	£98.1m	-9.7%	2,740	-5.9%	£39,454	24%	69
Scotland	£36.2m	17.6%	1,110	27%	£35,885	22%	68
South East	£239.6m	-6.7%	4,830	5.6%	£54,615	21%	70
South West	£119.1m	-6.8%	2,730	14.5%	£47,973	22%	70
Wales	£32.3m	-36.2%	920	-23.6%	£38,594	24%	69
West Midlands	£71.3m	-3.3%	1,955	9.9%	£40,196	22%	69
Yorks & H'side	£68.8m	-3.7%	2,060	0.1%	£36,821	23%	70

# 2010 Review: Number of Equity Release Plans

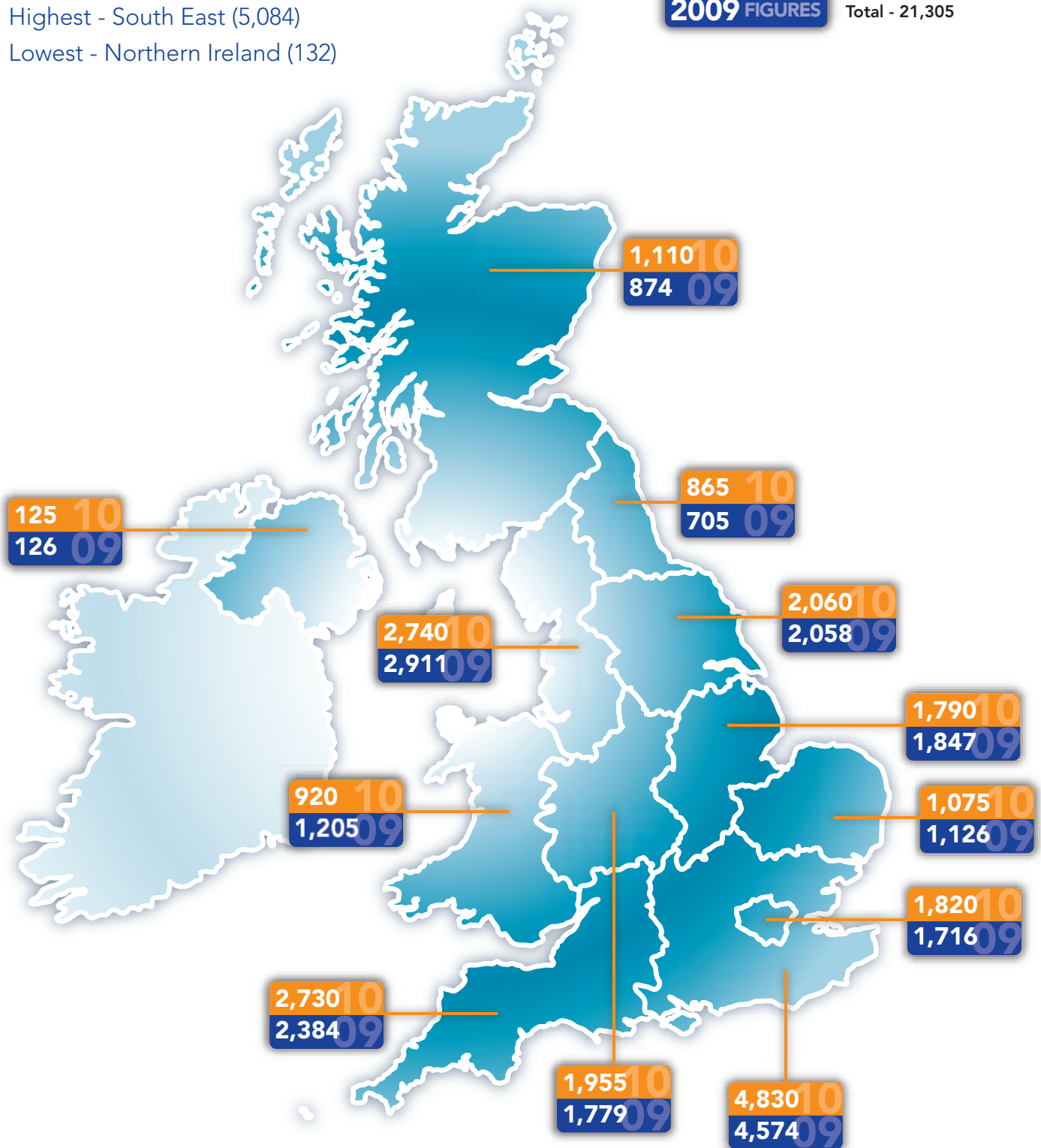
## Regional Highlights

- Highest - South East (5,084)
- Lowest - Northern Ireland (125)

**2010 FIGURES**  
**2009 FIGURES**

Total - 23,179

Total - 21,305





# 2010 Review: Value of Equity Release Plans

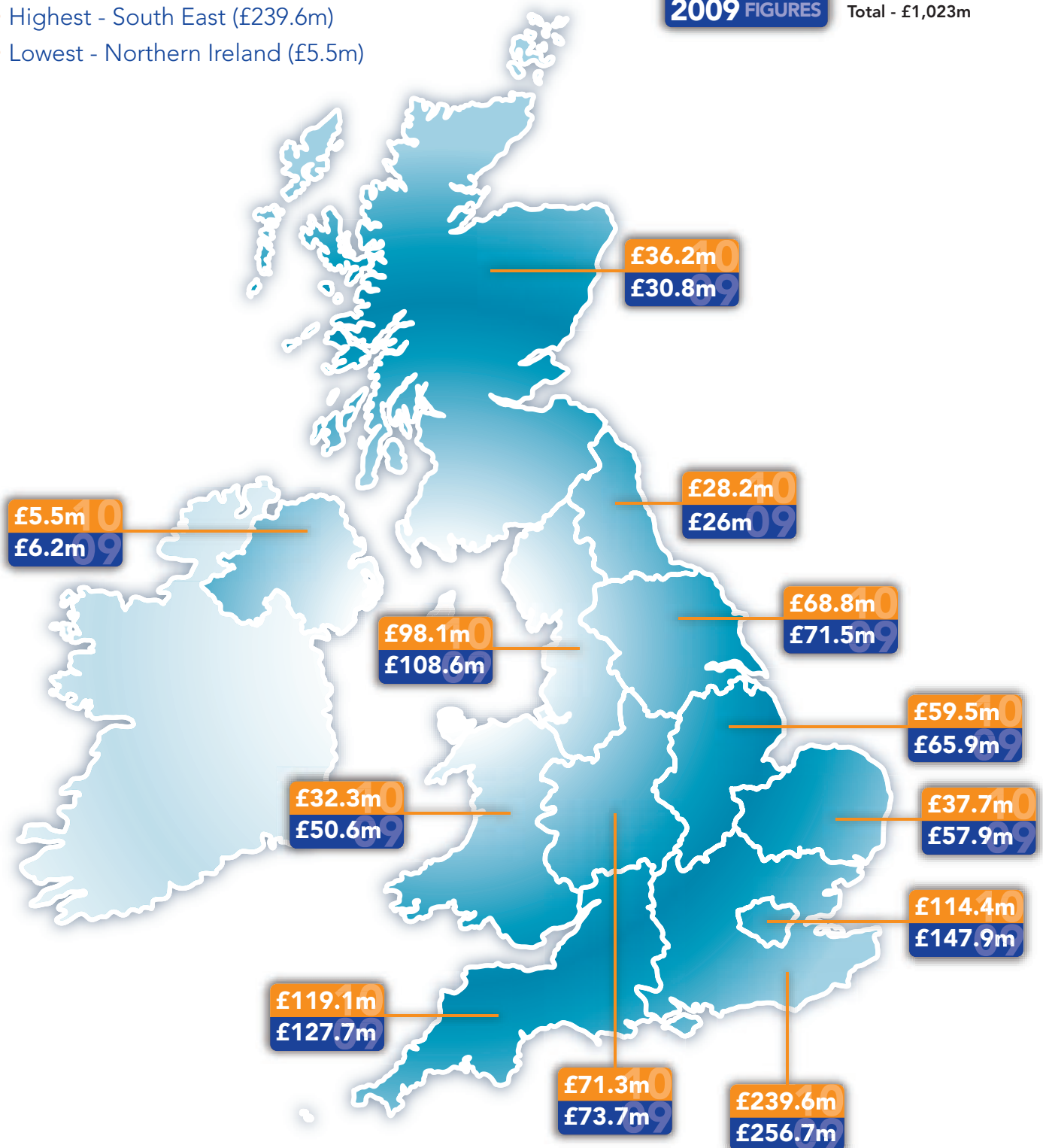
## Regional Highlights

- Highest - South East (£239.6m)
- Lowest - Northern Ireland (£5.5m)

**2010 FIGURES**  
**2009 FIGURES**

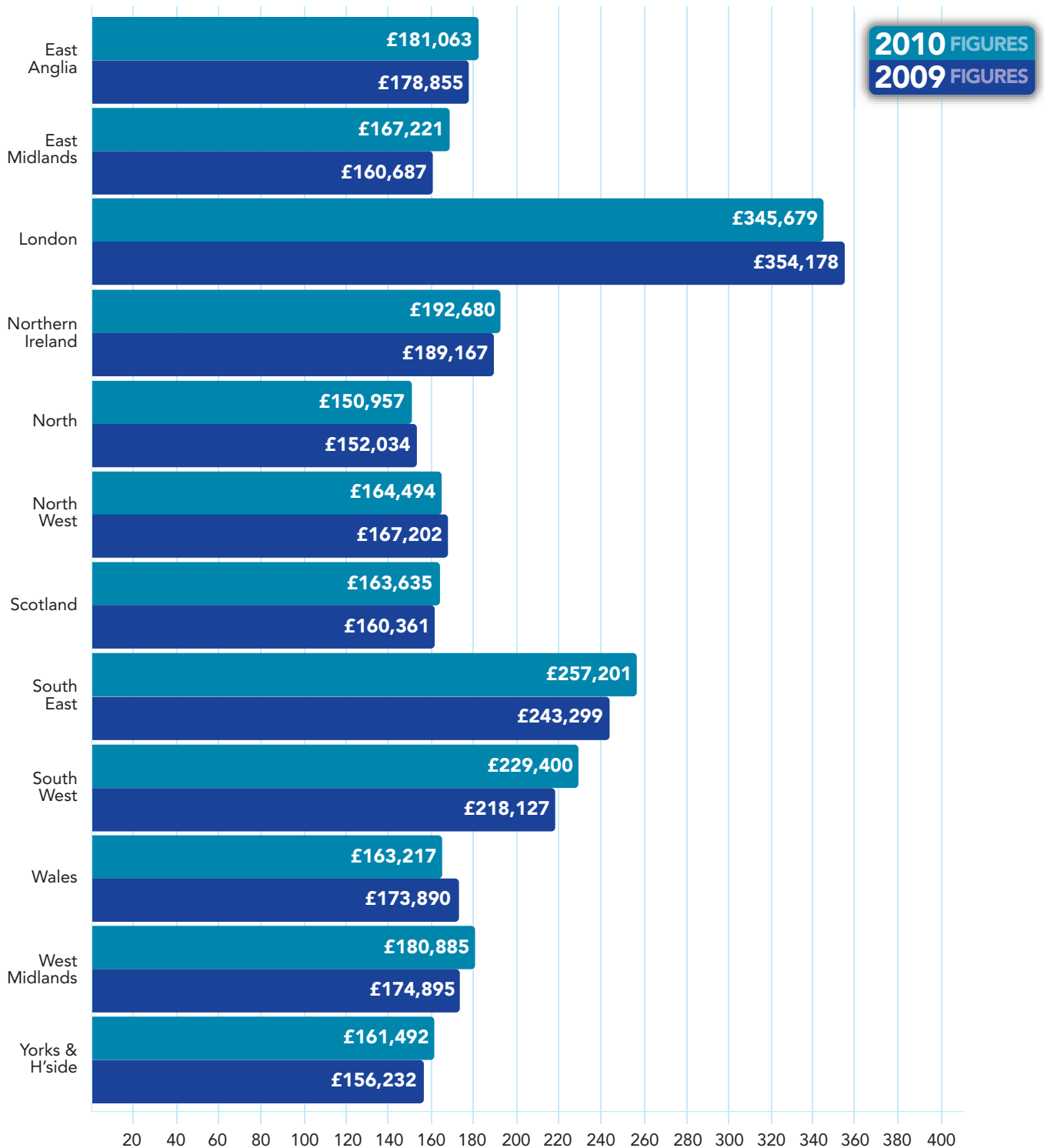
Total - £910m

Total - £1,023m



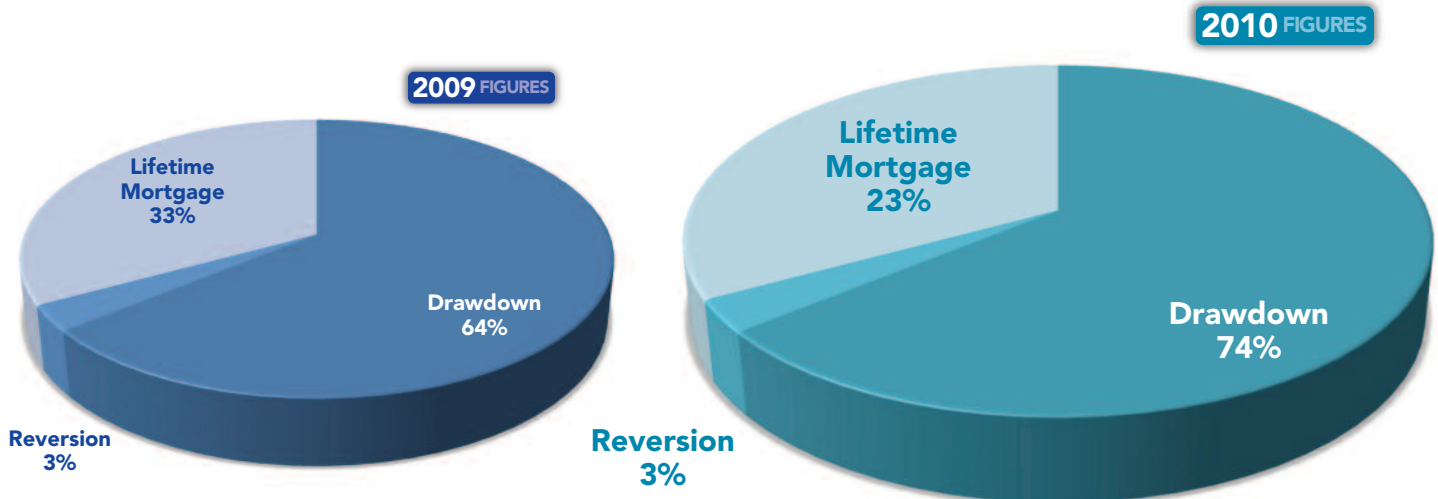
## 2010 Analysis

### Average Customer Property Values



## 2010 Analysis

### Equity Release Product Mix



### Customers By Age

