



UK EQUITY RELEASE Market Monitor

QUARTER 3 2015

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www.keyretirement.co.uk/equity-release/market-monitor/

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All images contained within this report can be provided
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Key Retirement's Market Monitor provides a quarterly, half yearly and annual 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 is the leading over 55's specialist adviser and the UK's number 1 equity release specialist; arranging over 35% of all Equity Release Council (ERC)^[1] lending 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

The Monitor now provides more detail than ever; focusing in each edition on a particular region and also a specific usage driver for releasing equity.

- Quarter 3 2015 focus - Home and/or Garden Improvement
- Regional focus - London

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^[1] Equity Release Council (ERC) is the equity release trade organisation representing the Equity Release Sector

Quarter 3 2015 Results

7%

- New plan numbers 6,297 up 7%

19%

- Total amount released £471m up 19%
- Drawdown accounts for 65.5% of all plans
- Single advance lending accounts for 34% of all plans
- Nearly 1 in 3 use equity release to go on holiday

The quarter 3 2015 report on the equity release market reveals further growth, both for the number of new plans and for overall lending, compared to the same period of 2014. Sales of plans for the quarter were 6,297 from 5,858 for the same period of 2014, an increase of 7%. Lending increased to £471 million for the period, from £395 million in quarter 3 2014, an increase of 19%. The increase in total lending reflects an increase in average loan amount from £67,500 for the third quarter of 2014 up to £74,788 for the third quarter of 2015.

Drawdown remains the most popular type of plan remaining consistent year on year, accounting for 65.5% of all new plans (Drawdown and Enhanced Drawdown). Drawdown, which retains accessible further funds, provides potential further borrowing of £151 million in addition to the £471 million in initial advances; giving a total market for the quarter of £622 million, compared to the total of £519 million for the same period of 2014. The average age for those releasing equity remained the same year on year at 71 for the period.

BIGGEST MOVERS BY REGION

Lending

△ South East	+39%
△ East Anglia	+36%
△ North West	+33%
▼ Northern Ireland	-48%
▼ West Midlands	-25%
▼ Yorkshire & Humberside	-20%

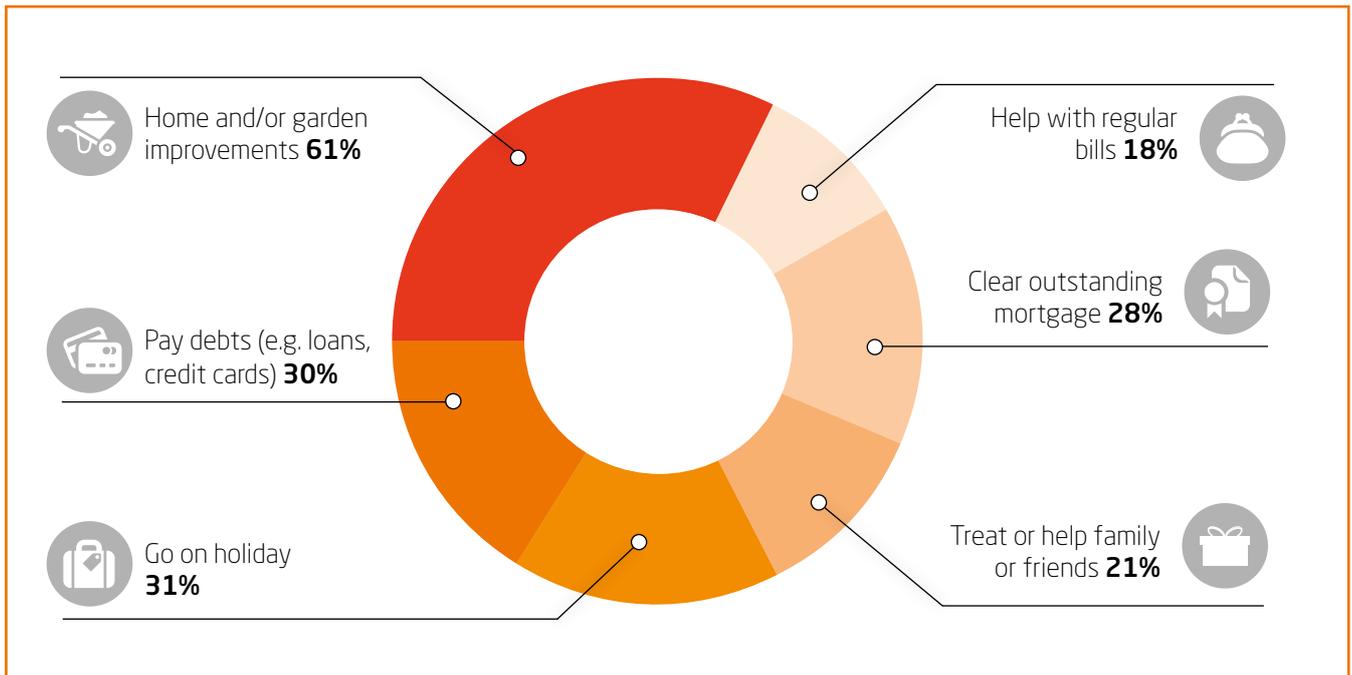
Number of Plans

△ South East	+26%
△ North West	+24%
△ London	+21%
▼ Northern Ireland	-42%
▼ Yorkshire & Humberside	-22%
▼ West Midlands	-14%

REGIONAL HIGHLIGHTS

Across the country 7 out of 12 regions experienced growth in the total number of plans, with 9 out of the 12 regions experiencing growth in total lending. The greatest increases in plan numbers were experienced in South East (+26%) and North West (+24%). The greatest increases for overall lending were experienced in South East (+39%) and East Anglia (+36%).

Top region for overall lending was the South East (£142m) with London (£87.6m) taking second place. The largest drop, for both plan numbers and overall lending, was experienced in Northern Ireland, falling 42% and 48% respectively.



Highlights

- 61% released equity for home and/or garden improvements
- Nearly 1 in 3 use equity release for holidays

QUARTER 3 2015 FOCUS - HOME AND/OR GARDEN IMPROVEMENTS

Maintaining the home or garden remains the primary reason for releasing equity from the home, with the focus being on capital hungry projects which include:

- New kitchens and bathrooms
- New conservatories
- Extensions
- Adaptations
- Landscaping

Many of the tasks undertaken tend to involve improvements which will make the home and garden more manageable. Rather than moving to a smaller property many equity release customers want to make more of their existing home and ensure that it is fit for the future. Reinvesting in the home and/or garden increased to 61% from 59% for the same period of 2014.

REGIONAL SUMMARY

Area	Value	Percentage Change 2015 on 2014	Number of Plans	Percentage Change 2015 on 2014	Average Value Released	Average LTV %	Average Customer Age	Average Property Value	YOY Var
East Anglia	£27,654,035	36%	355	8%	£77,861	34	71	£228,289	8%
East Midlands	£25,354,608	27%	441	-1%	£57,444	29	70	£198,082	6%
London	£87,636,938	15%	669	21%	£131,004	21	71	£622,724	17%
North East	£10,719,302	6%	183	0%	£58,653	34	70	£174,953	-4%
North West	£38,998,806	33%	724	24%	£53,855	29	70	£185,614	-5%
Northern Ireland	£2,996,933	-48%	66	-42%	£45,743	35	69	£130,789	-15%
Scotland	£29,282,261	30%	517	20%	£56,612	33	69	£169,660	-14%
South East	£141,969,635	39%	1,628	26%	£87,227	27	71	£323,940	-1%
South West	£54,749,646	12%	721	-8%	£75,968	28	71	£267,719	6%
Wales	£13,403,516	28%	228	10%	£58,894	30	70	£199,333	6%
West Midlands	£20,905,460	-25%	390	-14%	£53,651	28	72	£192,876	-17%
Yorkshire & Humberside	£17,234,733	-20%	376	-22%	£45,854	27	70	£170,170	-7%
Total	£470,905,872	19%	6,297	7%	£74,788	27	71	£278,141	5%

REGIONAL FOCUS LONDON

Total lending
£87.6m

Plans arranged
669

Average released
£131,004

Average property value
£622,724

QUARTER 3 2015 REGIONAL FOCUS - LONDON

The average value released in London dwarfs that of other regions, however as a region London accounts for the lowest average loan to value at 21%, compared to East Anglia and Northern Ireland with 34% and 35% respectively. The average property value for those releasing equity in the capital is almost double that of its nearest rival in the South East at £622,724.

Londoners on average are freeing up from their homes slightly less than they did a year ago with an average release of £131,004 compared to £138,641 for the same period of 2014. London consistently holds 2nd spot for total amount released with £87.6m; an increase year on year of 15%.

NUMBER OF EQUITY RELEASE PLANS

Area	Q3 2015 NUMBER OF PLANS	Q3 2015	Q3 2014	% change
1. South East		1,628	1,294	25.7%
2. North West		724	586	23.6%
3. South West		721	786	-8.3%
4. London		669	551	21.5%
5. Scotland		517	431	19.9%
6. East Midlands		441	445	-0.9%
7. West Midlands		390	452	-13.9%
8. Yorkshire & Humberside		376	481	-21.8%
9. East Anglia		355	330	7.7%
10. Wales		228	207	10.0%
11. North East		183	182	0.2%
12. Northern Ireland		66	112	-41.6%
TOTAL		6,297	5,858	7.5%

Review

- Highest - South East (1,628)
- Lowest - Northern Ireland (66)

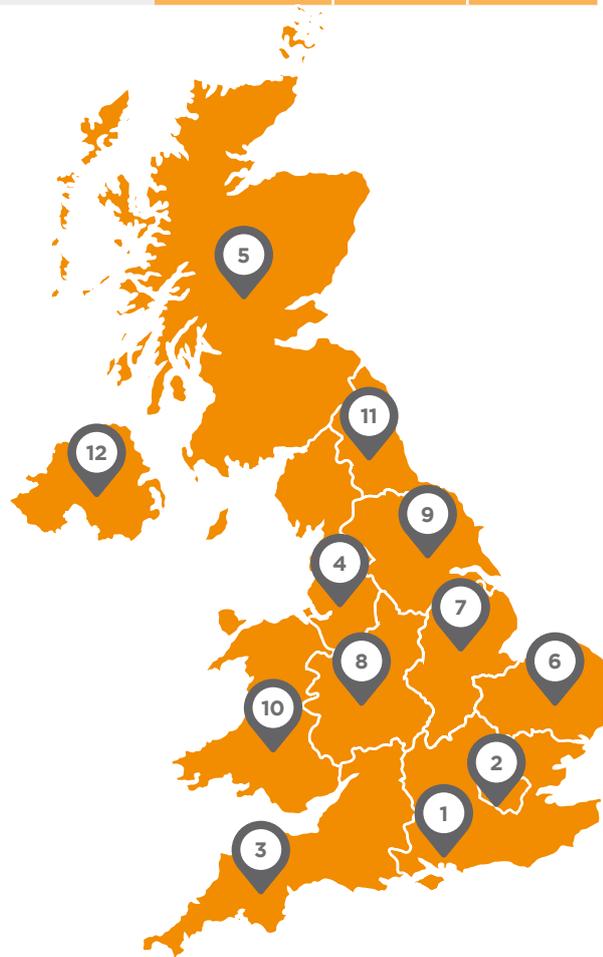


VALUE OF EQUITY RELEASE PLANS

Area	Q3 2015 VALUE OF PLANS	Q3 2015	Q3 2014	% change
1. South East		142.0 m	101.9 m	39.4%
2. London		87.6 m	76.2 m	15%
3. South West		54.7 m	48.6 m	12.5%
4. North West		39.0 m	29.3 m	33.2%
5. Scotland		29.3 m	22.5 m	30.2%
6. East Anglia		27.7 m	20.3 m	36.1%
7. East Midlands		25.4 m	20.0 m	26.6%
8. West Midlands		20.9 m	28.0 m	-25.3%
9. Yorkshire & Humberside		17.2 m	21.6 m	-20.2%
10. Wales		13.4 m	10.5 m	27.6%
11. North East		10.7 m	10.0 m	6.1%
12. Northern Ireland		3.0 m	5.7 m	-47.8%
TOTAL		470.9 m	394.8 m	19.3%

Review

- Highest - South East (£142.0m)
- Lowest - Northern Ireland (£3.0m)



Analysis

- Average age 71, unchanged year on year
- 62% of those releasing equity are couples
- More than double the number of single women release equity than single men

