



Equity Release News – from the Equity Release Solicitors Alliance

November has been rife with equity release research, but three statistics in particular stand out.

Equity release lending growth is up 11% in quarter three. The continued growth in people releasing equity from their homes this year can be attributed to three key factors. First, innovation in the market has seen new plans specifically designed to relieve interest-only issues attracted new clients. Second, the formation of the Equity Release Council has been a major step forward in ensuring all parties involved in the market work in concert with one another to raise the profile and standards of equity release. And lastly, the ongoing squeeze on pensioners' finances has created a greater need for alternative sources of income.

Recent research from Equity Release Council Member Key Retirement Solutions emphasises why equity release is a viable alternative income source. It found the total value of equity tied up in pensioners' property is now an estimated £756.3 billion. This means over 65s are sitting on a substantial pot of property equity which could help to reduce financial woes if accessed via equity release.

Accordingly, 90% of advisers agree that equity release is relevant to retirement planning. Increasing innovation and collaboration in the equity release market, alongside cuts to government spending and substantial sums of pensioners' money tied up in property all suggest the popularity of equity release will continue to grow. Yet only 38% of retirement planning advisers can provide advice on equity release. A shortage of advisers with substantial equity release knowledge needs to be addressed, with 46% of intermediaries citing a lack of relevant qualifications as the explanation for the absence of equity release advice. To ensure they keep up with growing demand and are able to provide a comprehensive equity release service to consumers, advisers should look to breach the current knowledge gap by training or setting up a referral scheme with a specialist.

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