



**EMBARGOED: 00:01 22<sup>nd</sup> OCTOBER 2019**

## **OVER-65s WILL MAKE UP HALF OF SINGLE PERSON HOUSEHOLDS BY 2022**

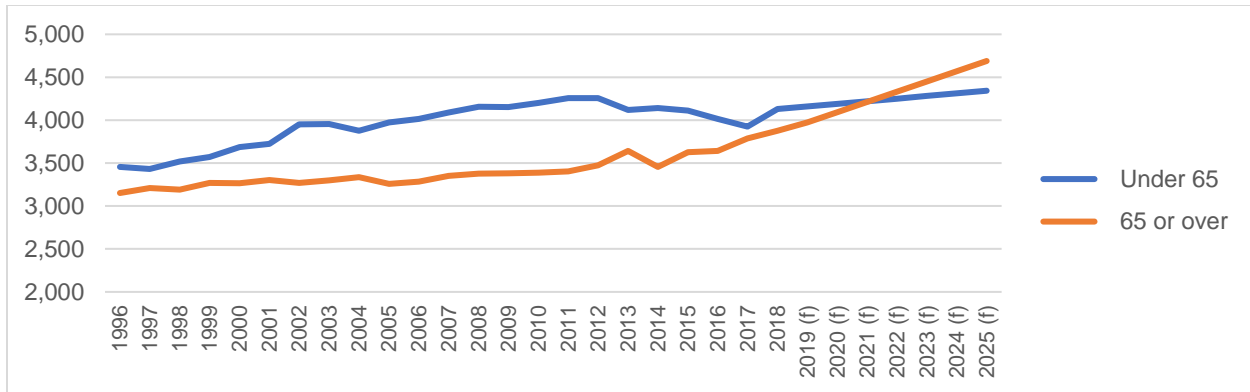
- **Number of over-65s living alone has increased by 15% in the last decade**
- **Over 4 million over-65s will soon be living in single-person households, outnumbering those aged under-65 for the first time**
- **Increasing number of people living alone in later life influenced by rising life expectancies and divorce rates**
- **More than two in five new equity release plans are taken out on a single basis to support retirement finances**

The total number of over-65s living alone is on course to outnumber those aged under-65 for the first time on record within the next three years, according to new findings<sup>1</sup> by the **Equity Release Council** (the Council), the representative trade body for the equity release sector.

Council analysis of official population estimates suggests there will be more than 4 million over-65s living alone by 2020, with this age group making up half of single-person households by 2022 as life expectancies and the rate of divorce in later life increases.

The number of over-65s living alone in the UK has already risen by 15% in the last decade from 3.4 million in 2008 to 3.9 million in 2018. As a result, the percentage of single-person UK households that are aged 65+ has increased from 45% to 48% over the same period.

**Graph 1: Single-person households in the UK, thousands (forecasts based on 1996-2018 trends)**



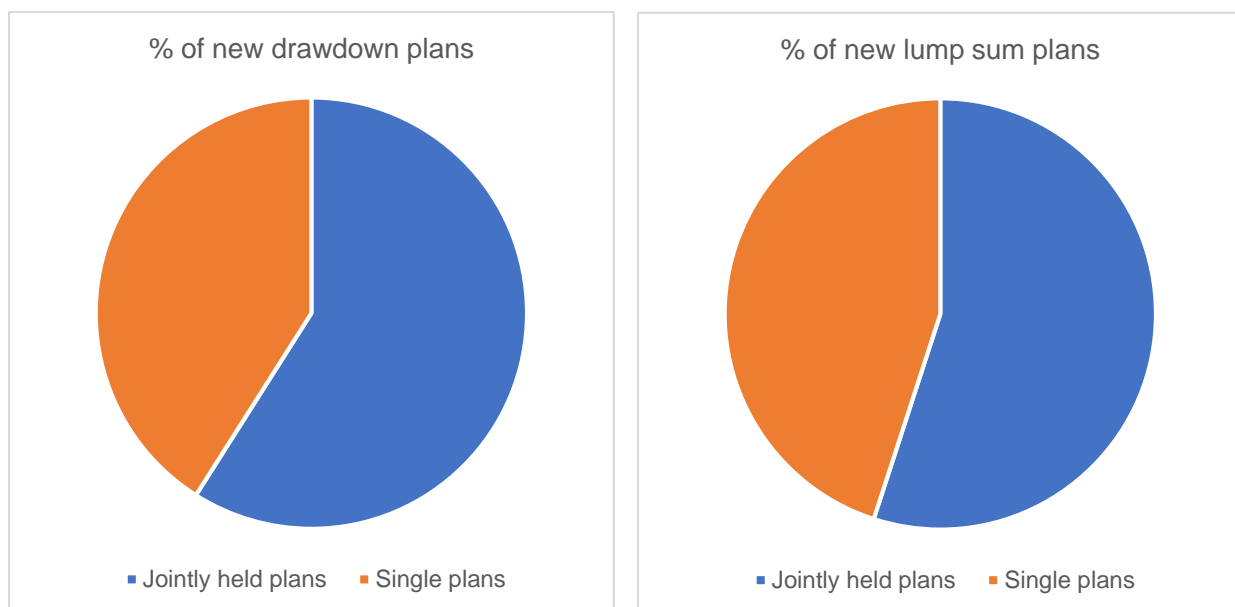
Source: Equity Release Council analysis of Office for National Statistics Families and Households data, August 2019

While the loss of a partner will account for a substantial proportion of these single person-households, the growing number of over-65s living alone might also be attributed to the rise in divorce among couples in later life. Since 1999, the average age of divorce has increased by 5.5 years for both men (46 years old) and women (44 years old)<sup>2</sup>.

With more over-65s living alone, the Council is witnessing an increase in the number of single equity release plans being taken out by customers to help meet their later life financial goals.

Market data for the first half of 2019, published in the Council's Autumn 2019 Market Report, showed that single plans accounted for 41% of new drawdown plans agreed and 45% of new lump sum plans<sup>3</sup>. The remainder were taken out by joint borrowers.

**Graph 2: Proportion of new equity release plans agreed by type of plan, H1 2019**



Equity release enables homeowners aged 55+ to draw a lump sum or regular sums from the value of their home, while remaining in their homes and without having to make monthly repayments.

The market has grown considerably in recent years with £3.94 billion released from bricks and mortar over the course of 2018, fuelled by product innovation and flexibilities such as options to repay early when downsizing to a smaller property; ring-fence a guaranteed minimum inheritance; and make interest or capital repayments to minimise the cost or reduce the loan size over time.

**Jim Boyd, Chief Executive Officer of the Equity Release Council, comments:**

“There has been a dramatic increase in the number of single households lived in by pensioners. This is increasing as ever longer lives are spent alone in retirement following the death of a partner or where people have chosen not to marry. However, the rise of ‘sliver splitters’ is now becoming a striking feature of ageing-Britain leading to increases in the number of people living alone in later life.

“Living alone can be costly as sole incomes are expected to stretch just as far to cover many of the day-to-day household bills. Added to this pressure is the fact that many of the retirees of today are set to face record long retirements as life expectancies increase, putting even greater demand on their pension pots as they’re expected to stretch further.

“In response to these trends, we’re seeing an increasing number of homeowners that live alone turning to equity release to supplement retirement income and help meet both day-to-day and long-term financial priorities.

“Along with financial support, equity release can also bring important social benefits for those living alone. By enabling homeowners to access the wealth tied up in their property without having to move, older homeowners are able to remain in their home and stay in their local communities with their friendship groups and familiar networks. The extra income can help towards holidays, visits to family and friends, and pay for additional care, hobbies and services helping to combat the loneliness and isolation which can arise for many in later life.”

**- ENDS -**

1 Equity Release Council analysis of data from [ONS Families and Households, 2018](#)

2 [ONS Divorces in England and Wales, 2017](#)

3 [Equity Release Council Autumn Market Report](#):

The Equity Release Market Report is designed and produced by Instinctif Partners on behalf of the Equity Release Council. It uses aggregated data supplied by all active provider members of the Council to create the most comprehensive view of consumer trends and product uptake across the equity release industry.

The latest edition was produced in Autumn 2019 using data from new plans taken out in the first half of 2019, alongside historic data and external sources as indicated in the report. All figures quoted are aggregated for the whole market and do not represent the business of individual member firms.

For a comprehensive list of members, please visit the Council's [online member directory](#).

**For further information, please contact:**

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**About the Equity Release Council**

[www.equityreleasecouncil.com](http://www.equityreleasecouncil.com)

The Equity Release Council is the representative trade body for the equity release sector with over 300 member firms and 1,000 individuals registered, including providers, regulated financial advisers, solicitors, surveyors and other professionals.

It leads a consumer-focused UK based equity release market by setting authoritative standards and safeguards for the trusted provision of advice and products. Since 1991, over 480,000 homeowners have accessed over £28bn of housing wealth via Council members to support their finances.

The Council also works with government, voluntary and public sectors, and regulatory, consumer and professional bodies to inform and influence debate about the use of housing wealth in later life and retirement planning.