Equity Release Market Returns to Growth with Increase in New Customers

Equity Release Market Records Quarterly Lending and Customer Activity Increase as New Customer Demand Strengthens.

Overall market data for Q2 2026

This table shows the latest available data on customer numbers and lending activity, alongside the preceding quarter and the same quarter last year. The data provides the most comprehensive picture of activity encompassing all provider firms.

Overall activity	Q2 2025	Q1 2026	Q2 2026	Quarterly Change	Annual Change
Total lending	£636m	£574m	£597m	+4%	-6%
Total plans	14,404	12,958	13,489	+4%	-6%
New plans	5,319	4,868	5,307	+9%	0%
Returning DD customers	7,640	7,019	6,978	-1%	-9%
Further advance customers*	1,445	1,071	1,204	+12%	-17%

The Equity Release Council's latest quarterly market report for Q2 2026 shows the market recovering following a slower start to the year, with **£597m** worth of housing equity accessed by **13,489** new and returning customers.

Total lending increased by **4%** compared with Q1 2026, while total customer numbers also grew by **4%**, reflecting improved activity across the market. The increase was supported by a **9% rise in new plans** to **5,307**, which returned to the same level as Q2 2025, alongside a **12% increase in further advance customers**, indicating greater activity among existing borrowers.

While overall lending and customer numbers remain slightly below the same period last year, the increase in both lending and customer numbers suggests improving market confidence and stabilisation following a softer first quarter.

Returning drawdown customers remained relatively stable, declining by only **-1%** quarter on quarter to **6,978**, while further advance customers increased by a significant **12%** to **1,204**, indicating that existing borrowers and becoming more willing to access additional housing wealth.

Average loan size for Q2 2026

Average loan sizes	Q2 2025	Q1 2026	Q2 2026	Quarterly Change	Annual Change
New lump sum	£126,422	£121,196	£113,779	-6%	-10%
New initial drawdown	£65,856	£62,633	£63,642	+2%	-3%
New drawdown reserve	£53,338	£61,307	£56,893	-7%	+7%
Returning drawdown	£13,150	£13,528	£13,153	-3%	0%
Lump sum further advance	£30,180	£32,870	£31,866	-3%	+6%
DD initial further advance*	£27,303	£26,568	£29,367	+11%	+8%
DD further advance reserve*	£6,545	£6,282	£6,092	-3%	-7%

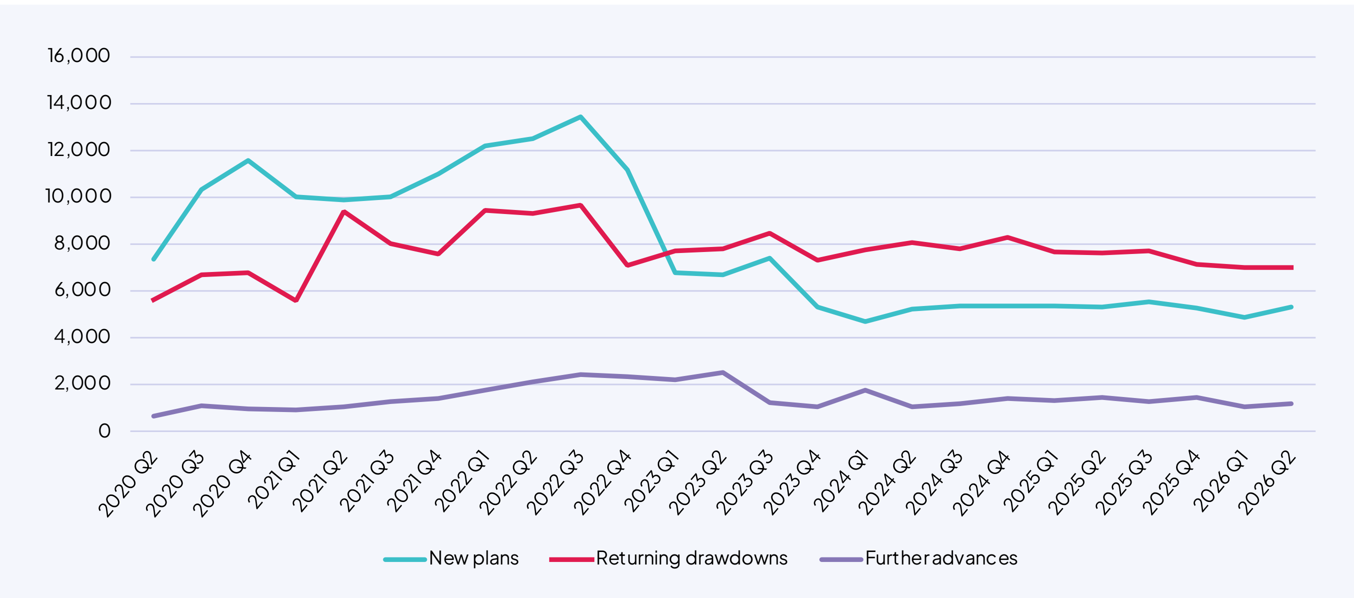
Average loan sizes reflected differing borrowing preferences across products during Q2 2026. While average new lump sum lending reduced by **-6%** over the quarter to **£113,779**, average initial drawdown borrowing increased by **2%** to **£63,642**, suggesting continued confidence among customers choosing drawdown products.

The average value of drawdown initial further advances also rose by **11%** compared with Q1 2026, while lump sum further advances remained above Q2 2025 levels (**+6%**) despite a modest quarterly reduction.

Although average drawdown reserves eased from the previous quarter, they remained **7% higher than a year earlier** at **£56,893**, highlighting the continued appeal of maintaining flexible access to housing wealth.

Equity release customer numbers

The chart below shows the total number of new customers, which includes lump sum and drawdown customers, as well as the number of returning drawdown customers and the number of existing customers taking further advances.



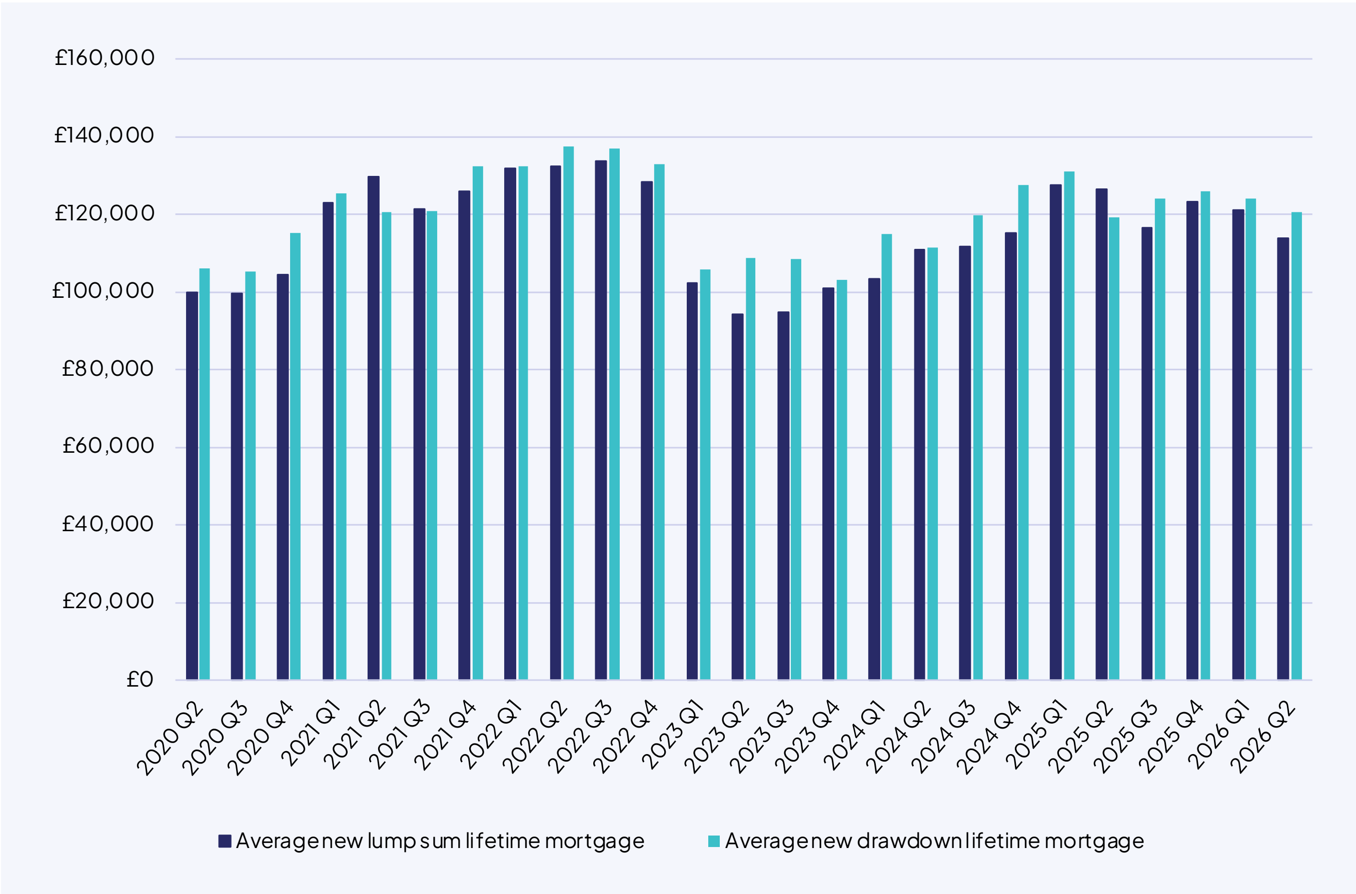
Customer activity strengthened during Q2 2026, driven by a **9% increase in new plans** to **5,307** and a **12% increase in further advance customers** to **1,204**.

Returning drawdown customers remained broadly stable, easing by just **-1%** compared with the previous quarter to **6,978.**

Overall customer numbers increased from **12,958** in Q1 2026 to **13,489** in Q2 2026, representing quarterly growth of **4%**. While activity remains below the same period last year, the improvement seen during this quarter suggests the market continues to recover steadily following the slower start to 2026.

Average new loan sizes

The following table shows the average new lump sum against the average new drawdown. The latter includes the initial loan and reserve facility.

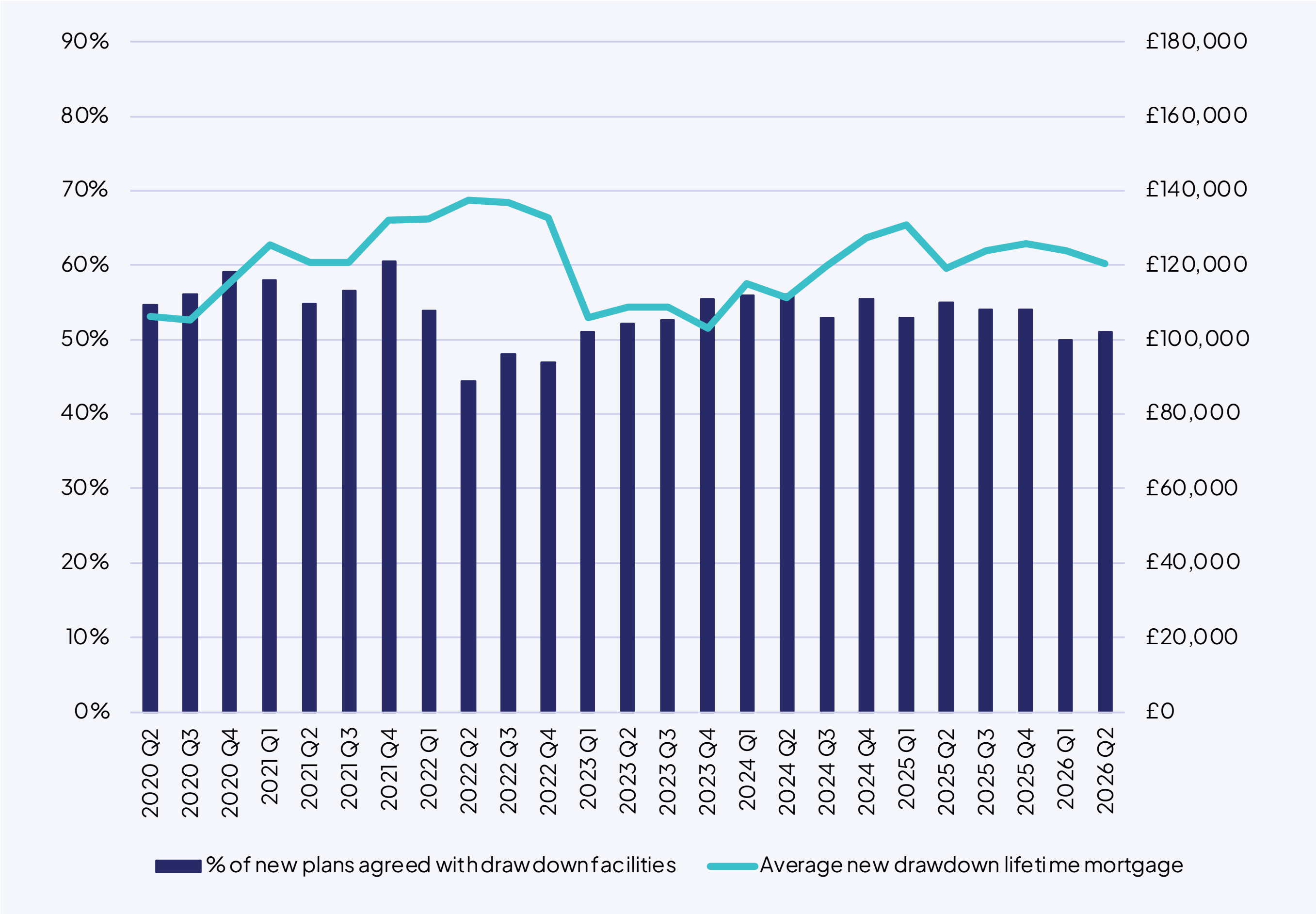


Average borrowing patterns continue to reflect customers taking a considered approach to accessing housing wealth. Average new lump sum lending reduced to **£113,779**, while the average initial drawdown increased to **£63,642**, suggesting customers continue to favour the flexibility offered by drawdown products.

Although the average drawdown reserve reduced compared with Q1 2026, it remained above the level recorded a year prior, demonstrating that customers continue to value retaining access to additional funds for future needs rather than maximising upfront borrowing.

Product preferences

The chart below shows the percentage of the new customers choosing drawdown plans and the percentage of the average loan taken up front.



Product preferences continue to reflect demand for flexibility, with drawdown remaining the dominant option for new customers. This is reflected in borrowing patterns, with the average initial drawdown increasing by **2%** quarter on quarter to **£63,642**, while drawdown initial further advances increased by **11%** to **£29,367**.

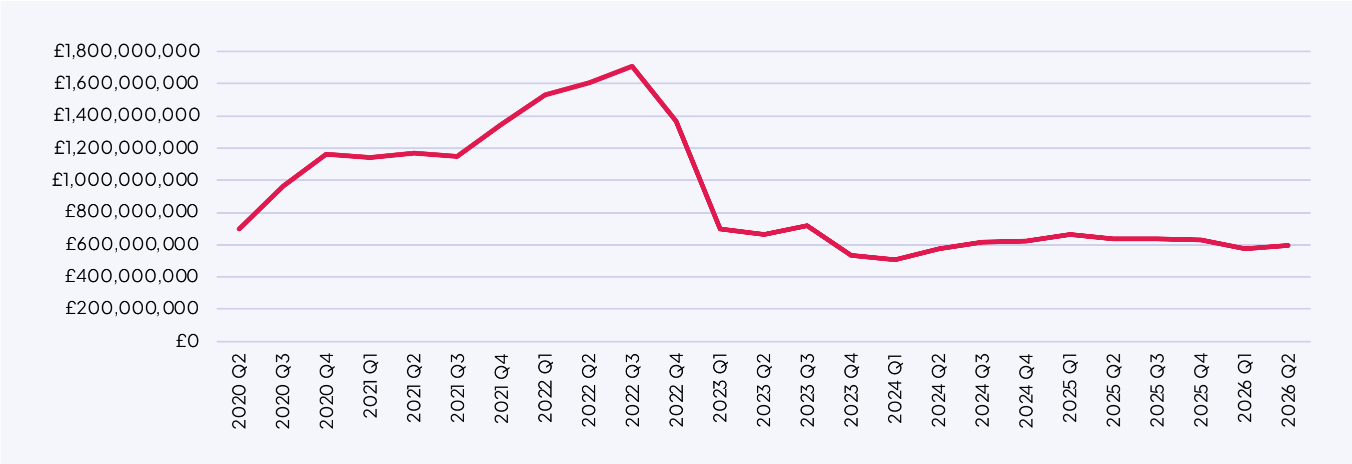
Although the average drawdown reserve decreased by **-7%** over the quarter to **£56,893**, it remained **7% higher than Q2 2025**, suggesting customers continue to value access to future borrowing.

Meanwhile, average new lump sum loan sizes reduced by **-6%** compared with Q1 2026, reinforcing the trend towards customers tailoring borrowing to meet their individual financial needs.

Total quarterly lending

The graph below charts the total annual lending for the last five years when growth across the entire mortgage industry declined abruptly following the 2022 mini budget.

Following the slowdown in Q1 2026, quarterly lending increased from **£574m** to **£597m** in Q2, reflecting improving customer activity across the market. Although lending remains below the levels recorded in Q2 2025, the latest figures continue the pattern of market stabilisation seen throughout 2026.



About the data: The Council's market data is compiled from actual whole-of-market returns and is in no part estimated, making it the UK's definitive equity release data. All data has been collated by the Council, unless otherwise stated. Categories of borrowing or borrower which have an * next to them are more volatile as they reflect relatively modest amounts of borrowing or numbers of borrowers.

About the product: Equity release allows older people to access the wealth in their homes, without necessarily having to sell or move. Lifetime mortgages make up more than 99% of the market. They enable people to borrow against their homes without making repayments unless they choose to. The loan and interest, or part thereof, is paid when the customer dies or goes into long term care.

About the Equity Release Council: The Council is the representative trade body for the UK equity release market. Its members pledge to go above statutory regulation and plans that meet the Council's standards come with six product safeguards: no negative equity guarantee; fixed or capped rates for life; secure tenure for life; the right to port; the right to make overpayments and no early repayment charge if you move into care provided a medical certificate is provided. These safeguards are underpinned by mandatory independent legal advice which ensures the customer understands the risks and implications of the plan and is free from duress.

More information:

To read the press notice visit:
https://www.equityreleasecouncil.com/information-hub/news/

Email: communications@equityreleasecouncil.com

Equity Release Council
Championing consumer standards in later life