

Prudential Reveals Pensioners Own £654 Billion Property Equity



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Author: [Prudential](#)

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According to the Prudential's Equity Release Index*, Homeowners in England and Wales aged 65 and over have retained £611billion of equity in their property - with a further £43bn held in Scotland - as the housing market begins to show signs of stabilising following two years of decline.

The Index also shows modest gains for homeowners aged over 65 in Wales, the West Midlands, London and the North West.

In Wales, the over-65s saw values rise by £3448, followed by London's over-65s who gained £3296, while in the West Midlands retired homeowners gained £2789 and the North West saw increases of £818.

Homeowners in Scotland aged 65 and over have retained £43billion of [property equity](#) and saw modest gains in the second quarter of 2009, with an average increase in property values of £5235 since March, although the total value of property equity for the over-65s is still more than £3 billion lower than it was a year ago.

The Prudential Equity Release Index shows that, in the second quarter of 2009, Scottish over-65s saw the value of the equity in their homes increase by 3.7%. Over the same period, the equity in homes owned by over-65s in England and Wales remained almost level, decreasing by just 0.03%.

The picture across England and Wales as a whole is one of stabilisation, with property equity for the over-65s falling by less than £43 since February – the lowest fall recorded by the Prudential Equity release Index.

The recent fall of just £43 contrasts sharply with the period between October 2008 and February 2009 when property equity in England and Wales for homeowners aged 65 and above dropped by an average of £21,377.

Property equity can provide a valuable source of [retirement](#) funds, especially against a backdrop of low interest rates and equity price falls in the past two years which have hit pensioners' non [pension](#) savings.

North East homeowners aged 65 and above saw the highest decline for any region in England and Wales with equity in their homes falling by £4,857 compared with £18,721 from October 2008 to February 2009, while those in Yorkshire and Humberside experienced a decrease in value of £4,209, compared with £13,028 from October 2008 to February 2009.

Keith Haggart, director of Lifetime Mortgages at Prudential, said: "A good many pensioners will be cheered by the news that property values appear to be stabilising and in some parts of the country are even increasing. This could bode very well for people considering using their home as an asset to boost retirement income."

Notes to editors
* Prudential's Equity Release index tracks the amount of equity held in property by people over 65 years old in England and Wales. Figures are based on Prudential's analysis of data from the ONS Family Spending Report (2006), the Land Registry House Price Index (August 2008) and GfK NOP (2007). Specifically, weighted number of households data is taken from the ONS Family Spending Report 2006. Home ownership data is taken from the NOP data. Average house price per region is taken from the Land Registry Index.

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Media enquiries:

Jonathan Akerman
Prudential
3 Sheldon Square
Westminster
London
W2 6PR
020 7150 2657
www.pru.co.uk

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