

Equity release market grows for two successive quarters for first time in two years

To read a press notice for this report including commentary [click here](#).

Overall market data for Q3 2024

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 in the equity release market.

Overall activity	Q3 2023	Q2 2024	Q3 2024	Quarterly change	Annual change
Total lending	£717m	£578m	£615m	6%	-14%
Total customers	17,078	14,324	14,281	-0.3%	-16%
New plans	7,379	5,240	5,370	2%	-27%
Returning drawdowns	8,466	8,051	7,796	-3%	-8%
Further advances	1,233	1,033	1,115	8%	-10%

No home reversion plans were taken out by customers during this period.

The third quarter of 2024 continued the modest growth trend seen in Q2, with both total lending and new plans agreed increasing for a second successive quarter.

This is the first time the equity release market has seen growth for two quarters in a row since summer 2022, before the Autumn 'mini-Budget' disrupted markets, shook consumer confidence and accelerated the rise of interest rates.

Increasing activity was seen among new customers and those seeking further advances on existing loans, helped by national house prices having risen year-on-year for six months in a row according to the latest [UK House Price Index](#).

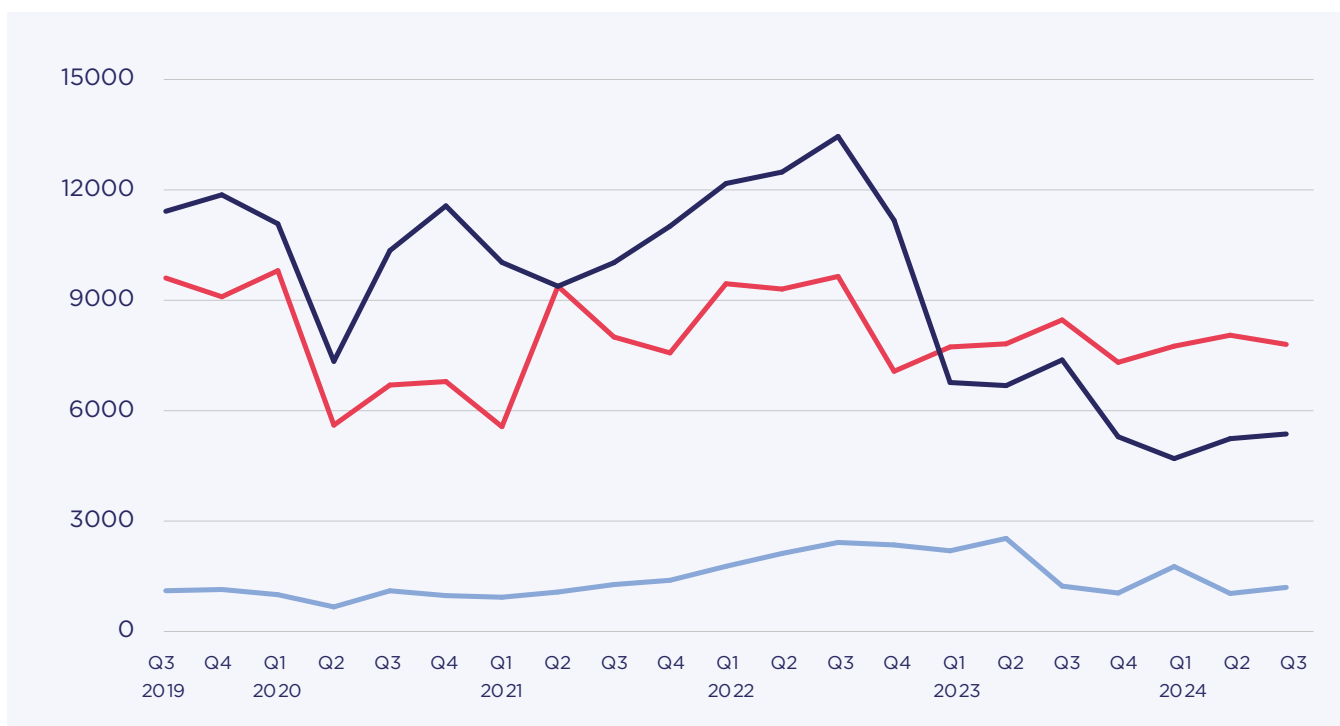
Average loan sizes	Q3 2023	Q2 2024	Q3 2024	Quarterly change	Annual change
New lump sum*	£94,806	£110,969	£111,618	1%	18%
Lump sum further advance*	£27,207	£28,192	£28,570	1%	5%
New initial drawdown*	£63,238	£65,453	£69,952	7%	11%
New drawdown reserve*	£45,350	£45,839	£49,747	9%	10%
Returning drawdown*	£11,863	£12,097	£12,768	6%	8%
DD initial further advance*	£24,694	£26,641	£25,759	-3%	4%
DD further advance reserve*	£10,859	£8,296	£10,030	21%	-8%

*Average loan sizes

Average loan sizes increased more on a quarterly basis for drawdown lifetime mortgages than lump sum lifetime mortgages (7% vs. 1%), as customers continue to use the option to hold some borrowing back for future use. However, with lump sum loan sizes increasing more year-on-year (18% vs. 11%), there are signs that consumer confidence is returning with interest rates having eased slightly.

Equity release customer numbers

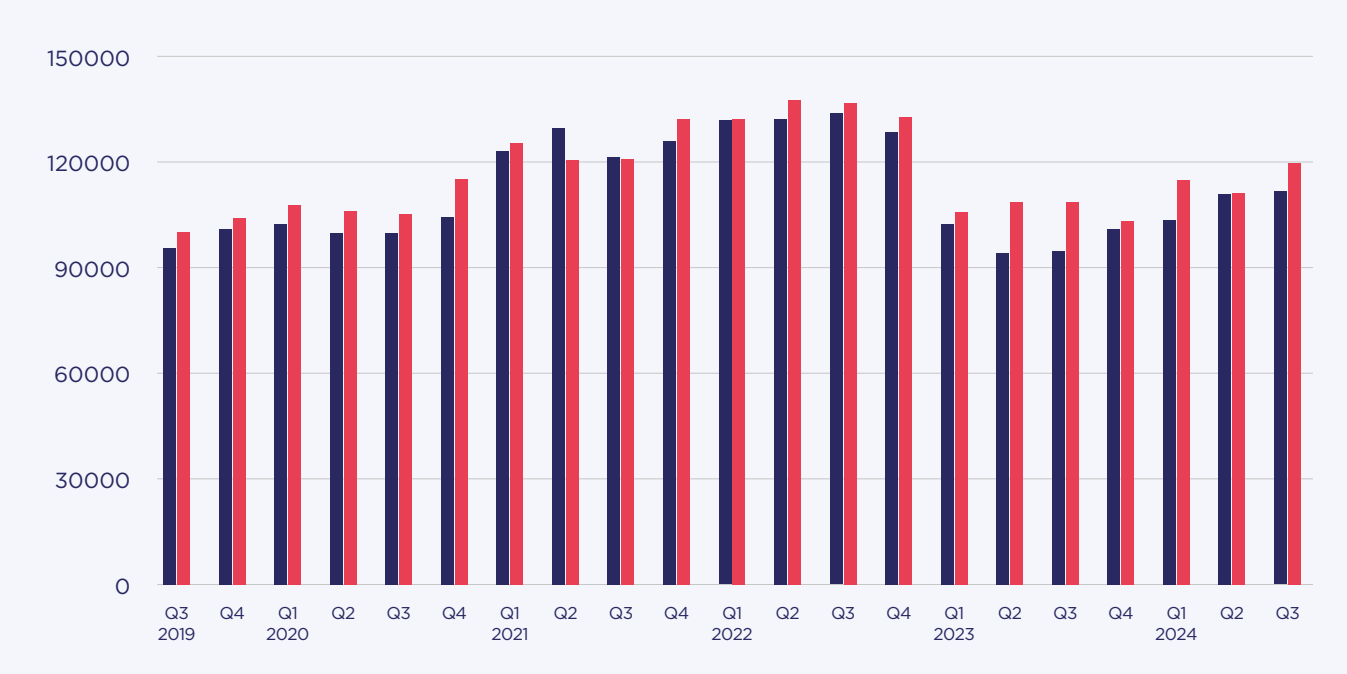
The chart below shows the total number of **new customers**, which includes lump sum and drawdown customers, as well as the number of **returning drawdown customers** and the number of **existing customers** taking further advances.



The data shows new customer numbers continued their modest recovery in Q3, albeit activity remains significantly lower than pre-Autumn 2022. The number of returning drawdown customers remained broadly stable, as did those taking further advances.

Average new loan sizes

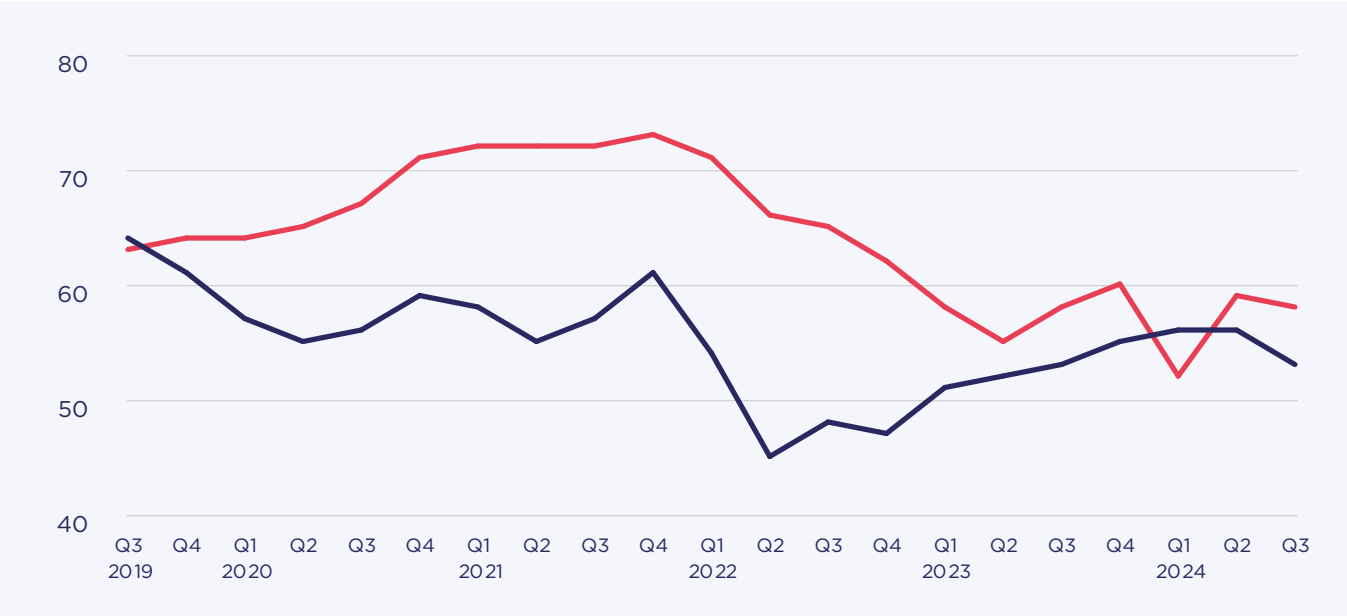
The following table shows the average **new lump sum** against the average **new drawdown**. The latter includes the initial loan and reserve facility.



The average size of a new drawdown lifetime mortgage edged back above the average new lump sum lifetime mortgage during Q3, reflecting the typical trend seen over the last five years. New drawdown customers took 7% more in Q3 than Q2 as part of their initial withdrawals, and reserved 9% more for future use, in a sign they hope to benefit from future interest rate falls.

Product preferences

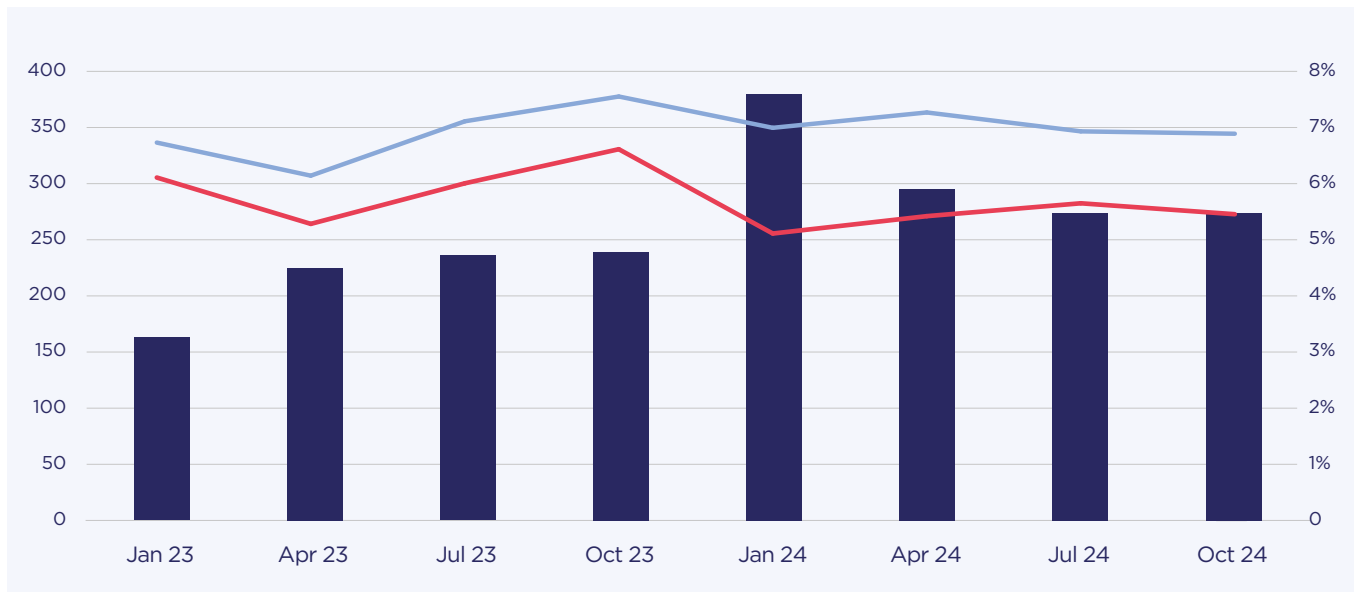
The chart below shows the percentage of the **new customers choosing drawdown plans** and the **percentage of the average loan taken up front**.



Drawdown products continued to account for more than half of new plans agreed in Q3 2024, although their share of new activity dropped from 56% to 53%. New drawdown customers continue to take a smaller percentage of their total loan as a first instalment: 58% in Q3 2024 vs. 72% in Q1 2021, when rates were lower and predicted to rise.

Product availability and rates

The table below shows the **total available products** against the **lowest advertised rate** and the **average advertised rate**. This data is provided by Moneyfacts Plc.



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

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.

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 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 its standards come with five product safeguards: no negative equity guarantee; fixed or capped rates for life; the right to port, the right to make overpayments, and secure tenure for life. 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.

For more information visit www.equityreleasecouncil.com;
call Libby Wallis and Georgia Turton
at Instinctif Partners on 0207 457 2020;
or email EquityReleaseCouncil@instinctif.com