



FALLING HOUSE PRICES DO NOT SHUT THE DOOR TO EQUITY RELEASE

In response to property prices facing their first annual fall in 12 years, SHIP (Safe Home Income Plans) today seeks to reassure people planning to release value from their property, either imminently or at some point in the future. SHIP says there is no need to abandon the idea, but instead people should make sure they consider only those providers that offer crucial guarantees that provide protection from falling property prices. All SHIP members must offer these guarantees, so the SHIP logo offers an easy way for consumers to be sure they are getting this protection.

All SHIP members must meet the trade body's high minimum standards and these include firm guarantees that provide important protection for consumers against the impact of falling house prices:

- **The 'no negative equity' guarantee** - You will never owe more than what your house is worth, whatever happens in the property markets.
- **Security of tenure** - You have the right to stay in your property until you either die or move into long term care.

In addition to the reassurance that these guarantees provide, SHIP also points out that equity release is a long term product proposition and as such, shorter term house price volatility is much less relevant. The long term trend of property prices is almost always upwards, and even if there is a slide backwards for a period of time, history shows that it won't be long before prices bounce back and probably go on to reach even higher levels in the future.

Andrea Rozario, Director General of SHIP said:

“The current situation in the property market does not mean the door is closing on equity release - far from it. Falling property values do however make the very high standards that SHIP members must adhere to all the more important to consumers, especially the guaranteed security of tenure and the no negative equity protection that guarantees customers can never owe more than the value of their property.

Declining levels of pension investment - by individuals and employers - and the extent to which Britons have in preference invested heavily in property for many years now, mean that equity release will become increasingly important, even if property values do come down from their recent highs for a while. There is an argument for those planning to access the value in their property to move quickly if their need is imminent. Those looking to the longer term should take comfort in the longer term trend in property values which is always up.

The truth is equity release has a vital role to play in many people's long term financial planning, regardless of whether property prices do fall for a period of time now.”

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Notes for Editors

Safe Home Income Plans (SHIP) is the UK's leading professional body for equity release product providers, representing the interests of its members and championing high standards of delivery to the consumer through a mandatory set of minimum standards that all members must meet. It was launched in 1991 to promote safe schemes and currently 90% of the equity release market (in volume terms) is made up of SHIP members.

SHIP's members: Bridgewater Equity Release, Bristol & West Mortgages, Coventry Building Society, Hodge Equity Release, Home & Capital Trust, In Retirement Services, Just Retirement, LV, More2Life, Mortgage Express, National Counties Building Society, New Life Mortgages, Norwich Union, Northern Rock plc, Partnership Home Loans, Prudential, Retirement Plus, Standard Life, Stonehaven Equity Release, Stroud & Swindon Building Society.