



## SHIP EQUITY RELEASE PROVIDERS BUCK THE CREDIT CRUNCH WITH A 14% INCREASE IN BUSINESS

SHIP (Safe Home Income Plans) - the trade body that represents more than 90% of the equity release market in the UK - is pleased to announce that equity release business volumes produced by its members in the second quarter of this year have increased by 14% over volumes in quarter one.

A total of £275.7 million of equity was released by SHIP members in the second quarter, 14% higher than the £242.7 million released in the first quarter.

### **Andrea Rozario, Director General of SHIP, said:**

*“This success underlines the robust health of the equity release sector despite the impact of the credit crunch that is having such a negative effect on the mainstream mortgage market. It also serves to highlight the distinctly different forces that drive the equity release market relative to the mainstream market, including the fundamental pressures of the UK’s ageing population, falling levels of pensions contributions and the very high levels of personal wealth held in housing equity.*

*Despite the current fall in property prices, the very big increases of the past mean that typically, by far the biggest asset held by people later in life is equity in their home.*

*This latest rise in volumes may have been influenced by people wanting to accelerate their plans to release equity for fear of property prices falling further over time, or it may have been simply the increasing pressure on finances caused by rising prices that are often felt hardest by those in or nearing retirement.”*

In terms of distribution, the intermediary channel continued to dominate, although the percentage of total equity release business carried out relative to the direct channel fell slightly from 74% in the first quarter of 2008 to 71% in the second quarter.

In terms of product type, lump sum mortgages accounted for 53% of Q2 loans, drawdown mortgages for 42% and home reversions for 5%. These numbers represent continued growth in the popularity of drawdown equity release arrangements.

**- ENDS -**

**For further information or assistance, please contact:**

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### **Notes for Editors**

Safe Home Income Plans (SHIP) is the UK's leading professional body for regulated 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 are: Bridgewater Equity Release, Bristol & West Mortgages, Coventry Building Society, Dunfermline Building Society, Hodge Equity Release, Home & Capital Trust, In Retirement Services, Just Retirement, LV=, More2Life, Bradford & Bingley, National Counties Building Society, New Life Mortgages, Norwich Union, Northern Rock, Partnership Home Loans, Prudential, Retirement Plus, Standard Life, Stonehaven Equity Release, Stroud & Swindon Building Society.