



## Equity Release Market Remains Robust

- *Value of equity release advances in Q1 2010 at £213.4m\**
- *Drawdown mortgages continue to be most popular product (£116.4m)*
- *Home Reversion plans jump 10% to £4.4m*

**26 April 2010:** SHIP, the equity release provider trade body, today announced equity release market figures for the first quarter of 2010. Initial data for the start of the year taken from all of the members indicates that while the market is suffering some effects from the loss of providers, demand is strong and activity remains buoyant.

### **Increase in popularity of home reversions**

Home reversion advances rose by 10% on Q4 2009 to £4.4m. Drawdown mortgages remain the most popular form of equity release, claiming over half of the market share (55%) with £116.4m worth of advances. Lumpsum mortgage sales were £92.6m in the quarter. The distribution of equity release continued to be dominated by intermediaries, who accounted for 79% of all sales.

### **Quarter on Quarter Comparisons:**

The size of the equity release market remained fairly stable with total market advances falling by just 8% in the first quarter of 2010 compared with Q4 2009 (£213.4m in Q1 2010, £231.7 in Q4 2009). This was to be expected as a number of providers have withdrawn products from the market, either temporarily or permanently.

The total number of customers has also remained fairly stable with a fall of just 3.5% quarter on quarter from 4888 to 4716.



### **Year on Year (YOY) Comparisons:**

Overall the value of the equity release market has fallen by 13% from £244.7m in Q1 2009 to £213.4m in Q1 2010. The total number of customers YOY has fallen by just 7%. The percentage of sales through intermediaries has remained stable at the 79% mark.

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

“These figures show that despite the withdrawal of some big providers from the market the equity release market remains robust. The bad weather at the beginning of the year has also obviously had some impact on the first quarter results with conditions making business difficult but reports from members now show a very strong run rate.

“SHIP is confident that over the course of the year the market will remain strong and it is even possible that new entrants will appear from the middle of the year onwards.

“We have had some excellent response to our benefits campaign but we really want as many IFAs as possible to take part. It is crucial that the next Government takes notice of all our concerns and makes steps to clarify the relationship between state benefits and equity release.”

**- ENDS -**

### **For further information, please contact:**

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**Notes to Editors:**

\* The Prudential have been unable to provide their first quarter figures as they are no longer SHIP members and are currently closing off their pipeline. We have therefore estimated their ER sales for this period based on the last quarter of 2009. Once the Prudential's actual figures are available we hope to be able to amend our estimates.

**About SHIP Equity Release:**

Safe Home Income Plans (SHIP) is the UK's trade body for equity release product providers. Launched in 1991 to promote safe plans, SHIP is dedicated to the protection of the planholder and the safe growth of the industry. SHIP represents approximately 90% of the providers in the UK.