



Later Life Lending Update



Release Date: February 19th 2024

UK Finance Later Life Lending Update Q4 2023

- There were 29,060 new loans advanced to older borrowers in Q4, down 37.1% year on year. The value of this lending was £4.1bn, which was down 42.4% compared with the same quarter a year previously.
- There were 6,710 new lifetime mortgages advanced in Q4, down 40.1% year on year. The value of this lending was £520mn, which was down 57.4% compared with the same quarter a year previously.
- There were 255 retirement interest only mortgages advanced in Q4, down 43.3% year on year. The value of this lending was £26mn, which was down 38.1% compared with the same quarter a year previously.
- Residential Later Life loans in Q4 represent 7.38% of all residential loans. BTL Later Life loans in Q4 represent 21.98% of all BTL loans.

Next release date: May 20th 2024

Notes to Editor

1 For more information on this update please contact mortgagestatistics@ukfinance.org.uk

2 UK Finance is the collective voice for the banking and finance industry. Representing more than 250 firms across the industry, we act to enhance competitiveness, support customers and facilitate innovation.

3 A RIO (Retirement Interest Only) mortgage is an Interest Only mortgage that allows borrowers to pay just the monthly amounts of interest throughout the term until either the death of the last remaining borrower or when the last remaining borrower moves into long-term care. When one of these events occurs the mortgage ends and the amount outstanding must be repaid in full.

4 Lifetime Mortgages - The key difference with this product compared to a standard mortgage or a RIO is that monthly payments are not required. The mortgage is repayable upon death of the last remaining borrower or when the last remaining borrower moves into long term care. Where no monthly payments are made, the interest accrues over the lifetime of the mortgage, meaning the amount borrowers owe at the end of the mortgage will be more than the amount they borrowed. However, many lenders will allow borrowers to make full or partial interest payments either on a monthly or ad-hoc basis.

5 The term older borrowers is defined as the main borrowers being above 55 years old



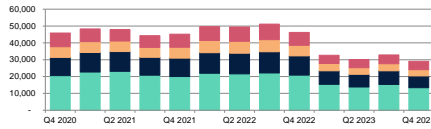
Later Life Lending Update



Later life lending

Volume of new lending to older borrowers

Number of new mortgage loans secured by a first charge on the property where the main borrower is over 55 years old advanced in period.

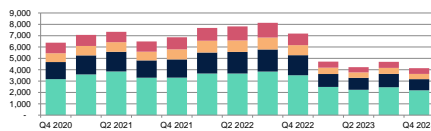


Age of borrower

Age of borrower	Latest (Q4 2023)	YoY Change
>55 - <60	13,400	-35.76%
>=60 - <65	6,960	-39.05%
>=65 - <70	3,720	-40.67%
>=70	4,980	-34.82%

Value of new lending to older borrowers (£m)

Value of new mortgage loans secured by a first charge on the property where the main borrower is over 55 years old advanced in period.

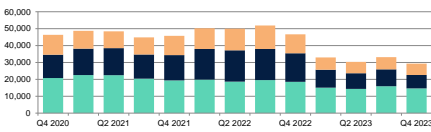


Age of borrower

Age of borrower	Latest (Q4 2023)	YoY Change
>55 - <60	£2,190mn	-37.61%
>=60 - <65	£980mn	-44.63%
>=65 - <70	£460mn	-48.31%
>=70	£510mn	-50.00%

Volume of Later Life loans split by borrower type

Volume of Later Life loans split by borrower type where the main borrower is over 55 years old advanced in period.

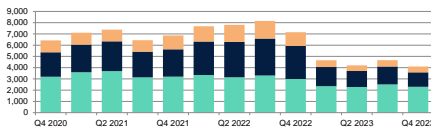


Borrower type

Borrower type	Latest (Q4 2023)	YoY Change
Residential (House purchase, Remortgage, RIO)	14,625	-20.95%
BTL (House purchase, Remortgage)	7,980	-52.86%
Lifetime	6,710	-40.14%

Value of Later Life loans split by borrower type (£m)

Value of Later Life loans split by borrower type where the main borrower is over 55 years old advanced in period.

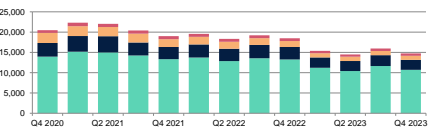


Borrower type

Borrower type	Latest (Q4 2023)	YoY Change
Residential (House purchase, Remortgage, RIO)	£2,296mn	-23.26%
BTL (House purchase, Remortgage)	£1,290mn	-56.12%
Lifetime	£520mn	-57.38%

Volume of residential loans by employment type

Volume of residential loans (house purchase, remortgage, and RIO) split by employment type where the main borrower is over 55 years old advanced in period.

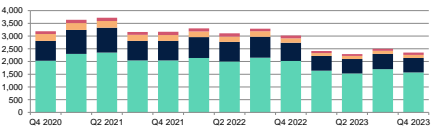


Borrower employment type

Borrower employment type	Latest (Q4 2023)	YoY Change
Employed	10,710	-19.29%
Self-employed	2,450	-20.45%
Retired	1,000	-30.56%
Other	580	-17.14%

Value of residential loans by employment type (£m)

Value of residential loans (house purchase, remortgage, and RIO) split by employment type where the main borrower is over 55 years old advanced in period.

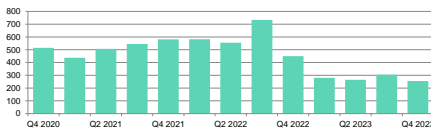


Borrower employment type

Borrower employment type	Latest (Q4 2023)	YoY Change
Employed	£1,570mn	-22.28%
Self-employed	£570mn	-20.83%
Retired	£120mn	-29.41%
Other	£90mn	-18.18%

Volume of RIO loans

Volume of retirement interest only loans where the main borrower is over 55 years old advanced in period.

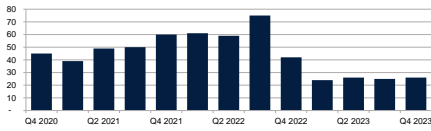


Volume

Volume	Latest (Q4 2023)	YoY Change
Volume	255	-43.33%

Value of RIO loans (£m)

Value of retirement interest only loans where the main borrower is over 55 years old advanced in period.

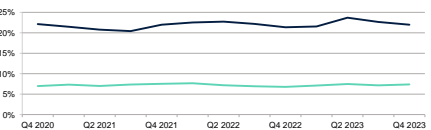


Value

Value	Latest (Q4 2023)	YoY Change
Value	£26mn	-38.10%

Later Life Residential and BTL loans as a % of total

Later Life Residential and BTL loans as a % of their respective total loans advanced in period.



Residential later life

Residential later life	Latest (Q4 2023)	YoY Absolute Change
Residential later life	7.38%	0.61

BTL

BTL	Latest (Q4 2023)	YoY Absolute Change
BTL	21.98%	0.63