



## Later life mortgage lending update



Release Date: 30/05/24

UK Finance Later Life Lending Update Q1 2024

- There were 28,840 new loans advanced to older borrowers in Q1, down 11.7 per cent year on year. The value of this lending was £4.3bn, which was down 8.5 per cent compared with the same quarter a year previously.
- There were 5,060 new lifetime mortgages advanced in Q1, down 30.1 per cent year on year. The value of this lending was £410mn, which was down 31.7 per cent compared with the same quarter a year previously.
- There were 284 retirement interest only mortgages advanced in Q1, up 1.4 per cent year on year. The value of this lending was £28mn, which was up 16.7 per cent per cent compared with the same quarter a year previously.
- Residential Later Life loans in Q1 represent 7.9 per cent of all residential loans. BTL Later Life loans in Q1 represent 22.5 per cent of all BTL loans.

Next release date: August 29th 2024

### Notes to Editor

- 1 For more information on this update please contact [ukfstatistics@ukfinance.org.uk](mailto:ukfstatistics@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



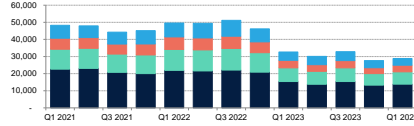
# Later life mortgage lending update



## 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.

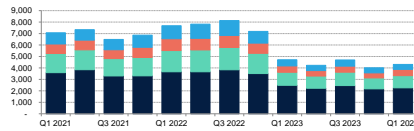


### Age of borrower

	Latest (Q1 2024)	YoY Change
>55 - <60	13,880	-9.81%
>=60 - <65	7,200	-10.00%
>=65 - <70	3,840	-12.13%
>=70	3,920	-20.00%

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.

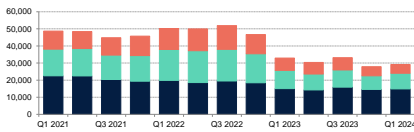


### Age of borrower

	Latest (Q1 2024)	YoY Change
>55 - <60	£2,260mn	-9.24%
>=60 - <65	£1,070mn	-5.31%
>=65 - <70	£540mn	-3.57%
>=70	£440mn	-16.98%

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.

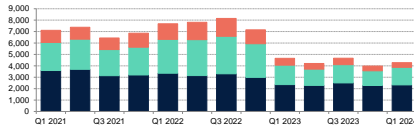


### Borrower type

	Latest (Q1 2024)	YoY Change
Residential (House purchase, Remortgage, RIO)	14,854	-1.24%
BTL (House purchase, Remortgage)	9,210	-13.60%
Lifetime	5,060	-30.11%

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.

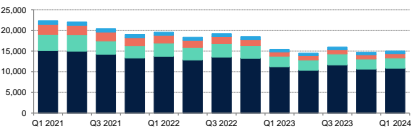


### Borrower type

	Latest (Q1 2024)	YoY Change
Residential (House purchase, Remortgage, RIO)	£2,328mn	-1.10%
BTL (House purchase, Remortgage)	£1,540mn	-9.41%
Lifetime	£410mn	-31.67%

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.

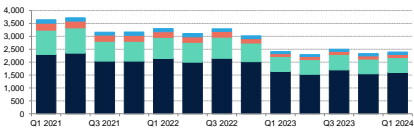


### Borrower employment type

	Latest (Q1 2024)	YoY Change
Employed	10,870	-3.03%
Self-employed	2,500	-2.34%
Retired	1,010	-2.88%
Other	610	7.02%

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

	Latest (Q1 2024)	YoY Change
Employed	1,600	-2.44%
Self-employed	580	0.00%
Retired	120	9.09%
Other	90	12.50%

Volume of RIO loans

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

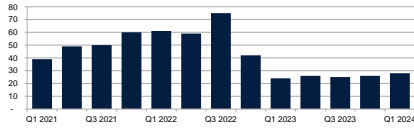


### Volume

	Latest (Q1 2024)	YoY Change
Volume	284	1.43%

Value of RIO loans (£m)

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

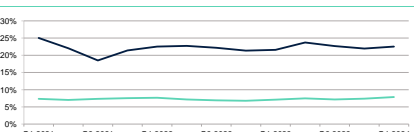


### Value

	Latest (Q1 2024)	YoY Change
Value	£28mn	16.67%

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

	Latest (Q1 2024)	YoY Absolute Change
Residential later life	7.87%	0.76

### BTL

	Latest (Q1 2024)	YoY Absolute Change
BTL	22.54%	0.97