More than half of owners aged 45 plus regard property as part of their financial planning

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More than half, some 51% of home owners aged 45 and over see money invested in property as part of their financial plans for later life, according to a new report.

The report from the Equity Release Council's shows net property wealth has passed £4 trillion, the equivalent to nearly £80,000 for every UK adult, with investment in property exceeding new mortgage debt every year since 2008.

Three quarters of the average home is now owned outright, and regular mortgage capital repayments alone have steadily increased from £30 billion in 2007 to £50 billion in 2018.

Older age groups are not just the biggest owners of property, they also depend the most on its contribution to their overall finances. Bricks and mortar accounts for 40 pence in every £1 of household wealth for those aged 65 plus, rising to 47 pence among the over 75s versus 35 pence across the nation.

The report suggests these shifting trends are driving a change in attitude among the over 45 home owner population. Many are facing multiple financial challenges as they seek to live longer, healthier lives while balancing their needs with providing support for younger generations.

Homeowners aged 45 and over see property as the most important contributing factor to their financial comfort in later life with 68% saying so and 56% feel they can benefit from its financial value while they still live there.

The retirees of tomorrow, that is those aged 45 to 64, are less likely than their older counterparts to see property as something to leave behind as an inheritance. Instead, 55% are more likely to think of it as a multi-purpose financial tool that can support their own financial plans while 49% see it to being used as a nest egg to meet unexpected expenses and 25% to help family members.

The research also shows that 44% of over 45s feel taking out a mortgage or loan to access property wealth in later life is becoming a more common way to manage money, while 40% see it as a 'reality' of ageing. Only 34% feel they have no need to consider this option either now or in future, including just 30% of those aged 45 to 64.

While there is significant intent to use, or at the very least consider, residential property as part of later life planning, current activity suggests more needs to be done to encourage people to take proactive steps.

To address this, the Council has called for action spanning consumers and their families, industry, regulators and Government, to support financial education, product development, consumer safeguards and policy planning.

'The UK's ageing population and changing retirement landscape means people are increasingly thinking of property as a multi-purpose financial asset, particularly those aged 45 to 64, the retirees of tomorrow. Property is often a person's single largest asset and makes a significant contribution to homeowners' personal finances as well as providing a place to live,' said David Burrowes, chairman of the Equity Release Council.

'Changing attitudes to property are significant given the financial challenges facing our ageing population as they seek to live longer, healthier lives. Many people have made inadequate provision for their retirement and care needs, while others have younger family to support. Consequently, bricks and mortar have become a vital piece of the retirement funding jigsaw, to benefit people during their lifetime as well as their families,' he pointed out.

'Our calls to action are underpinned by the core belief that, while drawing on property is not right for every circumstance and should not distract from encouraging long term saving, it should be on every home owner's checklist to consider in later life, now more than ever. We urge industry and policymakers to evolve their thinking to reflect that of older home owners to support this emerging demand,' he added.