

History of Equity Release



1965

Hodge Lifetime launched the very first Equity Release plan (home income plan) creating the basis of the market we see today.



1970-80's

Popularity of home income plans grows. Average house prices hit £50,000 in late 1980's.



1990

Low interest rates and high investment yields sees some advisers using equity release to invest for income.

Economic downturn sees negative equity rise.



2004

FSA begins regulating lifetime mortgages as part of MCOB – only qualified advisers can recommend schemes.



2000

Continued surge in house price, hitting £100,000 in 2002. Interest only mortgages, and high income multiples fuel market with average house prices jumping to £150,000 in under 3 years.



1991

Hodge Lifetime forms Safe Home Income Plans providing Code of Conduct. Birth of 'no negative equity guarantee'.



2005

IFS launches advanced CeMap including equity release qualification.



2007

Equity release market hits £1bn as the financial crisis takes hold. Despite the deepening of the crisis, Hodge Lifetime maintained its product range and remained open to lending.



2008

Society of Later Life Lending Advisers established providing further reassurance on quality of advice.



2015

Hodge Lifetime launches 55+ Mortgage, the only UK lender spanning mainstream and lifetime markets.

Pensions Freedoms create more opportunities for equity release freeing up pension drawdown. Outstanding mortgage debt at retirement sees equity release as an attractive way to secure the property for the future.



2013

Hodge Lifetime launches Retirement Mortgage.



2012

SHIP relaunches as Equity Release Council with a broadened membership to include all aspects of equity release advice and product provision.

Hodge Lifetime continue to innovate launching Downsizing Protection and the Flexible Repayment Option. Now commonplace across the market.



2016

Equity release market breaks through £2bn with average house prices hitting £200,000.

Driven by endowment shortfalls, longer mortgages, healthcare and education costs and pension reforms.



2017

Equity release on target for £3bn indicating its becoming mainstream.

Sources

www.cml.org.uk
www.ons.gov.uk
www.hodgelifetime.co.uk

www.equityreleasecouncil.com
www.fca.gov.uk
www.societyoflaterlifeadvisers.co.uk