



2020 Global  
Equity Release  
Roundtable Survey

In conjunction with the 2020 Global Equity Release Roundtable, representatives from each country attending have been surveyed to understand the details of how equity release markets operate in different countries. This document summarizes the survey responses received. The responses provided have not been verified by EY professionals and simply represents the views of the responders. The information in this pack should not be regarded as comprehensive or sufficient for making decisions, nor should it be used in place of professional advice. Accordingly, Ernst & Young LLP accepts no responsibility for loss arising from any action taken or not taken by anyone using this pack. If you require any further information or explanations, or specific advice, please contact us and we will be happy to discuss matters further. For further information about the contents of this report, please contact:

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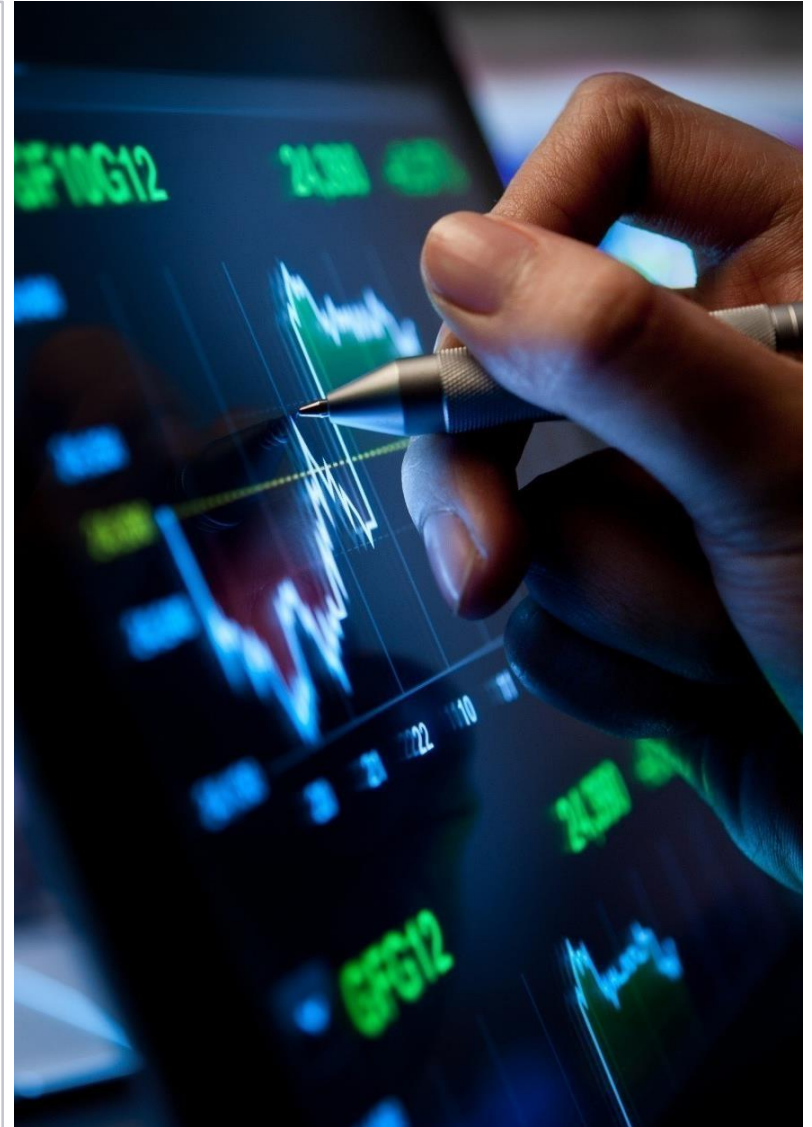
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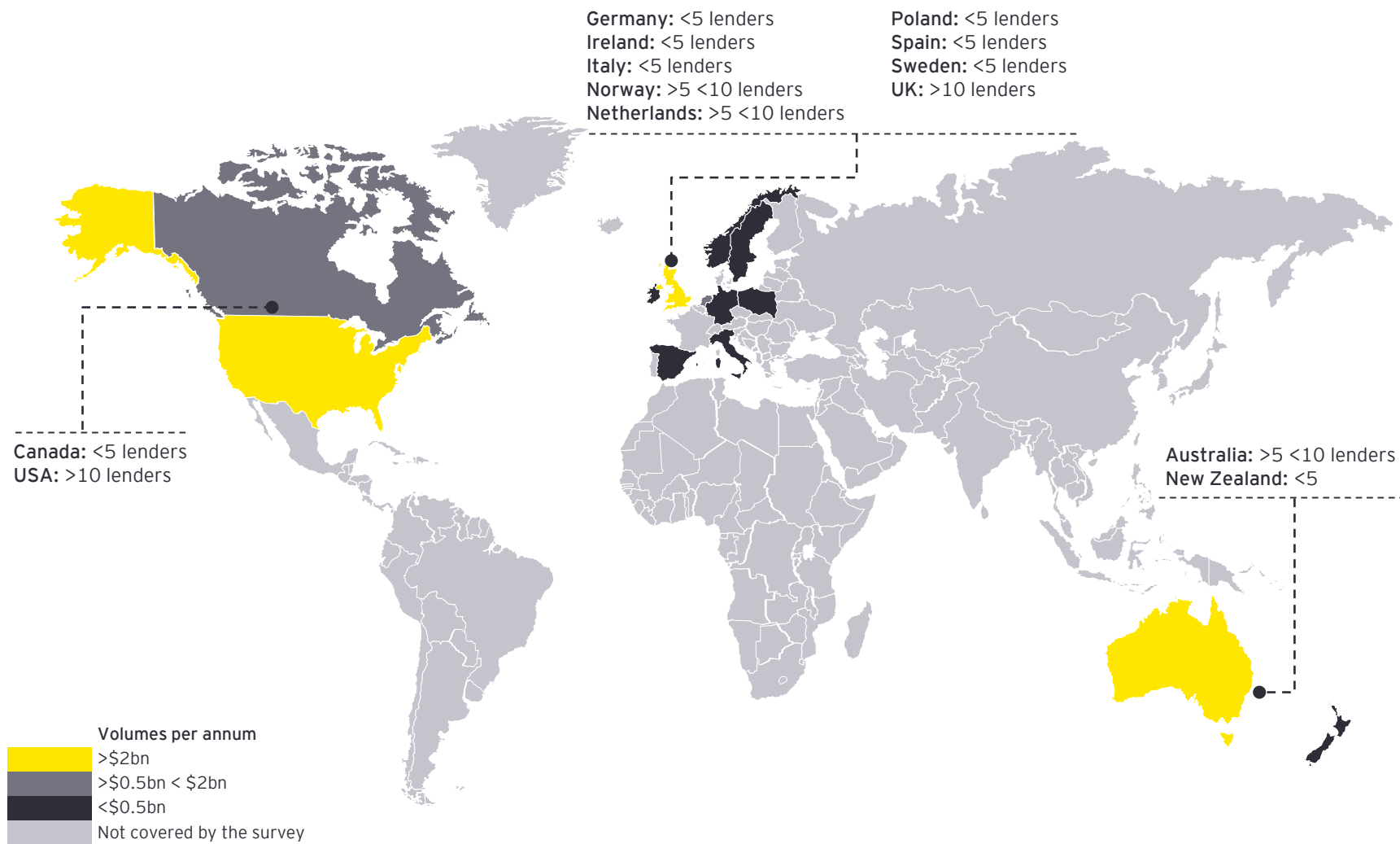
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# Market size

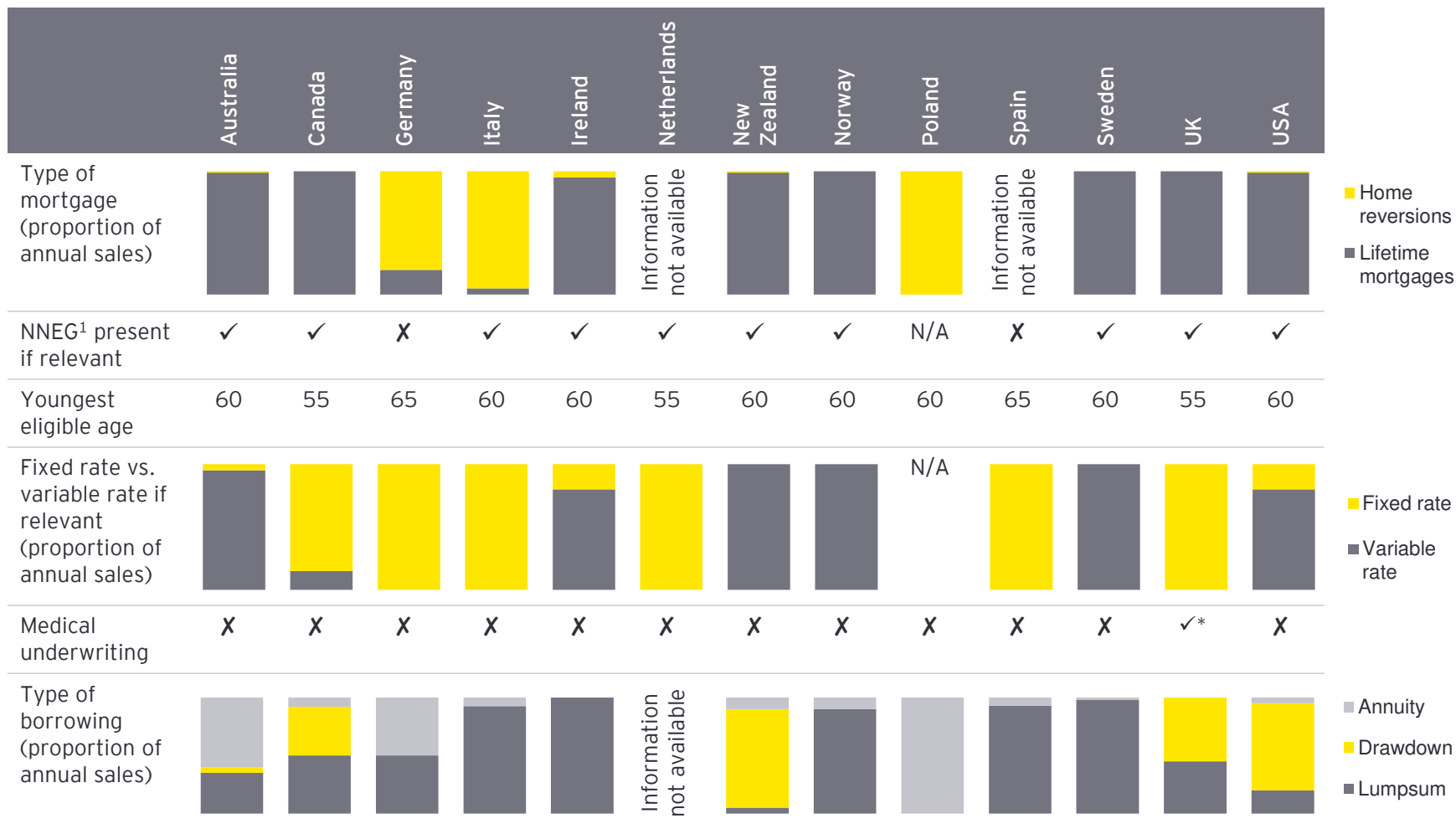


# Financial advice and funding

		Australia	Canada	Germany	Italy	Ireland	Netherlands	New Zealand	Norway	Poland	Spain	Sweden	UK	USA
Are equity release customers required to seek independent financial advice?		Some do some do not	✓	✗	Some do some do not	✗	✗	✓	✗	✗	✓	✗	✓	✓
Main current funding source(s) for equity release mortgages	Bank (own balance sheet)	✓	✓	✓	✓		✓	✓	✓		✓	✓		
	Debt			✓		✓								
	Securitization	✓				✓						✓		✓*
	Whole portfolio sales		✓											
	Insurance (own balance sheet)						✓				✓		✓	
	Other	✓	✓					✓		✓				

\*The majority of US mortgages are also government backed.

# Products



\*Some equity release involves medical underwriting and some do not.

<sup>1</sup>No-negative-equity-guarantee

# Future growth

	Australia	Canada	Germany	Italy	Ireland	Netherlands	New Zealand	Norway	Poland	Spain	Sweden	UK	USA
Estimated total housing wealth with individuals over 60 (\$tn)													
>\$3tn												✓	✓
>\$1tn < \$3tn		✓	✓	✓									
<\$1tn	✓				✓	✓	✓		✓	✓	✓		
Predicted annual volumes in 10 years (\$bn)		3-4	2	6-10	0.5-1				0.6	3.5	0.3	13	25
Current annual volumes (\$bn)	>2	>0.5 <2	<0.5	<0.5	<0.5	>0.5 <2	<0.5	<0.5	<0.5	<0.5	<0.5	>2	>2
Biggest barrier to growth													
Lack of product innovation													
Lack of customer awareness	✓	✓	✓			✓	✓	✓			✓	✓	✓
Insufficient funding				✓	✓				✓	✓			
Other													

Grey cells indicate where information was not available.

If you could change one thing about the equity release market in your country, what would it be?

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More lenders

Introduction of product standards

Availability of funding

More mainstream products

Creation of industry body

Government endorsement

Bespoke regulation

# Appendix – Definitions

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- ▶ **Lifetime mortgage:** Where a home owner borrows using their house as security, and amount borrowed accumulates with interest and is repaid on death, entry into long-term care or voluntary early redemption.
- ▶ **Home reversion:** Where a fixed percentage of sale value of house is promised to lender on death or entry into long-term care of the home owner in exchange for an upfront cash payment to home owner.
- ▶ **Lumpsum:** Products where customer receives a single instance upfront payment with all future payments subject to further underwriting.
- ▶ **Drawdown:** Products where a borrowing facility is provided to lifetime mortgage borrower which can be drawn as funds are required in the future.
- ▶ **Annuity mortgage:** Product where customer receives series of fixed payments in some cases in addition to a lumpsum payment or facility.
- ▶ **NNEG:** No-negative-equity-guarantee which caps the borrower liability under a lifetime mortgage at the net proceeds from the sale of their house on redemption of the mortgage.



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