



## Later life mortgage lending update



Release Date: 28/11/24

UK Finance Later Life Lending Update Q3 2024

- There were 33,840 new loans advanced to older borrowers in Q3, up 2 per cent year on year. The value of this lending was £5.2bn, which was up 9.7 per cent compared with the same quarter a year previously.
- There were 5,830 new lifetime mortgages advanced in Q3, down 18.8 per cent year on year. The value of this lending was £510mn, which was down 8.9 per cent compared with the same quarter a year previously.
- There were 306 retirement interest only mortgages advanced in Q3, up 0.3 per cent year on year. The value of this lending was £28mn, which was up 10.7 per cent per cent compared with the same quarter a year previously.
- Residential Later Life loans in Q3 represent 7.7 per cent of all residential loans. BTL Later Life loans in Q3 represent 21.7 per cent of all BTL loans.

Next release date: 27th February 2025

### 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 around 300 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



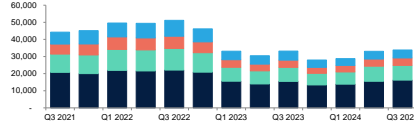
# Later life mortgage lending update



## Later life lending

Volume of new lending to older borrowers

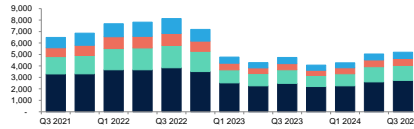
Number of new mortgage loans secured by a first charge on the property where the main borrower is over 55 years old advanced in period.



Age of borrower	Latest (Q3 2024)	YoY Change
>55 - <60	16,230	4.71%
>=60 - <65	8,600	5.39%
>=65 - <70	4,360	2.83%
>=70	4,650	-11.76%

Value of new lending to older borrowers (£m)

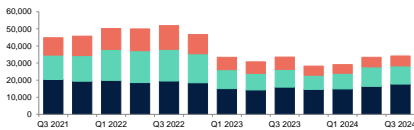
Value of new mortgage loans secured by a first charge on the property where the main borrower is over 55 years old advanced in period.



Age of borrower	Latest (Q3 2024)	YoY Change
>55 - <60	£2,740mn	10.48%
>=60 - <65	£1,310mn	10.08%
>=65 - <70	£600mn	13.21%
>=70	£550mn	1.85%

Volume of Later Life loans split by borrower type

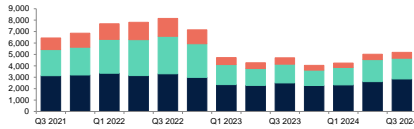
Volume of Later Life loans split by borrower type where the main borrower is over 55 years old advanced in period.



Borrower type	Latest (Q3 2024)	YoY Change
Residential (House purchase, Remortgage, RIO)	17,706	11.32%
BTL (House purchase, Remortgage)	10,610	2.12%
Lifetime	5,830	-18.80%

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

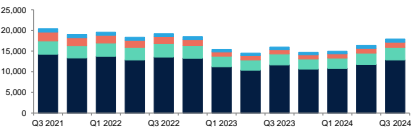
Value of Later Life loans split by borrower type where the main borrower is over 55 years old advanced in period.



Borrower type	Latest (Q3 2024)	YoY Change
Residential (House purchase, Remortgage, RIO)	£2,848mn	13.69%
BTL (House purchase, Remortgage)	£1,820mn	10.98%
Lifetime	£510mn	-8.93%

Volume of residential loans by employment type

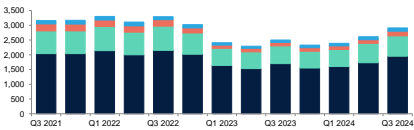
Volume of residential loans (house purchase, remortgage, and RIO) split by employment type where the main borrower is over 55 years old advanced in period.



Borrower employment type	Latest (Q3 2024)	YoY Change
Employed	12,860	10.29%
Self-employed	3,060	15.04%
Retired	1,230	17.14%
Other	760	26.67%

Value of residential loans by employment type (£m)

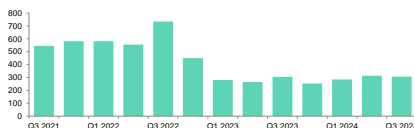
Value of residential loans (house purchase, remortgage, and RIO) split by employment type where the main borrower is over 55 years old advanced in period.



Borrower employment type	Latest (Q3 2024)	YoY Change
Employed	1,950	14.71%
Self-employed	690	15.00%
Retired	160	33.33%
Other	110	37.50%

Volume of RIO loans

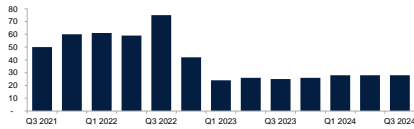
Volume of retirement interest only loans where the main borrower is over 55 years old advanced in period.



Volume	Latest (Q3 2024)	YoY Change
Volume	306	0.33%

Value of RIO loans (£m)

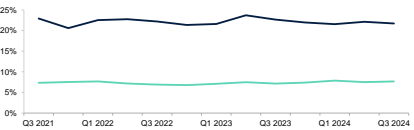
Value of retirement interest only loans where the main borrower is over 55 years old advanced in period.



Value	Latest (Q3 2024)	YoY Change
Value	£28mn	12.00%

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.



	Latest (Q3 2024)	YoY Absolute Change
Residential later life	7.66%	0.51
BTL	21.71%	-0.92