



EMBARGOED: 14 MARCH 2017

MILLIONS OF UK HOMEOWNERS FEAR THEY'LL HAVE TO LEAVE THE FAMILY HOME TO FUND THEIR RETIREMENT

Nearly four in ten homeowners (39%) think that unlocking housing wealth will be crucial to fund their retirement. Of those, almost a quarter (24%) are relying on their house because they don't expect to have any private pension savings whatsoever, according to new research¹ from workplace pension provider NOW: Pensions.

This research comes in light of the Government's Housing White Paper, which sets out plans to tackle the UK's housing shortage, but fails to consider the issue of retired people looking to downsize. NOW: Pensions found that when looking to supplement their retirement income, around two-thirds (63%) of homeowners favour moving to a smaller property or cheaper area, over remortgaging or taking in a lodger.

The research also found that over 1.8million UK homeowners who currently have a mortgage on their home, say they don't expect to have paid off their mortgage when they do come to retire.

And 61% of Baby Boomers² that own their own home say they wish to downsize their property or move to a cheaper area as the favoured method to supplement their lack of pension savings when they retire.

The picture is even bleaker for those that don't currently own their own home. Nearly half (44%) of them don't believe they will own their own home by the time they retire, so won't have a home to help supplement their pension.

Out of those surveyed who don't expect to be a homeowner at retirement, astonishingly, nearly half (47%) say they will rely on state accommodation or support by the time they retire and three in ten (30%) fear they will have to continue working just to pay their rent.

Adrian Boulding, Director of Policy, NOW: Pensions said: "Over the next ten years, we estimate that 7.7million³ people will retire. Whilst it's clear from our research that many UK homeowners remain optimistic that they can fill their income gap by trading down to a smaller house, they need to be cautious, as it's a well-known fact that there is shortage of affordable and suitable homes that older people want to live in.

"We believe that workers should budget more than monthly minimum contributions into their workplace pensions savings, the earlier the better, to ensure they do not fall short of their own expectations when they come to retire in later life".

Notes to editors

¹ Research conducted by Opinium online between 13 December 2016 and 16 December 2016 with 2,000 UK respondents aged 18 and over;

² Baby Boomers defined as those aged between 50-69

³ NOW: Pensions calculation based on ONS Population Data

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For further information:

Cheriton Lee

NOW: Pensions

Tel: 0203 826 1464

cheriton.lee@nowpensions.com

Lauren Roberts

NOW: Pensions

Tel: 0207 566 9760

nowpensions@lansons.com

NOW: Pensions www.nowpensions.com @nowpensions

NOW: Pensions is one of the UK's largest workplace pension providers with over a million members and tens of thousands of employers from a wide range of sectors. A subsidiary of one of Europe's largest pension funds, Danish pension scheme ATP, NOW: Pensions entered the UK market in 2011 with a simple and cost effective workplace pension designed specifically with the auto enrolment market in mind.

NOW: Pensions was one of the first providers to achieve independent assurance of scheme quality in accordance with the master trust assurance framework (AAF02/07) introduced by The Pensions Regulator in conjunction with the Institute of Chartered Accountants in England and Wales (ICAEW).