



# Navigating later life lending in a time of economic challenges and demographic shifts

by Patrick Oldham, Equity Release Proposition Director, LV=

**The UK has experienced a shifting economic landscape in recent years. High interest rates and inflation are reshaping our financial reality, alongside an ageing population which is redefining how people live in later life.**

## What's causing high interest rates?

Property values and interest rates have always been tied to economic conditions. However, recent changes in the UK and global events have impacted interest rates to the extreme. After holding interest rates at 5.25% seven times in a row, The Bank of England has only recently made the first reduction since the Coronavirus lockdown in March 2020. However, a 0.25% reduction reflects that some inflationary measures are higher than it would like.

## Key factors influencing interest rates include:

- **Low productivity levels:** Global events and an ageing population have decreased productivity in the UK, causing supply to drop while demand remains steady.
- **Fiscal policy:** Government spending and tax cuts have fuelled inflation and led to higher rates. The new Labour government has set out its intention to be fiscally constrained – if that holds, it should help drive rates lower.
- **Inflation:** This is the primary driver of interest rate decisions. The Bank of England is focusing on price stability rather than increasing economic strength. It is therefore unlikely that rates will reduce until inflation is under control.

But within these challenges lies opportunity – as property wealth outpaces pension savings, equity release can be a powerful tool for later life financial planning.



[Read the full article](#) for more factors that are strengthening the case for equity release as a consideration in later life finance.

## Sources:

BBC News – [Mortgage rates: How do UK interest rates affect me and when will they fall?](#)

Money Age – [House prices hugely outpace pension income growth in last decade - Money Age](#)

LV= Economy, property and later life lending webinar (June 2024)

## LV= Later Life Lending – Live in London

Outlook and opportunities for Equity Release



Join **Georgina Oxton** (Divisional Sales Manager) and **Chris Smyth** (Partnership Development Manager) for our next half day in-person event in October.

Throughout the session, they'll be joined by the following guest speakers:

- **Simon Durkin**, Global Head of Real Estate Research and Analytics, BlackRock
- **Patrick Oldham**, Equity Release Proposition Director, LV=
- **Mark Blanchfield**, Advice Operations Manager, LV= Advice and Direct
- **Daniel Holden**, Head of Academy Learning Programme, AIR



### Date and time:

Friday 18 October at 9.30am

### Venue:

BlackRock, Drapers Gardens,  
12 Throgmorton Avenue, London, EC2N 2DL

3 hours CPD available.

[View the full agenda and register to attend](#)

If you'd like us to send you this document or any future correspondence in another format, such as Braille or large print, please just let us know.

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