

Beyond pensions: a broader view of retirement planning

Why property wealth is becoming an increasingly important part of the advice conversation

By Patrick Oldham, Equity Release Proposition Director at LV=

Retirement planning is becoming increasingly complex. With 15 million people in the UK currently under-saving for retirement, and that figure expected to rise to 19 million without action[1], many clients face the prospect of a significant gap between the retirement they want and the income they are likely to achieve. At the same time, ongoing cost of living pressures and a higher interest rate environment continue to place additional strain on household finances.

Against this backdrop, advisers are increasingly being asked to help clients think more broadly about how they fund later life. While pensions remain central to retirement planning, property wealth represents a significant and often underutilised asset. In fact, housing now accounts for a greater proportion of UK wealth than pensions, and research suggests that more than half of households aged 60+ may need to access housing wealth by 2040 to maintain their desired standard of living[2].

This shift is driving a wider conversation about the role of later life lending in retirement planning. As recognised by the FCA, later life lending has the potential to become a "fourth pillar" of retirement, sitting alongside more traditional sources of income and assets[3]. For advisers, this creates an opportunity to have more holistic conversations that consider both pension and property wealth when helping clients achieve their financial goals.



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Read our latest article to explore the growing role of property wealth in retirement planning and how our Lifetime Mortgage Interest Reward could support client conversations about accessing it while managing the impact of interest roll-up.

Sources:

1 The Second Pensions Commission Report

2 Fairer Finance, The Retirement Compass: The Later Life Finance Index

3 Financial Conduct Authority, Later life lending: building the fourth retirement pillar

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