

House price uncertainty and equity release



Equity left in your estate

The examples below show the amount of equity left in your property assuming house price increases of 0% years 1 – 5 then +2.5% thereafter, -2.5% then +2.5% thereafter and -5% then +2.5% thereafter.

Based on the Lifetime Mortgage Option with a lump sum of £50,000 the interest is added at a rate of 6.78% and compounded monthly.

House Price Growth	YEAR 1	YEAR 5	YEAR 10	YEAR 20
0% Per annum years 1–5 +2.5% Per annum thereafter	Property Value £250,000 Loan = £50,000	Property Value £250,000 Loan = £70,110	Property Value £282,852 Loan = £98,309	Property Value £320,021 Loan = £193,293
-2.5% Per annum years 1–5 +2.5% Per annum thereafter	Property Value £250,000 Loan = £50,000	Property Value £220,273 Loan = £70,110	Property Value £249,219 Loan = £98,309	Property Value £281,968 Loan = £193,293
-5% Per annum years 1–5 +2.5% Per annum thereafter	Property Value £250,000 Loan = £50,000	Property Value £193,445 Loan = £70,110	Property Value £218,866 Loan = £98,309	Property Value £247,626 Loan = £193,293

This communication is directed at investment professionals and the investment activity to which it refers is only available via those professionals. Persons who do not have professional experience should not rely on this communication.

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Equity left in your estate

The examples below show the amount of equity left in your property assuming house price increases of 0%, 1% and 3%.

Based on the Lifetime Mortgage Option with a lump sum of £50,000, the interest is added at a rate of 6.78% and compounded monthly.

House Price Growth	YEAR 1	YEAR 5	YEAR 10	YEAR 20
0% Per annum	Property Value £250,000 Remaining Equity £200,000 Loan = £50,000	Property Value £250,000 Remaining Equity £179,890 Loan = £70,110	Property Value £250,000 Remaining Equity £151,691 Loan = £98,309	Property Value £250,000 Remaining Equity £56,707 Loan = £193,293
1% Per annum	Property Value £250,000 Remaining Equity £200,000 Loan = £50,000	Property Value £262,753 Remaining Equity £192,643 Loan = £70,110	Property Value £276,156 Remaining Equity £177,847 Loan = £98,309	Property Value £305,048 Remaining Equity £111,755 Loan = £193,293
3% Per annum	Property Value £250,000 Remaining Equity £200,000 Loan = £50,000	Property Value £289,819 Remaining Equity £219,709 Loan = £70,110	Property Value £335,980 Remaining Equity £237,671 Loan = £98,309	Property Value £451,529 Remaining Equity £258,236 Loan = £193,293

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