

SEQUAL – Available for Comment

Retirement funding and inheritance expectations

SEQUAL extends the findings of Dr Bruce Bradbury’s report into retirement wealth by including Equity Release as Retirement Funding strategy

Sydney, 13 August 2008 – SEQUAL, the industry body for Seniors Equity Release, supports the findings of Dr Bruce Bradbury’s report into retirement wealth and believes that there needs to be informed debate on Australians inheritance expectations.

The Australian Equity Release market is growing rapidly as the largest generation within the Australian population confronts the challenge of facing retirement “Asset-Rich but Cash Poor”. However, SEQUAL believes discussion on how equity release may be used in retirement is the “Missing Link” of Dr Bradbury’s report.

According to Kevin Conlon, CEO of SEQUAL, market practitioners report that far from expecting a windfall from an inheritance when their parents die, the children of retirees want to see their parents enjoy good health and comfort beyond their working lives. They are typically in favour of Reverse Mortgages if it means their parents will live well in retirement.

“Many Senior Australians are poorly prepared for retirement yet they can expect to live longer than any generation before them and intend to live well. Compulsory Superannuation is a good idea that came too late and it seems quite clear that the pension is not going to be the answer”.

“The good news is that a large number of Senior Australians have achieved significant personal wealth through property ownership and this may provide the solution. Equity Release is a clear option for them to enjoy retirement without having to sell their home and move away from their network of friends and family,” said Conlon.

“Retirees’ children understand the financial stress their parents are facing and are willing to forgo a large inheritance if it means their parents will be able to live well in retirement,” said Conlon.

The level of Equity Release does not need to be significant. The SEQUAL *‘It’s on the House’ SEQUAL-RFI Reverse Mortgage Study* found that even a modest increase to their income would significantly improve the lives of most retirees, with 50% of those surveyed indicating that as little as \$300 a month would be sufficient.

As the industry body for Seniors Equity Release SEQUAL is committed to ensuring retirees are well placed to make informed decisions when considering all the options for funding their retirement.

Kevin Conlon is available to discuss:

- Generation Y inheritance expectations and their willingness to forgo their inheritance if it means their parents will live well in retirement
- Asset-rich cash-poor retirees
- The financial stress those approaching and deep in retirement are facing
- The financial options available to retirees
- SEQUAL research which found the majority of retirees wealth is tied up in their home, but they rely on the aged pension to fund retirement
- SEQUAL's commitment to ensuring retirees can easily identify and access properly-trained market practitioners to assist them to carefully consider all the options

Note to Editor: A reverse mortgage is a loan to senior homeowners that allows them to access a portion of the equity value in their home. No repayments are required whilst the borrower(s) remains in their property. Interest and fees accrue on the loan and the loan is repayable in full when the last surviving borrower permanently vacates the home or the home is sold.

Kevin Conlon is highly regarded for his ability to combine technical knowledge with strong communication skill. He holds a Master of Finance degree and has broad experience in both domestic and international financial markets. Kevin is an acknowledged expert in Australia's rapidly-growing Equity Release market.

To arrange an interview with Kevin Conlon please contact Pauline Negline at SEQUAL Media: 02 9923 1871.