

## **EQUITY RELEASE ASSISTS SENIOR AUSTRALIANS TO STAY IN THEIR HOMES**

New research has found that an overwhelming number of senior Australians want to stay in their home for as long as possible.

With the emergence of the Australian equity release market, senior Australians now have the ability to tap into the stored wealth of their home in order to live well in retirement and stay in their home.

The Australian Housing and Urban Research Institute surveyed 1,600 home owners aged 55 and found that more than 90 per cent of those surveyed wanted to stay in their home, with only 63 per cent saying they were happy to consider living in a retirement village if they needed help.

The two primary investments for many Australians will be superannuation and their family home but for those now approaching retirement, compulsory super came too late for a generation that can expect to live longer than any generation before them and which intends to live well in retirement.

The good news is that the majority of senior Australians have achieved the “Great Australian Dream” of owning their own home. Total Home Equity (Owner Occupied) was \$887 billion, at the end of 2005. The Over 60s accounted for \$345bn (39%). Source: Australian Bureau of Statistics.

However, the so-called Boomers have relied heavily on property ownership to create wealth and this has made them asset-rich but cash-poor. In the past, any retiree in this difficult position, had two choices; reduce their living standards or sell the home (often having to then move away from family and friends).

Mr Ian Yates, Chief Executive of the Council on the Ageing is reported as saying that his organisation has been “Telling governments for years that older Australians want to stay in familiar surrounds”.

The family home is now an intrinsic part of the planning process and there is good reason to explore the equity release options that have emerged.

The two main types of equity release products are Reverse Mortgages and Home Reversion Plans. Each product type offers the opportunity to release equity as either a lump sum or as an ongoing income stream, without an obligation to make regular monthly repayments. However, Reverse Mortgages and Home Reversion Plans are different options that will have greater appeal depending on the homeowner's attitude towards interest rate and property growth exposure.

According to Kevin Conlon, Chief Executive of the peak equity release industry body SEQUAL, "It is important to seek advice when considering which product to choose".

Conlon points out that, "SEQUAL provides specialist training for Finance Brokers, Financial Planners and Legal Advisers so that they can be considered a trusted source of advice for their clients". He strongly recommends that senior Australians considering equity release as a retirement funding solution should, "Find an adviser that has gained industry accreditation through SEQUAL".

The strategies for Equity Release are diverse. For some retirees they are an effective means to supplement income or to provide access to capital. For others, equity release can be a tool to help manage market volatility. For frail retirees with poor health, it can provide them with choices for accessing the care they need and provides the ability to pay the aged care fees.

When used effectively, Equity Release may help senior Australians to access the significant wealth they have accumulated in their home in order to more effectively live the life that they choose.

## **Senior Australian's Equity Release Association (SEQUAL)**

SEQUAL is comprised of the major financial institutions offering Equity Release products.

Since its inception as the peak industry body for the Australian Equity Release market, SEQUAL has worked in the interest of the community by imposing high standards of professionalism on those who design and distribute Equity Release products for Senior Australians.

SEQUAL is committed to the development of an ethical and efficient Seniors Equity Release market in Australia.

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

### **Kevin Conlon is available to discuss:**

- 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.

### **To arrange an interview, please contact:**

**Kevin Conlon**  
0411 094 495  
[kevin@sequal.com.au](mailto:kevin@sequal.com.au)

**Pauline Negline**  
0407 700 653  
[media@sequal.com.au](mailto:media@sequal.com.au)