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NEWS RELEASE

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One in four have used property to provide income, Just Group figures reveal

- London and North East property owners most likely to have generated income
- Income earners from property more likely to live in urban areas
- Men more likely than women to have used property to generate income

Major new research by **Just Group** into how Britons think and feel about property – My Home, My future¹ – reveals that overall one in four (25%) have or are using property to generate income but with significant regional differences.

Around four in 10 (43%) people living in London and the North East (37%) have used their property to generate income. The least likely areas are Wales (15%) and Northern Ireland (9%).

In a survey of more than 4,000 people, one in 10 (10%) said they had generated income by renting out an investment property. Other methods used were to rent a room to a lodger or through a rental site such as Airbnb (5%), to remortgage (5%) or to release equity from the property (5%) or to refurbish and sell (5%).

“Broadly we found people in London were most likely to have used property to provide income with it becoming less likely with distance from the capital,” said **Stephen Lowe**, **group communications director** at **Just Group**.

“The North East is the exception because the area had rates of re-mortgaging, providing lodgings and releasing equity that were more than double the national average.”

The research shows dwellers in urban areas are about twice as likely (41%) to have generated income from property than those living in suburban (18%) or rural locations (16%). In particular, they were more than three times as likely to have provided lodgings (11%) than those in suburban (3%) or rural (1%) areas.

There is also an age split with 44% of under 55s having generated income compared to 13% of over 55s. Men are more likely to have generated income from property than women (29% v 20%).

“Our figures show that people with higher financial confidence are more likely to own property and to have used property to generate income,” said **Stephen Lowe**.

The most common reason people gave for using property to generate income was to supplement their regular income and for home renovations (both 21%) with preparing for retirement (17%), giving money to children (17%), a major one-off purchase such as a car (16%) and paying off a mortgage (15%) also popular reasons.

Among those who said they had not used property to generate an income, 45% said they did not need the income, 25% said they did not want the hassle of managing it, 17% said they did not feel comfortable investing in property, 12% said they did not know how to go about it, and 9% were worried about the tax implications.

“For many people, buying a home is a major ambition and their property will be their biggest asset,” said **Stephen Lowe**. “With longer lives and more responsibility on individuals to build up a pension, we would expect the use of property to supplement other income to increase in the coming years.

“How they do it could change significantly as the rewards and incentives change. Higher taxes on buying second properties and on rental income could lead to a slowdown in lettings, while more innovative and accessible equity release products could lead to more people in later life tapping into property wealth to meet their retirement aspirations.”

Enquiries

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Notes to Editors:

Research

1 - Opinium Research conducted a survey amongst 4,000 UK adults between 17 and 24 January 2019. Results have been weighted to reflect a nationally representative audience.

About Just

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- De-risking solutions for pension scheme trustees who want to remove the financial uncertainty of operating defined benefit pension schemes;
- Individually underwritten retirement income products delivering a guaranteed income for life and flexible pension plans offering customers the options to blend secured and unsecured income;

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- Long term care plans that provide those people moving into residential care with peace of mind by knowing a regular payment will be made to the care provider for the rest of their life;
 - Lifetime mortgages for people who want to safely release some of the value from their home.

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