

# JUST.

## NEWS RELEASE



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**\*JUST SPOKESPERSON AND CASE STUDY AVAILABLE\***

### **CHILDREN OF RENTERS TWICE AS LIKELY TO BE RENTING THEMSELVES**

Just Group comments how intergenerational tenure patterns impact on later life

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People whose parents never made it on to the property ladder are twice as likely to be renting themselves compared to those whose parents owned their own home, exposing an intergenerational trend that locks renting families out of the housing market, reveals Just Group.

The new study, which examines the different attitudes towards home ownership and property wealth across all generations in the UK\*, shows that two in every five (42%) renters have parents who rent(ed); compared to only 1 in every 5 (19%) homeowners who have parents who rent(ed). Homeownership is significantly more prevalent among those whose parents owned.

The research also illustrates that not owning a property is driven by people being unable to buy (29%) rather than a choice not to buy (15%), showing that people are being locked out of the market.

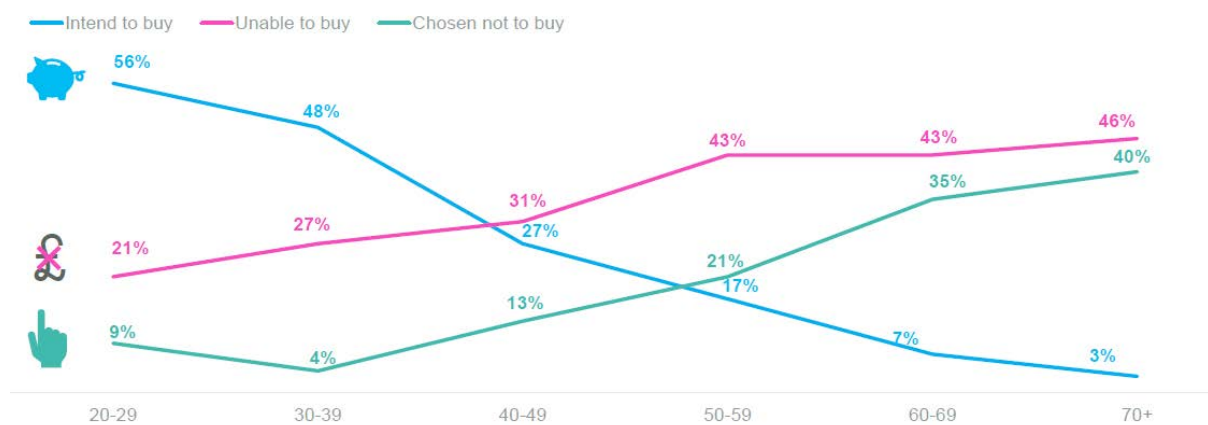
*Figures showing the gap in homeownership prospects:*

	<b>Current renters</b>	<b>Current homeowners</b>
<b>Parents rent(ed)</b>	42%	58%
<b>Parents own(ed) a home</b>	19%	81%

For most people, their home will be their single biggest asset, and provides a financial underpin for their future plans. Property remains a core component of household wealth in the UK – on average it forms 75%<sup>1</sup> of household wealth for those in their 50s. However, 26% of people in their 50s don't own a property and therefore do not have this wealth to fall back on, causing them to worry.

The research also shows that when people hit their 40s and 50s there is a marked change in their intention to buy a property. Those in their younger years (below 40) mostly intend to buy at some point in their life. However, by the age of 40 non-owners begin to accept a future as forever renters as the sentiment amongst the majority swings towards the belief that they will be unable to buy. At 50, the intention to buy is lower than people choosing not to buy.

Figures showing intention to buy amongst non-homeowners:



For people who can't or won't buy a property, more than half (52%) say affordability is the primary problem. This issue is far more common among people who consider themselves not to be financially confident (60% take this view compared to 43% of people who consider themselves financially confident). Amongst non-owners who describe themselves as coming from financially struggling backgrounds (74% say affordability is the primary problem compared to 36% of non-owners from comfortable backgrounds).

Chart showing the reasons for not buying a property amongst non-homeowners across all age groups:

Reason for not buying a property	Percentage
I don't think I will ever be able to afford to buy a property	52%
The cost of buying a property is much higher than simply moving to another rented property	25%
I don't want to be in debt to a mortgage provider	20%
Being a homeowner doesn't fit into my life plan	15%

Worried I would not be able to keep up with mortgage payments	15%
My parents are unable to help to help me get on the property ladder	6%
Worried that house prices could come down after I buy	5%

**Just Group’s communications director Stephen Lowe comments:** “Some people chose to live in a rented accommodation through preference, but there’s a significant number who simply feel locked out of the property market. It’s alarming to see such a gap in home-ownership based on parents’ tenure, reinforcing the growing belief that when it comes to getting on the property ladder your family background plays a big part.

“Over the last ten years homeownership levels have dropped, particularly amongst the pre-retired and middle-aged groups<sup>1</sup>. Owning a home gives many people a sense of security and independence in older age, it’s also a useful asset allowing owners to release money through downsizing or equity release. Renters feel they are less secure because they don’t have this option.

“For anyone in their 50s who is worried about their financial future there are some positive steps they can take now to put a financial plan in place for their retirement and help them feel more confident about what the future will bring – a great first step is to contact Pension Wise, the government’s free, independent and impartial guidance service.”

**\*The research is part of a wider outlook on the UK’s attitudes and perceptions of property wealth and homeownership, and how this plays a role in retirement. To see more of the research from Just, please get in touch via the details below.**

<sup>1</sup> Analysis of ONS wealth and assets study

<sup>2</sup> <https://www.resolutionfoundation.org/data/housing/>

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## Enquiries

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## **Notes to Editors**

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. Additional breakdowns for gender, age, region and many more are available.

## **About Just**

Just (Just Group plc) is a FTSE-listed specialist UK financial services company.

A leader in the individual retirement income, care and defined benefit de-risking markets, Just has been trusted to manage over £19 billion of customers' retirement savings and has helped customers release over £4.6 billion from their properties.

Just provides the following wide range of products, advice and professional services to individual customers, financial intermediaries, corporate clients and pension scheme trustees:

### **Marketed Products**

- 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;
- 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.

### **Professional services**

- Regulated financial advice and guidance services for individuals wanting help in using their pension savings and/or releasing some of the value from their home; and
- A range of business services tailored for our corporate clients, ranging from consultancy and software development to fully outsourced customer service delivery and marketing services.

The companies within Just Group are authorised and regulated in the United Kingdom by the Financial Conduct Authority and / or the Prudential Regulation Authority.