



NEWS RELEASE

Monday 19 July 2021

£23k average house price jump reinforces need to factor property wealth into long-term financial plan

- Strong house price growth is concentrating homeowner wealth in bricks and mortar
- Average house price rises to nearly £255k after annual gain of more than £23k
- Rise dwarfs average UK shares ISA rise of under £12k and cash ISA gain of meagre £124

Rising house prices are building up the average homeowner's wealth more quickly even than strong share gains, according to analysis by advisory firm **HUB Financial Solutions** that reinforces why property wealth must be considered alongside other assets when developing long-term financial plans.

Official house price data for the year to May 2021 shows the average UK home was worth £254,624 – an increase of £23,116, or 10%, over 12 months¹.

That compares to an average stocks and shares ISA holding of £64,473² which would have returned around £11,528 based on a FTSE 100 tracker gain of nearly 18% (17.88%)³ through the previous year (June 2020-June 2021).

The latest HMRC stats also reveal that the average cash ISA is worth £12,442² which, at a nominal growth of 1% given rock bottom interest rates, has increased in value at just £124 over the year.

Simon Gray, Managing Director of HUB Financial Solutions, said the analysis demonstrates that overall wealth depends not just on rising prices but on the size of the original stake.

“For many people, their home is the most valuable asset, outstripping pension savings or other investments in products like ISAs.

“This means that even though the average property price has grown far less in percentage terms than a FTSE 100 tracker over the past year, the average property has seen an actual return in pounds and pence of twice that of the average stocks and shares ISA.

“It is a reminder of the importance of factoring in housing wealth when people are drawing up their plans for retirement. Those homeowners who are ‘income poor, asset rich’ will need to top-up their State and private pension income from other sources while those with sufficient income will still have to think about how to deal with inheritance tax and potential care costs.”

He said that planning ahead to access housing wealth can help avoid hasty decisions later and lead to better outcomes.

“Downsizing is a way to release some property wealth or, for those who prefer to stay in their homes and neighbourhoods, equity release is becoming a way to access funds that can be used to improve or adapt the home, boost living standards or can be gifted while still alive to see the benefits,” said **Simon Gray**.

“Interest-serviced lifetime mortgages enable those with sufficient incomes to release cash without seeing the loan rise over time.

“The important point is to understand the options, to get professional help and to plan ahead.”

Enquiries

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Notes to Editors:

Research

1. ONS, UK House Price Index: May 2021

<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/housepriceindex/may2021#house-prices-by-country>

2. ISA market values, HMRC, Annual savings statistics: <https://www.gov.uk/government/statistics/annual-savings-statistics>

3. Stocks and shares ISA growth, taken from iShares Core FTSE 100 UCITS ETF performance, June 2020-June 2021: <https://www.ishares.com/uk/individual/en/products/251795/ishares-ftse-100-ucits-etf-inc-fund?switchLocale=y&siteEntryPassthrough=true>

About HUB Group

HUB Group's operating companies are modern, technology-driven businesses specialising in providing integrated financial solutions to UK businesses and to their customers and members. Collectively the Group's businesses are one of the UK's biggest providers of regulated advice and guidance to people in later life.

HUB Group has provided advice and guidance to over 100,000 customers and pension scheme members, helping them turn £1 billion of pension savings into a guaranteed income for life, release £1 billion of equity from their homes and provided specialist advice on defined benefit transfers.

HUB Group comprises:

- HUB Financial Solutions – a provider of regulated advice, retirement solutions and services to UK businesses and other organisations;
- HUB Pension Consulting – a specialist in providing client advisory services to defined benefit (DB) pension scheme trustees and scheme sponsors undertaking bulk member options exercises; and
- HUB Digital Solutions – a financial technology business that specialises in creating innovative and disruptive retirement-focused solutions.

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News release

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