

# From Application to Renovation: Using Our Retention Process

## The client

- Carol Evans • Property value £400,000 | After-works value £450,000
- Requires £72,000 • Loan-to-Value 16% • Works Cap £10,000 • Age 70



## The scenario

Carol Evans owns a property valued at £400,000 in its current condition. After necessary improvements, the property's value is estimated to be £450,000. Carol needs £62,000 to pay off an interest-only mortgage and is seeking additional funds for some home improvement work. Her adviser recommends an Emerald lifetime mortgage from Pure Retirement. This mortgage can consider retention for works of up to 20% of the total loan, capped at a maximum of £10,000 (including drawdown).

## The retention process

The property valuation report identifies that Carol needs new windows, as well as damp and timber works. Carol obtains estimates for these works from qualified building contractors.

### Step 01: Valuation and Estimates

- Following the property valuation, Carol obtains estimates for the required work and sends to Pure Retirement.
- Pure Retirement reviews the information and, if acceptable, approves the amount to be retained for the required works.

### Step 02: Retention and Completion

- The required amount for the works is retained from the initial advance.
- The repairs must be completed within 3 months of the loan start date.

### Step 03: Final Steps

- Upon completion of the works, Carol sends the invoices to Pure Retirement.
- If the invoices are satisfactory, the remaining funds are released to her.

This process ensures that the property improvements are completed, enhancing the property's value and allowing the customer to meet their financial needs.

## Conclusion

By using the retention feature of an Emerald lifetime mortgage, Carol Evans can obtain £72,000 based on her after-works property value of £450,000.

**Note:** The loan is based on the after-works valuation, not the current valuation, so the LTV is calculated based on the higher valuation.

The property must currently be and remain habitable whilst any work is undertaken, a valuation figure must be provided by the valuation company at initial inspection, and the property must also still meet criteria in its pre-work state.

**Disclaimer:** For IFA use only. Specific to Pure Retirement lifetime mortgages. Examples of client scenarios only. Every case will be different. The scenario is based on April 2025 figures.

## Lifetime Mortgage Considerations

Pure Retirement is a specialist lifetime mortgage provider regulated by the Financial Conduct Authority and a member of the Equity Release Council. It is important to consider all options before applying for a lifetime mortgage.

### Pure Lifetime Mortgage Features

Guaranteed no negative equity

Optional monthly repayments

Client retains ownership of the property

Regulated by the FCA and member of the Equity Release Council

### Things To Consider

Downsizing and other forms of finance should be considered

Compound interest roll-up

Early repayment charges

Long-term care and state benefits considerations

A lifetime mortgage may impact the inheritance left



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