

The Evolving Lifetime Mortgage Customer in Q1: A Demographic Snapshot



Delivering best outcomes for consumers begins with knowledge and understanding – with that in mind, we want to share some of our key findings from the first three months of the year in relation to customer demographics, loan usage patterns and emerging trends around property types and values.

Activity more prevalent among larger properties

We saw that in Q1 more than four in ten (43%) new lifetime mortgages were taken out by owners of detached properties, marking a slight rise on an annual basis from the 41% seen over the same period in 2025.

Owners of semi-detached properties, meanwhile, accounted for 35% of new lifetime mortgage activity in the first three months of the year (up from 33.6% in Q1 2025), with mid-terraces representing 11.8% (down from 13.5% in Q1 2025) and end terraces 8.6% (down from 7.6% annually).

Detached
properties
made up

43%

of new
business
in Q1



£415,700

average property value in Q1 2026, up 5% annually



Rising average property values

Our research also saw a 5% annual uplift in the average value of homes among those taking out a new initial advance, hitting over £415,700 for the most recent quarter, up from £395,000 in Q1 2025, and up from £399,000 in Q4 of last year - an increase of 4.2% on a quarterly basis.

Widespread activity across property value spectrum

There has also been a 5% annual uplift in the average value of homes among those taking out a new initial advance, hitting over £415,700 for the most recent quarter, up from £395,000 in Q1 2025, and up from £399,000 in Q4 of last year - an increase of 4.2% on a quarterly basis.

One in eight new plans were taken out by owners of properties worth at least



£700,000



28%

of new plans were taken out by over-75s



Shifts in age profiles

Just under one in three (28%) of new plans taken out in Q1 came from over-75s, marking the highest proportion from this cohort in 12 months, and compares to a 20% proportion over the first three months of 2025.

While under-70s continue to be the dominant cohort (accounting for 53% of new loans taken out in Q1), we've also seen a reduction from the 58% proportion we noted in Q1 2025.

Usage trends

Just over one in four (26%) of new initial advances in Q1 were primarily being used for debt and remortgage repayments, remaining constant on an annual basis. A near-similar level (24%) of new lifetime mortgages were taken out over the first three months of the year for home improvements, although this represents an uplift from the 22% seen over the same period last year.

Discretionary spending in Q1 increased, with 11% of new lifetime mortgages in Q1 being taken out for holidays (up from 9% in Q1 2025), and 10% of new plans listing a car purchase as the primary reason for borrowing (up from 7% over the same period last year).

Plan preference shifts

We also saw that 54% of new plans were taken out on a lump sum basis, an increase from the 50/50 split seen in Q1 2025 and the highest proportion seen over the past 12 months.

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54%

of new plans were taken out on a lump sum basis



Conclusions

The latest findings demonstrate the importance of offering a variety of products that provide flexible and effective solutions across the age spectrum. While we've historically seen new customers getting younger in recent years, the fact that there's been a rise in activity among older homeowners demonstrates the fluidity of consumer patterns and the importance of understanding (and subsequently meeting) them.



While it's interesting to note the uptick in more discretionary reasons for borrowing, we naturally expect that to reduce given the current geopolitical landscape, and the associated effects on the economy that will likely lead to more needs-based borrowing.

Meanwhile, the property data similarly underlines the importance of offering a varied range of solutions that can work for consumers from across the socioeconomic spectrum, able to cater for a variety of property values and types, and widening the appeal of later life lending amid the wider public.

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