



Confidence Still Strong Among HIPpies ('Home Is Pension') Generation

- New research by retirement specialist LV= reveals 1.3 million over-50s still plan to cash in their property to help fund retirement
- Homeowners nearing retirement believe an average of £27,250 has been wiped off their property value in the last two years
- But recent house price gains give renewed hope for retirement plans – prices rose by 0.4% in October 2009, the sixth consecutive monthly increase

The original 1960s hippies celebrated flower power, but as this generation approaches retirement, a new 'HIPpy' spirit has taken hold. According to a report published today by retirement specialist LV=, the 'Home Is Pension' mantra is still strong among Britain's over-50s workforce. Although those surveyed believed that an average of £27,250 has been wiped off the value of their homes, an estimated 1.3 million HIPpies still plan to use their property value to help provide retirement income.

In total, over-50s homeowners estimate they have lost £80 billion in property value due to recent housing market falls. Yet only 2% say have been turned off the idea of using their home to fund retirement, while a further 11% plan to take advice on unlocking the value of their home before they retire.

The new research also highlights the impact of the long-running house price boom on pension savings behaviour among over-50s homeowners now nearing retirement.

- One in eight (12%) have consciously saved less into traditional pensions because of the perceived spiraling value of their home
- A further 13% say they couldn't afford to buy their own home AND invest in traditional pensions, because property prices were so high

Vanessa Owen, LV= Head of Equity Release, said: "In the decade leading up to the credit crunch, more and more homeowners saw their property as a potential cash cow to aid retirement. But in a matter of months millions of pre-retirees have seen both their property and pension fund values battered. Despite this, their confidence in the long-term value of bricks and mortar remains. House prices still have some way to go before full recovery but with increases for six consecutive months now, our HIPpies are feeling more confident that their home can still play a big part in helping to finance their retirement."

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