

# Equity Release Market Shows Mixed Performance in Q1 2026

Equity Release Market Records Year on Year Decline in Lending and Customers, Despite Continued Engagement from Returning Drawdown Borrowers.

## Overall market data for Q1 2026

This table shows the latest available data on customer numbers and lending activity, alongside the preceding quarter and the same quarter last year. The data provides the most comprehensive picture of activity encompassing all providers and advice firms..

Overall activity	Q1 2025	Q4 2025	Q1 2026	Quarterly Change	Annual Change
Total lending	£665m	£632m	£574m	-9%	-14%
Total plans	14,350	13,902	12,958	-7%	-10%
New plans	5,342	5,280	4,868	-8%	-9%
Returning DD customers	7,684	7,154	7,019	-2%	-9%
Further advance customers*	1,324	1,468	1,071	-27%	-19%

The Equity Release Council's latest quarterly market report for Q1 2026 shows a clear slowdown in activity, with £574m worth of total house equity accessed by 12,958 new and returning customers.

This represents a 9% decline in lending compared to the previous quarter (£632m) and a 14% fall year on year (£655m), with reductions in demand for both new and existing customers. Total customer numbers also declined, down 7% for the quarter and 10% annually, also with reduced activity in new lending and additional borrowing.

New plan volumes fell 8% over the quarter, while returning drawdown customers saw a more modest decline of 2% to 7,019. New plan volumes fell 8% over the quarter, while returning drawdown customers saw a more modest decline of 2% to 7,019.

Further advance activity recorded the most significant movement, falling 27% over the quarter to 1,071, reflecting a sharper reduction in additional borrowing among existing customers.

## Average loan size for Q1 2026

Average loan sizes	Q1 2025	Q4 2025	Q1 2026	Quarterly Change	Annual Change
New lump sum	£127,414	£123,175	£121,196	-2%	-5%
New initial drawdown	£69,764	£67,770	£62,633	-8%	-10%
New drawdown reserve	£61,194	£58,059	£61,307	+6%	0%
Returning drawdown	£13,872	£13,346	£13,528	+1%	-2%
Lump sum further advance	£32,621	£31,822	£32,870	+3%	+1%
DD initial further advance*	£27,125	£29,244	£26,568	-9%	-2%
DD further advance reserve*	£6,753	£6,193	£6,282	+1%	-7%

Average loan sized declined across most product types, reflecting reduced borrowing at the point of origination. New lump sum lending fell 2% over the quarter and 5% year on year to £121,196, while initial drawdown lending declined more sharply, down 8% over the quarter and 10% annually to £62,633.

In contrast, average drawdown reserve facilities increased by 6% over the quarter and remained stable year on year at £61,307, indicating that customers are retaining access to future funds while reducing initial borrowing.

Among returning customers, drawdown borrowing saw a slight quarterly increase of 1%, suggesting continued engagement for existing customers despite broader market contraction.

## Equity release customer numbers

The chart below shows the total number of new customers, which includes lump sum and drawdown customers, as well as the number of returning drawdown customers and the number existing customers taking further advances.



Customer numbers declined across all segments compared to Q4 2025. New customers fell 8% to 4,828, returning drawdown customers decreased 2% to 7,019, and further advance customers fell 27% to 1,071.

Total customer number declined from 13,902 in Q4 2025 to 12,958 in Q1 2026, a 7% quarterly reduction. On an annual basis, total customers fell 10%, reflecting a broader softening in market activity following stronger levels seen in 2025.

While new business volumes weakened, returning drawdown customers showed a comparatively smaller decline, indicating continued engagement from existing borrowers.

## Average new loan sizes

The following table shows the average new lump sum against the average new drawdown. The latter includes the initial loan and reserve facility.

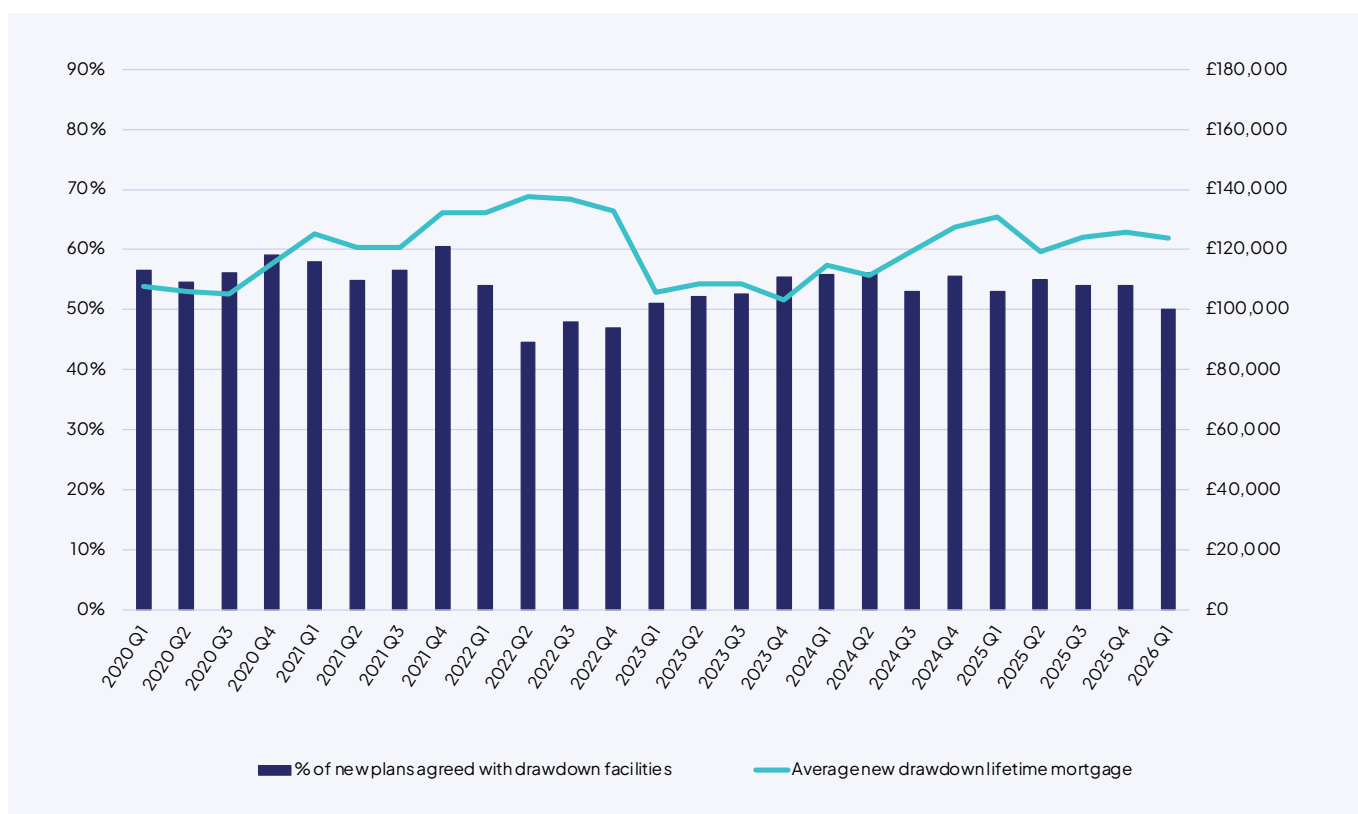


Both lump sum and drawdown borrowing declined over the quarter, with customers taking lower initial amounts. This reflects a more cautious borrowing environment rather than a reduction in product usage.

The increase in average drawdown reserve levels (6%), despite lower initial borrowing, indicates continued demand for flexibility, with borrowers prioritising access to future funds over larger upfront releases.

## Product preferences

The chart below shows the percentage of the new customers choosing drawdown plans and the percentage of the average loan taken up front.



Drawdown remains the dominant product choice among new customers. However, initial drawdown lending fell 8% over the quarter and 10% year on year to £62,633, while drawdown reserves increased by 6% to £61,307.

This indicates a shift towards lower initial borrowing while maintaining flexible access to additional funds. A similar trend is visible in average lump sum lending, which also declined across both quarterly and annual measures (2% and 5% respectively).

Overall, customer behaviour reflects a more cautious approach to borrowing, with a continued preference for flexibility and staged access to housing wealth.

## Total quarterly lending

The graph below charts the total annual lending for the last five years when growth across the entire mortgage industry declined abruptly following the 2022 mini budget.



### About the data

The Council's market data is compiled from actual whole-of-market returns and is in no part estimated, making it the UK's definitive equity release data. All data has been collated by the Council, unless otherwise stated. Categories of borrowing or borrower which have an \* next to them are more volatile as they reflect relatively modest amounts of borrowing or numbers of borrowers.

### About the product

Equity release allows older people to access the wealth in their homes, without necessarily having to sell or move. Lifetime mortgages make up more than 99% of the market. They enable people to borrow against their homes without making repayments unless they choose to. The loan and interest, or part thereof, is paid when the customer dies or goes into long term care.

### About the Equity Release Council

The Council is the representative trade body for the UK equity release market. Its members pledge to go above statutory regulation and plans that meet the Council's standards come with six product safeguards: no negative equity guarantee; fixed or capped rates for life; secure tenure for life; the right to port; the right to make overpayments and no early repayment charge if you move into care provided a medical certificate is provided. These safeguards are underpinned by mandatory independent legal advice which ensures the customer understands the risks and implications of the plan and is free from duress.

#### More information:

To read the press notice visit:

[www.equityreleasecouncil.com/information-hub](http://www.equityreleasecouncil.com/information-hub)

Email: [communications@equityreleasecouncil.com](mailto:communications@equityreleasecouncil.com)