

## “Increased renting could see future pensioners struggle to achieve an adequate standard of living” says Pensions Policy Institute

The Pensions Policy Institute (PPI) is today publishing *To Buy or not to Buy: the Changing Landscape of Housing in Retirement*. This report, sponsored by **Scottish Widows**, seeks to understand the implications of a changing housing market on current and future retirement income and needs, particularly considering the growing private rental sector.



**Mark Baker, Senior Policy Researcher at the PPI** said “People are finding it harder to get on to the property ladder, meaning that a growing number of people may enter retirement with no property equity at all, and will face the extra costs associated with renting their homes. Those who do buy are also more likely to reach retirement with some level of mortgage debt. This means that in the future, people will enter retirement with less security and equity in housing, on average.”

“People renting in retirement will spend a significant proportion of their income on ongoing basic housing costs, meaning that they will need a higher retirement income to achieve an adequate standard of living. Cheaper housing or higher private pension could help renters, though under current trends, people are not saving enough into pensions and there is insufficient social housing to meet everyone’s needs. Increased access to social housing could also see an increase in disposable income and living standards, as well as increased security of tenure. However, for this to happen, more investment in social housing from Government will be needed. Changes to the benefit system which meant that people do not lose out on housing benefit entitlement would also significantly improve the living standards of some renters.”

“There is no one-size fits all approach to helping people achieve a higher standard of living, and the report identifies a number of ways in which homeowners and renters can be supported to achieve greater adequacy in terms of their retirement income.”

“People who own their own homes in retirement may also need support to save more into a workplace pension in order to achieve a standard of living in retirement that meets their expectations. Others may benefit from being able to use financial products that encourage saving for a mortgage during their working lives.”

“The report represents a challenge to industry and government to support people to negotiate the housing market successfully in order to help them achieve higher standards of living in retirement.”

# PRESS RELEASE

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## Notes for editors

1. **We are an independent educational research charity: The Pensions Policy Institute (PPI)** does not lobby for any particular solution and we are not a think-tank taking politically influenced views. The PPI is an educational research charity, which provides non-political, independent comment and analysis on policy on pensions and retirement income provision in the UK. Its aim is to improve the information and understanding about pensions policy and retirement income provision through research and analysis, discussion and publication. Further information on the PPI is available on our website [www.pensionspolicyinstitute.org.uk](http://www.pensionspolicyinstitute.org.uk).



2. This report has been kindly sponsored by **Scottish Widows**, Gold Supporting Members of the PPI.

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