



## **Press Release**

### **3 in 10 of us will be Paying our Mortgage in Retirement**

#### **Survey reveals men are more optimistic than women when it comes to clearing mortgage debt**

Just 38% of people in Ireland believe they'll have their mortgage paid off before they reach 60 years of age, and 29% predict that they will be still be repaying their mortgage when they are 65 and over. This is according to the latest survey commissioned by leading protection specialist Royal London and conducted by iReach. The survey asked 1,000 respondents, across all demographics nationwide, at what age they believe they will have paid off their mortgage.

Speaking of the findings Joe Charles, Head of Proposition at Royal London,

*“Mortgage debt is the biggest form of credit that most people will ever have in their lives. First Time Buyers are getting older, and it's not uncommon to see people in their mid-thirties entering large value, 35-year mortgages. Unless they overpay during the term of their mortgage, many won't have cleared this debt until they are into their late sixties or early seventies. Such a scenario could seriously challenge their repayment capability in retirement, particularly if they haven't an adequate pension to rely on.*

*“Historically, when mortgage terms typically maxed at 20 years, people would almost certainly be mortgage free by the time their retirement came. But now, due to a variety of factors, this is not something that can be taken for granted, as evidenced by the fact that 29% of mortgage holders in our survey believe they will be paying their mortgage off past the normal retirement age of 65. Of these, 11% say they'll carry this mortgage debt into their seventies.*

*“What's even more enlightening, if you drill down into the data, you see that for some reason, men are more optimistic than women about being mortgage free in retirement. 45% say they'll have their mortgage cleared before they hit 60, whereas only 31% of women feel this way.”*

Respondents were asked: **At what age do you believe that you will have cleared your mortgage?**

	Gender			Age Breakdowns					Regions			
	Total	Male	Female	18 - 24	25 - 34	35 - 44	45 - 54	55+	Dublin	Rest of Leinster	Munster	Connaught / Ulster
Before 60	38%	45%	31%	42%	46%	41%	36%	30%	37%	26%	48%	42%
60 - 64	33%	28%	38%	42%	24%	31%	31%	40%	33%	37%	30%	30%
65 - 69	18%	16%	19%	0%	18%	21%	18%	22%	20%	17%	13%	21%
70 - 74	7%	7%	7%	16%	9%	2%	9%	6%	5%	16%	4%	6%
75 - 79	3%	4%	2%	0%	3%	3%	6%	2%	4%	3%	3%	1%
80+	1%	0%	2%	0%	1%	2%	1%	1%	1%	1%	1%	1%

Highlights from the Royal London survey include:

- 31% of people who are now 55 or older say they’ll be paying their mortgage past 65.
- On average, 43% of those aged 18 to 44 believe that they will pay off their mortgage before they reach their sixties.
- As people come closer to retirement, they are more likely to realise that for them, paying off a mortgage before they reach 60 will not be achievable.
- Of those 18–24-year olds who have a mortgage, just 16% say they’ll be paying it in their seventies.

Figures from the Central Bank of Ireland\* illustrate the increasingly worrying issue of homeowners struggling to pay mortgages well into their later years. According to the Central Bank there are 23,165 people over the age of 70 in Ireland who are still repaying their mortgage to one of the five main banks (Bank of Ireland, AIB, Ulster Bank, Permanent TSB and KBC). Furthermore, the statistics show that 2,243 – that’s almost 10% - of these loans are in arrears.

Mr. Charles went on to comment:

“While we can never plan for everything that life has in store for us, it’s important to ensure that we have sufficient income in retirement to meet the expenses we expect to have. Those who carry a mortgage into their sixties or seventies will need to ensure that they have sufficient pension income or other income/savings to meet those mortgage repayments in addition to funding their day to day living expenses.”

**ENDS**

## Sources

\* <https://www.joanburton.ie/older-people-grappling-with-mortgage-arrears/>

## Note to the editor

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