

## Cost of living and high mortgage costs in Later Life

We would all like to make the most of our retirement. But with the effect of inflation and the cost of living continuing to increase, you may find that what was a comfortable income at retirement is simply no longer enough.

Fortunately, there is a way that you can cover your needs and enjoy the retirement you are looking for. With equity release, you could release some of the money tied up in your home without having to move.

The cost of living and high mortgage costs can be particularly challenging for those in later life. Here are some key points to consider:

### Cost of Living

1. **Rising Expenses:** The cost of essentials like food, energy, and healthcare has been increasing. Many over-50s report spending more on these items.
2. **Inflation:** Inflation can erode purchasing power, making it harder to maintain the same standard of living.
3. **Fixed Incomes:** Many people in later life are on fixed incomes, such as pensions, which may not keep pace with rising costs.

### High Mortgage Costs

1. **Equity Release:** Options like lifetime mortgages and home reversion plans allow homeowners to release equity from their property, but these come with costs and can reduce the value of the estate left to heirs. However, in recent years lifetime mortgages lenders are offering reward and discounted rates for those choosing to make the monthly interest payments.
2. **Standard Mortgages:** While it's possible to get a mortgage over 60, lenders may impose stricter criteria, such as shorter mortgage terms and higher monthly payments.
3. **Retirement Interest-Only Mortgages:** These allow borrowers to pay only the interest each month, but the principal remains outstanding.

### Strategies to Manage Costs

1. **Budgeting:** Creating a detailed budget can help manage expenses more effectively.
2. **Seeking Advice:** Consulting with financial advisors can provide personalized strategies for managing costs and mortgage payments.
3. **Exploring Alternatives:** Looking into downsizing, moving to a more affordable area, or accessing government benefits can help reduce financial strain.