The mortgage debt of older households and the effect of age

An analysis using the Wealth and Assets Survey 2008-10

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Nearly three quarters of older households own the home they live in (74 per cent). These include a proportion that owns their homes outright. Others, however, have mortgages that they have yet to repay in full. Holding a mortgage, and particularly a heavy mortgage, into older age has important implications for the financial security of households at a time when incomes, particularly on retirement, fall. It reduces the amount of equity households could potentially realise from their homes and may contribute to problem debt, reducing further the resources they have in retirement to ensure their wellbeing.

This paper explores the effect of age (represented by the age of the household representative person (HRP), or their partner where the HRP's age is unknown) on levels of mortgage borrowing on the main residence and difficulties with meeting the payments on these in households headed by someone aged 50 or over. It does so using data from the 2008-10 Wealth and Assets Survey.[1] The analysis excludes any equity release schemes owner-occupiers may also have on their homes.[2]

One in five of all households (21 per cent) headed by someone aged 50 or over had outstanding mortgage borrowing on their main home in 2008-10 (Table 1). This compares with over a half (56 per cent) of households headed by someone aged under 50. Reflecting this, mortgage borrowing was highest among the youngest group of older households, those headed by someone aged under 55 (51 per cent), and fell away steadily with increasing age.

Table 1 **Percentage of older households with any outstanding mortgage borrowing on the main residence, by age of HRP or their partner**

Age of HRP or partner	%	Unweighted base
50 to 54	51	1,811
55 to 59	37	1,888
60 to 64	21	2,145
65 to 69	9	1,845
70 to 74	6	1,687
75 to 79	3	1,394
80 and over	2	1,587
All aged over 50	**21**	**12,357**

Source: Wealth and Assets Survey 2008-10. Base is all households headed by someone aged 50 and over.

[1] For further details see p11.

[2] These schemes, which allow homeowners to raise capital or regular income based on the value of the home (while continuing to live there), were collected separately in the survey and only where the person responding on behalf of the household (who was not necessarily the HRP or partner) was aged 55 and over. One per cent of older owner-occupier households (and less than one per cent of older mortgaged households) had an equity release scheme. Because of the incompatibility of this survey measure with mortgage borrowing (and the low occurrence of equity release among mortgaged households) equity release schemes have been excluded from this analysis.

Table 2 **Amount owed and percentage loan-to-value among older households with any outstanding mortgage borrowing on the main residence, by age of HRP or their partner**

Age of HRP or partner	Amount outstanding (Mean £)	Amount outstanding (Median £)	Loan-to-value (%)	Unweighted base
50 to 54	72,000	50,000	33	916
55 to 59	59,700	40,000	27	687
60 to 64	53,200	31,200	25	419
65 to 69	55,200	40,000	44	145
70 to 74*	45,900	22,700	21	91
75 and over*	30,900	21,000	19	75
All aged over 50	**62,200**	**40,000**	**30**	**2,333**

Source: Wealth and Assets Survey 2008-10 Base is all mortgaged households headed by someone aged 50 and over. Figures are rounded to the nearest £100. *Treat with caution due to small base size (<100 cases).

Still, nearly one in ten households headed by someone in their late 60s had mortgages they had yet to repay (nine per cent), as did one in fifty of the over 80s (two per cent). It is important nonetheless to note that these households may contain other household members who are younger than the HRP or partner, and these other household members may be the sole or joint mortgagors.

Among the over 50s with outstanding mortgages, the mean average owed was £62,200 (Table 2). This is equivalent to £12,900 across all households headed by someone aged over 50, including those without a mortgage on the main home. A lower median amount (of £40,000 among older households with mortgages) indicates some skew in the population, whereby most owe relatively little and a small minority owe large amounts. Among those aged over 75, the mean amount owed was £30,900 (with a half of them owing more than £21,000) from a high of £72,000 among the under 55s (with a half owing at least £50,000).[3] When including households without mortgage borrowing, this is equivalent to £800 per household among the over 75s compared with a high of £37,000 among the under 55s. Moreover, more than one in ten households headed by someone aged over 50 owed £100,000 or more (12 per cent).

The average loan-to-value ratio, indicating the mean amount owed as a percentage of the estimated value of the main home, was 30 per cent across all households headed by someone aged over 50 (Table 2). This is despite households tending to over-estimate the value of their properties when responding to the survey.[4]

While varying significantly across the age range, falling from 33 per cent among the under 50s to 19 among the over 75s, this variation is more muted than found in relation to the total amount outstanding. This suggests that while the average amount owed decreases steadily with increasing age, the corresponding value of the main home falls at a steeper rate. Looked at another way, nearly a quarter of mortgaged households headed by someone over 75 (24 per cent) owed the equivalent of 25 per cent or more of the value of their home and five per cent owed more than 50 per cent (compared with an average of 45 per cent and 17 per cent respectively for all older mortgaged households). This might reflect a greater propensity for households to downsize with increasing age, and certainly moving home for reasons of moving to a smaller or cheaper property is more common among the over 55s than younger households.[5] Even so, the mortgages that continued to be owed – relative to the lower housing values – among the subset of mortgaged households over 75 highlights a heightened risk among this group that is hidden when considering only the amounts that households owe in isolation from

[3] Treat the values for the 70-74 and 75 and above age groups with caution, due to small bases (fewer than 100 cases) as sampling error will be large.

[4] Black, O (Ed) (2012) Wealth in Great Britain. Main Results from the Wealth and Assets Survey: 2008/10, Part 1. Newport: Office for National Statistics.

[5] E.g. Department for Communities and Local Government (2013) English Housing Survey: households 2011-12. London: DCLG

the values of their properties. In particular, it raises questions about the viability of equity release for some older households later on in life should they wish to access some of the assets held in their property. This is reflected in the low incidence of the use of equity release schemes among mortgaged households more generally (see footnote 2).

Notably, however, the loan-to-value ratio peaked at 44 per cent among households headed by someone in their late 60s, even though their outstanding mortgages were smaller – on average – than those in their 50s, as indicated by the mean. This is difficult to interpret but again appears to indicate that households headed by someone in their late 60s who still had outstanding mortgages were living in smaller – or at least lower value – properties than their younger counterparts. It also coincides with a substantial number of mortgaged households in their late 60s who had moderately high outstanding mortgages compared with their older counterparts (as indicated by the median value of £40,000 for this age group, compared for example with £22,700 among those in their early 70s). This may suggest a greater propensity for households to downsize around this age, while – crucially – maintaining all or part of their existing mortgage, and instead releasing the equity from their previous home for other purposes, such as retirement income, refurbishments and helping other family members.[6] It may also partly reflect a moderately high rate of non-repayment-type mortgages held by this age group, as we go on to discuss.

At least 14 per cent of older mortgaged households had taken a new mortgage on or extended their loan within the last two years.[7] The figure was highest among the under 60s (16 per cent among those aged under 55 and 17 per cent among those aged 55 to 59), falling away sharply among households headed by someone aged 60 to 64 (nine per cent) and steadily thereafter to three per cent among the over 75s. Arguably of most concern, however, is the finding that a substantial minority of older mortgaged households had types of mortgage other than a repayment mortgage (41 per cent; Table 3). This increased over the age range, peaking among the over 75s (66 per cent), albeit based on small numbers of households in this age group with mortgages.

This includes some four in ten of the oldest mortgaged households (40 per cent) with at least one interest-only mortgage without a linked investment to repay the loan, compared with for example six per cent among the under 55s. This compared with 10 per cent of all older households with mortgages (equivalent to three per cent of all older households, including those without mortgages). One of the attractions of interest-only mortgages is lower monthly payments; this might help explain why only three per cent of mortgaged households headed by the over 75s were either behind with their mortgage payments or reported finding the payments a heavy burden, compared with 13 per cent of all older mortgagors. It might also explain the greater propensity towards higher loan-to-value ratios among the older age groups, reflecting that the loan capital was not being repaid on an ongoing basis.

Table 3 **Types of mortgage held on the main home among older mortgaged households, by age group of HRP or their partner**

Age of HRP or partner	Repayment (%)[1]	Other type: Any other type (including interest-only) (%)[2]	Other type: Unlinked interest-only (%)	Unweighted base
50 to 54	67	36	6	916
55 to 59	64	38	8	687
60 to 64	53	48	11	419
65 to 69	54	48	15	145
70 to 74*	42	59	32	91
75 and over*	31	66	40	75
All aged over 50	**61**	**41**	**10**	**2,333**

Source: Wealth and Assets Survey 2008-10. Base is all mortgaged households headed by someone aged 50 and over. Columns 2 and 3 may sum to more than 100 as households may have more than one type of mortgage.*Treat with caution due to small base size (<100 cases). Notes 1. Includes all-in-one (or offset) mortgages. 2. Comprises all mortgages linked to an endowment policy (including part-repayment, part-endowment), PEP, Unit trust, ISA (Individual Saving Account) or other investment, a pension mortgage and interest-only mortgages without a linked investment.).

Effect of age in predicting mortgage borrowing in older households

There may be many reasons why some households have mortgages into their older age, and why some owe relatively large amounts or have difficulties meeting their monthly repayments. Household composition, other financial commitments (such as non-mortgage debt), income streams and other assets (such as other property or savings and investments) may all have a bearing. By controlling for these and a range of other factors in regression analysis, we have explored the unique effect of age in predicting mortgage borrowing among older households.

Previous research has shown that, across all age groups, age is an important factor in owning a home with a mortgage.[8] Our analysis shows that this finding holds true, even among the over 50s, and even when other characteristics are taken into account, including work status and asset-holding for example (other factors that are themselves correlated with age; Table 4). Moreover, the effect of age is highly significant (p<.001). Odds ratios (Exp(B)) represent the change in the likelihood that a household has outstanding mortgage borrowing that occurs by age independently of other characteristics considered.[9] Thus, all other things being equal, the odds of having an outstanding mortgage were some 11.2 times higher among the under 55s than the over 80s, falling away steadily to 6.8 times among those in their late 50s to 1.7 times the odds among households headed by someone in their early 70s.

Several other factors, particularly those reflecting the socio-economic characteristics of the HRP or partner and the household's assets and wealth, were also important in their own right (Table 4). For example, the odds of having outstanding mortgages were 2.6 times higher if the HRP (or partner) of older households was in work than if they were not, more than twice as high among households with physical assets in excess of £35,000 compared with less than £15,000 and among those with savings and investments totalling between £3,000 and £50,000 compared with none. This indicates that better-off older households are more likely to have outstanding mortgages, potentially suggesting that these households can better afford them. Even so, we can't rule out the possibility that the HRP was more likely to be working in these households out of a need to meet the ongoing mortgage and other payments. Certainly, mortgaged households were no more likely to be higher-income households than low-income households, all other things being equal. But the odds were 2.8 times higher if the household owed £5,000 or more in non-mortgage debt than if they owed none, and 1.8 times higher if they had outstanding debts on houses or property other than the main home compared with if they owned these outright.[10] This highlights how despite being older households these mortgagors were disproportionately more likely to be indebted financially in other ways.

Heavy mortgage borrowing among older households

Households owing £50,000 or more on their mortgages represent nine per cent of all mortgaged households where the HRP (or partner) was aged 50 or more and those with

[6] E.g. Burgess, G, Monk, S, and Williams, P (2013) *Equity release amongst older homeowners*. Cambridge: Cambridge Centre for Housing and Planning Research

[7] There was missing data for a further 10 per cent of older mortgaged households. Recall that this measure excludes equity release schemes.

[8] See for example Whitehead, C, Williams, P, Tang C, and Udagawa, C (2012) *Housing in Transition: Understanding the dynamics of tenure change*. Cambridge: Cambridge Centre for Housing and Planning Research.

[9] The odds ratio represents the size of the effect of a category of a characteristic in relation to a reference category for that characteristic (which is set by the analyst). The odds ratio takes the probability of an event occurring divided by the probability that it will not occur. An odds ratio greater than 1 indicates an increased likelihood of the outcome of interest compared with the reference category and a ratio smaller than 1 indicates a reduced likelihood of the outcome compared with the reference category. As such, odds and probabilities are related concepts, but are described on different (non-equivalent) scales.

[10] This latter figure is calculated by dividing the odds ratio of 1.4 shown in the table by the corresponding odds ratio of 0.8.

loan-to-value (LTV) ratios of 50 per cent or more represent 17 per cent. We have used logistic regression to determine the characteristics that correlate independently with these two indicators of heavy mortgage borrowing, additionally controlling for whether households held any type of mortgage other than a repayment mortgage (as by the nature of these products this will inflate the amounts owing). Again, the effect of age was statistically significant, albeit less strongly compared with the earlier analysis (Table 5). The clearest effect of age related to the odds that a mortgaged household had a loan-to-value ratio of 50 per cent or more. Compared with the oldest group (ages 75 and above) the odds of having a high loan-to-value ratio was 4.3 times higher among the under 55s. The odds ratios for other age groups also appear high but were not statistically significant.

Perhaps the strongest effect across the two models, however, was found for outstanding loans on other houses or property (which carried odds of 4.3 times and 3.9 times higher than households with no other houses or property on the two measures respectively). In other words, if a household headed by someone aged over 50 had a loan on another property they were also more likely to carry heavy mortgage borrowing on their main residence. The effect of having high levels of non-mortgage borrowing was again quite strong (carrying odds of 2.4 and 2.2 compared with those without any borrowing).

The level of savings or investments older mortgaged households had was again significant in both models. In contrast to the earlier analysis which found that moderate and high levels of financial assets predicted having an outstanding mortgage, among those with any mortgage borrowing, heavy mortgage borrowing was associated with lower levels of financial assets, all other things being equal. The amount of physical assets households owned was also significant, albeit only weakly, again with low levels of physical assets being associated more with heavy mortgage borrowing. While this certainly indicates that heavily mortgaged older households are otherwise asset-poor and indebted on – perhaps even over-burdened by – other types of borrowing, we can hypothesise that at least some of these households were relying on their housing and property assets for their future wealth and wellbeing. Notably, the fact that pension wealth was not significant in these models indicates that households were not relying on retirement income or a lump sum payment from an annuity to repay their mortgage.

In addition, the effect of the socio-economic classification of the HRP was highly predictive of owing £50,000 or more on mortgages on the main home. The odds were 6.1 and 7.1 times higher among people from intermediate occupations and managerial and professional occupations respectively, compared with the households headed by someone who was long-term unemployed or had never worked. This may indicate a greater inclination to borrow larger amounts and to access bigger mortgages among the higher socio-economic classes during their working lives, presumably to acquire bigger or more prestigious homes and possibly as a means of accruing greater housing wealth. However, the fact that this has persisted into older age (over and above the effect of age) for these groups is potentially worrying.

Interestingly, a geographical effect emerged in relation to the amount of mortgage owing. Compared with the older mortgaged households living in the North East of England, the odds of owing £50,000 or more were at the high end of the range for those living in London (2.5 times) and to a lesser extent in the South East (2.0) and East of England (1.8). A 'wealth effect' for households living in the South East of England is already well documented.[11] Even so, the geographical effect observed here holds true above and beyond the effect of households' wealth as measured by financial, physical, and pension assets. The commensurate effect of average house prices within the regions, being particularly high in London and neighbouring areas,[12] explains why region and country of residence was not independently related to the loan-to-value ratio.

When we included an indicator that households

[11] See for example Office for National Statistics (2012) 'South East has biggest share of the wealthiest households'. Newport: Office for National Statistics.

[12] Nationwide Building Society (2013) Nationwide House Price Index Q2 2013: London tops the table of house price growth in Q2. Swindon: Nationwide Building Society. Earlier editions explored using the Regional Series Data Download: http://www.nationwide.co.uk/hpi/datadownload/data_download.htm

Table 4 Regression predicting any outstanding mortgage

	Sig.	Exp(B)
HRP/partner age group: ref is 80 and over	**.000**	
50 to 54	.000	11.2
55 to 59	.000	6.8
60 to 64	.000	4.0
65 to 69	.000	2.2
70 to 74	.016	1.7
75 to 79	.766	1.1
HRP/partner Ethnicity: ref is White British	**.011**	
Any other White background	.963	1.0
Asian or Asian British	.001	1.7
Black or Black British	.306	1.3
Any other, inc Chinese and Mixed	.172	.7
HRP/partner Highest education level achieved: ref is None[1]	**.004**	
Has qualification, degree level or above	.000	1.5
Has qualification, other level	.114	1.1
HRP/partner socio-economic classification: ref is Never worked/long term unemployed	**.000**	
Managerial and professional occupations	.837	.9
Intermediate occupations	.500	.8
Routine and manual occupations	.148	.7
HRP/partner employment status: ref is not working	**.000**	2.6
Household income: ref is Low-income household[2]	.450	
Not low income	.938	1.0
Number of adults in household: ref is One adult household	**.000**	
Couple household	.000	1.4
Two or more families/other household type	.526	1.1
Children (dependent or non-dependent) in household: ref is No	.483	1.1
Region and country of residence: ref is North East	**.034**	
North West	.151	.8
Yorkshire and the Humber	.728	.9
East Midlands	.096	.7
West Midlands	.720	.9
East of England	.869	1.0
London	.493	.9
South East	.676	1.1
South West	.305	1.2
Wales	.950	1.0
Scotland	.646	1.1
Type of area: ref is Rural	.222	
Urban	.084	1.1
Amount owed in non-mortgage borrowing: ref is None	**.000**	
More than zero but less than £1,000	.000	1.5
£1,000 but less than £5,000	.000	2.2
£5,000 or more	.000	2.8
Amount held in savings and investments: ref is None	**.000**	
More than zero but less than £3,000	.016	1.7
£3,000 but less than £15,000	.001	2.2
£15,000 but less than £50,000	.002	2.1
£50,000 or more	.684	1.1
Value of physical assets: ref is Less than £15,000	**.000**	
£15,000 but less than £35,000	.000	1.7
£35,000 but less than £60,000	.000	2.0
£60,000 or more	.000	2.2
Value of pensions: ref is None	.468	
More than zero but less than £50,000	.224	1.1
More than £50,000 but less than £100,000	.119	1.2
More than £100,000 but less than £300,000	.092	1.2
£300,000 or more	.297	1.1
Ownership of other houses/property: ref is None	**.002**	
Other houses/property owned outright	.017	.8
Other houses/property owned with some outstanding debt	.021	1.4
Constant	.000	.0

Source: Wealth and Assets Survey 2008-10. Unweighted base: 12,357 (all older households). Nagelkerke R^2 = .409. Categories representing missing cases were included in the analysis but are suppressed in the table. Notes: Includes 1 case with qualification, level unknown. 2. Income-replacement benefits or working tax credits received by HRP or partner.

had taken on additional mortgage borrowing in the last two years in an otherwise identical model, this was also highly significant in each model and improved the total amount of variation in these outcomes explained by the model (reflected by a new R^2 of .279 and .196 respectively). Taking on more borrowing increased the odds of having heavy mortgage borrowing by 2.8 times and 2.3 times respectively. Most of the same characteristics were also significant in these models. This highlights the potential risk of taking on more borrowing into older age, a risk which persists over and above the effect of age.

Financial difficulty among older mortgaged households

We turn finally to look at the likelihood that an older mortgaged household had difficulty meeting their monthly mortgage payments on the main home. As above, this takes into account whether households were behind with their mortgage payments or reported finding them a heavy burden. We saw earlier that 13 per cent of all older mortgaged households were struggling to repay their mortgage. This fluctuated by age, albeit dropping sharply to three per cent among the over 75s. Here the effect of age was not statistically significant (p>.05) when other factors were taken into account. Strong predictors were instead the amount households had in savings and investments and levels of non-mortgage borrowing, and whether or not children were present in the household (Table 6). The odds were highest among those with no or only low levels of savings, suggesting they had only limited resources to call on over and above the low incomes they were also significantly more likely to have. The odds were also high among households with high levels of non-mortgage borrowing and with children present, which suggests that these were financially burdened households with high fixed costs. Interestingly, whether a household had a mortgage other than a repayment type was not significant.

The additional inclusion of the amount households owed on their mortgages in an otherwise identical model improved the explanatory power of the model substantially (reflected in a new R^2 of .243). The amount owing was highly significant, with the odds of having difficulty making the mortgage payment some 7.9 times higher among those owing £100,000 or more, and 4.8 times higher among those owing £50,000 (but less than £100,000), than those owing less than £15,000. This suggests clearly that the size of the mortgage payment combined with the limited resources households had to draw on – owing to being on a low income, the HRP not being in work and having little or no savings to speak of – is a key factor in older households' difficulties in meeting their mortgage commitments. The effect of non-mortgage borrowing was much diminished in this model, reflecting the correlation found earlier between mortgage and non-mortgage borrowing.

Summary

Mortgage borrowing on the main home and the amounts owed on these by older households (those headed by someone aged 50 or over) fall with increasing age. However, the oldest mortgagors, though few in number, owe more relative to the value of their homes than this would suggest. This would seem to partly reflect lower value properties among the oldest mortgaged households (possibly because of living in smaller homes) and it may partly reflect a greater tendency towards non-repayment type mortgages, including interest-only mortgages without linked investments; these were increasingly common among mortgagors of increasing age and this in turn was independently related to having large mortgages outstanding.

Even among households headed by someone aged over 50, age is an important determinant of having a mortgage outstanding and the amounts owed on these. All other things being equal, the youngest of the older households were more likely to have a loan outstanding and to have a big mortgage if they had a mortgage at all. But they were not more likely to get into difficulty with the repayments; this is better explained by factors such as having a low income and limited other resources, and greater financial burdens relative to these. The nature of the cross-sectional data used for this analysis means that it is not possible to determine whether the effect

Table 5 **Regression predicting heavy mortgage borrowing among mortgaged households**

	Owes £50,000 or more		LTV ratio of 50% or more	
	Sig.	Exp(B)	Sig.	Exp(B)
HRP/partner age group: ref is 75 and over	**.000**		**.001**	
50 to 54	.174	1.7	.013	4.3
55 to 59	.754	1.1	.094	2.7
60 to 64	.766	.9	.182	2.2
65 to 69	.155	1.7	.242	2.1
70 to 74	.630	.8	.148	2.6
HRP/partner Ethnicity: ref is White British	.338		**.047**	
Any other White background	.950	1.0	.190	.5
Asian or Asian British	.051	1.7	.234	1.4
Black or Black British	.850	.9	.013	2.5
Any other, inc Chinese and Mixed	.157	1.9	.810	1.1
Missing	.994	1.0	.117	17.3
HRP/partner Highest education level achieved: ref is None[1]	.074		.601	
Has qualification, degree level or above	.278	1.2	.937	1.0
Has qualification, other level	.667	.9	.565	.9
HRP/partner socio-economic classification: ref is Never worked/long term unemployed	**.000**		.188	
Managerial and professional occupations	.022	7.1	.188	3.1
Intermediate occupations	.035	6.1	.221	2.9
Routine and manual occupations	.116	3.8	.366	2.2
HRP employment status: ref is not working	**.000**	1.9	.117	1.4
Household income: ref is Low-income household[2]	.145		.393	
Not low income	.456	1.1	.452	1.2
Number of adults in household: ref is One	**.043**		.530	
Couple household	.054	1.3	.959	1.0
Two or more families/other household type	.029	1.7	.284	1.4
Children (dependent or non-dependent) in household: ref is No	.544	1.1	.170	.8
Region and country of residence: ref is North East	**.000**		.538	
North West	.791	1.1	.629	.9
Yorkshire and the Humber	.877	1.0	.463	.8
East Midlands	.719	1.1	.511	1.3
West Midlands	.953	1.0	.666	1.2
East of England	.036	1.8	.313	.7
London	.002	2.5	.252	.7
South East	.007	2.0	.658	.9
South West	.280	1.3	.457	.8
Wales	.694	1.1	.870	.9
Scotland	.458	.8	.519	.8
Type of area: ref is Rural	.140		.332	
Urban	.047	.8	.138	1.3
Amount owed in non-mortgage borrowing: ref is None	**.000**		**.000**	
More than zero but less than £1,000	.783	1.0	.798	.9
£1,000 but less than £5,000	.035	1.3	.039	1.4
£5,000 or more	.000	2.4	.000	2.2
Amount held in savings and investments: ref is None	**.000**		**.000**	
More than zero but less than £3,000	.625	.8	.610	1.3
£3,000 but less than £15,000	.099	.5	.571	.8
£15,000 but less than £50,000	.011	.3	.055	.4
£50,000 or more	.013	.3	.011	.3
Value of physical assets: ref is Less than £15,000	.355		**.030**	
£15,000 but less than £35,000	.771	.9	.384	.8
£35,000 but less than £60,000	.769	1.1	.052	.6
£60,000 or more	.418	1.2	.015	.5
Value of pensions: ref is None	.206		.506	
More than zero but less than £50,000	.304	.8	.199	.7
More than £50,000 but less than £100,000	.114	.7	.220	.7
More than £100,000 but less than £300,000	.284	.8	.089	.7
£300,000 or more	.981	1.0	.315	.8
Ownership of other houses/property: ref is None	**.000**		**.000**	
Other houses/property owned outright	.000	1.9	.000	2.2
Other houses/property owned with some outstanding debt	.000	4.3	.000	3.9
Has a mortgage other than a repayment type: ref is No	**.000**	1.5	**.000**	2.0
Constant	.004	.0	.002	.0
Unweighted base: 2,333 (all older mortgaged households)	Nagelkerke R^2 = .254.		Nagelkerke R^2 = .177.	

Source: Wealth and Assets Survey 2008-10. Categories representing missing cases were included in the analysis but are suppressed in the table. Notes: 1. Includes 1 case with qualification, level unknown. 2. Income-replacement benefits or working tax credits received by HRP or partner.

Table 6 **Regression predicting difficulty making monthly mortgage payments among mortgaged households**

	Sig.	Exp(B)
HRP/partner age group: ref is 75 and over	.071	
50 to 54	.008	7.1
55 to 59	.025	5.2
60 to 64	.007	7.1
65 to 69	.018	6.0
70 to 74	.036	5.2
HRP/partner Ethnicity: ref is White British	.704	
Any other White background	.277	1.6
Asian or Asian British	.694	1.1
Black or Black British	.497	.7
Any other, inc Chinese and Mixed	.279	1.8
HRP/partner Highest education level achieved: ref is None[1]	**.011**	
Has qualification, degree level or above	.107	.6
Has qualification, other level	.530	1.1
HRP/partner socio-economic classification: ref is Never worked/long term unemployed	.214	
Managerial and professional occupations	.261	2.4
Intermediate occupations	.148	3.1
Routine and manual occupations	.263	2.4
HRP/partner employment status: ref is not working	**.023**	.6
Household income: ref is Low-income household[2]	**.043**	
Not low income	.457	.9
Number of adults in household: ref is One adult household	.364	
Couple household	.360	.9
Two or more families/other household type	.463	1.3
Children (dependent or non-dependent) in household: ref is No	**.002**	1.16
Region and country of residence: ref is North East	.143	
North West	.087	2.0
Yorkshire and the Humber	.304	1.5
East Midlands	.266	1.6
West Midlands	.077	2.1
East of England	.189	1.7
London	.332	1.5
South East	.180	1.7
South West	.068	2.1
Wales	.553	1.3
Scotland	.389	.7
Type of area: ref is Rural	.617	.9
Amount owed in non-mortgage borrowing: ref is None	**.001**	
More than zero but less than £1,000	.644	.9
£1,000 but less than £5,000	.485	1.2
£5,000 or more	.001	1.8
Amount held in savings and investments: ref is None	**.000**	
More than zero but less than £3,000	.322	.6
£3,000 but less than £15,000	.006	.3
£15,000 but less than £50,000	.000	.2
£50,000 or more	.000	.1
Value of physical assets: ref is Less than £15,000	.065	
£15,000 but less than £35,000	.542	1.2
£35,000 but less than £60,000	.202	1.4
£60,000 or more	.723	.9
Value of pensions: ref is None	.332	
More than zero but less than £50,000	.413	1.2
More than £50,000 but less than £100,000	.319	.7
More than £100,000 but less than £300,000	.433	1.2
£300,000 or more	.547	1.2
Ownership of other houses/property: ref is None	.421	
Other houses/property owned outright	.218	1.4
Other houses/property owned with some outstanding debt	.546	1.2
Has a mortgage other than a repayment type: ref is No	.939	1.0
Constant	.002	.0

Source: Wealth and Assets Survey 2008-10. Unweighted base: 2,262 (all older mortgaged households, excluding missing cases). Nagelkerke R^2 = .180. Categories representing missing cases were included in the analysis but are suppressed in the table. Notes: 1. Includes 1 case with qualification, level unknown. 2. Income-replacement benefits or working tax credits received by HRP or partner.

of age evidenced here derives from ageing or generational effects; it is possible that both play some role.

Even taking other factors into account, such as the socio-economic classification of the household head, a geographical dimension exists to levels of mortgage borrowing among older households with any. Owning other houses or property also predicted mortgage borrowing on the main home. Households may intend to use the capital on these to help repay the mortgage on their main home and to support their future wealth more generally. However, outstanding borrowing on these other properties was a particularly strong predictor of mortgage borrowing on the main home, suggesting that the scope for some households to use this capital will be somewhat limited.

About the Wealth and Assets Survey

The Wealth and Assets Survey is a large-scale national survey of individuals and households living in private households in Great Britain. First undertaken in 2006-2008, the survey is longitudinal in design. Each wave is undertaken over a two-year period, with respondents to the first wave being interviewed at two-year intervals following their initial interview. A sample of approximately 30,000 private households and 70,000 individuals (aged 16 and over) were interviewed in wave 1. In wave 2, which was carried out in 2008-10, a total of 46,347 individuals living in 20,170 households were successfully interviewed (many of whom were also successfully interviewed in wave 1). Of these, 12,357 households were headed by someone aged 50 years or over; 2,333 of this subset had outstanding mortgages on their main residence.

The primary purpose of the survey is to provide survey-based estimates of the economic well-being of households. It measures wealth across four components: physical wealth; property wealth; financial wealth; and private pension wealth. The survey captures assets and liabilities (the latter in relation to property and financial wealth) in considerable detail. In addition to the main measures of wealth captured in the Wealth and Assets Survey, the survey also includes a range of supplementary measures, encompassing household and individual demographics, socio-economic characteristics, and measures of financial behaviours, attitudes and financial difficulties.

The value of the main residence (in owner-occupier households) is estimated by the person responding on behalf of the household. They are first asked to estimate 'About how much would you expect to get for your current home if you sold it today' and if unable to provide a point estimate are then asked to identify a range of values from a set list that they think would best represent the value of their home if sold today. It is important to note that people may over-report the value of their property in surveys, at least in part because they may relate their property to asking prices in their area rather than sold prices.[13] This may be even more pronounced in a falling market, when vendors might be less likely to achieve their asking price. The value of any outstanding mortgages is collected in a similar, two-stage process, although respondents are encouraged to consult any relevant documentation from their mortgage or policy provider where possible to improve the accuracy of their responses.

All analysis presented here was undertaken using the Wealth and Assets Survey 2008-10 (Special Licence) data in IBM SPSS (v19) using data weighted by the cross-sectional weight.

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[13] See for example, Black, O (Ed) (2012) Wealth in Great Britain. Main Results from the Wealth and Assets Survey: 2008/10, Part 1. Newport: Office for National Statistics.

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