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NEWS RELEASE

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Just Group Freedom of Information request reveals regions where high house prices cause the biggest IHT headaches

- Retirement specialist says figures put spotlight on estate planning options where home value is likely to make up large proportion of an estate on death

Residential property makes up nearly half the value (49%) of estates facing Inheritance Tax in London compared to a quarter or less in areas including Wales (25%), the North East (24%), Scotland (23%) and Northern Ireland (18%).

Analysis of the HMRC figures provided to retirement specialist Just Group following a Freedom of Information request¹ also show that the proportion of estates made up of cash and financial securities is lower in London and the East of England than other regions.

“Although the average value of estates liable for Inheritance Tax doesn’t vary much by region, the components of those estates is very different,” said **Stephen Lowe, group communications director at Just Group.**

Region	Total No. of Estates	Average Estate value (£)	Average value securities & cash (£)	Securities & cash (%)	Average value residential property (£)	Residential property (%)
London	4,010	£1,431,421	£558,603	39	£698,254	49
East of England	2,520	£1,158,730	£524,603	45	£464,286	40
South East	4,930	£1,253,550	£628,803	50	£480,730	38
South West	2,590	£1,235,521	£630,116	51	£386,100	31
West Midlands	1,260	£1,166,667	£655,556	56	£323,016	28
North West	1,380	£1,007,246	£584,058	58	£276,812	27
Yorkshire & Hum	979	£1,052,094	£565,884	54	£283,963	27
East Midlands	929	£1,097,955	£606,028	55	£298,170	27
Wales	654	£978,593	£548,930	56	£249,235	25
North East	347	£925,072	£547,550	59	£224,784	24
Scotland	1,190	£1,084,034	£629,412	58	£254,622	23
Northern Ireland	252	£1,011,905	£599,206	59	£182,540	18

Freedom of Information request from Just Group to HMRC for the Asset Breakdown by Geographical Region for Taxpaying Estates in 2018-19

“In areas such as London and the East of England property is a much bigger proportion of the estate and relatively low amounts of cash and securities are left compared to other areas which may require a very different approach to estate planning.”

Comparing the latest HMRC figures (for 2018/19) to the number of deaths recorded in each region that year suggests Inheritance Tax is due on about one in every 30 deaths (3.5%) in the UK. Estates left by those living in higher house price areas are most likely to pay IHT – London (7.6% of deaths), South East (5.7%), South West (4.3%) and East of England (4.1%).

“Property can be tricky when it comes to estate planning because it is providing a place to live and is often a sentimental as much as a financial asset and,” he said. “It is also illiquid in the sense you can’t sell or gift part of a property as easily as cash or other investments.

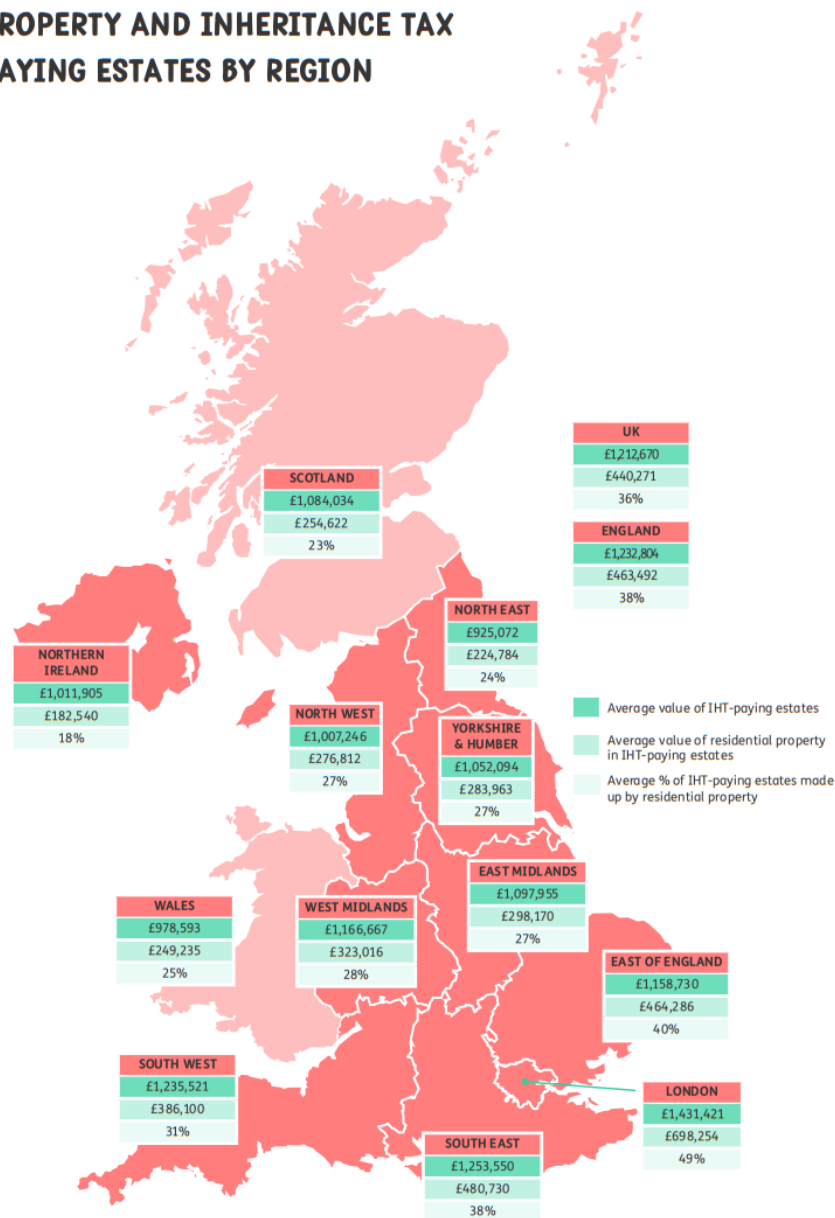
“That is why we are seeing equity release being used for estate planning because cash released can be gifted and, depending on how long the homeowner lives, may not form part of the estate on death or will attract a lower rate of Inheritance Tax.”

He said that innovations such as interest-servicing give new options for people with income to release lump sums early while having the security of a fixed interest rate and benefiting from any future price rise on the whole value of the property.

“These days our homes make up such a large proportion of a homeowner’s wealth that is important to factor it into to financial planning and to take professional advice,” he said.

“Whether it is to generate more income or lump sums, to make gifts or to pay for care in later life, the value tied up in a property can contribute to helping people meet their goals in later life.”

PROPERTY AND INHERITANCE TAX PAYING ESTATES BY REGION



Source: Freedom of Information request by Just Group to HMRC for the asset breakdown by geographical region for tax paying estates in 2018-2019.

Enquiries

Media

Stephen Lowe, Group Communications Director

Lucy Grubb, Head of Media & PR

Telephone: +44 (0) 1737 827 301
press.office@wearejust.co.uk

Temple Bar Advisory

Alex Child-Villiers
William Barker
Sam Livingstone

Telephone: +44 (0) 20 7183 1190

Notes to Editors:

About the research

1: Freedom of Information request from Just Group to HMRC for the Asset Breakdown by Geographical Region for Taxpaying Estates in 2018-19

About Just

Just (Just Group plc) is a FTSE-listed specialist UK financial services company.

A leader in the individual retirement income, care and defined benefit de-risking markets, Just has been trusted to manage over £23 billion of customers' retirement savings and has helped customers release £5.8 billion from their properties.

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