

JUST.

NEWS RELEASE

Wednesday 23rd October 2024



Property wealth makes up 42% of IHT-paying estates in London, FOI reveals

- Property wealth accounts for 42%, on average, of the value of IHT-paying estates in London, 38% in the South East
- Breakdown of estate assets by region shows areas where property makes up biggest proportion of IHT-paying estates
- House price growth and frozen thresholds have tipped many more estates over IHT threshold

An HMRC Freedom of Information request from retirement specialist Just Group reveals that in 2021-22 (the latest financial year of data available) property accounted for 42% of the wealth in estates paying IHT in London, with the average value of the property being more than £809,000¹.

The average value of estates in the capital liable for IHT was more than £1.9 million, nearly £300,000 higher than the South East which was the region with the second highest average estate values (£1.6 million) and £750,000 more than the North East which was the region with the lowest average estate values (£1.2 million).

The value of housing wealth in IHT-paying estates drops to 40% in the South East (£658,000), 38% in the East of England (£566,000), 38% in the South West (£565,000), 33% in the West Midlands (£440,000), 32% in the North West (£417,000) and 30% in Wales (£369,000).

| Region | Total No. of Estates | Av. Estate Value | Av. value of securities & cash | Proportion of Av. Estate | Av. value of Property | Proportion of Av. Estate |
|--------------------|----------------------|------------------|--------------------------------|--------------------------|-----------------------|--------------------------|
| London | 3,390 | £ 1,914,454 | £ 622,720 | 33% | £ 809,406 | 42% |
| South East | 4,880 | £ 1,633,197 | £ 683,291 | 42% | £ 657,841 | 40% |
| East of England | 2,400 | £ 1,495,833 | £ 638,218 | 43% | £ 566,265 | 38% |
| South West | 2,690 | £ 1,505,576 | £ 674,361 | 45% | £ 565,385 | 38% |
| West Midlands | 1,400 | £ 1,342,857 | £ 609,153 | 45% | £ 439,568 | 33% |
| North West | 1,590 | £ 1,320,755 | £ 632,435 | 48% | £ 416,875 | 32% |
| Wales | 720 | £ 1,231,944 | £ 541,849 | 44% | £ 368,564 | 30% |
| East Midlands | 1,080 | £ 1,388,889 | £ 651,738 | 47% | £ 406,306 | 29% |
| North East | 404 | £ 1,158,416 | £ 628,713 | 54% | £ 299,492 | 26% |
| Scotland | 1,350 | £ 1,414,815 | £ 789,340 | 56% | £ 362,500 | 26% |
| Yorkshire & Humber | 1,090 | £ 1,642,202 | £ 926,956 | 56% | £ 392,453 | 24% |
| Northern Ireland | 242 | £ 1,512,397 | £ 735,243 | 49% | £ 300,781 | 20% |

FOI request from Just Group to HMRC for the Asset Breakdown by Region for Taxpaying Estates in 2021-22 – latest available data

In the East Midlands, the North East, Scotland, Yorkshire & Humber and Northern Ireland, property wealth made up less than 30% of the value of the average IHT-paying estate. Cash and securities make up a far larger proportion by value of the average estate in the majority of these regions, although substantially fewer estates are liable for IHT in these areas.

Stephen Lowe, group communications director at the retirement specialist Just Group, said:

“When it comes to estates that pay inheritance tax the figures speak for themselves. Average house prices in the UK have more than trebled since 2000², with those living in London and the South East particularly impacted due to average property prices being far higher than the rest of the country.

“The introduction of the residence nil-rate band in 2015 reduced the IHT due for some of those leaving property to a direct descendant but the threshold has been held at £175,000 since 2021 while house prices have risen a further 15%, so it’s likely more people are being dragged into paying that tax through the value of their property.

“Estate planning is a complex area that can benefit from professional financial advice, helping to support individuals wanting to manage their estate in an efficient way that ensures as much of their estate can be passed on as inheritance to loved ones.”

ENDS

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
Sam Livingstone
Alistair de Kare-Silver
Juliette Packard

Telephone: +44 (0) 20 7183 1190

Notes to Editors:

1 – HMRC Freedom of Information request, Just Group: Asset breakdown by geographical region for taxpaying estates in 2021-22

2 – Land Registry Data, House Price Statistics, United Kingdom.

<https://landregistry.data.gov.uk/app/ukhpi/browse?from=2000-10-01&location=http%3A%2F%2Flandregistry.data.gov.uk%2Fid%2Fregion%2FUnited-kingdom&to=2024-10-01&lang=en>

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 more than £25 billion of customers’ retirement savings and has helped customers release over £6.8 billion from their properties.

Just provides the following wide range of products, advice and professional services to individual customers, financial intermediaries, corporate clients and pension scheme trustees:

Marketed Products

- De-risking solutions for pension scheme trustees who want to remove the financial uncertainty of operating defined benefit pension schemes;
- Individually underwritten retirement income products delivering a guaranteed income for life;
- Long term care plans that provide those people moving into residential care with peace of mind by knowing a regular payment will be made to the care provider for the rest of their life;
- Lifetime mortgages for people who want to safely release some of the value from their home.

Professional services

- Regulated financial advice and guidance services for individuals wanting help in using their pension savings and/or releasing some of the value from their home; and
- A range of business services tailored for our corporate clients, ranging from consultancy and software development to fully outsourced customer service delivery and marketing services.

The companies within Just Group are authorised and regulated in the United Kingdom by the Financial Conduct Authority and / or the Prudential Regulation Authority.

The information contained in this press release is intended solely for journalists and should not be relied upon by private investors or any other persons to make financial decisions.

Just Group plc is registered in England and Wales with company number 08568957. Its registered office is at Enterprise House, Bancroft Road, Reigate, Surrey, RH2 7RP. Just is a trading name used by Just Group plc and its group companies. For information about Just Group plc and its group companies visit www.justgroupplc.co.uk or www.wearejust.co.uk. Please contact us if you would like this document in an alternative format.



www.justgroupplc.co.uk



@wearejust_pr