i2i Financial Planning Group Ltd

MONEY MATTERS

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January 2022

AVOID THAT HOLIDAY SELFIE

With limited travel back on the agenda, including staycations for many, it pays to think twice before posting a holiday selfie on social media.

Your insurer may think you are advertising the fact that you are away from home, leaving your property unoccupied and your contents at risk. This could invalidate your insurance cover. Unfortunately, more and more criminals are searching social media posts to identify when a property might be empty.

If you plan to take a long break, check how many days your cover will remain in place for, as most policies will specify that your home can only be empty for a certain number of consecutive days. It might be worth asking somebody you trust to house sit for you while you're away.

INSURANCE ISNT ALWAYS THIS EXPENSIVE!

As with all insurance policies, conditions and exclusions will apply. **Source:** themoneypages.com/insurance

Theres a widespread belief that insurance is extremely expensive – but it doesn't have to be.

Perhaps the myth comes from the fact that many celebrities have insured parts of their body for astronomical sums? For example:

· Julia Roberts's smile is reportedly insured for $30m

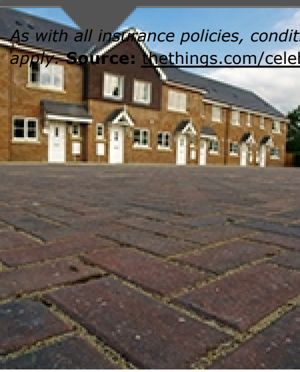
· Bond star Daniel Craig has insured his entire body for $9.5m

· And footballer Cristiano Ronaldo has his legs covered for $144m!

Returning to reality, protection insurance policies can be much cheaper than people think and can offer vital financial support at what is often a very difficult time. To find out about the various types of cover available and which might suit you, speak to us for help in finding a cost-effective policy.

As with all insurance policies, conditions and exclusions will apply. **Source:** thethings.com/celebrities-who-have-insured-body-parts/

WHATS YOUR BEST BET FOR BUY-TO-LET?



With demand for homes so high, buy to let is a solid investment choice. However, the rental yield you can expect depends on location.

Research from Seven Capital has revealed some top buy- to-let spots; Birmingham tops the list with an average rental yield of 5.4% and price growth of 14.2% over five years. Manchester, Derby, Liverpool, Nottingham and Newcastle, Leeds, Edinburgh, Bracknell, Sheffield and Glasgow are also on the list.

The vast majority of cities on the list were located in the northern half of the UK; although house prices are typically lower, many of them have bustling economies and have enjoyed significant government investment in recent years, increasing their popularity among renters.

Your home may be repossessed if you do not keep up repayments on your

AN INTRODUCTION TO GREEN MORTGAGES

The built environment contributes around 40% of the UK's total carbon emissions[1], meaning energy efficiency is becoming an increasingly essential issue. Enter green mortgages: loans according to which a lender will offer buyers preferential rates and terms if the home they are buying meets certain energy efficiency standards, or where the borrower has committed to retrofitting their home.

On the rise

Whilst these types of mortgages have been around for several years, research from Defaqto[2] suggests they only really took off in 2021, with 26 green mortgage products available on the market this year compared with just a handful a year ago. And it looks like this is just the beginning of a steep ascent, with the Climate Change Committee[3] saying that all UK homes should have an energy performance certificate (EPC) rating of C or above by 2028. Currently, 19 million of the UK's 29 million homes have a rating below this.

What types of homes qualify?

Usually, new-build homes with low EPC ratings (i.e., A or B) will qualify, but certain deals will offer incentives to those who make green home improvements. The incentive will usually be a lower rate, cashback, or a mixture of the two.

Your home may be repossessed if you do not keep up repayments on your mortgage. **Sources:** [1]UK Green Building Council, 2021, [2]Defaqto, 2021, [3]Climate Change Committee, 2021

EQUITY RELEASE AVAILABILITY HITS RECORD HIGH

The number of equity release products on the market has reached a record high, with over 5001 products now available, resulting in greater choice and flexibility for consumers. The average interest rate for Q1 was 2.84%, which compares to an average rate of 4.16% in 2019.1

A resilient market

The equity release market is proving resilient to the impact of the pandemic and remains a popular way of accessing funding in later life. Analysis1 reveals that the value of new plans taken out in the first three months of this year totalled £1.07bn, with an average amount of £103,710 released in Q1, up 25% from £83,242 in Q1 2020.

Assess your options

Despite the growing choice of products and competitive rates, many people could be paying over the odds, unaware they can switch to a cheaper rate. Equity release brokers aren't required by the Financial Conduct Authority (FCA) to keep in touch with borrowers once they've taken out a loan, or to inform them if there is an opportunity to switch. However, switching could save you a significant sum. A lifetime mortgage is a long-term commitment which could accumulate interest and is secured against your home. Equity release is not right for everyone and may reduce the value of your estate.Source: 1https://media.kg-cdn.co.uk/

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