



DENTAL & MEDICAL

FINANCIAL SERVICES

Dental & Medical Financial Services
1 Market Square, Horsham,
West Sussex RH12 1EU

T: 01403 780 770

F: 01403 780 771

E: info@dentalandmedical.com

W: www.dentalandmedical.com

Relying on an inheritance for future financial security

50% of British adults admit to having checked the value of their parents' property

With house value data now easily available to access online, it's interesting to see that so many are using this, not just to get an idea of what their own home may be worth, but to get an idea of the sort of amount they may get in terms of parental inheritance in the future.

Some Britons impacted by the cost of living say that they are relying on a property inheritance from their parents for their financial future, and to be able to buy a home, according to new research^[1]. The figures show that more than four in ten (43%) are relying on inheritance from home-owning parents during increasingly challenging economic times.

FUTURE FINANCIAL SECURITY

In fact, half (50%) of British adults whose parents own a property admit they have checked the value of their parents' property. But despite basing their future financial security on their inheritance, only 30% say they have actually spoken with their parents about how much they are likely to inherit.

Among those whose parents own a property, the average amount they expect to receive is £195,687, with the largest portion (£182,621) of this money coming from property inheritance alone. According to the research, many are making lofty plans with inheritance they've not yet received.

RECEIVING AN INHERITANCE

Almost six in ten (58%) expect to be able to move house, upgrade their home or pay off some or all of their mortgage as a result of receiving their inheritance. Of those, 36% are renting until they inherit, at which point they will buy to get on the property ladder, whilst 29% have gone as far as to purchase a home on the basis they will be receiving an inheritance in the future to help pay their mortgage.

CHECKING THE VALUE

Although some claimed the primary reason for checking the value of their parents' home was for their parents' benefit, with 36% saying it was to provide financial advice, a third (33%) admit the reason they checked the value was to get an estimate of their inheritance, and 27% check out of pure curiosity.

Beyond checking the value of the home, many even admit to making plans for the home they expect to inherit whilst their parents still live there. Amongst those expecting to inherit a home, nearly half (44%) have designs on how they would change it and, incredibly, one in seven (14%) have already started to make changes.

EMBARRASSING OR AWKWARD

Despite the fact most whose parents own a home are expecting to inherit it (68%), fewer than a third (30%) have asked them how much they are likely to receive. The primary reason given for not asking is they believe it is not any of their business (30%) whilst others opt not to simply because it is too awkward (13%).

Of the 12% who checked the value of their parents' home in secret, 30% admitted this was because it would be embarrassing or awkward to admit they had checked, and 25% because they didn't want to look money-grabbing or for their parents to get the wrong idea.

HELP FINANCIAL PLANNING

Discussing the topic of inheritance is often seen as taboo, with a quarter (25%) of respondents agreeing that it is not acceptable to talk to anyone about inheritance. However, 43% believe it is acceptable to talk to your parents about inheritance, but only 19% believe it is acceptable to talk to your children about inheritance, suggesting that, whilst children may be keen to discuss inheritance with their parents to help financial planning, parents would prefer not to discuss it.

Perhaps explaining why so many are wary of discussing the topic, 30% say they have fallen out with family members in the past over inheritance discussions, and 51% think inheritance could be the cause of family arguments in the future. Currently, 41% with home-owning parents say they have never discussed inheritance with family. ■

DEATH AND TAXES, TWO OF THE WORLD'S CERTAINTIES. HAVE YOU PLANNED FOR THESE EVENTS?

The earlier you begin your estate planning, the greater the opportunity to ensure that as much of your money as possible goes to your beneficiaries. So why wait? Start planning your estate today and secure a better future for your loved ones. If you think this could affect you, or if you are at all unsure, talk to us for more information. We look forward to hearing from you.

Source data:

[1] <https://www.zoopla.co.uk/press/releases/half-of-brits-admit-they-have-checked-what-their-parents-home-is-worth-with-over-four-in-ten-admitting-they-are-relying-on-an-in/>

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