



Using pension savings to support home ownership

Technical report

Contents

Introduction	2
Expert consultations	3
Financial impact	4
Data sources	4
Analysis	4
Limitations	5
Potential reach	7
Data sources	7
Analysis	7
Limitations	8
Public opinion	10
Online survey	10
Online discussion forum	11
Annex 1: Omnibus survey questionnaire	13
Annex 2: Online forum discussion prompts	20
Welcome statement	20
Day 1: General thoughts on the housing situation in the UK	20
Day 2: Experiences	22
Day 3: Using pension money for mortgage deposits	28
Day 4: Digging deeper into using pension money for mortgage deposits	30
Day 5	32

Introduction

This technical report accompanies the report '[Using pension savings to support home ownership](#)', which presents the findings from Nest Insight's research project looking at whether people in the UK should be allowed to access their pensions savings to buy a home.

Our research combined multiple approaches to address three core questions, with findings reported in separate chapters of the main report:

- › **Financial impact** - Are people better off if they use their pension savings to buy a home? (Chapter 3)
- › **Potential reach** - Who might be able to use their pension to buy a home? (Chapter 4)
- › **Public opinion** - How do people feel about the idea of using pensions to buy a home? (mainly Chapter 5, with some findings throughout the report)

The study was further informed by expert interviews at project inception and stakeholder roundtables during the analysis phase.

This report provides more detail on the research, including methodology, sampling, data sources and analysis approaches.

Should you require additional information, please contact: insight@nestcorporation.org.uk.

Section 1

Expert consultations

Interviews with industry and policy stakeholders were conducted at the beginning of the project to help us understand potential models of pension access for home ownership, international experience, and views on potential benefits and risk. We used the insights to shape our research questions and subsequent primary research.

We conducted semi-structured interviews with 17 industry experts from the housing and pension sectors as well as research organisations.

The interviews were tailored to the individual expert's background, and covered the following topics:

- › The case for a pension access scheme, options for the design of such a scheme, risks and opportunities, and potential wider economic impact.
- › The merits of and concerns regarding other government interventions to increase home ownership.
- › The case for pension fund investment in affordable housing, how such investment could work, risks and opportunities.
- › How the pension and housing systems or public policy in general can support private renters in retirement.

At the end of the project, we invited the same experts to online roundtables to discuss the findings of this research and its implications.

Section 2

Financial impact

In this section, we outline how we estimated the expected financial impact of using pensions towards home ownership for financial security under different scenarios.

Data sources

We used Nest's Pot Distribution Simulator (Version 9), which calculates the expected value of a pension pot over time based on contribution and earnings patterns. Earnings estimates were based on age-related household income for working-age couples and single-income households from the Wealth and Assets Survey (WAS) Wave 8. The Wealth and Assets Survey is a nationally representative survey, run by the Office for National Statistics, that collects detailed information on household asset, savings and debts. Wave 8 data was collected from an achieved sample of 15,100 households in Great Britain between April 2020 and March 2022.¹

Analysis

We modelled household pension savings and property wealth at age 68² to estimate income in later life. Total income included income from workplace pension savings and the State Pension after housing costs (AHC). We did not account for any additional private pensions, property wealth, cash savings or expectations around future lump sums such as inheritance.

To estimate income in retirement, we modelled flows from private pension savings in line with Nest's Guided Retirement Fund.³ This provides an estimate of an individual's income flow until the end of their life, based on income drawdown until age 85 and an annuity purchased at age 85 from money set aside in a later life fund which should provide an annuity income equivalent to the individual's drawdown income. This income is in nominal terms (that is there's no inflation indexing).

We compared the outcomes under four scenarios⁴

1. renting through retirement
2. buying a home with help of a pension withdrawal
3. buying a home with the help of a pension withdrawal, and increasing contribution rates
4. buying a home without accessing pension savings or with pension pledging⁵

We considered different types of households, income levels and withdrawal ages (see Chapter 3 for scenarios).

Assumptions

We made the following assumptions:

- › **House price:** £200,000, the average price of a first-time buyer property in the United Kingdom in March 2022,⁶ with an increase in value of 0.2% a year above inflation.
- › **Pension savings:**
 - › Households make contributions in line with current automatic enrolment minimum rates, i.e. 5% employee (including 1% tax relief) and 3% employer contribution. A 1.8% contribution charge is added.
 - › Households withdraw £20,000 of their pension savings towards a home, equivalent to a 10% deposit.

¹ For more detail see: Office for National Statistics (2025). [Household total wealth in Great Britain: April 2020 – March 2022](#).

² The default retirement age used in the Pot Distribution Simulator and the future State Pension Age.

³ Nest Pensions (accessed February 2026). [Nest Guided Retirement Fund | Nest Pensions](#).

⁴ See Chapter 2 of the main report for a description of the different models.

⁵ These models are equivalent assuming no default and ignoring interactions with other forms of savings.

⁶ HM Land Registry (2026). [UK House Price Index](#). We used 2022 house price data to match it to the wave of the WAS data used in this analysis.

- › **Housing cost for renters:** £10,248 per year, the average rent for a one-bedroom property in 2022.⁷
- › **Housing costs for homeowners:** £1,140 per year.⁸
- › **Household income:** We modelled outcomes for households earning median income as well as households earning at the 25th percentile, drawing on the WAS data. We distinguished between cohabiting couples and single-adult households, in line with the WAS definition, and constructed age-related earnings profiles based on the WAS data. Income is modelled in real terms and we assumed zero annual real income growth.
- › **Labour market participation:** We assume that individuals work full time until from age 22 until age 68 and contribute towards their workplace pension continually throughout this period.

Limitations

- › **The WAS dataset has several limitations,**⁹ including:
 - › **Age of the data:** At the time of analysis, the most recent wave available was Wave 8 (2020-22). Because data collection took place during the COVID-19 pandemic, some findings may reflect temporary shifts in circumstances that differ from more recent trends.
 - › **Response rate:** Wave 8 fieldwork was conducted largely via telephone interviews due to the pandemic, leading to a lower response rate (41%, down from 58% in the previous wave). The final sample remained substantial at around 15,100 households. While response rates matter, sample representativeness is equally important for robust analysis. The weighting scheme was updated in Wave 8 to ensure the sample remained as representative as possible of the British population. Survey weights were applied in all analyses so that findings can be generalised to the wider population.
 - › **Self-reported data:** The dataset relies on self-reported data which may be subject to potential inaccuracies because of recall error or misunderstanding.
 - › **Quality concerns:** Due to issues identified in Wave 8, the Office for Statistics Regulation suspended the dataset's official statistics designation. Nonetheless, we use the WAS dataset here because it continues to offer the most comprehensive coverage of the population and variables relevant to this research.
- › **The model makes simplifying assumptions around home ownership and household wealth.** For example, we did not consider other forms of savings either as counting towards a deposit or when calculating household wealth. It also assumes that households stay in a property of the same value throughout their lives. These assumptions might understate the level of household wealth in all scenarios, but especially in those that assume home ownership.
- › **The model makes simplifying assumptions around income and pensions.** Firstly, it assumes there are no breaks in pension contributions. Individuals are assumed to work full-time from the age of 22 to 68 and to contribute to their workplace pension continually throughout this period. In practice, individuals may have breaks in their pension contributions, for example if they have taken time out of work to provide care or been unemployed. Secondly, it assumes no growth in real incomes, including due to career progression. On average, it is difficult to say whether the overall impact of this leads to an over- or under-estimation of income in retirement.
- › **The model considers averages, not distributions.** For example, outcomes might differ considerably based on house prices in different regions or households might have considerably higher housing costs in case of repairs.

Table A.1 below presents the results for a co-habiting couple, earning at the 25th percentile (see Main Report, Table 3.1, which shows results for a co-habiting couple earning median income).

⁷ Office for National Statistics (2025). [Price Index of Private Rents, UK: monthly price statistics](#).

⁸ Office for National Statistics (2023). [Family spending in the UK: April 2021 to March 2022](#).

⁹ A detailed discussion of strengths and limitations is available at Office for National Statistics (2025). [Wealth and Assets Survey QMI - Office for National Statistics](#).

Table A.1: Defined contribution pension savings, property assets and income at age 68 for a cohabiting couple earning at 25th percentile throughout their life

Scenario	Pension pot (at 68)	Property value (at 68)	Pension + property assets (at 68)	Annual retirement income (AHC)	Income v. renting
Lifelong renter	£163,700	£0	£163,700	£22,600	-
Withdraws £20,000 at age 30 to buy first home	£125,900	£219,900	£345,800	£29,600	+31%
Withdraws £20,000 at age 30 for deposit, increases personal contributions by 2%	£165,300	£219,900	£385,200	£31,800	+41%
Withdraws £20,000 at age 40 to buy first home	£122,700	£214,500	£337,200	£29,500	+30%
Withdraws £20,000 at age 40 to buy first home, increases personal contributions by 2%	£144,400	£214,500	£358,900	£30,600	+36%
Does not withdraw pensions for home ownership. Uses pledging model at age 30 or other source of savings for deposit	£163,700	£219,900	£384,000	£31,700	+40%

Notes: Assumptions as described in Section 2.

Section 3

Potential reach

In this section, we outline how we estimated how many people and who could be expected to benefit from a pension access scheme.

Data sources

We used two datasets:

1. Wealth and Assets Survey (WAS) Wave 8 (see above). We used data on:
 - › Age of the survey respondents.
 - › Household size and composition in terms of number of adults of working age and relationship status of people within the household to one another.
 - › The housing tenure of the household.
 - › The geographic location of the household on the Government Office Region indicator.
 - › The gross income from employment for individuals and, where applicable, couples within the household.
 - › Assets in retained and current defined contribution (DC) and defined benefit pension schemes.
 - › Assets held in financial savings products such as ISAs (all existing and current types), savings accounts and shared savings accounts where applicable for couples.
2. House Price Index for data on average house prices for first-time buyers by Government Office Region, based on 2022 prices.¹⁰

Analysis

Relevant groups

To calculate how many prospective buyer households might benefit from a pension access scheme, we created four groups from variables within the WAS based on the respondents' age, their household make-up and relationship status:

1. Adults of working age living alone in rented accommodation.
2. Co-habiting couples, with at least one of the couple being of working age, living in rented accommodation. These couples may or may not be living with other individuals within the household.
3. Adults of working age, not in a couple but not living on their own, living in rented accommodation.
4. Adults of working age, not in a couple, not living on their own but in an owned property in which they are not the head of the household. This group is believed to be mainly individuals living with parents or other family.

To calculate the volume of each group, the WAS Wave 8 cross-sectional household weight was applied.

Earnings

For each of the groups, the WAS-derived variable of gross income from all employment was used as the estimate for earnings. This includes first and second jobs, where applicable. It does exclude any income from self-employment or businesses income. For cohabiting couples, the value is aggregated.

Pension assets

DC pension assets were calculated from the WAS-derived variables for:

- › total value of current DC pension wealth
- › total value of personal pension wealth
- › total value of pension additional voluntary contributions

¹⁰ HM Land Registry (2026). [UK House Price Index](#).

-
- › retained assets in DC schemes from the derived variables for total value of retained rights in DC schemes, both where some and no money has been accessed from the scheme

For those individuals who hold defined benefit assets, the value was calculated from the sum of the derived variables for total value in current defined benefit schemes plus retained rights in defined benefit schemes, both where some and no money has been accessed.

Where applicable, for cohabiting couples, assets were aggregated.

Financial assets

Other financial assets held was calculated from the WAS-derived variables for:

- › total value of assets in savings accounts
- › total value for shared savings accounts, where applicable for couples
- › total values of individual savings accounts, where applicable for couples and then aggregated
- › total value of all ISAs, including cash, investment, lifetime and innovative finance ISAs
- › total value of National Savings products

For cohabiting couples, assets were aggregated where not already stated.

Mortgage and deposit affordability

Using average first-time buyer house prices by Government Office Region and the earnings from employment, a marker of mortgage affordability was created using a standard calculation of house price < 4.5 times income from employment.¹¹

For the value of the deposit, we assumed 10% of the average first-time buyer house price by Government Office Region in 2022.

Estimation of reach

We then estimated:

1. The number in each group who, at the point of data collection for WAS Wave 8, could only afford a deposit if they were to add some of their pension assets to their other financial assets; and
2. The number in each group who, at the point of data collection, already had enough other financial assets for a deposit under the same scenarios, but who may choose to use some of their pension assets to grow their deposit.

To calculate the volume of each group, the WAS Wave 8 cross-sectional household weight was applied.

Scenarios

We compared outcomes for different levels of deposit requirements (5% and 10%), different levels of income multiplier (4.5 and 5.5 times income) as well as different percentages of pension savings accessed (25% and 50%).

Limitations

The general limitations of the WAS dataset discussed above apply. In addition, the following limitations apply to this piece of analysis:

1. **Growth in pension wealth:** The age of the data, collected between 2020-22, means that our analysis likely underestimates the number of people who could benefit from a pension access scheme because pension savings will have grown considerably faster than house prices since the time the data was collected.

¹¹ We applied the income multiplier to the value of the property, rather than the value of the mortgage. While the latter is more relevant for mortgage eligibility, the more conservative approach accounts for the fact that homebuyers will need to cover other costs associated with buying a home (conveyancing costs, surveys, moving costs, potentially stamp duty) with existing savings.

-
2. **Income pooling:** It wasn't possible to identify individuals who do not live together but who might pool their savings to buy a home. Instead, we assumed that prospective buyers include couples who currently live together, or individuals who either live alone, or live with (but are not partnered with) other adults. This may also underestimate the number of households who could benefit from a pension access scheme.
 3. **Mortgage eligibility:** Beyond house price to income ratios, it was not possible to identify households who might find it difficult to secure a mortgage on account of factors such as credit history or income variability. This means our analysis may overestimate the number of people who could benefit from a pension access scheme.
 4. **Previous home ownership:** In the WAS dataset, it was not possible to identify non-homeowners who had previously owned a home, and may not therefore be first-time buyers. Were a pension access scheme to be limited to first-time buyers, this means that our analysis likely overestimates the number of people who could benefit.

Section 4

Public opinion

In this section, we describe how we assessed public opinion on the topic of pension access for home ownership. This data was largely reported in Chapter 5 of the report, with individual insights and quotes from the qualitative research also feeding into other chapters.

Online survey

Data collection

Quantitative data was collected via YouGov's online omnibus survey¹² with a nationally representative sample of 4,200 UK adults in two waves on 17 and 29 July 2025. We added 17 questions to the survey; the full questionnaire can be found in [Annex 1](#).

Sample

We did not restrict eligibility by housing tenure; as such, the sample included both homeowners, renters in the private and social sector, and those living with family and friends. The data was weighted and is representative of UK adults (aged 18 and over).

Sample details are presented in Tables A.2 and A.3.

Table A.2: Sample by housing tenure

Own – outright	33%
Own – with a mortgage	26%
Own (part-own) – through shared ownership scheme (i.e. pay part mortgage, part rent)	1%
Rent – from a private landlord	15%
Rent – from local authority	4%
Rent – from a housing association	5%
Neither – live with parents, family or friends but pay some rent to them	5%
Neither – live rent-free with parents, family or friends	8%
Other	1%

Table A.3: Sample by age

18-34	27.4%
35-44	16.4%
45-54	16.7%
55-64	16.0%
65 and over	23.6%

¹² YouGov (accessed February 2026). [UK Omnibus Surveys](#)

Analysis approach

We used YouGov's interactive online analytics platform to generate the statistics used in this report. The analysis is Nest Insight's own work.

Online discussion forum

Data collection

Qualitative data was collected through a one-week online discussion forum run by Ignition House on behalf of Nest Insight in September 2025. Research participants responded to over 100 questions over the course of five days. They were also invited to share their reflections and react to and comment on other participants' contributions in writing. The prompts were developed based on early insights from our expert interviews and literature review and covered the following topics:

- › views on the housing situation in the UK
- › experience of saving towards a deposit and buying a first home
- › views on using pensions towards home ownership
- › views on using pensions to build more affordable homes¹³

For some of the topics, discussion was split by sub-group (see below). The full list of questions can be found in [Annex 2](#).

Sample

We used a purposive sampling approach, focusing on sub-groups of the population that were of specific interest given the topic of the research. Eligibility was limited to non-homeowners (regardless of whether they rent in the private or social sector, or live with others without paying rent) and homeowners who had bought in the past three years. All participants had at least some DC pension savings, either contributing at the moment or having contributed in the past.

We recruited for three groups, with further secondary sampling criteria to have representation from a range of backgrounds that we expected to shape views on the topic:

Group 1: Non-homeowners actively saving for first home and expect to buy in next 10 years (n = 24)

- › Eligibility: Working full-time or part time, or self employed
- › Sample split:
 - › **Tenure:** 16 x private renters, 4 x social renters, 4 x living with friends/family
 - › **Earnings:** 14 x low- to median-income households, 10 above median income households
 - › **Pension savings:** 20 x currently contributing to a DC pension, 4 x that had opted out to save for a home
 - › **Age:** 8 x 22-34-year-olds or aged 22 to 34, 8 x 35-44-year-olds or aged 35-44, 8 x 45-65-year-olds or aged 45 to 64

Group 2: Recent first-time buyers, bought first home in the last 3 years (n = 12)

- › Eligibility: currently contributing to DC pension
- › Sample split:
 - › **Family status:** 8 x couples, 4 x singles
 - › **Gross household income:** 4 x £30-50k for couples (below median) and 4 x £50-£100k (above median); £25-£60k for singles
 - › **Age:** 4 x aged 22-34-year-olds or aged 22 to 34, 4 x aged 35-44-year-olds or aged 35-44, 4 x aged 45-65-year-olds or aged 45 to 64 (if possible)

¹³ The insights on this last topic will be explored in more depth in a forthcoming report.

Group 3: Renters aged 45-65 who don't expect to buy a home (n = 12)

- › Eligibility: Exclude those whose rent is paid in full by Housing Benefit in any tenure; all low-to-median income households and have some DC savings but not necessarily contributing; can be retired/ inactive; can have owned a home before.
- › Sample split:
 - › **Tenure:** 8 x private renters, 4 x social renters

Across all groups, we aimed for an approximate split as follows:

- › **Region:** Equal split between people in areas with high housing affordability versus low housing affordability
 - › Most affordable: North West, East Midlands, Yorkshire and the Humber, North East, Scotland, Wales, Northern Ireland. Of which 5 in Wales, 5 in Scotland and 5 in Northern Ireland.
 - › Least affordable: London, South East, East of England, South West, West Midlands. No more than 5 in London and 5 in South East.
- › **Family status:** 32 couples, 16 single person households (including those who are divorced/widowed)
- › **Gender:** equal gender split
- › **Ethnicity:** range of ethnic backgrounds

Participants were recruited by a partner agency, and received compensation of £140.

Analysis

Thematic analysis was conducted by Ignition House and Nest Insight researchers to extract key themes, as well as differences across the three subgroups.

All quotations included in the report are from this analysis.

Annex 1: Omnibus survey questionnaire

Base: All

[profile_house_tenure] Do you own or rent the home in which you live?¹⁴

- <1>Own – outright
- <2>Own – with a mortgage
- <3>Own (part-own) – through shared ownership scheme (i.e. pay part mortgage, part rent)
- <4>Rent – from a private landlord
- <5>Rent – from my local authority
- <6>Rent – from a housing association
- <7>Neither – I live with my parents, family or friends but pay some rent to them
- <8>Neither – I live rent-free with my parents, family or friends
- <95>Other, please specify

Base: Non-homeowners (profile_house_tenure=4-8)

[Q1] You mentioned you currently rent the home in which you live, or you live with parents, family or friends ... Have you previously owned, or do you still own a home in the UK?

- <1>Yes, I have previously owned a home but no longer do
- <2>Yes, I currently own a home but I no longer live in it
- <3>No, I have never owned a home

Base: Private renters (profile_house_tenure=4)

[Q2] {multiple} You said that you rent from a private landlord at the moment. Which of the following are the MAIN reasons for that? Please select up to two options.

- <1>It gives me flexibility over where I live
- <2>I can't afford a mortgage at the moment
- <3>I haven't saved enough for a deposit towards a home
- <4>I'm waiting for a home in social housing
- <5>I don't know where I want to settle yet
- <6>I don't expect to settle in the UK
- <95>Other, please specify

¹⁴ Respondents in group 1-3 are referred to as homeowners. Respondents in groups 4-8 are referred to as non-homeowners for the purpose of routing. "Other" respondents are excluded from questions that target groups by tenure. They are included in "All".

Base: Homeowners (profile_house_tenure=1-3); non-homeowners who have never owned a home (profile_house_tenure=4-8 and Q1=3)

[Q3] {if homeowner}: How important is owning a home, to you?

{if non-homeowner} How important to you is it to own a home in the future?

- <1>Very important
- <2>Somewhat important
- <3>Neither important nor unimportant
- <4>Somewhat unimportant
- <5>Not important at all
- <98>Don't know

Base: All

[Q4] {multiple} Which of the following, if any, do you believe are the MAIN benefits of owning your own home? Please select up to two options.

- <1>A safe and secure home as long as you need it
- <2>A financial investment
- <3>Something I can borrow money against (eg getting a second mortgage)
- <4>Lower living costs when I'm older
- <5>An inheritance for your children or other family members
- <6>Having control over how I live and any changes I want to make to the property
- <95>Other (please specify)
- <7>None - I do not think there are any benefits to owning your own home
- <98>Don't know

Base: All non-homeowners who have never owned a home (profile_house_tenure=4-8 and Q1=3)

[Q5] {multiple} Which of the following best describes you? Please select up to two options.

- <1>I'm actively saving for a deposit and I expect to buy a home within the next 3 years
- <2>I'm actively saving for a deposit and I expect to buy a home but it will take more than 3 years
- <3>I expect to buy a home but I'm not actively saving towards a deposit because I can't afford to at the moment
- <4>I expect to buy a home but I'm not actively saving for a deposit because it's not a priority for me at the moment
- <5>I expect to buy a home but I'm not actively saving for a deposit because I already have enough savings, or I expect to receive money from family or friends
- <6>I don't expect to buy a home in the future because I expect to live with family or friends
- <7>I don't expect to buy a home in the future because I prefer to rent
- <8>I don't expect to buy a home in the future because I don't think I will ever be able to afford it
- <9>I don't expect to buy a home because I don't plan to settle in the UK
- <95>Other (please specify)

Base: All homeowners (profile_house_tenure=1-3) and non-homeowners who have never owned a home (profile_house_tenure=4-8 and Q1=3) who expect to buy a home (Q5=1-5)

[Q6] {if homeowner}: Did you receive any help towards your deposit in the form of a gift, loan, or inheritance from family or friends?

{if non-homeowner who expects to buy a home} Do you expect to receive any help towards your deposit in the form of a gift, loan, or inheritance from family or friends?

- <1>Yes, it made up / will make up a small amount of my deposit
- <2>Yes, it made up / will make up around half of my deposit
- <3>Yes, it made up / will make up most of my deposit
- <4>Yes, it made up / will make up all of my deposit
- <5>No, I didn't receive / don't expect to receive any help towards my deposit
- <95>Other (please specify)
- <98>Don't know

Base: All homeowners (profile_house_tenure=1-3) plus non-homeowners who have never owned a home (profile_house_tenure=4-8 and Q1=3) who are actively saving for a deposit (Q5=1-2)

[Q7] {multiple} Thinking about saving for a deposit to buy a home...

{if homeowner} Which of the following, if any, did you do in order to save for a home deposit? Please select all that apply.

{if non-homeowner who is actively saving for deposit} Which of the following, if any, did you do in order to save for a home deposit? Please select all that apply.

- <1>I spent a bit less on non-essentials
- <2>I spent a lot less on non-essentials
- <3>I increased my income by working additional hours or jobs
- <4>I stopped / reduced paying into my pension
- <5>I stopped paying off other kinds of debt
- <6>I moved home in order to pay less rent
- <7>I didn't have to change anything up to save for a deposit
- <8>I don't / didn't need a deposit
- <95>Other (please specify)

Base: Homeowners with a mortgage (profile_house_tenure=2-3) or non-homeowners who have never owned a home (profile_house_tenure=4-8 and Q1=3) who expect to buy a home (Q5=1-5), under age 67

[Q8] {if homeowner with a mortgage or non-homeowners who expect to buy a home} You said you own your own home, or you expect buy a home in the future. Please imagine you retire from work at age 67. Do you expect to have to make any mortgage payments after you retire?

{if part-owner/shared ownership} You said you part-own your own home. Please imagine you retire from work at age 67. Do you expect to have to make any rent or mortgage payments after you retire?

- <1>Yes, definitely
- <2>Yes, probably
- <3>No, probably not
- <4>No, definitely not

<5>I haven't thought about it

<98>Don't know

Base: non-homeowners who have never owned a home (profile_house_tenure=4-8 and Q1=3) who do not expect to buy a home and who don't plan to leave the UK (Q5=6-8), under age 67

[Q9] You said you don't expect to buy a home in the future. Please imagine you retire from work at age 67. Do you expect to have to pay rent from your household income after you retire?

<1>I expect to pay all my rent from household income

<2>I expect to pay some of my rent from household income and some will be paid through housing benefit

<3>I don't expect to pay any rent from household income. It will all be paid through housing benefit

<4>I haven't thought about it

<95>Other (please specify)

<98>Don't know

Base: Those who said they expect to have mortgage / rent to pay after age 67 (Q8=1-2, Q9=1,2)

[Q10] {if homeowner} You said you expect to have mortgage payments after age 67. Which of the following best describes you?

{if non-homeowner} You said you expect to pay rent from your household income after age 67. Which of the following best describes you?

<1>I am very confident that I will be able to afford these payments

<2>I am somewhat confident that I will be able to afford these payments

<3>I am not very confident that I will be able to afford these payments

<4>I am not at all confident that I will be able to afford these payments

<5>I haven't thought about it

<95>Other (please specify)

Base: All

[Q11] Saving for a home is a common savings goal. Saving toward retirement via a pension is another common form of savings. Thinking about these different savings goals...

Please imagine that a scheme were introduced which allowed people to take up to half of their pension savings out of their pension to use towards a deposit for a first home before age 55. This could include savings people have made to a workplace pension or a personal pension but would not include the State Pension.

Regardless of whether you would personally use it, to what extent do you think this scheme would be a good idea in general?

<1> It's a very good idea

<2> It's a fairly good idea

<3>It's neither a good idea nor a bad idea

<4> It's not a very good idea

<5> It's not a good idea at all

<95>Other (please specify)

<98> Don't know

Base: All non-homeowners who have never owned a home (profile_house_tenure=4-8 and Q1=3)

[Q12] Imagine you were able to take up to half of your pension savings out of your pension and use them towards a deposit to buy a first home.

How helpful would this be to you personally, either now or in the future?

<1>Very helpful

<2>Somewhat helpful

<3>Not very helpful

<4>Not at all helpful

<98>Don't know

<99>N/A I don't have enough pension saving, or I don't expect to have enough pension saving in the future

Base: Non-homeowners who have not owned a home in the past who think it would be helpful to use pension saving towards homeownership (Q12=1,2)

[Q13] {multiple} You said that it would be helpful to take up to half of your pension savings out of your pension and use them towards a first home deposit...What are the main reasons for this? Please select all that apply.

<1> Saving for a home is my priority. It's more important to me than saving for a pension

<2>Using the money now will make a bigger difference to my financial security than using the money in retirement

<3> This would make it easier for me to afford a home deposit

<4> This would make it quicker for me to afford a home deposit

<5> This would be the only way I could afford a home deposit

<95>Other (please specify)

<98>Don't know

Base: Non-homeowners who have not owned a home in the past, and who think it would not be helpful to use pension saving towards homeownership (Q12=3,4)

[Q14] {multiple} You said that it would NOT be helpful to take up to half of your pension savings out of your pension and use them towards a first home deposit ... What are the main reasons for this? Please select all that apply.

<1>I don't need to use my pension to save for a deposit. I will save enough through other means

<2>I don't have enough saved in my pension and I don't expect to in the future

<3>I don't know how much I have in my pension

<4>I have pension savings but I don't want to use them for a home deposit

<5>I want to keep my pension savings separate from everything else

<6>It's more important for me to save for retirement than to buy a home

<7>I don't understand enough about pensions to know if it is a good idea

<8>I don't understand enough about mortgages to know if it is a good idea

<95>Other (please specify)

<98>Don't know

Base: non-homeowners who have never owned a home (profile_house_tenure=4-8 and Q1=3)

[Q15] {multiple} Please imagine that you were to take up to half of your pension savings out of your pension and use them towards a home deposit ...

Which, if any, of the following would it help you to do? Please select all that apply.

<1>Buy a home sooner than planned

<2>Buy a bigger home than planned

<3>Buy a home in better condition than planned

<4>Buy a home in a better area than planned

<5>Keep some savings aside to improve or renovate the home that I buy

<6>I would buy the same type of home as planned but it would make things easier for me financially

<95>Other (please specify)

<97>N/A – I'm not planning to buy a home

<97>N/A – I wouldn't use my pension saving towards buying a home

<98> Don't know

Base: All

[Q16] {multiple} Which of the following concerns, if any, would you have about people using their pension savings towards a home deposit? Please select all that apply.

<1>Having less money in retirement

<2>Risks and rules could be hard to understand

<3>How reliable/secure this method is

<4>I prefer to keep home my pension savings separate from everything else

<5>Lack of trust in financial providers/ lenders/ pension schemes

<6>Lack of trust in housing providers/ estate agents

<7>Impact on taxation/ charges involved

<8>It could push house prices up

<9>You could lose your pension saving if house prices go down or you default on your mortgage

<10>I don't understand enough about pensions to know if it is a good idea

<11>I don't understand enough about mortgages to know if it is a good idea

<95> Other (please specify)

<98>Don't know

<99> N/A - I do not have any concerns about this

Base: All

[Q17] Now imagine that people could use up to half of their pension savings as a guarantee towards buying a first home, in place of a deposit. Their pension savings would stay in their pension and they would pay their mortgage as normal. They would only have to take their savings out of their pension if:

- a) They defaulted on their mortgage**
- b) They had to sell the home for less than they bought it and couldn't cover the difference any other way**

To what extent do you think this is a better or worse idea than taking pension savings out of a pension and using them directly towards a home deposit?

<1> Much better

<2> Slightly better

<3> Neither better nor worse

<4> Slightly worse

<5> Much worse

<98> Don't know

Annex 2: Online forum discussion prompts

Welcome statement

Our homes are fundamental to our health and wellbeing, and to our financial security. But finding a secure and affordable home in the UK can be hard. Many struggle to save for a deposit to buy a home, while renters face high costs and difficulty finding long-term, decent housing.

People in the housing and pensions industries, along with some policymakers, are thinking about whether pensions could help tackle these problems. Pension savings are often a person's biggest financial asset. One idea is to let people use some of their pension savings to buy their first home. Another idea is for pension funds to invest in building social and affordable homes. However, there's not enough evidence yet to know if these ideas are good, or even if people would want to use them. Nest Insight, the sponsors of this project, have started a year-long research project to explore these questions. Its aim is to discover whether these proposals could improve financial security and help more people find decent, affordable homes, or if they might have too many risks or challenges to be practical.

We can model scenarios to try to predict different outcomes, but scenarios don't show us what ordinary people think and feel about what these ideas could mean in real life. This is where we need your help. Over the next 5 days, we'll share information on the proposals and ask for your thoughts. Your participation will help us understand the challenges and opportunities. The more of your thoughts you share, the better our understanding will be. You can participate through our interactive bulletin board, or you can record video responses if you prefer.

Many thanks for taking part. We are excited to welcome you to this discussion forum, where your opinions can really make a difference.

Day 1: General thoughts on the housing situation in the UK

Day 1 AM: All participants

To start, we would like to find out a little bit about you and how you feel about the current housing situation in your area, and the UK more generally.

- › Starting more generally, what are your thoughts on the housing situation in the UK?
- › Across the housing system, do you think more importance is placed on homes being a source of investment and wealth, or on homes being essential to health, wellbeing and a decent life? Do you think this balance is right, and why do you say that?
- › Are there enough decent and affordable homes for people to rent and buy? Is this an issue everywhere, or is it worse in specific areas? Areas could be different regions of the country, or they could be differences between the types of area people live in like cities, towns, rural or coastal communities.
- › In what ways do you think that having a secure, decent and affordable home can positively impact your life? And what do you think are the negative impacts if your home isn't secure, decent and affordable?
- › What are your thoughts on affordable housing?
- › And what does "affordable housing" mean to you personally?
- › Now thinking more locally, how would you describe the housing situation in your area?
 - › For first-time buyers: What is the situation like, and what do you think are the main factors influencing this? Are there enough of the right kinds of homes for people?

-
- › For people renting from a private landlord: What is the situation like, and what do you think are the main factors influencing this? Are there enough of the right kinds of homes for people?
 - › For those trying to get social housing (from the council or a housing association): What is the situation like, and what do you think are the main factors influencing this? Are there enough of the right kinds of homes for people?
 - › What has your experience been of trying to find a home in your area?

Day 1 PM: Questions to be asked to all participants

We are going to spend a bit of time getting your views on buying a first home.

- › Thinking about people trying to get on the housing ladder, how easy is it for people to get their first home?
 - › Why do you say that?
- › And what kinds of people do you think can afford to buy their first homes at the moment?
- › Who do you think are struggling the most? How do you feel about that?
- › Is eventually owning a home the right thing for everyone? In what situations might it not be the best option?
- › What do you see as the biggest challenge around buying a first home? Such saving up for a deposit, or the affordability tests set by mortgage lenders, or something else? Please tell us why you think that.
- › Do you think that the difficulties people face when buying a home are mostly down to the housing system in the UK, or to their individual circumstances? Please tell us why you think that.

Thinking now about help for people who want to buy their first home:

- › Is enough being done to help people get onto the housing ladder?
- › What are your thoughts on current schemes, such as Help to Buy and Lifetime ISAs?

Over the course of the next 5 days, we are going to start thinking about pensions and how they might be used to help people buy their first home. To start, let's talk first about how you feel about saving into a pension.

- › What are your thoughts on saving for retirement?
- › And what are your thoughts on pensions?

Please tell us about any experiences you have had with workplace pensions so far.

- › When did you first start saving into a pension?
- › Why are you saving into a pension?
- › How do you feel about saving into a pension?
- › Are you able to save into a pension and make other savings at the same time, for example building up emergency savings, saving for a home deposit, home improvements or other financial commitments?
- › Which, if either, is more important to you right now – putting money into your pension or putting money into your home? Can you tell us more about that and do you think your priorities will change in the future?

Day 2: Experiences

Group 1: People who are actively saving and expect to buy

Day 2 AM: Motivations

You say that you are actively savings towards a deposit and expect to buy your first home in the next few years. We'd like to understand a little more about your experiences.

- › To start, can you tell me why you want to own your own home?
- › How important is home ownership is to you? Can you tell me why you feel that way - are there cultural, family, or personal reasons that shape this view?

POLL: Looking at this list, which of the following, if any, do you believe are the MAIN benefits of owning your own home? Please select up to two options.

1. A safe and secure home as long as you need it
 2. Having the freedom and control to do what I want in my home such as decorate to my taste, have pets or make adaptations
 3. A financial investment
 4. Something I can borrow money against (e.g. getting a second mortgage)
 5. Lower living costs when I'm older
 6. An inheritance for your children or other family members
 7. None - I do not think there are any benefits to owning your own home
- › Why did you select those as your main benefits? Are there any other things you see as key benefits?
 - › And are there any negatives to homeownership?

Owning your own home can mean that you have lower living costs in later life. We'd like to ask a few questions around how much you've thought about this.

- › To start, do you agree or disagree with this?
- › Is it something you have thought about when planning to buy your own home?
- › In what ways can homeownership lead to lower costs in later life?
- › What impact do you think being a homeowner vs being a renter in old age has?
- › How would you feel about the prospect of renting through to old age?
- › Do you feel like you could rely on your family to support you financially through later life? Can you tell me why you feel that way - are there cultural, family, or personal reasons that shape this view?

Day 2 PM: Experiences

- › Can you tell us about your journey so far towards buying your first home.
 - › What are the biggest challenges you face around your journey towards home ownership. For example, being able to get a mortgage, saving for a deposit, or something else?

-
- › Are there any personal or family situations that make home ownership harder, or easier, for you?
 - › How far have you got in understanding how mortgages work and what options are available for you? How have you found this process?
 - › Where are you going for information and advice?
 - › What would make this process easier or more accessible for you?

Now we'd like to hear a bit more about your experiences of saving for your deposit. The more information you feel comfortable to share on this, the more it will help us understand and provide evidence on the challenges that people are facing.

- › Can you tell me about your journey of saving for your first home? When did you start, and why?
- › How easy or difficult was it to save your deposit, and why?
- › What were biggest challenges you faced while trying to save for a deposit?

POLL: Thinking about saving for a deposit for your first home... Which of the following, if any, are you doing in order to save for a home deposit?

1. I'm spending a bit less on non-essentials
2. I'm spending a lot less on non-essentials
3. I have increased my income by working additional hours or jobs
4. I have stopped / reduced paying into my pension, or I am thinking about it
5. I have stopped paying off other kinds of debt
6. I have moved home in order to pay less rent
7. Not applicable - I have not had to change anything to save for a deposit

- › IF YOU ARE PAYING INTO A PENSION: Why have you decided to carry on saving into your pension? How easy or difficult has it been to carry on saving into a pension and save for your deposit at the same time?
- › IF YOU HAVE STOPPED PAYING INTO A PENSION: What made you decide to pause or stop contributions to your pension in order to save for a home? Did you feel conflicted or uncertain about choosing between saving for a house and saving for retirement? When do you think you will start paying into a pension again? How do you feel about that? Have you thought about making up the difference?
- › IF YOU ARE THINKING ABOUT STOPPING: What's making you think about pausing or stopping your pension contributions right now? How does the idea of stopping your pension contributions make you feel?
- › Could you tell us a bit more about the strategies are you using to save (e.g., budgeting, side jobs, cutting expenses, making changes to your job to earn more)?
- › How did you feel about making these changes?
- › Will you get any help in the form of a gift a loan or inheritance?
- › IF YES: Please tell us about that – how it will help you, and how much difference it will make.
 - › Would you be able to afford a home without it?
 - › How much of a strain or sacrifice might this gift be for the person offering it to you?

-
- › What will it help you to do differently, for example will it help you to buy a home faster than would otherwise have been the case? Or will you use the extra deposit money to buy a 'better' home - for example more expensive, or a bigger, or in a different area, or better maintained?
 - › Does this affect your saving patterns on any way? For example, do you save a bit harder knowing you could reach a target deposit, perhaps earlier than you thought, or do you relax your savings habits a bit knowing that this money was coming?
 - › How do you feel about some people having more help towards buying their first home than others?
 - › IF NO: Please tell us about that.
 - › What might you do differently if you were to receive some help towards your deposit? For example might you buy a home faster than would otherwise have been the case? Or would you use the extra deposit money to buy a 'better' home - for example more expensive, or a bigger, or in a different area, or better maintained?
 - › How do you feel about some people having more help towards buying their first home than others?

Group 2: Recent first-time buyers

Day 2 AM: Motivations

As a recent first-time buyer, we'd like to understand why it is important for you personally to own a home

- › To start, can you tell me why you wanted to own your own home?
- › How important is home ownership is to you? Can you tell me why you feel that way - are there cultural, family, or personal reasons that shape this view?
- › How did buying your first home make you feel?
- › And how do you feel about it now?
- › How are you managing financially now that you are a homeowner? How does this compare to before you bought your home?

POLL: Looking at this list, which of the following, if any, do you believe are the MAIN benefits of owning your own home? Please select up to two options.

1. A safe and secure home as long as you need it
 2. Having the freedom and control to have pets, or decorate to my taste
 3. A financial investment
 4. Something I can borrow money against (e.g. getting a second mortgage)
 5. Lower living costs when I'm older
 6. An inheritance for your children or other family members
 7. None - I do not think there are any benefits to owning your own home
- › Why did you select those as your main benefits? Are there any other things you see as key benefits?
 - › And are there any negatives to homeownership?

-
- › Owning your own home can mean that you have lower living costs in later life. We'd like to ask a few questions around how much you've thought about this.
 - › To start, do you agree or disagree with this?
 - › Is it something you have thought about when planning to buy your own home?
 - › In what ways can homeownership lead to lower costs in later life?
 - › What impact do you think being a homeowner vs being a renter in old age has?
 - › How would you feel about the prospect of renting through to old age?
 - › Do you feel like you could rely on your family to support you financially through later life? Can you tell me why you feel that way - are there cultural, family, or personal reasons that shape this view?

Day 2 PM: Experiences

- › Can you tell us about your journey towards buying your first home.
 - › What are the biggest challenges you faced around your journey towards home ownership. For example, having enough income for a mortgage, saving for a deposit, or something else?
 - › Are there any personal or family situations that made home ownership harder for you?
 - › How did you find out how mortgages work and what options were available for you? How have you found this process?
 - › Where did you get information and advice?
 - › What would have made this process easier or more accessible for you?

Now we'd like to hear a bit more about your experiences of saving for your deposit. The more information you feel comfortable to share on this, the more it will help us understand and provide evidence on the challenges that people are facing.

- › Can you tell me about your journey of saving for your first home? When did you start, and why?
- › How easy or difficult was it to save your deposit?
- › How do you feel about the process of saving – was it motivating, frustrating, rewarding?
- › What were the biggest challenges you faced while trying to save for a deposit?
- › Did the rising cost of living affect your ability to save? If so, how?
- › Were there any unexpected costs or setbacks during your savings journey?

POLL: Thinking about saving for a deposit for your first home... Which of the following, if any, did you do in order to save for a home deposit?

1. I have spent a bit less on non-essentials
2. I have spent a lot less on non-essentials
3. I increased my income by working additional hours or jobs
4. I stopped / reduced paying into my pension
5. I stopped paying off other kinds of debt

6. I moved home in order to pay less rent

7. Not applicable - I did not have to change anything to save for a deposit

- › IF YOU STILL PAID INTO A PENSION: How easy or difficult was it to carry on saving into a pension and save for your deposit at the same time? Did you ever think about stopping paying into your pension?
 - › If so, why did you decide to carry on saving into your pension? How easy or difficult was it to carry on saving into a pension and save for your deposit at the same time?
 - › If not, why was this not something for you?
- › IF YOU STOPPED PAYING INTO A PENSION: What made you decide to pause or stop contributions to your pension in order to save for a home? Did you feel conflicted or uncertain about choosing between saving for a house and saving for retirement? Have you started paying into a pension again? How do you feel about that? have you thought about making up the difference?
- › IF YOU THOUGHT ABOUT STOPPING: What made you think about pausing or stopping your pension contributions? Why did you decide not to do this? How does the idea of stopping your pension contributions make you feel?
- › Please tell us a little more about the strategies you used to save (e.g., budgeting, side jobs, cutting expenses)?
 - › How did you feel about making these changes?
 - › And how did you go about building up your savings?

POLL: Thinking back to when you bought your first home... did you receive any help towards your deposit in the form of a gift, loan, or inheritance from family or friends?

1. Yes, it made up a small amount of my deposit

2. Yes, it made up around half of my deposit

3. Yes, it made up most of my deposit

4. Yes, it made up all of my deposit

5. No, I didn't receive any help towards my deposit

- › IF YES You said you had some help with your deposit. Please tell us about that – whether it was a small or large part of your deposit, how it helped you, and how much difference it made.
 - › Would you have been able to afford a home without it?
 - › Did this mean you bought a home faster than would otherwise have been the case? Or did you buy a 'better' home - for example more expensive, or a bigger, or in a different area, or better maintained?
 - › Did this affect your saving patterns on any way? For example, did you save a bit harder as you knew you could reach a target deposit, perhaps earlier than you thought, or did you relax your savings habits a bit knowing that this money was coming?
 - › Did it have any impact on the mortgage you went for? For example, did it make getting a mortgage easier? Did you get a better rate? How do you feel about that?
 - › Did you use all of it for the deposit, or keep some back say for decorating or home repairs?
 - › How much of a strain or sacrifice was this for the person offering the money to you?

-
- › How do you feel about some people having more help towards buying their first home than others?
 - › IF NO You said you didn't have any help with your deposit.
 - › What might you have done differently if you had received some help towards your deposit?
For example would you have bought a home faster than would otherwise have been the case? Or would you have used the extra deposit money to buy a 'better' home - for example more expensive, or a bigger, or in a different area, or better maintained?
 - › How do you feel about some people having more help towards buying their first home than others?

Group 3: Don't expect to buy

Day 2 AM: Experiences

- › Can you describe your current rental situation?
- › Do you pay all your rent yourself or do you receive any Housing Benefit?
- › Why do you rent your home?
- › Do you feel that the home you're in now is the right home for you? Why or why not?
- › Some people say renting brings freedom, others say it brings uncertainty – how does it feel for you?
- › What would you say are the biggest barriers to you owning a home one day?
- › When you think back, did you ever picture yourself owning a home one day, or was renting always the plan?
- › Looking back over your life, when did you first realise homeownership might not be part of your future?
- › Was there ever a moment when your housing plans took a completely different turn than you expected?
- › Have your feelings about homeownership changed over time? Why is that?

Day 2 PM: Renting in retirement

- › How are you feeling about the possibility of renting through retirement? Have you given this much thought?
- › What are your biggest concerns about continuing to rent as you get older?
- › Do you think you will need to make any changes to where you live as you get older? Why do you think that and what would you change, if anything?
- › Have you thought about how much of your retirement income might go toward housing costs?
 - › IF YES: Could you share what your thoughts or plans are around that?
 - › IF NO: Can you tell us why this hasn't been something you've considered?

POLL: You said you don't expect to buy a home in the future. Do you expect to have to pay rent from your household income after the age of 67?

1. I expect to pay all my rent from household income
2. I expect to pay some of my rent from household income and some will be paid through housing benefit
3. I don't expect to pay any rent from household income. It will all be paid through housing benefit
4. I haven't thought about it

5. I don't know

- › Do you think you'll need to save more towards retirement than a homeowner? How confident do you feel about how much you might need to rent?
- › Have you started putting anything extra into your pension to cover the possible cost of having to rent through later life? Please tell us what you've been doing and why.
- › What do you think is needed to help people who have to rent through retirement, in terms of having a decent, secure and affordable home to live in?

POLL: If you do expect to pay some rent, to what extent do you feel your retirement savings will be enough to cover rent for the rest of your life?

1. Yes
2. No
3. Don't know

- › Please share your thoughts on why you think this with us.

Day 3: Using pension money for mortgage deposits

Day 3 AM: Reactions to withdrawing pension savings for a deposit

Please imagine that a scheme was introduced which allowed people to take up to half of their pension savings **out of their pension** to use towards a deposit for a first home before age 55. This could include savings people have made to a workplace or a personal pension but would not include the State Pension.

POLL: Regardless of whether you would personally use it, to what extent do you think this scheme would be a good idea in general?

1. It's a very good idea
2. It's a fairly good idea
3. It's neither a good idea nor a bad idea
4. It's not a very good idea
5. It's not a good idea at all

- › Why do you think this? The more information you feel comfortable to share, the more it will help us understand and provide evidence on whether this is a good idea or not.
- › Would this change how you think about pensions? In what way?
- › Who do you think this would work for? And who would it not work for?
- › What kinds of people would this proposed idea make the biggest difference to?
- › What size pension pots do you think would you need for this to be worthwhile?

POLL: Would it have help/ have helped you?

1. Yes
 2. No
 3. Don't know
- › Why do you say that?
 - › What worries or concerns would you have about using your pension this way?
 - › If you could use/could have used some of your pension savings for a first home deposit, would it affect the way you save?
 - › Would you save more or less into your pension? Why?
 - › Would it change the amount you save in other ways – for example, in savings accounts, investments, or ISAs?
 - › Overall, would this idea make you save more or less in total?
 - › Please tell us why/why not.
 - › On balance, do you think using your pension savings to help buy your first home might help improve your living situation more than saving for retirement?
 - › Even if you could use your pension savings towards home ownership, are there other challenges you face that this might not help with? For example, getting a mortgage approved or being able to afford the cost of owning and running your own home?

Day 3 PM: Using pension savings as guarantee

Earlier, we looked at the idea of taking some savings out of a pension to use towards buying a first home.

Now imagine that people could use up to **half of their pension savings as a guarantee towards buying a first home, in place of a deposit**. Their pension savings would stay in their pension and the mortgage would be paid as normal. The mortgage would need to be larger than it would if savings were taken out of a pension to pay for a deposit, because it would need to cover more of the property value. Savings would only have to be taken out of a pension if the homeowner defaulted on their mortgage; or had to sell the home for less than they bought it and couldn't cover the difference any other way.

POLL: Regardless of whether you would personally use it, to what extent do you think this scheme would be a good idea in general?

1. It's a very good idea
2. It's a fairly good idea
3. It's neither a good idea nor a bad idea
4. It's not a very good idea
5. It's not a good idea at all

POLL: To what extent do you think this is a better or worse idea than taking pension savings out of a pension and using them directly towards a home deposit?

1. Much better
2. Slightly better
3. Neither better nor worse
4. Slightly worse
5. Much worse
6. Don't know

› Why do you think this? The more information you feel comfortable to share, the more it will help us understand and provide evidence on whether this is a good idea or not.

POLL: Other countries, such as South Africa and Australia, already allow people to use their pensions as deposits for homeownership. Does the fact that this idea has been introduced elsewhere change your mind in any way?

1. Yes
2. No
3. Not sure

› Please tell us why you think that.

Both of the ideas we have been talking about will work with the kinds of pensions where a person has an individual pots of savings – these are called defined contribution pensions. But lots of people don't have these pensions, they have defined benefit pensions, sometimes called final salary or career average pensions, where retirement income is based on your salary and the number of years worked. Here there is no individual pot. This means NHS workers, police, fire, armed forces, civil servants, local government workers, and teachers won't be able to use their pensions to help them buy their first home.

- › How do you feel about that?
- › Both of these ideas are designed to help people get onto the housing ladder in the first place. Is this the right approach, or should people be able to use pensions for deposits even if they are not first-time buyers? Please tell us why you think that.
- › Sometimes people end up renting in retirement because of life events, like divorce or separation. Currently, these ideas may not help people in these situations. How do you feel about this?

Day 4: Digging deeper into using pension money for mortgage deposits

Day 4 AM: Using pension money for mortgage deposits (contd.)

Yesterday, we introduced the idea of using pensions to help people get onto the housing ladder. Today, we are going to explore these ideas further.

- › On reflection, how does the idea of using your pension to buy a home make you feel – excited, worried, hopeful, or something else? Why do you say that?

-
- › Do you feel confident about managing the decisions and risks involved, or does it make you feel uncertain or anxious?
 - › How do you feel about the possibility of having less money saved for retirement but owning your own home?
 - › Would owning a home outright make you feel more financially secure, even if it means having less money saved for later?
 - › What would stop you from using your pension towards home ownership if you were able to do so?

So far, we have talked about the idea of people using half of their pension savings towards home ownership.

- › Would you feel differently if it were possible to use more, for example up to 100% of savings?
- › And would you feel differently if it were possible to use less, for example up to a quarter of savings?
- › Other than financial considerations, do you think there are other factors that might stop people from being able to use their pension towards home ownership, or make them feel excluded in any way?
- › Do you think there should be any conditions around using pensions towards home ownership? If yes, what should they be and who should they apply to?

Day 4 PM: Reactions to survey results and other research findings

We recently asked about the idea of using pension savings to help with a first-time buyer deposit in a survey of 4,000 adults in the UK. We'd like to hear your thoughts on some of the things they said, and whether you agree or disagree with their views.

- › People in the survey talked about wanting to keep pension saving separate from other types of saving in order to preserve them for retirement. Please share your thoughts on this.
- › Having less money in retirement was the most common concern in our survey. Is this something you would be worried about?
- › We heard people in the survey say that you shouldn't have to choose between having a permanent home and having provision in old age. Do you agree or disagree with this? Please tell us why.
- › Some people were worried about the knock on effect that these ideas could have on other things
- › People also said that allowing people to use pensions towards home ownership will take away responsibility from the government to come up with solutions to the housing crisis? Do you agree or disagree with this? Please tell us why.
- › Overall, around one third of people said they thought that using pension savings towards home ownership was a good idea. And around one third said they thought it wasn't a good idea. Does this surprise you?
- › What, if anything, would make you feel more positive about the proposals?
- › And what, if anything, would make you feel more negative about the proposals?

We've also come across some other concerns during our work on this topic, and we'd like your views on them...

- › Will this simply push up house prices?
- › Will this encourage people who can't afford to buy where they live to buy homes in less affordable areas, and then rent them out?
- › Pensions are invested and so the value of the pot can go up, and it can go down. This means that if there is a stock market fall right at the time you want to use it as a deposit, it might not be worth as much as you thought, or had planned for. How do you feel about this?

-
- › How much of a worry is this scenario?
 - › What should happen to avoid this situation?

Day 5

Day 5 AM: Cost of renting

One of the big reasons people are talking about using pension savings for a first-home deposit is the cost of renting in retirement. If you own your home outright, your living costs are much lower, even after taking off things like maintenance and insurance.

Renting a one bedroom flat can cost roughly £9,000 each year, and a 2 bedroom flat around £11,000. Over the course of retirement, that could mean a renter needs to have saved at least £150,000 more in today's terms than a homeowner just to cover their housing costs.

- › What do you think about that?

POLL: How do you feel about using pensions for first-time buyer deposits now?

1. It's a very good idea
2. It's a fairly good idea
3. It's neither a good idea nor a bad idea
4. It's not a very good idea
5. It's not a good idea at all

- › Please tell us why this has/has not changed your mind.

One of the most common concerns that people have shared with us is that using their pension savings towards home ownership will leave them with less to live on in retirement.

It's true that taking some of your pension savings out of your pension and using them towards home ownership will mean you have less to live on than if you had left them in your pension. However, if you end up renting in retirement, the cost of renting means that you'll have less to live on overall compared to taking some out to buy, and pay off, a home. Likewise, if you have to rent for longer while you save up for a deposit, this can be more expensive in the long-term than using some of your pension savings towards buying your first home. Let's look at an example:

Krish and Abbie are both aged 30. They rent their flat from a private landlord and are thinking about buying their first home together in the West Midlands. They both earn an average income, but are finding it hard to save for a deposit because they don't have a lot of money left over after paying for their rent, living costs and student loans. The price of a first-time property in their area is around £200,000, so they need at around £20,000 for their deposit. Despite working hard to save, they have less than £3,000 in savings. But together, they have saved around £20,000 in their pensions and are wondering what to do next.

Scenario 1: Krish and Abbie carry on renting

Krish and Abbie decide not to take anything out of their pension and don't end up buying a home. Throughout their life, they carry on working and saving into their pension at the same rate as they always have done. When they reach retirement, they have (in today's terms):

- › Total pension savings of £294,000, which gives them an income of £16,000 a year
- › Their State Pensions, together worth £24,000 a year
- › Rent to pay on a 2-bedroom flat which costs around £12,000 per year
- › A total income in retirement, after housing costs, of £28,000 per year.

Scenario 2: Krish and Abbie take £20,000 out of their pension pot at age 30 and use it to buy their first home. They continue to save into a pension at the same rate.

Knowing it was the only way they could save for a deposit, Krish and Abbie take £20,000 out of their pension at age 30 and use it towards their first home. They then both carry on working and saving into their pension at the same rate. They upsize to a small family home later and pay off their mortgage shortly before they retire. When they reach retirement they have (in today's terms):

- › Total pension savings of £238,000, which gives them an income of £13,000 a year
- › Their State Pensions, together worth £24,000 a year
- › No rent or mortgage payments to make
- › A total income in retirement, after housing costs, of £36,000 per year.

By using £20,000 of their pension savings towards buying their first home at age 30, Krish and Abbie have £8,000 more per year to live on in retirement than if they had carried on renting throughout their life.

- › Did you expect to see this outcome? Why / why not?

POLL: How do you feel about using pensions for first-time buyer deposits now?

1. It's a very good idea
2. It's a fairly good idea
3. It's neither a good idea nor a bad idea
4. It's not a very good idea
5. It's not a good idea at all

- › Please tell us why this has / has not changed your mind.

Day 5 PM: Using pensions to build more affordable homes to rent and buy

Using pensions for first-time buyer deposits isn't the only way your pension money could help people access decent, secure and affordable housing. Pension companies in the UK manage over £1 trillion on behalf of

savers, and some are now looking at investing more of this money into building more affordable homes to rent or buy (through shared ownership).

- › How do you feel about your pension money being used in this way?
- › Thinking about different housing providers – such as social housing landlords, private landlords, and pension companies acting as landlords – how much would you trust each one to provide good-quality, fair, and secure housing?"
 - › Which of these would you trust the most? Why?
 - › Which would you trust the least? Why?
- › How do you feel about shared ownership? How does this compare with social housing?
- › If we don't build more social housing, is building more shared ownership housing going to make things better in the short term, the long term, or both?
- › Thinking about people who can't save enough for a full deposit or who might not pass the mortgage affordability checks – do you think using pension money to build more shared ownership homes would help them? Why or why not?

Day 5 PM: Wrap up

- › Is there anything we haven't talked about that you think is important when it comes to buying your first home or planning for later life?
- › Has taking part in this discussion over the last week made you think differently about home ownership, pensions, or saving? In what way?
- › If you could change one thing to make it easier for people to buy their first home, what would it be?
- › And lastly, if you could change one thing in the UK housing system that would mean more people have access to decent, secure affordable homes that help everyone live happy, healthy lives, what would it be?



Contact us:

insight@nestcorporation.org.uk

To find out more, visit our website:

nestinsight.org.uk

© 2026 National Employment Savings Trust Corporation. All rights reserved. Reproduction of all or any part of the content, and use of the Nest trademarks and trade names, is not allowed without the written permission of Nest. Nest does not warrant nor accept any responsibility for any loss caused as a result of any error, inaccuracy or incompleteness herein. This content is provided for information purposes only and should not be construed as financial, investment or professional advice or recommendation by Nest. Data may be obtained from third-party weblinks, but these may not be error-free and cannot be verified.

Contact insight@nestcorporation.org.uk for more details.