

RETIREMENT HOTSPOTS STUDY PREDICTS NORTH-SOUTH 'REBOUND'

Today's increasingly mobile, property-rich retirees have upped sticks for the south, but the next generation are looking north for value

Currently Southern England contains the UK's top three retirement hotspots - Christchurch, Rother and West Somerset - with almost a third of their population made up of men and women above retirement age, compared to a national average of just 19%. However, the next wave of later-life havens are beginning to emerge north of the Watford Gap, in Yorkshire, Wales and the Midlands, according to a study* for Alliance Trust Savings, the retirement saving specialist.

The analysis of official population data, past and recent, found that around a generation ago (1971) the North West and North Wales held the highest concentrations of retirees, along with Sussex. But the prospect of longer, healthier retired lives, coupled with property-fuelled personal wealth and looser family ties, have prompted a major migration of the old age population, which has also grown by nearly two million people since the early 1970s.

The UK's top retirement hotspots:

	Past	Current	Up-and-coming:
	Most above retirement age	Most above retirement age	Biggest inflow above retirement age (excluding current hotspots)
1	North West Wales	Christchurch, Dorset	East Ridings, Yorks
2	Sussex coast	Rother, East Sussex	East Lindsey, Lincs
3	Fylde, North West	West Somerset	Wyre, Lancs

Hyman Wolanski, Head of Pensions at Alliance Trust Savings, comments, *“Just a generation ago, people tended to retire close to their families, often in the area they had spent their working lives. However, a range of social and financial factors has increasingly led retirees to head for quality of life and value for money in specific hotspots in Southern England. This trend is now beginning to change, as retirees find themselves priced out of current hotspots and look further afield. As the retired population grows, we expect more hotspots to emerge where retirees are concentrated and which cater to retired lifestyles.”*

The Alliance Trust study reveals that the biggest exodus of retirees currently stems from major UK cities, particularly London where just 11% are above retirement age, but also Birmingham, Leeds, Manchester, Sheffield and Liverpool. The majority of these retirees are choosing to sell their biggest asset – their home - and relocate to the countryside or near the coast, while a growing minority are retiring abroad.

The study found that just half of all homes were owned in the 1970s, compared to seven out of ten homes these days, and much of the power behind the modern ‘grey pound’ stems from gains from these property investments, as well as stockmarket growth. However, house prices in today’s retirement hotspots have recorded some of the largest rises in recent years, and the next wave of retirees are realising that to buy more for their money, they need to look further North than the current hotspots.

Wolanski concludes: *“For many of today’s over-60s, retirement comes hand-in-hand with lifestyle choices about where to live. When you are planning for retirement you should factor in the changing costs of retirement relocation, especially if your goal is to retire to one of the country’s most popular over-60s hotspots.”*

* A copy of the factsheet on Age and Migration by Alliance Trust Research Centre is available at www.alliancetrusts.com

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Notes to editors

1. Alliance Trust Savings (ATS) is a financial services company that offers ISAs, PEPs, SIPP and Investment Plans, including First Steps, a plan for investing for children. ATS Group administers around £3.3bn of assets on behalf of approximately 39,000 customers (as at 31 January 2006).
2. ATS owns Wolanski & Co. Trustees Limited (WACT), which operates bespoke SIPP and SSAS schemes. Wolanski and Co. Trustees Limited (WACT) provides high-quality administration services for over 4,000 SIPPs and 500 SSASs.
3. Together, ATS and WACT rank in the top five SIPP providers by number of plans, according to a survey by Money Management in December 2005, which was based on information supplied by companies.
4. ATS is owned by two leading UK investment trusts, The Alliance Trust PLC and The Second Alliance Trust PLC, which between them own and manage more than £2.7bn of assets (as at 31 January 2006) that they invest worldwide. Alliance Trust and Second Alliance Trust are FTSE-250 companies.
5. Alliance Trust Research Centre was formed to provide economic and social analysis to deepen understanding of economies, markets and socio-economic issues. The Research Centre is part of the Alliance Trusts, which comprises the two FTSE-250 investment companies, the Alliance Trust and the Second Alliance Trust, and their subsidiary financial services company, Alliance Trust Savings.

6. Photographs of Hyman Wolanski are available.