



## First-time buyers face highest deposit in a decade

- Deposits for a first home have risen on average 52% over the past decade
- Halifax unveils 2.90% family support mortgage for first-time buyers to borrow 100%
- First-time buyers are putting down more than £40k to get the keys to their first home

First-time buyers in the UK are putting down the highest deposits in a decade, despite more than double the number of new homeowners stepping on to the property ladder.

New data from Halifax revealed that there were more than 170,000 first-time buyers in 2019 – more than double the record low of 72,180 in 2009, despite deposits having risen by 52% over the same period. (See table 1)

The average deposit for those buying their first home is a staggering £41,099 – just under a fifth (18%) of the house price – an increase of 52% from £27,059 in 2009.

This is despite a 2% decrease over the last decade in deposit as a percentage of the total house price. In London, the average first-time buyer deposit is £101,389 (22% of the purchase price), which is almost double that of 2009 (£50,944). (See table 3)

Halifax has launched the **Family Boost** mortgage to help first-time buyers without a deposit, where savings from parents or other family members can be used to provide security for 10% of the loan.

The three-year mortgage is fixed at 2.90% with no fee, while the deposit savings are held at a fixed rate of 2.5% for the same period. At the end of the three years, provided that the mortgage payments have been kept up to date, the savings and interest will be returned to the supporter.

The new mortgage is designed to help more people own their own home in a market where the average price for first-time homes has climbed from £138,413 in 2009 to £224,709 – a 61% increase in the past decade. This is against the backdrop of a 51% increase in house prices across the market.

First-time buyer house prices in London have almost doubled, and those in the South East have risen 65%, while Northern Ireland has seen a 2% dip. (See table 10)

**Russell Galley, Managing Director, Halifax**, said: “While increasing numbers of first-time buyers is good news for the housing market and they are not far off the peak of the last boom which was just under 190,000 in 2006 – it’s saving enough to get a foot in the door that’s still the biggest blocker.

“As part of our commitment to lending £30bn to first-time buyers by 2020, we are offering families a way to help give the next generation the boost that they need to get on to the property ladder, while providing competitive rates to both buyer and supporter.”

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First-time buyers make up more than half (52%) of the UK's mortgage financed house purchases, compared to 38% in 2009. This share has grown since 2013 when the Help to Buy Scheme was introduced, which has given 179,816 first-time buyers (81% of total purchases under the scheme) a step on to the housing ladder over this period. (See *table 2*)

The average age of a first-time buyer is 31, having slowly crept up over the past decade from 30. The oldest are in London (33), while the youngest first-time buyers can be found in Amber Valley in the East Midlands, where the average age is 27. Half of the UK's regions have seen first-time buyer age go up by two years over the past decade. (See *table 5*)

### Local outlook

Half of the 10 most affordable Local Authority Districts (LADs) for first-time buyers are in Scotland, while the 10 least affordable LADs in London.

Over the past decade, the number of 'affordable' areas have reduced from 83 to 38. The most affordable is East Ayrshire in Scotland, with Brent in London the least affordable. (See *tables 8 and 9*)

Regionally, deposits as a percentage of purchase price in the South West and Northern Ireland have seen the biggest decreases – dropping by 4% to 18% and 17% respectively. First-time buyers in Yorkshire and the Humber, Wales and East Midlands have to find the lowest deposit – 16% of purchase price, compared to London at 22%. (See *table 7*)

### HOW THE HALIFAX FAMILY BOOST MORTGAGE WORKS

- 100% LTV – 10% of purchase price secured with 10% savings balance held by a family member
- Three-year fixed rate example 2.90%
- Either borrower or supporter must have a Halifax Reward or Ultimate reward current account
- Maximum term 30 years
- Maximum £500k mortgage
- £300 cashback towards family member legal fees
- Free valuations and basic purchase conveyancing
- Savings secured for three years at 2.5%
- Savings account must be open before mortgage offer and funded before mortgage completion
- Savings funds may not be withdrawn during the three-year period
- Exclusions apply – not available through Halifax Intermediaries

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## Ends

## Notes to editors

## DATA SOURCES:

Table 1: Number of first-time buyers by region

	H1 2009	H1 2014	H1 2018	H1 2019*
North	3,170	6,200	7,750	7,833
Yorkshire and the Humber	5,600	11,580	13,770	14,668
North West	6,750	14,330	17,850	18,366
East Midlands	5,370	10,490	12,900	13,319
West Midlands	5,800	11,680	14,660	15,193
East Anglia	2,890	5,270	5,870	6,061
Wales	2,760	5,840	7,220	7,561
South West	6,090	11,730	13,670	13,682
South East	14,690	29,660	32,310	32,236
Greater London	10,140	22,970	19,120	20,060
Northern Ireland	1,690	3,490	4,890	5,156
Scotland	6,950	13,260	15,320	15,033
<b>UK</b>	<b>72,180</b>	<b>146,630</b>	<b>165,330</b>	<b>172,790</b>

Source: UK Finance, \*Halifax estimate

Table 2: Number of first-time buyers – UK

	Number of First Time Buyers	Annual % change	FTBs as % of all House Purchases Loans
2009 H1	72,180	-34%	38%
2010 H1	92,360	28%	38%
2011 H1	83,580	-10%	39%
2012 H1	97,980	17%	40%
2013 H1	110,460	13%	44%
2014 H1	140,140	27%	47%
2015 H1	131,900	-6%	47%
2016 H1	151,650	15%	47%
2017 H1	163,360	8%	50%
2018 H1	165,330	1%	51%
2019 H1	172,790	5%	52%

Source: UK Finance

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**Table 3: First-time buyers: Average price, loan and deposit by region, 2019**

	Average House Price (£s)	Average Mortgage (£s)	Average Deposit (£s)	Deposit as % of purchase price
North	128,814	106,958	21,856	17%
Yorkshire and the Humber	149,140	125,101	24,038	16%
North West	156,794	130,905	25,889	17%
East Midlands	172,453	145,585	26,868	16%
West Midlands	179,542	149,860	29,683	17%
East Anglia	214,395	177,697	36,698	17%
Wales	149,019	125,374	23,645	16%
South West	215,882	177,962	37,920	18%
South East	289,134	240,536	48,598	17%
Greater London	454,085	352,695	101,389	22%
Northern Ireland	134,131	111,372	22,759	17%
Scotland	147,726	120,025	27,701	19%
<b>UK</b>	<b>224,709</b>	<b>183,611</b>	<b>41,099</b>	<b>18%</b>

Source: Halifax: 12 month rolling June 2019

**Table 4: Youngest first-time buyers 2019**

Local Authority District	Region	Average Age 2009	Average Age 2019
Amber Valley	East Midlands	27	27
Caerphilly	Wales	27	28
Boston	East Midlands	31	28
Barnsley	Yorkshire and The Humber	27	28
Merthyr Tydfil	Wales	28	28
North Lincolnshire	Yorkshire and The Humber	29	28
Selby	Yorkshire and The Humber	24	28
Kingston upon Hull, City of	Yorkshire and The Humber	27	28
Chesterfield	East Midlands	28	28
Scarborough	Yorkshire and The Humber	31	29

Source: Halifax, 12 months to June

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Table 5: Average age of first-time buyers by Region

Region	Average Age 2009	Average Age 2019
North East	28	30
North West	29	31
Yorkshire and The Humber	28	29
East Midlands	29	30
West Midlands	29	31
East of England	30	31
London	33	33
South East	31	32
South West	30	31
Wales	28	30
Scotland	29	31
Northern Ireland	29	31
<b>UK</b>	<b>30</b>	<b>31</b>

Source: Halifax, 12 months to June

Table 6: Oldest first-time buyers 2019

Local Authority District	Region	Average Age 2009	Average Age 2019
Richmond upon Thames	London	33	36
Windsor and Maidenhead	South East	32	36
Hounslow	London	34	36
Redbridge	London	32	35
Harrow	London	34	35
Barking and Dagenham	London	33	35
Watford	East of England	31	35
Slough	South East	33	34
Sutton	London	32	34
Barnet	London	32	34

Source: Halifax, 12 months to June

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**Table 7: First-time buyers: Average price, loan and deposit by region, 2019**

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Yorkshire and the Humber	149,140	125,101	24,038	16%
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Scotland	147,726	120,025	27,701	19%
<b>UK</b>	<b>224,709</b>	<b>183,611</b>	<b>41,099</b>	<b>18%</b>

Source: Halifax 12 month rolling June 2019

**Table 8: 10 Least affordable LADs for first-time buyers, 2019**

Local Authority District	Region	Average House Price (£s)	House Price to Average Earnings ratio
Brent (LA)	London	481,788	12.5
Hackney (LA)	London	543,136	12.4
Newham (LA)	London	387,894	11.2
Waltham Forest (LA)	London	433,325	11.0
Hounslow (LA)	London	431,838	10.9
Hillingdon (LA)	London	389,184	10.7
Southwark (LA)	London	495,137	10.7
Haringey (LA)	London	453,553	10.3
Barnet (LA)	London	500,168	10.2
Lambeth (LA)	London	506,037	10.1

Source: Halifax: 12 month rolling June 2019, ONS ASHE Q2 2019 Halifax Estimate

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Table 9: 10 Most affordable LADs for first-time buyers, 2019

Local Authority District	Region	Average House Price (£s)	House Price to Average Earnings ratio
East Ayrshire (LA)	Scotland	91,287	2.8
Pendle (LA)	North West	102,311	2.9
North Ayrshire (LA)	Scotland	97,973	2.9
Inverclyde (LA)	Scotland	96,841	3.0
Barrow-in-Furness (LA)	North West	107,844	3.0
Hyndburn (LA)	North West	89,186	3.0
South Ayrshire (LA)	Scotland	117,763	3.2
Stirling (LA)	Scotland	150,743	3.3
County Durham (LA)	North East	107,515	3.3
Darlington (LA)	North East	113,281	3.4

Source: Halifax: 12 month rolling June 2019, ONS ASHE Q2 2019 Halifax estimate

Table 10: First-time buyers: annual average house price % change, 2009-2019

	2009 £	2014 £	2018 £	2019 £	1 Year Change %	5 Year Change %	10 Year Change %
North	102,446	109,454	127,036	128,814	1%	18%	26%
Yorkshire and the Humber	106,377	117,005	141,126	149,140	6%	27%	40%
North West	112,202	120,568	148,653	156,794	5%	30%	40%
East Midlands	113,141	125,578	163,733	172,453	5%	37%	52%
West Midlands	119,184	134,198	169,750	179,542	6%	34%	51%
East Anglia	136,377	155,926	211,841	214,395	1%	37%	57%
Wales	109,561	116,045	141,166	149,019	6%	28%	36%
South West	148,599	164,756	208,601	215,882	3%	31%	45%
South East	175,026	203,818	276,672	289,134	5%	42%	65%
Greater London	227,677	306,108	420,494	454,085	8%	48%	99%
Northern Ireland	136,733	96,777	124,637	134,131	8%	39%	-2%
Scotland	113,212	120,772	139,331	147,726	6%	22%	30%
<b>UK</b>	<b>138,413</b>	<b>165,763</b>	<b>209,687</b>	<b>224,709</b>	<b>7%</b>	<b>36%</b>	<b>62%</b>

Source: Halifax 12 month rolling June 2019

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This research is based on data from Halifax's own extensive housing statistics database and ONS data on average earnings.

**1. House Prices**

The prices used in this research are simple arithmetic ('crude') averages for 12 months to June each year. These prices are not standardised and therefore can be affected by changes in the sample from period to period.

**2. Average Earnings**

Average earnings figures are from the ONS's "Annual Survey of Hours and Earnings" (ASHE) and refer to the means for full-time employees.

At local authority district level, figures for the relevant local authority (residence based) are used in the majority of cases and inflated by the change in Weekly Average Earnings to Q2 2019. Where this has not been possible due to data unavailability, average earnings have been estimated using the change in weekly average earnings.

"This report is prepared from information that we believe is collated with care, however, it is only intended to highlight issues and it is not intended to be comprehensive. We reserve the right to vary our methodology and to edit or discontinue/withdraw this, or any other report. Any use of this report for an individual's own or third party commercial purposes is done entirely at the risk of the person making such use and solely the responsibility of the person or persons making such reliance." © Bank of Scotland plc all rights reserved 2019.

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