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Home ownership has sailed for one in four young Brits

- 25% of 18-34 year-olds are relying on inheritance to get on the property ladder
- One in 10 young people would leave the UK for a more affordable home
- 25% are certain they'll never own their own home
- One in five says home ownership is a thing of the past

Almost half (48%) of young Brits think it's harder than ever to get on the property ladder, with one in 10 prepared to leave the UK in order to buy their own home.

New research from Halifax uncovered the attitudes of young people who don't own a property, revealing that a quarter of 18-34-year-olds think the only way they'll manage is by inheriting the cash.

Eight out of 10 feel that a lack of affordable property is keeping home ownership out of reach, and as a result one in 10 (14%) think they'll need to rent forever. However, first-time buyers end up on average £651 a year better off buying than renting.

Despite the number of first-time buyers reaching a 10-year high of 339,000¹ in 2016, half of 18-34-year-olds don't think home ownership is a realistic option for their generation – with two thirds (65%) saying they don't earn enough to afford it.

Unsurprisingly, deposits remain too unrealistic and expensive for more than half (52%) of young people as the average age of those buying their first home has crept slowly up to 30.

More than half of young people feel that the average house price for a first home in their area is currently unrealistic for them, causing generation rent to think about relocating to boost their chances of buying.

One in five (22%) 25-34 year-olds would move to a cheaper area and even more of their younger counterparts aged 18 to 24 would be prepared to pack their bags for a bargain home elsewhere in the UK.

The average deposit put down for an average first-time buyer home is £32,321², rocketing to £100,445 in London. Northern Ireland has the lowest at £16,695 – less than half of the average deposit needed in the South East (£47,472).

Martin Ellis, Halifax housing economist, said: "Even with the highest number of first-time buyers in the last decade in 2016, many young people still feel they are running financial

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gauntlet – saving for a deposit, finding an affordable property in the right area and managing to fund living in the meantime.

“It’s never too early to do some research to help build a better understanding of how much is affordable, the borrowing options available and calculating what’s achievable to help make owning a property more of a reality.”

Although aspiring homeowners could begin gravitating towards the UK’s more affordable areas to get on to the property ladder, more than one in five (22%) feel that home ownership is a thing of the past.

Even if they have managed to raise a deposit, a third (33%) feel mortgage criteria is too difficult for them to meet.

There are still ways for people determined to get on to the first rung of the ladder, as many lenders offer mortgages for first-time buyers with deposits of 5%. This could reduce the amount needed to nail the necessary deposit, (See table 1), and longer mortgage terms help make monthly payments more manageable.

In 2016, 28% of all first-time buyers with a mortgage chose a 30 to 35-year term, up from 11% in the past decade.

Table 1: First Time Buyers: Average Price, Loan and Deposit by Region, 2016

	Average House Price (£s)	Average Mortgage (£s)	Average Deposit (£s)	Deposit as % of purchase price
North	124,117	105,794	18,324	15%
Yorkshire and the Humber	135,719	116,257	19,462	14%
North West	144,367	123,343	21,025	15%
East Midlands	153,779	130,717	23,062	15%
West Midlands	159,732	135,570	24,162	15%
East Anglia	196,367	164,503	31,864	16%
Wales	133,730	116,181	17,550	13%
South West	200,465	166,159	34,306	17%
South East	272,777	225,305	47,472	17%
Greater London	402,692	302,247	100,445	25%
Northern Ireland	115,269	98,575	16,695	14%
Scotland	137,188	116,459	20,729	15%
UK	205,170	172,849	32,321	16%

Sources: Halifax, CML. House price are simple arithmetic ('crude') averages.

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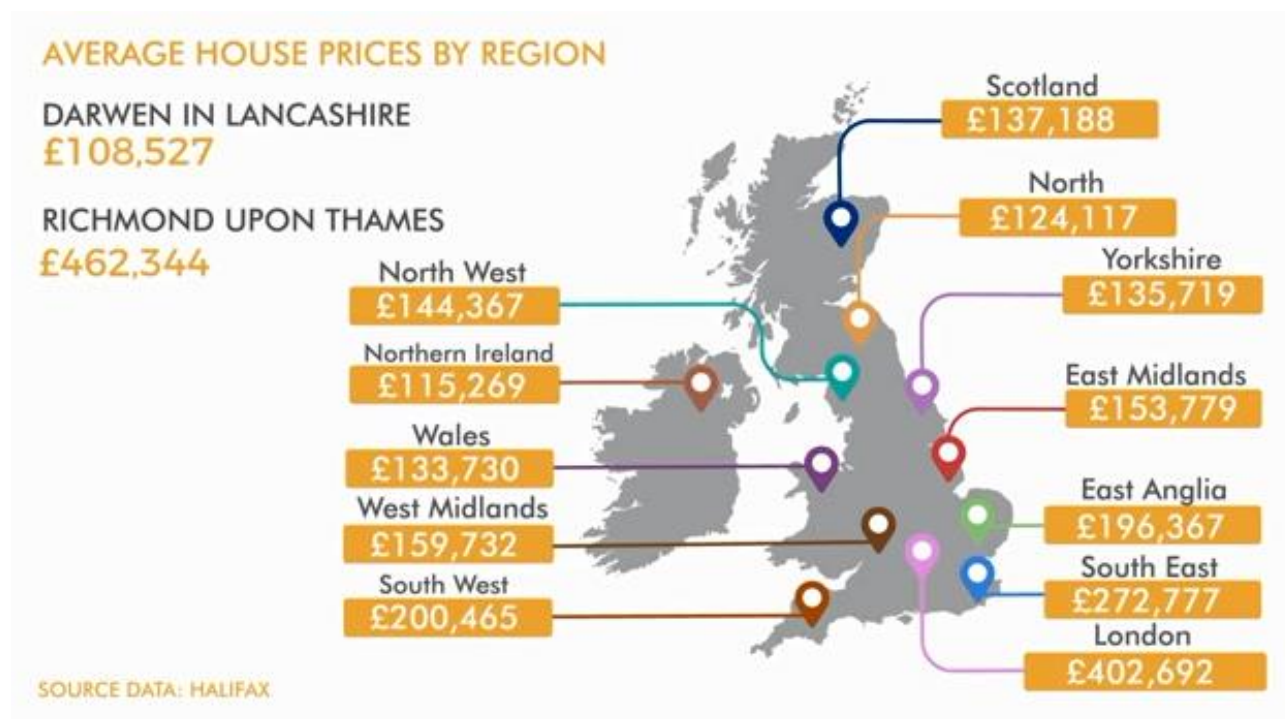
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VIDEO: GEORGIE FROST TALKS TIPS FOR FIRST-TIME BUYERS

HALIFAX TIPS FOR ASPIRING FIRST-TIME BUYERS

1. **Try out calculators and tools:** you can work out how much you could borrow, how much deposit you would need and what monthly payments would be
2. **What are your mortgage options?** Speak to a mortgage adviser – it will give you a clearer idea of your options – some lenders will allow first-time buyers to borrow up to 95% of the property value, or you may have someone to guarantee the mortgage
3. **Do your research** on any schemes or incentives that could make buying a property in the area you want more affordable e.g. shared equity
4. **Creating a money plan:** working out how much you will need for monthly costs will help you understand kind of mortgage you can afford, factoring in bills and expenses
5. **You should check your credit score** a year before you plan to get a mortgage and keep track of it throughout the year to ensure you get the best start

Map: Average first-time buyer house prices by region



Ends

EDITORS' NOTES:

- 1 Total number of first home purchasers with a mortgage, according to the Council of Mortgage Lenders
- 2 Based on average loan taken out by a new first time buyer

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**DATA SOURCES:**

House price data is based on data from the Halifax's own extensive housing statistics database and ONS data on average earnings.

Consumer research based on a survey of 1500 18-34-year-olds carried out on mobile and online between 13/2/17 and 23/2/17 by Vital Research & Statistics on behalf of Halifax.

House Prices

The prices used in this research are simple arithmetic ('crude') averages for 12 months to November 2016. These prices are not standardised and therefore can be affected by changes in the sample from period to period.

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