

## Seven-year age gap revealed between UK's youngest and oldest first time buyers

- UK's youngest first-time buyers are in Carlisle and Torfaen in south Wales
- Average first time buyer is 34 years old in Slough, Berkshire and London boroughs of Barnet and Ealing
- Top 10 areas with the oldest first-time buyers are all in the south east of England

The average age of a UK first time buyer is now 30, but this masks a seven-year age gap among those coming on to the housing ladder, according to new research from Halifax.

While the national average age of a first time buyer is 30, the youngest first-time buyers are 27 in Carlisle in Cumbria and Torfaen in south Wales. Meanwhile, the oldest average first time buyer is aged 34 in areas including Slough in Berkshire and the London boroughs of Barnet and Ealing.

Other places where the average age of a first time buyer is significantly below the national average are Redditch in the West Midlands and Newark and Sherwood in the East Midlands, at 28 years old. First time buyers have an average age of 28 in three areas in Yorkshire – Doncaster, Barnsley and Calderdale. [See Table 1]

The youngest first-time buyers in southern England are in Waveney in Suffolk and Broadland in Norfolk with an average age of 28 in both areas. Portsmouth and neighbouring Gosport have the youngest first time buyers in the South East, at 29. The youngest first time buyers in the capital are in Lambeth with an average age of 30 years old.

The analysis reveals a strong relationship between areas with relatively low average house prices with the youngest first time buyers. All 10 areas with the youngest first time buyers have prices below the national average of £200,754. Seven of these 10 have an average house price of between three quarters and half the national average.

**Chris Gowland, mortgages director at Halifax, said:** “The majority of areas in the country where the average age of first-time buyers is two to three years below the national average of 30 are outside southern England, mostly locations where house prices are typically lower both in monetary terms and in relation to earnings, factors that help to reduce the size of the deposit needed.

“Our latest Halifax Generation Rent report\* found that non-homeowners aged 20-45 would be prepared to save for around five and a half years for a deposit, while the average deposit paid by first-time buyers increased by 13% in 2015 to £32,927. With the youngest average first time buyer age dropping to 27 in some areas, this is a stark reminder of how early aspiring

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homeowners should start thinking about what they will need to get onto the property ladder and what options they should consider in order to take their first step.”

Typically, the areas with the youngest first time buyers are areas where housing affordability conditions are relatively favourable. Nine of the 10 local areas with the youngest buyers have an average house price to average earnings<sup>1</sup> ratio for first time buyers below the national average of 5.8, except for Redditch (6.3). Seven areas have a price to earnings ratio below 5.0, while Barnsley (3.9) and Doncaster (4.0) have the most affordable housing amongst the 10 areas.

The top 10 areas with the oldest first time buyers are all in the south east of England. Nine of these – including the London boroughs of Barnet, Ealing, Richmond and Hounslow – all have an average age of 34, the highest in the country.

They have an average house price paid by first time buyers above the national average with the exception of Hastings. Richmond upon Thames, Brent, Barnet and Ealing all have an average price of more than double the national average. The house price to earnings ratio is above the national average of 5.8 in all 10 areas. [See Table 2]

The average age of a first time buyer has risen over time to 30 in 2016 – one year older than a decade ago and two years older than in 1983 when Halifax records began. The average age in London has risen by three years since 1983 (29 to 32) and by four years in the South East (28 to 32). [See Table 3]

Government schemes and the increasing contribution from the Bank of Mum and Dad are likely to have prevented a sharper rise in the average age of FTBs. The CML<sup>2</sup> estimates that 62% of first-time buyers in 2014 became home-owners either with assistance from relatives or the Help to Buy schemes.

**Table 1: Youngest First-Time Buyers (July 2016)**

Local Authority District	Region	Average Age	First-Time Buyer Average House Price £	House Price to Earnings Ratio
Carlisle	North West	27	122,826	4.4
Torfaen	Wales	27	113,123	4.1
Redditch	West Midlands	28	162,148	6.3
Newark and Sherwood	East Midlands	28	144,811	4.2
Doncaster	Yorkshire and The Humber	28	110,024	4.0
Barnsley	Yorkshire and The Humber	28	112,182	3.9
Waveney	East of England	28	155,059	5.5
Blackburn with Darwen	North West	28	108,527	4.3

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Calderdale	Yorkshire and The Humber	28	125,369	4.2
Broadland	East of England	28	181,619	5.7

Source: Halifax

**Table 2: Oldest First-Time Buyers (July 2016)**

Local Authority District	Region	Average Age	First-Time Buyer Average House Price £	House Price to Earnings Ratio
Slough	South East	34	313,837	9.9
Barnet	London	34	412,546	9.6
Ealing	London	34	410,763	10.6
Wokingham	South East	34	364,976	7.8
Windsor and Maidenhead	South East	34	391,688	7.4
Watford	East of England	34	327,085	8.3
Richmond upon Thames	London	34	462,344	7.7
Hastings	South East	34	184,735	6.7
Hounslow	London	34	357,863	9.9
Brent	London	33	450,185	12.3

Source: Halifax

**Table 3: Average Age of First-Time Buyers by Region – 1983–2016**

Region	1983	2006	2016
North East	28	28	29
North West	28	28	30
Yorkshire and The Humber	27	28	29
East Midlands	28	29	30
West Midlands	28	29	30
East of England	28	29	31
London	29	31	32
South East	28	30	32
South West	28	30	30
Wales	28	28	30
Scotland	28	28	30
Northern Ireland	29	28	31
<b>UK</b>	<b>28</b>	<b>29</b>	<b>30</b>

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Source: Halifax

## NOTES TO EDITORS:

<sup>1</sup> Average earnings are for all full time workers.

<sup>2</sup> Council Mortgage Lenders <https://www.cml.org.uk/news/news-and-views/712/> (March 2015)

\*Halifax Generation Rent Report: 8110 18-45 year olds were interviewed online by Populus between 23rd February – 8th March 2016, analysis of the data and trends throughout the series was conducted by Natcen.

## Data Sources

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

## House Prices

**House prices are at local authority district level**, the prices used are simple arithmetic ('crude') averages. These prices are not standardised and therefore can be affected by changes in the sample from period to period. Prices refer to the average paid by first-time buyers. All years refer to 12 months to July.

## Average Earnings

Average earnings figures are from the ONS's "Annual Survey of Hours and Earnings" (ASHE) April 2015 and refer to the means for full-time employees with Halifax estimates for 2016.

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Halifax, part of Lloyds Banking Group is playing its part in delivering the Group's Helping Britain Prosper Plan. Launched in March 2014, it sets out a number of significant public commitments to help address some of the big issues facing its customers and Britain today, including:

1. Helping more customers get on the housing ladder – and more customers climb it. We are committed to providing one in four first-time buyer mortgages and one in four new build mortgages in 2016.
2. Helping our customers plan and save for later life .

To find out more about Lloyds Banking Group's commitment to Help Britain Prosper, please visit <http://www.lloydsbankinggroup-cr.com/>

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