



Not for broadcast or publication before 00:01 Hrs Saturday 24th September 2011

The North offers the best chance for young buyers to get on the housing ladder

While the average age of a first-time buyer in the UK is 29, there is almost a decade's difference between some areas of the country, according to new research from Halifax. The youngest first-time buyers are in Selby in North Yorkshire where the average age is 25: nine years younger than one of the areas with the oldest first-time buyers, Harrow in London (34).

Other areas where the average age of a first-time buyer is significantly below the national average are Redcar and Cleveland in the North East, Barrow-in-Furness in Cumbria, Bolsover in Derbyshire and South Ribble in Lancashire. The average age in each of these areas is only 26 [See Table 1].

At a regional level, rather than at local district level, the differences are less stark. The youngest first-time buyers are in the North East, North West, Yorkshire and the Humber, Wales and Scotland all with an average age of 28; the oldest are in London (32) and the South East (31) [See Table 2].

The youngest first-time buyers in southern England are in Swale in Kent and South Gloucestershire with an average age of 27 in both areas. Several areas in Wales also have an average age of 27; Bridgend, Rhonda, Caerphilly and Port Talbot. The lowest average age of first-time buyers for any area in Scotland – Midlothian - is also 27.

Average house prices tend to be relatively low in areas with the youngest first-time buyers. For example, over half of the ten areas with the youngest first time buyers have an average house price 25% to 40% below the national average. South Gloucestershire is the only area in the top ten where the average house price paid by first-time buyers is above the national average of £135,100.

Typically, the areas with the youngest first-time buyers are also areas where housing affordability conditions are the most favourable. Seven of the ten local areas with the youngest buyers have an average house price to average earnings ratio for first time buyers below 4.0. With an average house price of £114,113, Selby has a price to average earnings¹ ratio of 2.9. In Barrow-in-Furness and Bolsover the ratio is 3.0.

Unsurprisingly, the areas with the oldest first time buyers are in the south east of England and are mostly in London. Harrow, Barnet, Ealing, Kingston upon Thames, and Three Rivers in Essex all have an average age of 34, the highest in the country. All these areas have an average house price paid by first-time buyers that is in excess of £224,000 (i.e. at least 66% higher than the national average) and an average price to average earnings ratio above 4.0. [See Table 3] The youngest buyers in the capital are in Hackney with an average age of 30.

The average age of a first time buyer has remained remarkably stable over time. In 1983, when Halifax records began, it was 28, just a year younger than today. An increasing number of FTBs, however, now require financial assistance to raise funds for a deposit. The CML² estimate that 84% of FTBs under 30 had help with their deposit in 2010 compared with only 38% in 2005. The typical age of those FTBs who did not receive assistance has increased significantly from 28 to 31 over the same period.

Nitesh Patel, housing economist at Halifax, commented:

“There are several areas in the country where the average age of first-time buyers is 3 to 4 years below the national average of 29. Most of these areas are in northern England where house prices are typically lower both in absolute terms and in relation to earnings, helping to limit the size of the deposit needed. In contrast, in London and many areas of the South East the time needed to save up for a deposit can be lengthy, resulting in first-time buyers who are typically several years older than in the rest of the country.”

Table 1 – Youngest First Time Buyers (June 2011)

| Local Authority District | Region | Average Age | First-Time Buyer Average House Price £ | House Price to Earnings Ratio June |
|--------------------------|--------------------------|-------------|--|------------------------------------|
| Selby | Yorkshire and The Humber | 25 | 114,113 | 2.9 |
| Redcar and Cleveland | North East | 26 | 102,049 | 3.8 |
| Barrow-in-Furness | North West | 26 | 87,322 | 3.0 |
| Bolsover | East Midlands | 26 | 80,679 | 3.0 |
| South Ribble | North West | 26 | 127,212 | 4.0 |
| Hartlepool | North East | 27 | 90,388 | 3.1 |
| Swale | South East | 27 | 132,801 | 4.2 |
| Stockton-on-Tees | North East | 27 | 99,142 | 3.4 |
| South Gloucestershire | South West | 27 | 151,078 | 4.7 |
| Bridgend | Wales | 27 | 102,136 | 3.6 |

Source: Halifax, 12 months to June

Table 2 – Average Age of First Time Buyers by Region – 1983 – 2011

| Region | Average Age 1983 | Average Age 1991 | Average Age 2001 | Average Age 2011 |
|--------------------------|------------------|------------------|------------------|------------------|
| North East | 27 | 27 | 29 | 28 |
| North West | 28 | 27 | 29 | 28 |
| Yorkshire and The Humber | 27 | 26 | 29 | 28 |
| East Midlands | 27 | 27 | 29 | 29 |
| West Midlands | 27 | 27 | 29 | 29 |
| East of England | 27 | 27 | 30 | 30 |
| London | 29 | 29 | 31 | 32 |
| South East | 28 | 28 | 30 | 30 |
| South West | 29 | 28 | 30 | 30 |
| Northern Ireland | 29 | 28 | 28 | 29 |
| Scotland | 29 | 28 | 29 | 28 |
| Wales | 27 | 27 | 29 | 28 |
| UK | 28 | 27 | 29 | 29 |

Source: Halifax, 12 months to June

Table 3: Oldest First Time Buyers (June 2011)

| Local Authority District | Region | Average Age | First-Time Buyer Average House Price £ | House Price to Earnings Ratio June |
|--------------------------|-----------------|-------------|--|------------------------------------|
| Harrow | London | 34 | 262,634 | 6.5 |
| Barnet | London | 34 | 261,606 | 6.1 |
| Ealing | London | 34 | 251,584 | 6.4 |
| Three Rivers | East of England | 34 | 224,484 | 4.3 |
| Kingston upon Thames | London | 34 | 258,236 | 5.5 |
| Brent | London | 33 | 277,001 | 8.3 |
| Hounslow | London | 33 | 220,034 | 6.2 |
| Barking and Dagenham | London | 33 | 167,934 | 5.6 |
| Merton | London | 33 | 237,475 | 5.1 |
| Greenwich | London | 33 | 189,676 | 4.2 |

Source: Halifax, 12 months to June

NOTES TO EDITORS:

Note: ¹ Average earnings are for all workers. ² Council Mortgage Lenders
<http://www.cml.org.uk/cml/publications/newsandviews/83/303> (February 2011)

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.

Average Earnings

Earnings data is from the ASHE Q2 2010, with Halifax estimates to Q2 2011

Age

Age of buyers is based on a simple average of transactions by first time buyers.

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