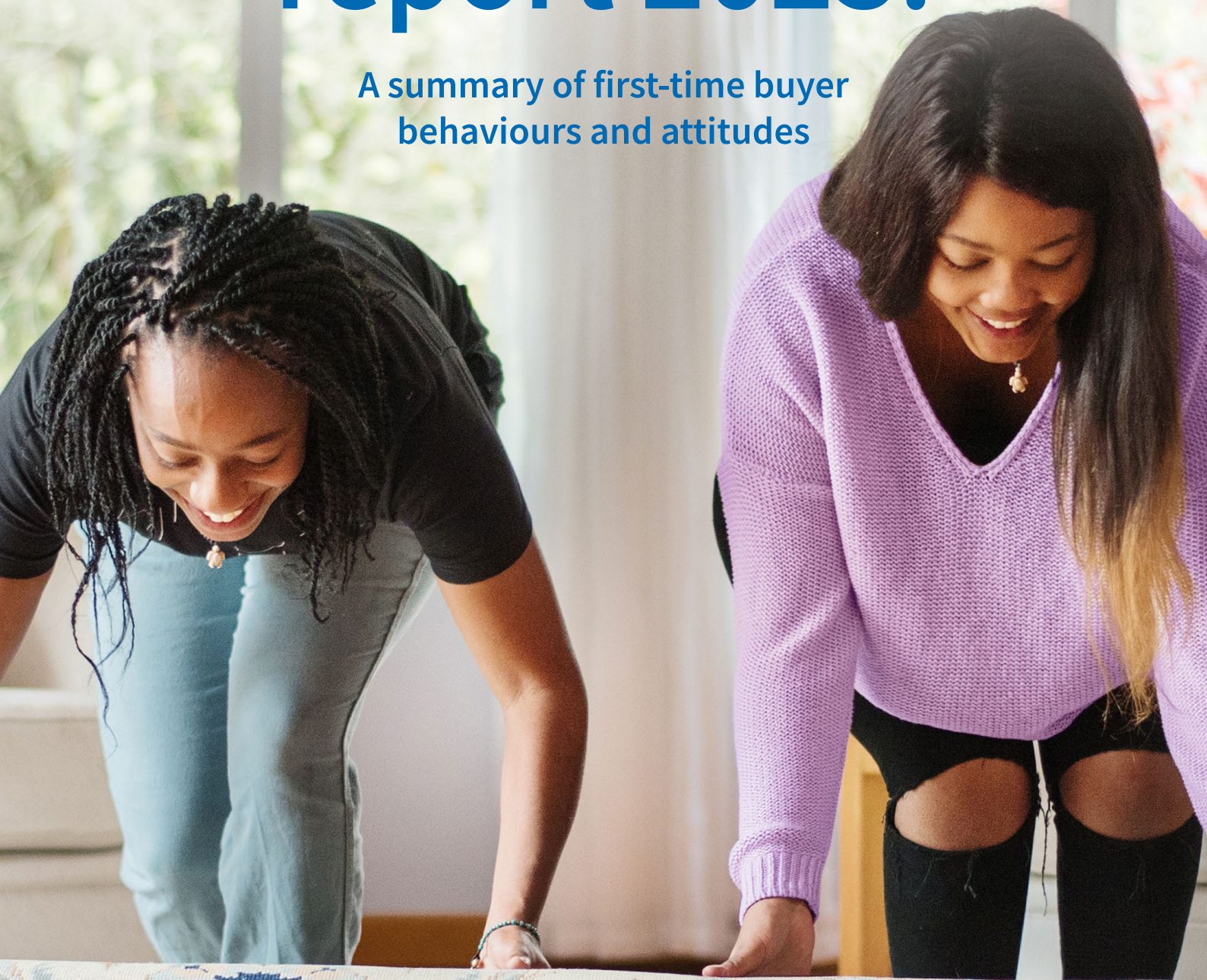


# First-time buyer report 2023.

A summary of first-time buyer  
behaviours and attitudes



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# Introduction.



**Kim Kinnaird**  
Mortgages Director, Halifax

Stepping through the front door of a first home is a huge moment in anyone's life. But, with major increases to house prices over the past decade, raising a suitable deposit has remained challenging for many, alongside more recent pressures such as rising inflation.

Despite these challenges, the vast majority of young people (87%) remain committed to the idea of home ownership, and we lent £5.5 billion to first-time buyers in the first six months of 2023, helping them take their first step on the housing ladder.

To understand how first-time buyer behaviour and attitudes have shifted, we spoke to 3,000 under-35s who have yet to purchase their first property. We've combined the findings with ten years of our own house price data to highlight potential up-and-coming first-time buyer hotspots around the country.

Purchasing a first home is a very personal process, each with its own unique combination of considerations and priorities. Our research shows the extent to which many first-time buyers are having to compromise to get on the property ladder – by both delaying their purchasing plans and being prepared to spread their net wider to find a suitable first home.

As the UK's biggest mortgage lender, it's important we understand how prospective first-time buyers are feeling, so we can further support people with their homebuying journey – from saving for a deposit, to getting the keys to that dream first property.

We hope this report provides some useful insights and advice, as well as some inspiration for those considering where purchase their first home.



# Evolution of first-time home buying.

With over 170 years of experience, Halifax has helped millions of first-time buyers take their first step on the property ladder.

In the last 10 years, the average house price for someone buying a home for the first time has grown by 94%, from £148,474 to £288,030.

Average first-time buyer purchase prices are now higher than the cost of the average UK home, now £278,601<sup>1</sup> – a sign that younger buyers are being increasingly stretched.

Despite this, young people's desire to own their first property remains consistently high, with almost nine in ten (87%) committed to home ownership.

Further, over six in ten (61%) prospective first-time buyers are prepared to move to a different part of the country to get onto the housing ladder.



## £288,030

average property purchase price for a UK first-time buyer

## £278,601

average property price in UK

## £54,116

average deposit size for a UK first-time buyer

## £86,473

average deposit size in UK

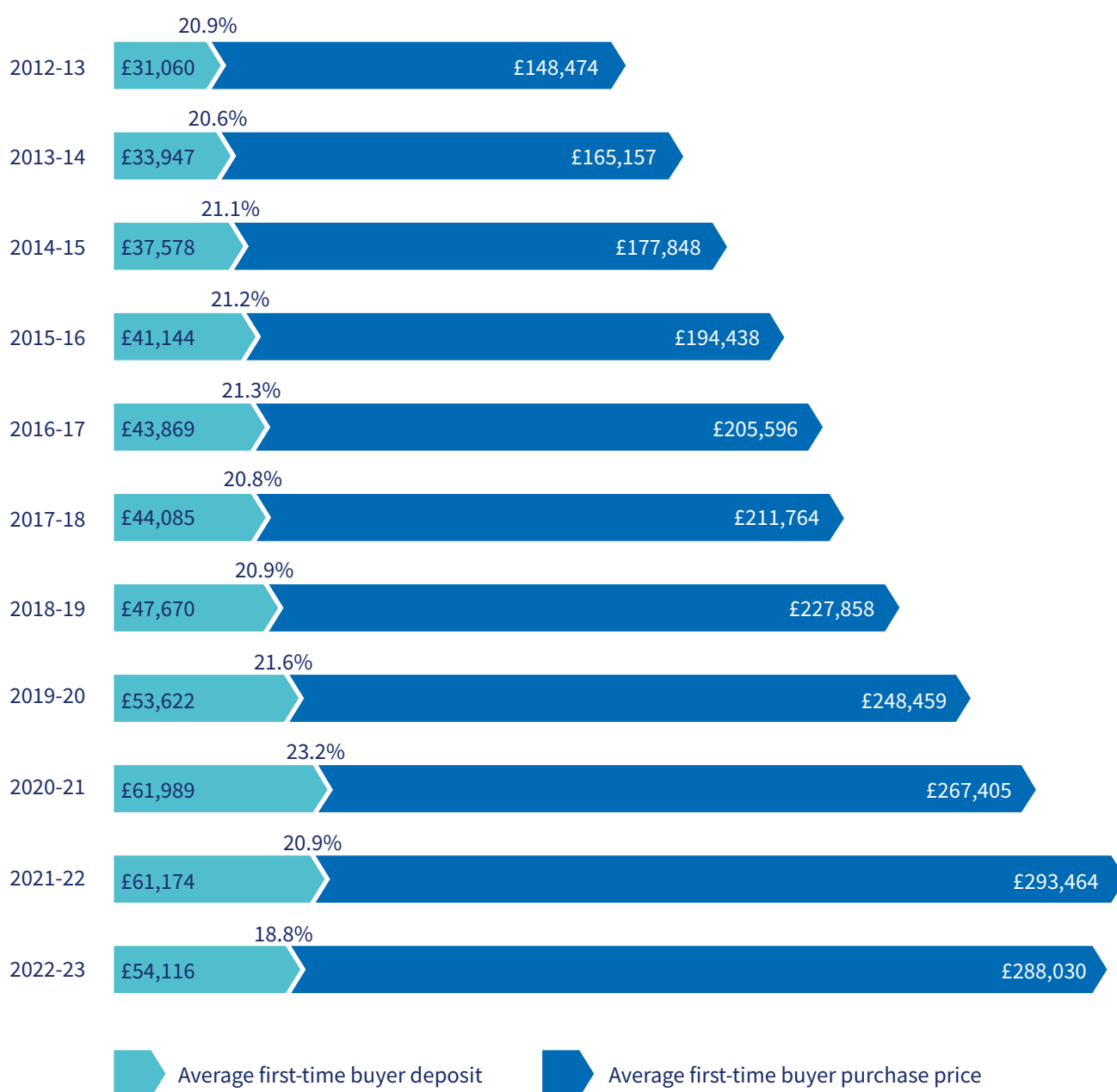


1. Halifax House Price Index, September n 2023



Deposits as a percentage of the house price have dipped slightly, from 21% to 19% – with £54,116 now the average deposit size for a UK first-time buyer, compared to £86,473 for the average UK home.

### Average first-time buyer house purchase price over past 10 years





### Helpful Halifax tool

Almost one in five (18%) prospective buyers said that recent economic market changes have affected how much monetary support they would require from their families.

To help with this, Halifax have a **Family Boost Mortgage**, which means family could help by putting 10% of the agreed property purchase price into a savings account.

### Highest and lowest average first time buyer house prices

**£682,981**

**Westminster, London** – the local authority with the highest average first-time buyer house price

**£112,112**

6x higher than the lowest average first-time buyer house price, located in **Inverclyde, Scotland**



### Highest and lowest average first-time buyer deposit sizes

**£16,194**

lowest average deposit size in **Inverclyde**

**£186,802**

highest average deposit size in **Hammersmith and Fulham**

### Our First-Time Buyer Team says:

Our specially selected group of experienced mortgage advisors based across the UK. Many are at a similar stage in their homebuying journey as our first-time buyer customers, and all have lots of relatable advice to share.



“Buying a first home is one of the most exciting times in a person’s life, however the housing market is constantly evolving, and prices can vary dramatically in different parts of the country. So, no matter what stage in the process a buyer is at, it’s really important to speak to an expert. They can help to explain all the available options, and recommend next steps.”

**Chris, Halifax**

# Looking further afield.

The property market can be challenging and many buyers, including those purchasing for the first time, have to make compromises. A huge 61% of under-35 prospective first-time buyers said they were prepared to move to a different part of the country to be able to get onto the housing ladder, with one in five (19%) even saying they'd consider moving to a different country.

Meanwhile, four in ten (40%) are actively looking into 'up-and-coming' areas to purchase their first home. This influx of young people and subsequent injection of money bodes well for many traditionally underserved communities, as well as regeneration across the UK.

## First-time buyer priorities

When it comes to priorities when considering a new location, no two home purchases are the same. However, our research shows many first-time buyers agree on some of the most important things to look out for when purchasing a first home.

Perhaps unsurprisingly, the price of the house (52%) tops the list. However, other fundamentals include being close to family and friends (38%), crime rate (37%) and community feel (34%).





## Top 10 factors to consider when choosing a location



**52%**  
The price of the house



**38%**  
Being close to family and friends



**37%**  
Crime rate in the area



**34%**  
Community feel (e.g. friendly neighbours, community events etc)



**30%**  
Number of transport connections



**29%**  
If there is a supermarket nearby



**24%**  
Proximity of schools



**23%**  
Better job prospects



**21%**  
Green spaces



**20%**  
Proximity to a major city

## Average age of a first-time buyer

Analysis of Halifax's nationwide house price data reveals that the average age of a first-time buyer is now 32, compared to 30 a decade earlier<sup>2</sup>.

Yet the average of a first-time buyer age differs across the UK, spanning from 27 to 37.

### Ribble Valley, Yorkshire

local authority with youngest average first-time buyers nationwide

27 years old



### Slough, Berkshire

local authority with oldest average first-time buyers nationwide

37 years old

<sup>2</sup>. Based on Halifax first-time buyer data - average buyer age across the UK (2012-13 compared to 2022-23)



## To buy or not to buy?

Factors affecting decision whether to buy or not



48%

say job stability is the most important factor



40%

say whether they can afford the location they want is the most important factor



39%

say whether they can afford the size of house is the most important factor



## Helpful Halifax tool

There's a lot to think about when buying a first home – and near the top of the list is finding the right mortgage. Our **First-Time Buyer Mortgage Guide** includes all the relevant information and features loads of useful explainers, advice and checklists.

## Making compromises



73%

would prefer to wait until they are in a position to afford their ideal location rather than buy a house in an area they weren't happy with



41%

felt that the location of the house was as important, if not more than, the house itself



44%

would compromise on price (i.e. pay more than expected) to be able to buy their first property

### Our First-Time Buyer Team says:

“It’s no secret that current circumstances are challenging for those looking to take their first step on the housing ladder. And the research shows that people are looking further afield for that perfect first home. Buying in an up-and-coming area can have major benefits in the medium to long term, with lower initial purchase prices and the potential for significant increases.”

**Marie, Cardiff**



# Up-and-coming first-time buyer locations.

Location and affordability are clearly top priorities for first-time buyers. So, Halifax has analysed its data to identify areas across the UK with a combination of low average house prices, coupled with other characteristics that first-time buyers consider most important.

The data aims to help provide inspiration for first-time buyers around the country looking for up-and-coming areas with potential and great affordability.



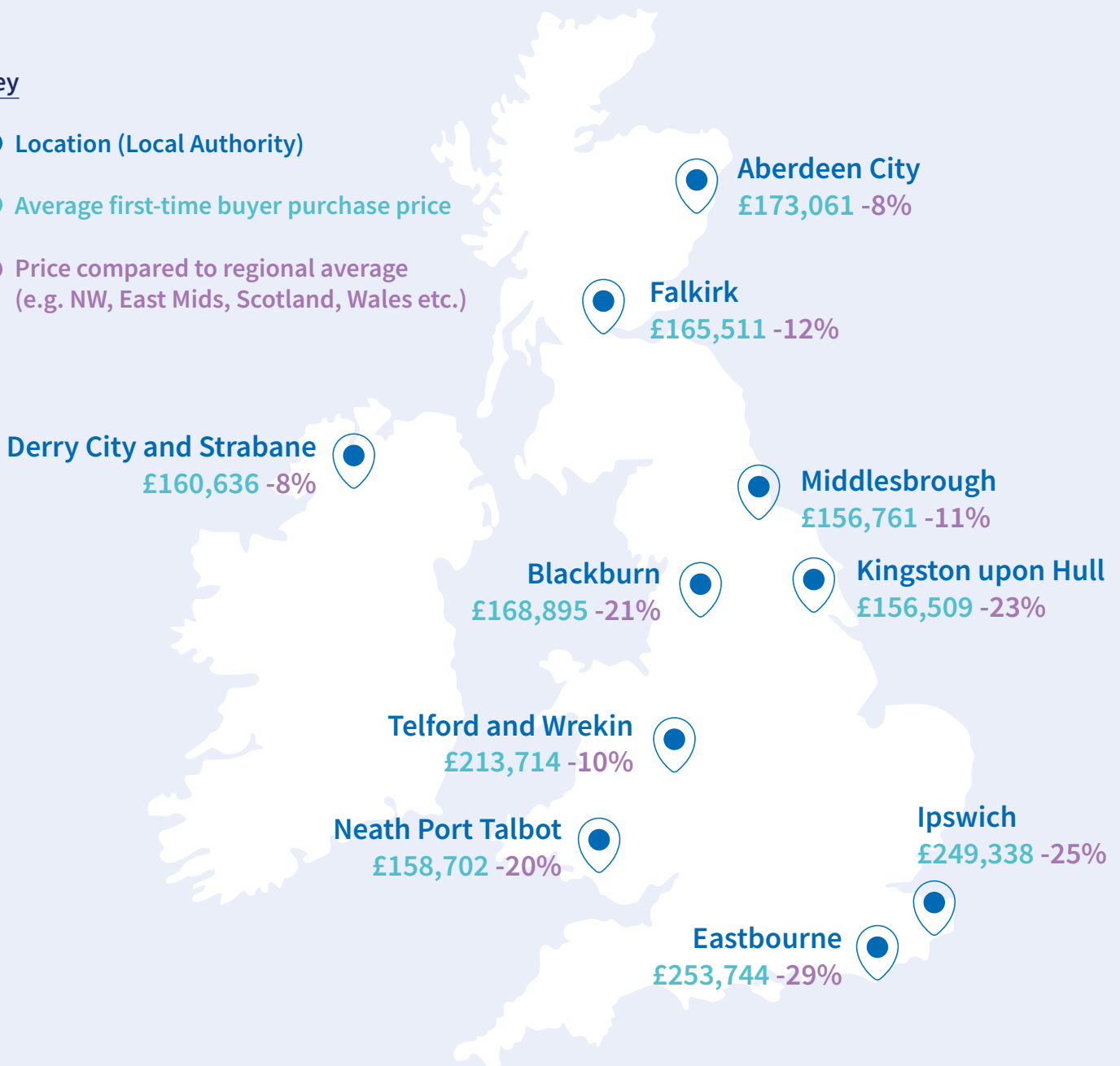
## Up-and-coming locations for first-time buyers

To compile the list, Halifax identified areas (Local Authorities) with relatively low average first-time buyer purchase prices (2022-2023), compared to the surrounding region – the top priority when choosing a location to buy in.

These locations were cross referenced with a number of factors that also appeared high on the list of priorities, including crime rate patterns, transport links to major cities, education rates, proximity to green spaces, access to ultrafast broadband, as well as investment in local regeneration.

### Key

- Location (Local Authority)
- Average first-time buyer purchase price
- Price compared to regional average (e.g. NW, East Mids, Scotland, Wales etc.)





## Helpful Halifax tool

Halifax has partnered with Google to provide a **location finder** which allows potential buyers to search for things like schools and restaurants in their desired area. The mapping tool also includes data on the average sold house prices, as well as crime rates and Ofsted ratings – simply type in a postcode to get started.

Many of the top entries on the list underscore the findings in the research, with **great affordability** available just a relatively **short commute** away from major UK cities.



Kingston upon Hull

The 2017 Capital of Culture, **Kingston upon Hull** has seen a huge £1.5bn of investment injected into regeneration projects over the past decade. There are ambitions to transform its ports into world-class tourist destinations and it offers first-time buyers some of the most affordable housing anywhere in the UK.



Middlesbrough

Located within the proposed Tees Valley Investment Zone, **Middlesbrough** looks set to benefit from a UK-wide scheme to accelerate growth, announced by the Government in September 2022. Its low average purchase price and close proximity to both the North Yorkshire Moors and a range of stunning coastlines also make it an appealing prospect for buyers in the North East.



Neath Port Talbot

**Neath Port Talbot** is located directly between Swansea and Cardiff, with a commute to either city less than 30 minutes on public transport. Port Talbot's new status as a Freeport promises to attract major investment and new jobs in the coming years, and the area's relatively low crime and the beauty of the Welsh coast and countryside for exploring, make for an attractive combination for first-time buyers.



Derry & Strabane City

The **Derry and Strabane City Deal** is a £250m investment to super-charge regional economic growth and deliver opportunity in the area. The area is also surrounded by breathtaking green spaces, including the Binevenagh and Sperrin Areas of Outstanding Natural Beauty.





**Falkirk** offers outstanding access to both Glasgow and Edinburgh and crime rates below the Scottish average. The area is also benefiting from over £130m of ongoing regeneration investment as part of the landmark Falkirk Growth Deal.



Just 45 minutes from Birmingham, and within two hours of both Manchester and London, **Telford and Wrekin** is located at the heart of the UK. Total recorded crime is down 11 per cent and Telford town centre recently secured a further £20 million of Levelling Up Funding to support regeneration in the area.



**Blackburn** is promising a £250 million regeneration masterplan in the town centre – the largest of its kind in the North West, with new commercial buildings and upwards of 500 new homes. The area combines affordable house prices, promising crime and education data, as well as several areas of natural beauty to the north, and Manchester just 25 miles to the south.



**Ipswich's** Waterfront has been reimagined from a working dock to a range of marinas, hotels, restaurants and a new university. It's one of the fastest growing towns in the UK, thanks, in part, to £25m of investment from the Government's Town Deal Funding, and provides ideal access to Suffolk's beautiful coasts and heaths.



After becoming one of Scotland's first two Investment Zones, **Aberdeen** is to be supported by up to £80 million in targeted investment, tax reliefs and other incentives over five years. And while Aberdeen might be one of the most remote cities in the UK, its ultrafast broadband availability keeps buyers connected with the rest of the country.



**Eastbourne** is a UK seaside town on the up, with several new restaurants, art galleries and hotels appearing along the town's famous seafront. With dramatic headlands and the beautiful South Downs just a stone's throw away, Eastbourne has attracted artists for centuries. And with some of the most affordable housing in the South East, that trend looks likely to continue.



# Purchase pause.

Buying a first home is a huge milestone. But for many, current economic challenges are impacting where owning a first home fits in with other life goals and priorities. Almost three quarters (72%) said that their plans and behaviours around buying a property have been affected, with 21% putting their plans on hold completely while 41% have pushed back their buying plans.

## How plans have changed



### 25%

have had to deprioritise / delay homebuying to focus on other life priorities



### 22%

say their plans to buy are currently on hold



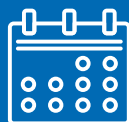
### 19%

spending more time researching to make sure they are certain of their choice



### 18%

say this has affected how much monetary support I need from my bank / family / friends



### Four years

average number of years prospective homebuyers said they needed to push back their homebuying plans by

Yet despite challenging circumstances for many, 87% are still committed to buying a property and a third (33%) want to get on the property ladder as soon as possible, showing how essential home ownership still is for many Brits.



### 87%

still keen to buy a property





## Changing life goals

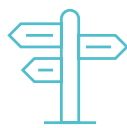
People's priorities are changing, those under 35 who have had to deprioritise or delay buying a house are instead focusing on paying off large debts such as student loans (39%) followed by travelling (30%) and buying a car (30%).

## Top 10 life priorities



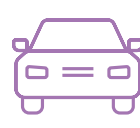
40%

Paying off large debts, such as a student loan



31%

Travelling



30%

Buying a car



27%

A holiday



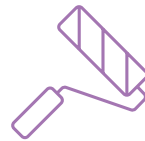
22%

Going to university / further studies



19%

Starting a family



15%

Home improvements



12%

Opening a business



11%

A wedding



7%

Paying for a child's education



## Decision to downsize

**Detached**



**£375,396**  
average first-time buyer purchase price for a detached house

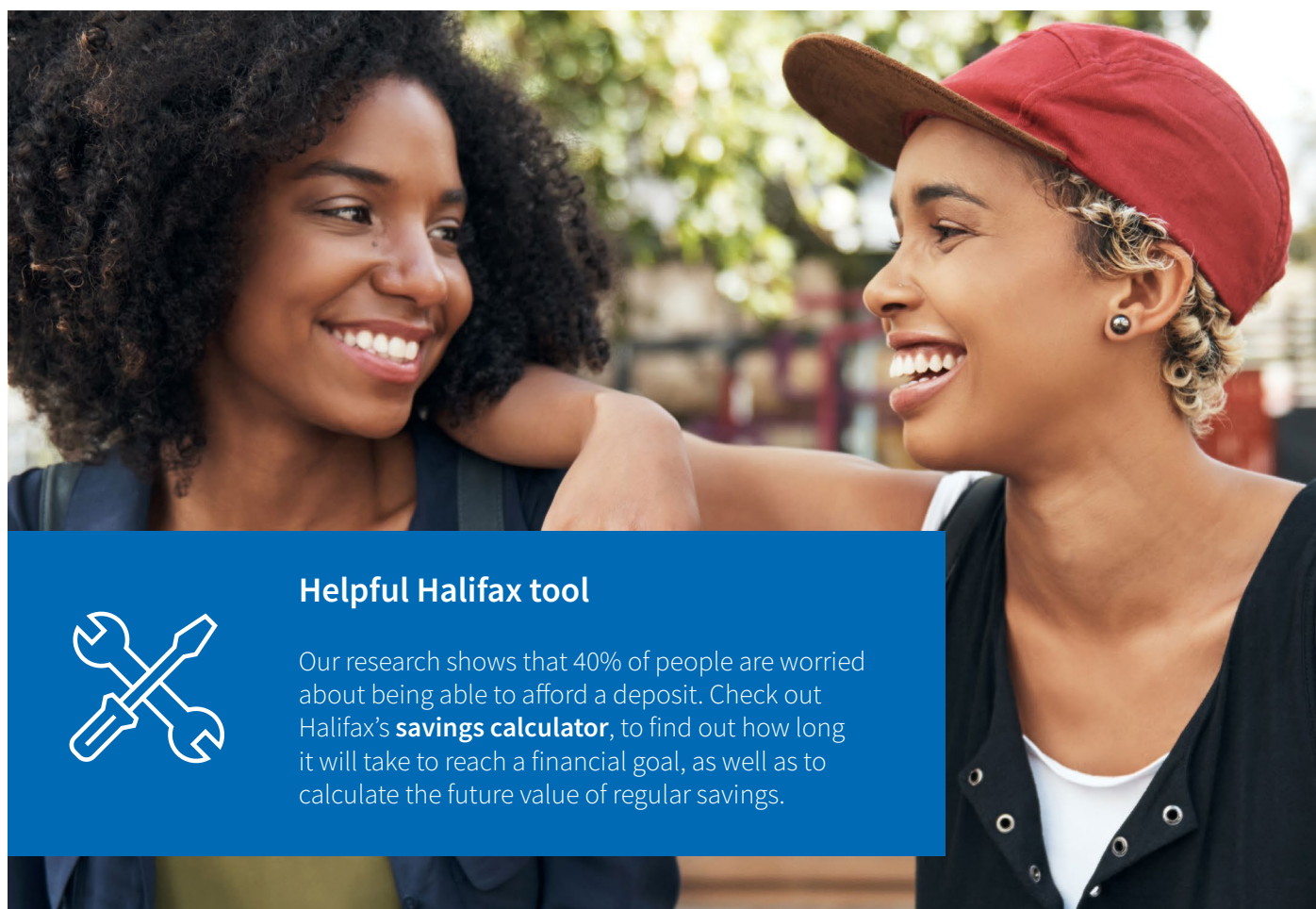
**57%**  
would compromise on the size of the property to be able to buy their first one

**Flat**



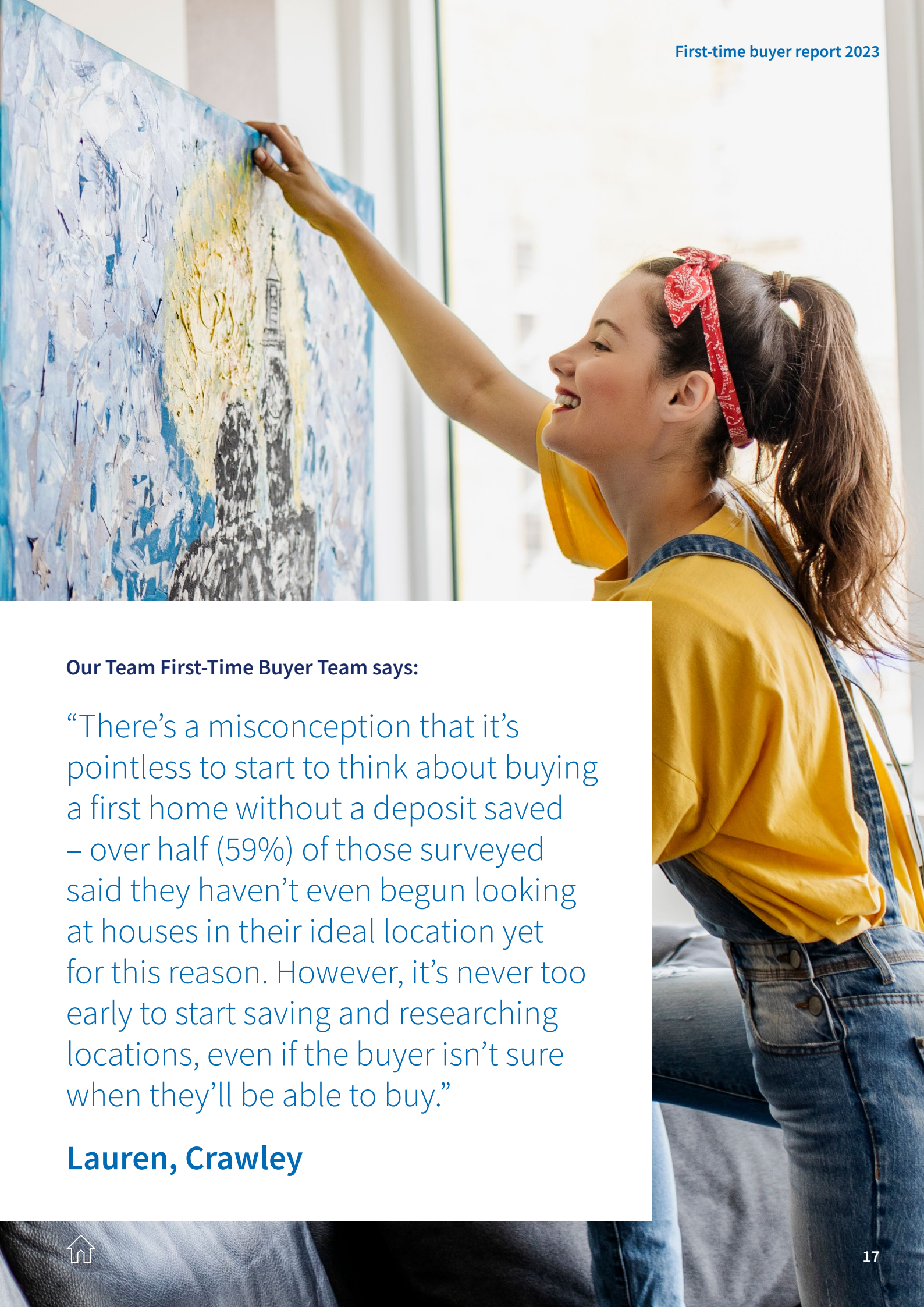
**£306,996**  
average first-time buyer purchase price for a flat

**51%**  
would compromise on the type of property (e.g. house vs flat; detached vs. terraced) to be able to buy their first one



### Helpful Halifax tool

Our research shows that 40% of people are worried about being able to afford a deposit. Check out Halifax's **savings calculator**, to find out how long it will take to reach a financial goal, as well as to calculate the future value of regular savings.



**Our Team First-Time Buyer Team says:**

“There’s a misconception that it’s pointless to start to think about buying a first home without a deposit saved – over half (59%) of those surveyed said they haven’t even begun looking at houses in their ideal location yet for this reason. However, it’s never too early to start saving and researching locations, even if the buyer isn’t sure when they’ll be able to buy.”

**Lauren, Crawley**



# Life lessons.

With 30% of those polled admitting that they do not understand the process of buying a property and 51% only somewhat understanding it, it's clear that education is still needed to help people become more comfortable with the process.

Almost half of those surveyed (nearly 50%) pinpointed their confusion around the process of buying a property being down to not being taught this at school.

## Top reasons for not engaging with home buying process:

**51%**

don't know what property they could afford

**51%**

don't know the process of buying a property

**51%**

don't know what mortgage they could get

**32%**

don't know where to find information on buying a property

**32%**

don't know what location they would like to buy in



## Top sources for advice on the home buying process



52%

Family members who have purchased a home



50%

The internet



50%

Estate agents



42%

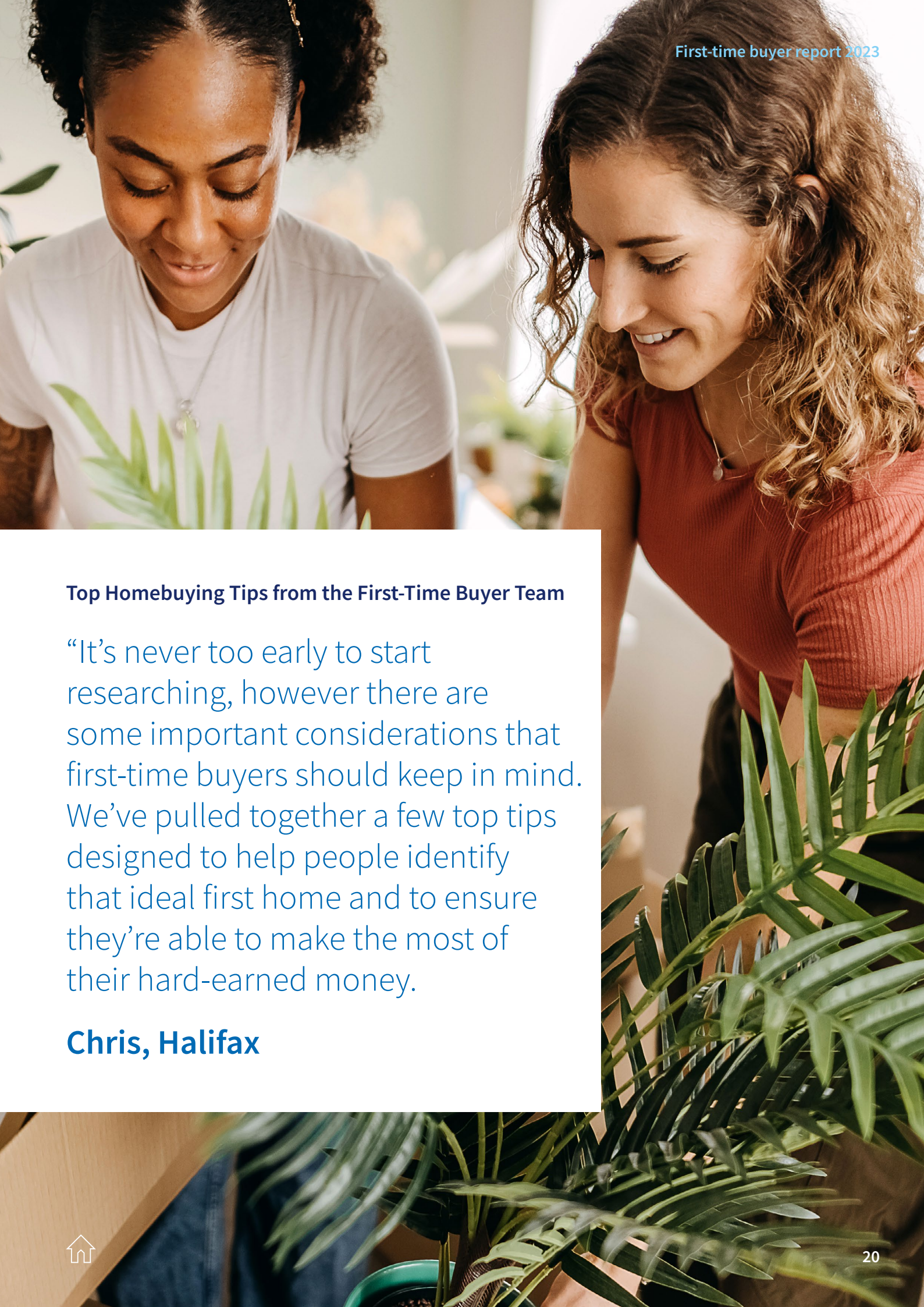
Friends who have purchased a home



39%

A bank





### Top Homebuying Tips from the First-Time Buyer Team

“It’s never too early to start researching, however there are some important considerations that first-time buyers should keep in mind. We’ve pulled together a few top tips designed to help people identify that ideal first home and to ensure they’re able to make the most of their hard-earned money.

**Chris, Halifax**

# Top tips.

## Tip 1







### Use Halifax's mortgage calculator

Halifax offers a free-to-use **First-Time Buyer Mortgage Calculator** to help those starting their homebuying journey get to grips with potential costs. By answering a few simple questions, users can determine how much they can afford to borrow and what their monthly payments might look like.

## Tip 2

### Use this mortgage application checklist to get prepared

It can be frustrating kicking off the mortgage process, only to find there's a key document missing. Applicants should make a checklist of all the important paperwork they need, including:

-  A form of ID
-  Past three to six months of bank statements
-  P60 tax form
-  Utility bills
-  Proof of benefits (if you receive them)
-  Contact details for your solicitor, estate agent and seller

## Tip 3

### Attend a virtual event for first-time buyers

Halifax offers **free virtual first-time buyer events**, featuring practical guidance, demo videos and information on the homebuying process. Streamed live to a mobile device or a computer, participants will learn about all the key steps they need to take when buying a new home.

## Tip 4

### Or drop by a Halifax Home Hub

Our **Home Hubs** are dedicated home buying spaces where visitors can come and chat to our experienced Mortgage and Protection Advisers and colleagues. They will provide expert advice on the home buying process, and help buyers explore the mortgage process at their own pace, using interactive mortgage tools.

Weekday appointments are available in branch up to 9:30pm and advisors are also available on a Saturday. If there isn't a Home Hub or branch nearby, experts are also available over the phone– or via video, online, or on the app.





## Tip 5

### Don't only look at house price

Our research shows that there are some fundamentals that first-time buyers are looking for over and above house price. For example, 33% stated community feel was a key priority, 36% referenced crime rates in the area and 29% said the number of transport links would affect their decision when it comes to where to buy.

In short, buyers should consider multiple factors and decide what's really important to them when choosing a home.

## Tip 6

### Explore different options

Halifax supports a range of government backed initiatives including Right to Buy, Shared Ownership and the Help to Buy: Equity Loan (Wales Only).

To find out more about how the different schemes work and the requirements, check out the website page here.

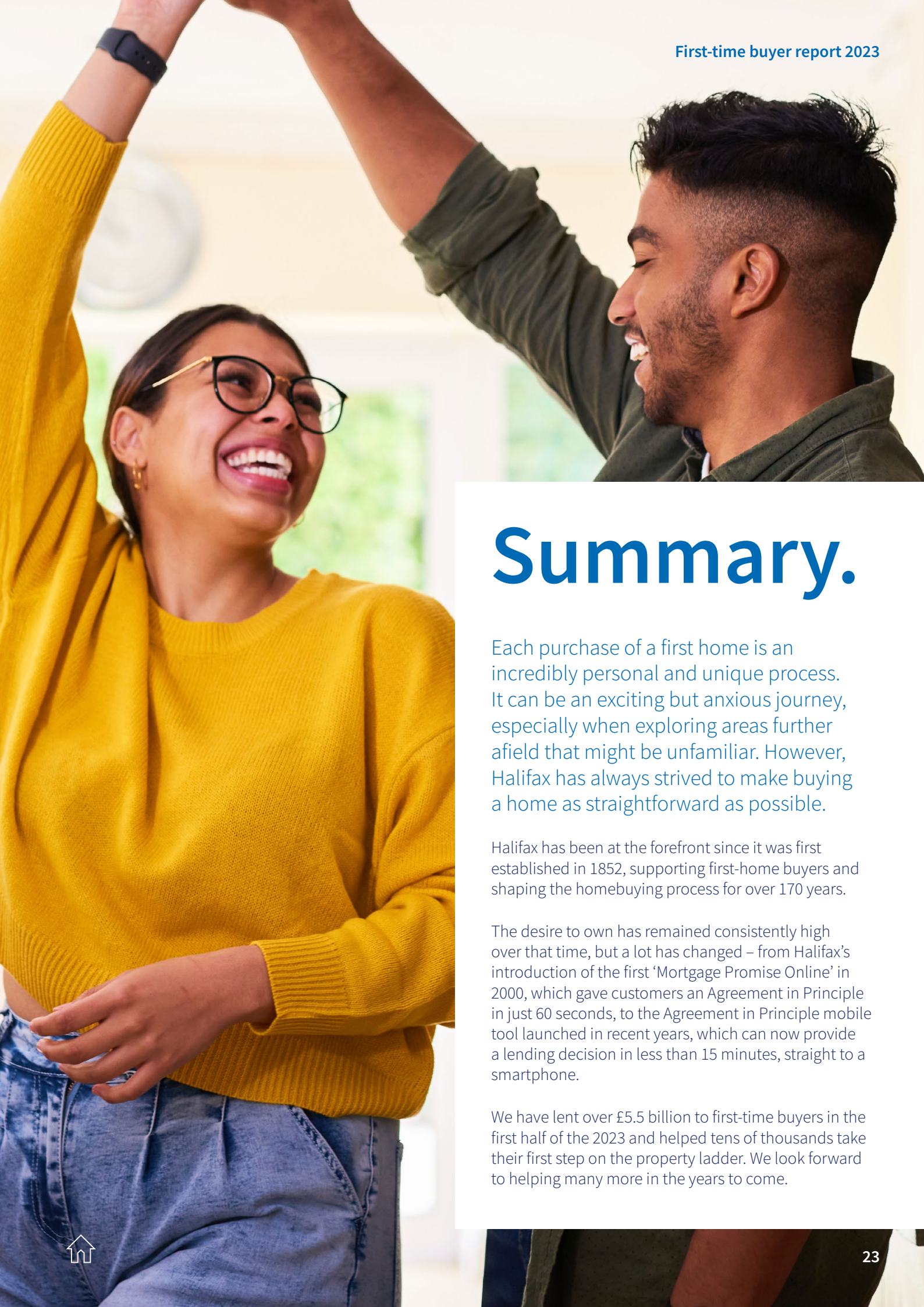
## Tip 7

### Check out Halifax's site and socials for more great information

As the UK leader in homebuying support and advice, we have plenty of guides and tools to help first-time buyers navigate the process.

We have loads of great tools and resources that provide support and guidance along each step of the journey, from saving a deposit and improving credit score, to the nuances of the mortgage application process.





# Summary.

Each purchase of a first home is an incredibly personal and unique process. It can be an exciting but anxious journey, especially when exploring areas further afield that might be unfamiliar. However, Halifax has always strived to make buying a home as straightforward as possible.

Halifax has been at the forefront since it was first established in 1852, supporting first-home buyers and shaping the homebuying process for over 170 years.

The desire to own has remained consistently high over that time, but a lot has changed – from Halifax’s introduction of the first ‘Mortgage Promise Online’ in 2000, which gave customers an Agreement in Principle in just 60 seconds, to the Agreement in Principle mobile tool launched in recent years, which can now provide a lending decision in less than 15 minutes, straight to a smartphone.

We have lent over £5.5 billion to first-time buyers in the first half of the 2023 and helped tens of thousands take their first step on the property ladder. We look forward to helping many more in the years to come.



