

## SCOTTISH FIRST-TIME BUYERS PAYING ALMOST £190,000 TO GET ON HOUSING LADDER

- **Number of first-time buyers dropped 11% last year, following 2021's record high**
- **Average house price for first-time buyers up 9%, to £189,428**
- **First-time buyer average deposit now £41,442, up 8% on previous year**
- **West Dunbartonshire is UK' most affordable place to buy a first home**

The number of first-time buyers fell by 11%, to 31,184 in 2022, compared to the year prior, according to new analysis from Bank of Scotland.

First-time buyers in Scotland now need to put down an average deposit of £41,442, paying £189,428 to get on the property ladder. Despite these significant sums, those buying their first home make up half (50%) of all home loans.

**Table 1: Number of first-time buyers in Scotland**

	Number of first-time buyers	Annual % change	First-time buyers as % of all home purchase loans
2012	18,610	15%	41%
2013	22,920	23%	44%
2014	27,550	20%	47%
2015	28,430	3%	46%
2016	30,660	8%	50%
2017	33,560	9%	50%
2018	32,480	-3%	50%
2019	32,630	0%	49%
2020	28,740	-12%	51%
2021	35,030	22%	50%
2022*	31,184	-11%	50%



### Bank of Scotland Press Team

Ellie Morris, [ellie.morris@loydsbanking.com](mailto:ellie.morris@loydsbanking.com), 07788 352 541

Lynsey Cheshire Willis, [lynsey.cheshire-willis@loydsbanking.com](mailto:lynsey.cheshire-willis@loydsbanking.com), 07595 124 294

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Sources: UK Finance and Bank of Scotland\* estimate for 2022

**Table 2: First-time buyers: average price and deposit by region**

	Average House Price 2021 (£s)	Average House Price 2022 (£s)	Average Deposit 2021 (£s)	Average Deposit 2022 (£s)	Deposit as % of purchase price 2022	1 Year % change in Deposit	1 Yr % change in Average Price
<b>Scotland</b>	<b>173,970</b>	<b>189,428</b>	<b>38,468</b>	<b>41,442</b>	<b>22%</b>	<b>8%</b>	<b>9%</b>
East Midlands	215,611	238,208	41,058	42,451	18%	3%	10%
East of England	307,614	336,710	61,113	60,169	18%	-2%	9%
London	475,498	518,900	122,348	125,378	24%	2%	9%
North East	161,699	175,091	30,521	30,198	17%	-1%	8%
Northern Ireland	159,107	171,425	29,912	33,199	19%	11%	8%
North West	194,175	212,604	37,194	37,483	18%	1%	9%
South East	327,406	362,730	67,569	68,749	19%	2%	11%
South West	256,320	281,167	54,507	55,708	20%	2%	10%
Wales	187,390	199,359	37,179	36,825	18%	-1%	6%
West Midlands	214,438	235,108	40,205	42,339	18%	5%	10%
Yorkshire and The Humber	182,747	202,154	34,139	37,062	18%	9%	11%
<b>UK</b>	<b>268,031</b>	<b>302,010</b>	<b>57,883</b>	<b>62,470</b>	<b>21%</b>	<b>8%</b>	<b>13%</b>

Source: Bank of Scotland 12 months to December 2022

The latest analysis also found that the average age of buyers entering the Scottish housing market is 31 – slightly lower than the national average of 32.

**Graham Blair, Mortgages Director, Bank of Scotland, said:** “There was a real spike in demand for Scottish homes in 2021 which means it’s unsurprising that the amount of properties bought by first-time buyers fell back in 2022, by 11%. Nonetheless, those getting on the property ladder for the first time still make up half of all home loans, and they’re paying almost £190,000 to get that first property. With average deposits raised now over £40,000, it’s still a significant challenge for people, although Scotland does have some of the most affordable places to buy in the UK.”

## Affordability

Average property values for first-time buyers are now around 5.0 times the average Scottish salary (£37,940.)



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Compared to the rest of the UK, Scotland has some of the most affordable places for people to make the first step on the housing ladder. The majority (six) of the top 10 most affordable areas in the UK are in Scotland.

The most affordable area for first-time buyers in Scotland, as well as the UK, is West Dunbartonshire. Comparing the average earnings in West Dunbartonshire (£37,910) to the average first-time buyer house price in the area (£103,957) – those getting started on the property ladder need to borrow roughly 2.7 times the average salary to get on the property ladder.

The least affordable area in Scotland is East Lothian, where first-time buyers face average house prices of 4.5 times Scottish average salaries.

More generally, the data from Bank of Scotland also found that almost two thirds (63%\*\*) of mortgage completions in the UK are now made in joint names (with 2 or more people).

**Table 3: 10 Most affordable Local Authority District's for first-time buyers, 2022**

Local Authority District	House Price to Average Earnings ratio
West Dunbartonshire	2.7
Inverclyde	2.8
North Ayrshire	2.9
East Ayrshire	3.0
South Ayrshire	3.1
Clackmannanshire	3.1
Stirling	3.2
North Lanarkshire	3.2
Renfrewshire	3.3
South Lanarkshire	3.4

Source: See Notes to Eds

**Table 4: 10 Least affordable Local Authority District's for first-time buyers, 2022 Scotland**

Local Authority District	House Price to Average Earnings ratio
East Lothian	4.5
Aberdeen City	4.4



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Ellie Morris, [ellie.morris@lloydsbanking.com](mailto:ellie.morris@lloydsbanking.com), 07788 352 541

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City of Edinburgh	4.4
Aberdeenshire	4.4
Midlothian	4.3
Dundee City	4.1
Highland	4.1
Moray	3.9
Scottish Borders	3.9
West Lothian	3.9

Source: See Notes to Eds

**ENDS**

## Tables

### Notes to Editor:

This information is intended for the sole use of journalists and media professionals.

### Data sources

This research is based on data from the BoS's own extensive housing statistics database, UK Finance statistics, and ONS data on average earnings.

\*Nations and regions are based on Government Office Regions, with the exception of the numbers of first-time buyers, as UK Finance use Economics Planning Regions

### House Prices

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

### Ownership

\*\*Based on combined Bank of Scotland, Lloyds Bank and Halifax mortgage completion data between January-November 2022, 63% were joint (2 parties or more) and 37% were sole applicants.

### 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.

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