

# Press Release



## COHABITATION NATION – MORE THAN SIX IN 10 FIRST-TIME BUYERS GO JOINT TO GET ON HOUSING LADDER

- Number of first-time buyers higher than pre-pandemic levels, but 11% down on 2021's record high
- Joint first-time buyers now account for 63% of mortgage completions
- Average house price for first-time buyers up 13%, to £302,010
- First-time buyer average deposit now £62,470, up 8% on 2021
- West Dunbartonshire is most affordable place to buy a first home

The number of first-time buyers fell by 11%, to 362,461, in 2022 compared to the year prior, according to new analysis from Halifax.

However, first-time buyer levels remained higher than pre-pandemic, with the number getting on the housing ladder in 2022 higher than any previous year, other than in 2006 and 2021's record spike. In 2021, the 'race for space', pent up demand from the pandemic and government measures to ease Stamp Duty costs, led to a record number of first-time buyers getting the keys to their first home.

The analysis from Halifax also shows that almost two thirds (63%\*\*) of mortgage completions are now in joint names (with two or more people).

Table 1: Number of first-time buyers in the UK

Year	Number of first-time buyers	Annual % change	First-time buyers as % of all home purchase loans
2012	211,920	13%	40%
2013	258,210	22%	44%
2014	310,280	20%	46%
2015	298,190	-4%	46%
2016	328,500	10%	48%
2017	345,910	5%	49%
2018	353,120	2%	50%

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2019	351,260	-1%	51%
2020	303,980	-13%	50%
2021	405,320	33%	48%
2022*	362,461	-11%	52%

Sources: UK Finance and Halifax estimates\* for 2022

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### Kim Kinnaird, Mortgages Director, Halifax said:

“Over 362,000 people got on the property ladder in 2022, with first-time buyers now accounting for over half of all home loans. Today, getting your own place for the first time will likely mean paying over £300,000 for that new home, and putting down, on average, a £62,000 deposit.

“The overall level of first-time buyers remains high, with the total number securing a home in 2022 higher than in any year other than 2021 - where we saw record demand - and prior to that, the peak seen in 2006. Buyers looking to make their first step onto the property ladder may welcome the forecasted fall in house prices this year – providing the supply is there. Nonetheless, the cost of purchasing a home is still significant and saving for a deposit can be challenging for some first-time buyers.

“The length of time needed, and cost of, raising a deposit are likely having an impact on the profile of the average first-time buyer over time. Today, those starting out on the housing ladder are 32 years old, on average - two years older than a decade ago – and almost two thirds of people are now getting their first mortgage in joint names.”

### First-time buyers fall

The number of first-time buyers fell across all nations and regions last year, compared to the record highs seen in 2021.

The greatest falls last year were in the South East, South West, Wales and Northern Ireland, all dropping by 12%, an expected decline considering the very high demand seen in these areas in 2021.

East Midlands saw the smallest fall, relative to the rest of the UK, with the number of first-time buyers down 7%.

Table 2: Number of first-time buyers by nations and regions

Region	2012	2017	2021	2022*	10-year change	1-year change
North	9,240	15,890	18,620	16,716	81%	-10%
Yorkshire and the Humber	16,410	28,590	32,900	29,635	81%	-10%
East Midlands	14,430	26,480	29,860	27,842	93%	-7%
East Anglia	7,470	12,270	14,680	13,473	80%	-8%

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Greater London	35,750	40,690	53,990	48,390	35%	-10%
South East	41,200	67,100	84,080	73,588	79%	-12%
South West	17,010	28,680	32,030	28,169	66%	-12%
West Midlands	16,990	30,310	33,750	30,172	78%	-11%
North West	20,880	36,730	40,970	37,534	80%	-8%
Wales	8,560	15,790	17,270	15,114	77%	-12%
Scotland	18,610	33,560	35,030	31,184	68%	-11%
N. Ireland	5,010	9,820	12,120	10,641	112%	-12%
UK**	211,920	345,910	405,320	362,461	71%	-11%

Sources: UK Finance and \*Halifax estimate for 2022. Nation and regions total does not equal UK due to rounding.

## Prices and deposits

In 2022, the average cost of a home for a first-time buyer was up 13% (to £302,010), with average deposits now 21% of purchase price. In cash terms, this means an average £62,470 deposit is being raised by those buying their first home – up 8% on 2021. Despite these significant sums, first-time buyers now account for over half (52%) of all loans on homes – the highest in the last decade.

Table 3: First-time buyers: average price and deposit by nations and regions

	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 Year % change in Average Price
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%
Scotland	173,970	189,428	38,468	41,442	22%	8%	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%
UK	268,031	302,010	57,883	62,470	21%	8%	13%

Source: Halifax, Rolling 12 months to 31<sup>st</sup> December 2021, 2022

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## First-time buyers over 30

According to Halifax's analysis, first-time buyers are now 32 years old, on average – and 30 or older in all nations and regions

Table 4: Average age of first-time buyers by nations and regions: 2012 vs 2022

Region	Average Age 2012	Average Age 2022
East Midlands	30	32
East of England	30	32
London	32	33
North East	29	30
Northern Ireland	30	32
North West	30	31
Scotland	29	31
South East	31	33
South West	30	31
Wales	29	31
West Midlands	30	32
Yorkshire and The Humber	29	30
UK:	30	32

Source: Halifax, 12 months to December

## Affordability

Average property values for first-time buyers are now around 7.6 times the average UK salary, so it's no surprise that new buyers are increasingly applying for mortgages in joint names rather than by themselves.

The most affordable area for first-time buyers in the UK is West Dunbartonshire. Using the comparison of 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.

The least affordable areas in the country are in London. First-time buyers face average house prices of 10 times the average salary if they want to buy in Westminster or Camden.

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**Tables 5: UK 10 Most affordable Local Authority Districts for first-time buyers, 2022**

Local Authority District	Region	House Price to Average Earnings ratio
West Dunbartonshire	Scotland	2.7
Inverclyde	Scotland	2.8
North Ayrshire	Scotland	2.9
Copeland	North West	3.0
East Ayrshire	Scotland	3.0
Hyndburn	North West	3.1
South Ayrshire	Scotland	3.1
Clackmannanshire	Scotland	3.1
Barrow-in-Furness	North West	3.2
Blaenau Gwent	Wales	3.2

Source: See Notes to Eds

**Table 6: UK 10 Least affordable Local Authority Districts for first-time buyers, 2022**

Local Authority District	Region	House Price to Average Earnings ratio
Westminster	London	10.0
Camden	London	10.0
Hertsmere	East of England	9.6
Hammersmith and Fulham	London	9.3
Harrow	London	9.2
Barnet	London	9.0
Brent	London	8.9
Islington	London	8.6
Haringey	London	8.4
Oxford	South East	8.4

Source: See Notes to Eds

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## Notes to editors:

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

## Data sources

This research is based on data from the Halifax's own extensive housing statistics database, UK Finance statistics (including Halifax estimates based on the expected levels of market completions given the prevailing economic environment and lead indicator of market applications), and ONS ASHE 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 Halifax, Lloyds Bank and Bank of Scotland 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) at Q2 2022 and refer to the means for full-time employees.

This report is prepared from information that we believe is collated with care; however, it is only intended to highlight issues and it is not intended to be comprehensive. We reserve the right to vary our methodology and to edit or discontinue/withdraw this, or any other report. Any use of this report for an individual's own or third-party commercial purposes is done entirely at the risk of the person making such use and solely the responsibility of the person or persons making such reliance." © Bank of Scotland plc all rights reserved 2023.

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