

Almost two thirds of first-time buyers teaming up to get on property ladder

- **Joint first-time buyers now account for 63% of mortgage completions**
- **First-time buyers made up over half of all home loans**
- **Flats a popular starter home, up 6pp, terraced properties down -7pp, over the last decade**
- **First-time buyer average house price now £288,136, down -5% last year**
- **Inverclyde in Scotland most affordable place in the UK to buy a first home**

First-time buyers are joining up to step onto the housing ladder, as almost two thirds (63%¹) of mortgage completions are in joint names (with two or more people), according to the latest analysis from Halifax.

It's unsurprising the majority of first-time buyer applications are joint, given the increase in deposits over the last decade. First-time buyers put an average deposit of £53,414 down last year, £21,000 more than a ten years ago (+67%). Although the average salary is higher than it was a decade ago, now £43,257 (+30%), getting together a deposit large enough to put down on a first home means raising more than a year's average pay.

Those buying a property for the first time continued to be the majority (53%) of all home loans last year. It was also the highest proportion, since 1995, of all home purchases (with a mortgage). However, the overall number of first-time buyers fell by -21% to 293,339 last year, compared to 2022.

The average house price for buyers entering the housing market in 2023 was £288,136, -5% lower than the previous year. Despite this, house prices for first-time buyers remain over £132,000 more expensive, on average, than ten years ago (+86%).

Flats have increased in popularity as a starter home compared to a decade ago, increasing by 6 pp, signaling that flats may be a more accessible property type for new buyers and a lower relative price point. Whereas the number of first-time buyers choosing a terraced home has dropped by -7pp compared to ten years ago.

The average first-time buyer is now over 30 years old in all regions and nations, with the UK average at 32 years old.

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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
2013	258,210	22%	44%
2014	310,280	20%	46%
2015	298,200	-4%	46%
2016	328,500	10%	48%
2017	345,920	5%	49%
2018	353,120	2%	50%
2019	351,260	-1%	51%
2020	303,980	-13%	50%
2021	405,310	33%	48%
2022	369,870	-9%	52%
2023*	293,339	-21%	53%

Sources: UK Finance and Halifax estimates* for 2023

Kim Kinnaird, Director, Halifax Mortgages said:

“Following a record year in 2021, unsurprisingly in view of the wider economic environment, the number of first-time buyers joining the property market fell again in 2023 to around 293,000. Despite this drop, new buyers made up over half of all home loans. However, to get a foot on the ladder most people are now buying for the first time in joint names.”

“There are a number of schemes available to support first-time buyers, like the mortgage guarantee scheme, which allows us to offer up to 95% mortgages to first-time buyers and has been extended until June 2025. Alternatively, the First Homes scheme offers discounts on new-build homes to first-time buyers, while shared ownership options allow new buyers to purchase some of the property and rent the rest.”

“The overall fall in house prices we saw in 2023 will go some way to helping people get on the ladder for the first time – but these buyers are still dependent on a steady supply of properties in their price range, while they are faced with the continued pressure of saving for a deposit, when rent and living costs are high.”



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Regional and national falls

Across the UK all regions saw a fall in the number of first-time buyers entering the market last year. The greatest drops were in East Anglia and the South East, both down -24%. Scotland was the most resilient - first-time buyers in the nation fell by -10%.

When looking over the last decade, all regions excluding London saw an increase in buyers purchasing a first property. Northern Ireland was top - +45% - compared to 2013.

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

Region	2013	2018	2022	2023*	1-year change	10-year change
North	10,930	16,320	17,080	13,526	-21%	24%
Yorkshire and the Humber	20,030	29,550	30,290	23,952	-21%	20%
East Midlands	17,770	27,480	28,410	22,295	-22%	25%
East Anglia	9,070	12,540	13,890	10,602	-24%	17%
Greater London	43,450	40,920	50,170	38,684	-23%	-11%
South East	51,470	68,680	75,370	57,490	-24%	12%
South West	20,660	29,460	29,060	23,015	-21%	11%
West Midlands	20,820	31,350	30,680	24,592	-20%	18%
North West	24,890	37,970	38,330	30,850	-20%	24%
Wales	10,150	15,940	15,450	12,641	-18%	25%
Scotland	22,920	32,480	30,500	27,339	-10%	19%
N. Ireland	5,760	10,410	10,640	8,353	-21%	45%
UK*2	258,210	353,120	369,870	293,339	-21%	+14%

Sources: UK Finance and Halifax estimate* for 2023. Nation and regions total does not equal UK due to rounding.

Prices and deposits

Last year, the average cost of a home for a first-time buyer fell from its peak in 2022 (£302,008) to £288,136 (-5%).

The average deposit on a first home last year was £53,414 (around 19% of the purchase price on average), in cash terms -£9,057 or -15% less, than in 2022.

Average deposits for first-time buyers in East Midlands fell the most in 2023 (-16%), compared to 2022. London and the South East also had some of the largest deposit falls last year (both -15%) although, at £108,848 and £59,075 respectively, the figures remain the largest by some way for new buyers to save towards a property.

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Table 3: First-time buyers: average price and deposit by nations and regions, 1 year change

Region	Average house price 2022 (£s)	Average house price 2023 (£s)	Average deposit 2022 (£s)	Average deposit 2023 (£s)	Deposit as % of purchase price 2023	1 year % change in deposit	1 year % change in average price
East Midlands	240,346	235,941	43,151	36,139	15%	-16%	-2%
East of England	338,251	327,926	61,050	52,682	16%	-14%	-3%
London	518,168	492,234	127,320	108,848	22%	-15%	-5%
North East	177,032	174,693	30,582	29,740	17%	-3%	-1%
Northern Ireland	171,590	174,337	33,168	31,948	18%	-4%	2%
North West	214,400	215,655	38,112	35,581	16%	-7%	1%
Scotland	191,159	188,670	41,487	39,691	21%	-4%	-1%
South East	364,048	353,724	69,834	59,075	17%	-15%	-3%
South West	282,705	273,968	56,723	49,135	18%	-13%	-3%
Wales	200,390	199,930	37,378	36,350	18%	-3%	0%
West Midlands	236,583	236,253	42,796	37,459	16%	-13%	0%
Yorkshire and The Humber	203,356	204,178	37,442	33,208	16%	-11%	0%
UK ²	302,008	288,136	62,471	53,414	19%	-15%	-5%

Source: Halifax rolling 12 months to 31st December 2022, 2023

Property types

Terraced homes are most favoured for those starting out with their first home. This type of property made up 30% of all new mortgages for first-time buyers last year, although down -7pp compared to ten years ago.

First-time buyers have also increasingly purchased flats over the past decade, up +6pp when compared to 2013 and increased in every region and nation in the UK.

London has seen the greatest increase in first-time buyers choosing a flat to set up home, 72% in 2022 versus 59% in 2013.

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Table 4: First-time buyer property type

Region	Semi Detached		Detached		Terraced		Bungalow		Flats	
	2013	2023	2013	2023	2013	2023	2013	2023	2013	2023
East Midlands	41%	43%	15%	21%	36%	28%	3%	3%	5%	6%
East of England	26%	26%	10%	13%	41%	33%	4%	4%	20%	24%
London	10%	8%	2%	1%	29%	18%	1%	1%	59%	72%
North East	40%	42%	12%	15%	37%	30%	3%	2%	10%	12%
Northern Ireland	36%	47%	11%	12%	36%	27%	12%	8%	6%	7%
North West	38%	39%	9%	11%	44%	38%	2%	2%	8%	9%
Scotland	20%	22%	10%	10%	25%	23%	5%	5%	40%	40%
South East	23%	25%	9%	11%	41%	34%	3%	3%	25%	27%
South West	27%	27%	10%	9%	42%	39%	3%	4%	18%	21%
Wales	36%	35%	11%	10%	43%	44%	4%	4%	6%	7%
West Midlands	41%	43%	10%	14%	38%	32%	1%	1%	10%	10%
Yorkshire and The Humber	40%	46%	9%	11%	43%	34%	2%	3%	6%	6%
UK ²	29%	29%	9%	10%	37%	30%	3%	3%	21%	27%

Source: Halifax rolling 12 months to 31st December 2013, 2023

First-time buyers now average 32 years old

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

When looking more locally, Ribble Valley in the North West has the youngest average first-time buyer at 27 years old. The oldest first-time buyers, at 37 years old on average, can be found in Slough, South East.

Table 5: Average age of first-time buyers by nations and regions 2013 vs 2023

Region	Average age 2013	Average age 2023
East Midlands	30	31
East of England	31	32
London	33	33
North East	30	30
Northern Ireland	30	31
North West	30	31
Scotland	30	31

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South East	31	33
South West	30	31
Wales	29	31
West Midlands	30	32
Yorkshire and The Humber	29	30
UK ²	30	32

Source: Halifax, 12 months to December

Affordability for first-time buyers

Average property values for first-time buyers are now around 6.7 times the average UK salary (£43,257), so it's unsurprising new buyers are applying for mortgages in joint names rather than by themselves.

Many of the most affordable places to buy a first home are in Scotland. Inverclyde in West-Central Scotland is the most affordable - properties here are around 2.6 times the average salary (£41,598).

At the other end of the scale, London continues to host some of the least affordable places in the country to set up a first home. First-time buyers in Islington, North London, face properties 10.6 times the average salary (£57,548).

Table 6: UK 10 Most affordable Local Authority Districts for first-time buyers, 2023

Local Authority District	Region	House Price to Average Earnings ratio
Inverclyde	Scotland	2.6
West Dunbartonshire	Scotland	3.3
North Ayrshire	Scotland	3.4
East Ayrshire	Scotland	3.4
Na h-Eileanan Siar	Scotland	3.5
Hartlepool	North East	3.5
South Ayrshire	Scotland	3.5
Shetland Islands	Scotland	3.7
Cumberland	North West	3.8
Clackmannanshire	Scotland	3.8

Source: See Notes to Eds

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Table 7: UK 10 Least affordable Local Authority Districts for first-time buyers, 2023

Local Authority District	Region	House Price to Average Earnings ratio
Islington	London	10.6
Brent	London	10.4
Harrow	London	10.4
Slough	South East	10.3
Oadby and Wigston	East Midlands	10.1
Hounslow	London	10.0
Barnet	London	10.0
Newham	London	10.0
Hammersmith and Fulham	London	9.6
Waltham Forest	London	9.6

Source: See Notes to Eds

Table 8: First-time buyers: average price and deposit by nations and regions, 5 year change

Region	Average house price 2018 (£s)	Average house price 2023 (£s)	Average deposit 2018 (£s)	Average deposit 2023 (£s)	5 year % change in deposit	5 year % change in average price
East Midlands	170,989	235,941	32,100	36,139	13%	38%
East of England	264,216	327,926	50,236	52,682	5%	24%
London	422,006	492,234	110,109	108,848	-1%	17%
North East	134,590	174,693	25,411	29,740	17%	30%
Northern Ireland	123,800	174,337	21,485	31,948	49%	41%
North West	151,341	215,655	28,794	35,581	24%	42%
Scotland	149,585	188,670	28,598	39,691	39%	26%
South East	288,202	353,724	58,451	59,075	1%	23%
South West	214,640	273,968	42,785	49,135	15%	28%
Wales	152,385	199,930	29,474	36,350	23%	31%
West Midlands	174,447	236,253	33,015	37,459	13%	35%
Yorkshire and The Humber	143,229	204,178	25,777	33,208	29%	43%
UK ²	214,158	288,136	44,411	53,414	20%	35%

Source: Halifax rolling 12 months to 31st December 2018, 2023

Table 9: First-time buyers: average price and deposit by nations and regions, 10 year change

Region	Average house price 2013 (£s)	Average house price 2023 (£s)	Average deposit 2013 (£s)	Average deposit 2023 (£s)	10 year % change in deposit	10 year % change in average price
East Midlands	124,788	235,941	23,483	36,139	54%	89%
East of England	179,141	327,926	36,704	52,682	44%	83%
London	266,792	492,234	60,530	108,848	80%	85%
North East	109,864	174,693	20,871	29,740	42%	59%

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Northern Ireland	89,930	174,337	16,002	31,948	100%	94%
North West	118,142	215,655	22,241	35,581	60%	83%
Scotland	118,212	188,670	23,228	39,691	71%	60%
South East	201,535	353,724	43,079	59,075	37%	76%
South West	162,059	273,968	34,862	49,135	41%	69%
Wales	116,501	199,930	21,787	36,350	67%	72%
West Midlands	128,327	236,253	25,969	37,459	44%	84%
Yorkshire and The Humber	114,015	204,178	21,797	33,208	52%	79%
UK ²	155,142	288,136	32,031	53,414	67%	86%

Source: Halifax rolling 12 months to 31st December 2013, 2023

ENDS

Notes to Editors

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

Data sources

Ownership

¹ Based on combined Halifax, Lloyds Bank and Bank of Scotland mortgage completion data between January and December 2023, 63% were joint (2 parties or more) and 37% were sole applicants.

² 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.

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.

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.

Average Earnings

Average earnings figures are from the ONS's "Annual Survey of Hours and Earnings" (ASHE) at Q2 2023, uplifted to October 2023 using ONS EARN01 weekly earnings data 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 2024.

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