

First time buyer price report – November 2017

Independent, free, expert advice on housing

Buying your first home in today’s variable market means you need to take a great deal of care before making a decision. It’s essential to secure independent, up-to-date advice you can trust. Kate and her team from Propertychecklists.co.uk make it easy to access the information and support you need FREE of charge.

We have also produced a free, downloadable eBook with all of our first time buyer checklists to help anyone thinking or buying for the first time.

Report headlines:-

[NAEA Propertymark](#) “Sales to first-time buyers (FTBs) remained the same as the previous two months”

[Connells Group](#) “First-time buyers make up half of all property purchases in July”

[Halifax](#) “First-time buyers paying record prices to get on to the property ladder”

[Lloyds Bank](#) “Stagnant homemovers’ market impacts first time buyers”

Average price paid for first time buyer properties

	Aug-17	Sep-17	Oct-17	Monthly Change	Annual Change		
Rightmove	£194,273	£194,883	£196,328	0.7%	3.9%	Asking prices	E & W (excl inner London)
UK HPI	£204,163	n/a	n/a	0.5%	4.8%	Sold prices, includes cash sales and new builds	E

Proportion of FTBs

[NAEA Propertymark](#) “The proportion of sales made to FTBs remained at 23 per cent in September, the same as the previous two months.”

[Connells Group](#) “Half of all property purchase valuations in July were made on behalf of first-time buyers. The proportion of the property purchase market represented by first-time buyers is six percentage points higher than the five year average for July (43%).”

[Halifax](#) “The number of first-time buyers (FTBs) reached an estimated 162,704 in the first six months of 2017, only 15% below the peak of the last boom in 2006 (190,900). Although the growth in FTBs slowed to just 3%, compared to an increase of 10% last year, the number of homeowners getting on to the property ladder for the first time is up from 154,200 in the same period in 2016 and more than double the market low in the first half of 2009 (72,700).”

Proportion of FTBs – cont’d

Table 1: Number of first-time buyers – UK

	Number of first-time Buyers	Annual % change	FTBs as % of all House Purchases Loans
2006 H1	190,900	19%	37%
2007 H1	181,500	-5%	36%
2008 H1	109,300	-40%	38%
2009 H1	72,700	-33%	38%
2010 H1	95,500	31%	38%
2011 H1	86,000	-10%	38%
2012 H1	100,600	17%	40%
2013 H1	116,300	16%	44%
2014 H1	167,300	44%	47%
2015 H1	140,500	-16%	47%
2016 H1	154,200	10%	47%
2017 H1*	162,704	3%	47%

* Halifax estimate

Source: [Halifax](#)

Kate comments on first time buyer activity:

The government are very keen to encourage home ownership and have put money behind the likes of various Help to Buy schemes which, although have recently come in for some criticism, do appear to be working. And indeed it does appear that FTBs – as opposed to investors, people trading down or up – seem to be the mainstay of the property market. Even before the property crash, they had fallen to a third of the market, whereas now they are nearly 50% and although growth has slowed, it's quite apparent that one of the key reasons for the fall in home ownership is the recession, rather than the likes of buy to let investors.

First time buyers regional prices, average deposit and mortgage levels

The following table summarises the UK HPI and Halifax data by region on first time buyers

Region	UK HPI Average FTB price Aug-17	Annual Change	Halifax Average FTB price 2017	Average Mortgage	Average Deposit	Deposit %
East Midlands	£154,463	6.1%	£158,021	£134,274	£23,747	15%
East of England	£240,665	5.9%	£198,876	£165,738	£33,138	17%
London	£423,224	2.2%	£409,795	£303,218	£106,577	26%
North East	£112,319	3.4%	£125,591	£106,998	£18,594	15%
North West	£134,646	6.0%	£146,551	£125,169	£21,382	15%
South East	£259,918	4.2%	£276,773	£226,628	£50,144	18%
South West	£207,369	5.8%	£202,700	£167,045	£35,655	18%
West Midlands	£156,639	4.9%	£164,737	£139,911	£24,826	15%
Yorks & Humber	£136,055	4.4%	£137,908	£118,059	£19,848	14%
Wales	£129,456	2.7%	£136,103	£118,910	£17,193	13%
Scotland	£120,824	6.2%	£139,041	£117,476	£21,565	16%
Northern Ireland	n/a	n/a	£117,716	£101,259	£16,457	14%

Kate Faulkner's comments on the FTB regional markets:

The data shows that first time buyer affordability is not as bad as it often made out by the media or in reports on housing, for example, the government's own 'Broken Housing Market'. Looking at these numbers, it is clear that the average price people are paying and the mortgages they are taking on are far more affordable than 20-somethings are being told, especially when two people buy together. The interesting stats here though are the level of deposit which range from 13% to 26%. With the affordability issues which do exist in London, you'd expect low deposits, but in fact people buying are managing to find six figures, even though they don't necessarily need to. In areas such as Wales – where houses are being bought for £130,000 – buyers are still putting down 13% instead of the required 5% deposits. What will be interesting to see over the next six to 12 months is whether the inflation on properties for first time buyers increases and parents hold back on 'gifting money', or if FTBs just hand over the extra stamp duty cash to sellers.

Kate's guide to the individual indices

- [Rightmove](#) - Useful to measure average time to sell and sellers' sentiment. (E & W)
- [LSL Acadata HPI](#) – Analyses Land Registry figures, separates out London, good analysis on transactions.
(E & W)
- [UK HPI](#) – Tracks sold property price data, good for accurate information, but doesn't reflect current market conditions. (E, W, S & NI)

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Kate and her team from [Propertychecklists.co.uk](#), make it easy to access the information and support consumers' need via FREE of charge eBooks, checklists, daily articles and one-to-one advice:

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For media professionals

If you need Kate to appear on TV, radio or for general comment, please contact directly:

Kate Faulkner, Property Market Analyst and Commentator

Websites: [Kate Faulkner](#) [Propertychecklists.co.uk](#)

Email: kate@designsonproperty.co.uk

Telephone: **01652 641722**

About [Kate Faulkner](#)

Kate has written six property books including four for the consumer organisation Which? – Buy, Sell and Move House; Renting and Letting; Develop your Property and Property Investment Handbook. Kate presents at a seminar almost every week to landlords, investors and first-time buyers, and is often asked to chair debates and present at industry conferences.

From a media perspective, Kate's appearances include BBC Breakfast News, Your Money, GMTV, ITV, Radio 4 You and Yours, The Big Questions and 5Live. In the last 12 months, Kate has carried out numerous TV and radio interviews, has been quoted every month in major newspapers and magazines and been featured in many local newspapers.

For more information contact Kate Faulkner directly on **07974 750562** or kate@designsonproperty.co.uk