



First Time Buyer Index Autumn 2024

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Aldermore

Introduction

We're delighted to bring you the latest update of the **Aldermore First Time Buyer Index**.

Throughout June, we spoke to 500 new first time home buyers and 2,000 prospective first time buyers to discover what deposits are looking like, how people are finding the buying process, and their experiences of using a broker.

At Aldermore, we're committed to support brokers and the clients you work with.

We hope you find this report useful. If you have any questions for the team, please don't hesitate to get in touch.

Jon Cooper,

Director of Mortgages, Aldermore

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Deposits



Actual First Time Buyers

*Those who bought their first home since May/June 2022

Average deposit

£83,500

May 2023

£84,697

July 2022

£60,862

September 2021

£62,572

Average value of first time home **£447,500.**

Buyers said on average it took **4 years and 9 months** to save for their deposit.

31%

have not been able to save as much as they thought they would.

41%

were impacted by high house prices and had to look for a cheaper property as a result, this was up since last year (33%).



Prospective First Time Buyers

Amount they plan to raise for their deposit

£54,000

June 2023

£47,067

July 2022

£43,500

September 2021

£57,280

67%

of prospective first-time buyers intend to fund their deposit using their own savings, this is a slight increase from 62% in 2023.

Just under two in five (**37%**) intend to use savings held jointly with their partner (higher than the 30% in 2023).

One in five (**19%**) intend to use parental or family assistance (18% in 2023); this route is much more common among younger prospective first time buyers aged 18-34 (23%).

Over three in five (**62%**) of prospective first time buyers say that they are seeking to raise a larger deposit than initially intended.



The bank of mum and dad has become a fixture of homebuying in the UK. Dipping into cash savings has long been commonplace for parents helping their children. It's important that families don't overextend themselves or compromise their own finances in providing support to their children. I'd advise any buyer to seek the expertise of a broker, who can help navigate the more delicate and complex aspects of getting on the property ladder.

Jon Cooper, Director of Mortgages, Aldermore

Getting a mortgage – the process



Actual buyers

Almost three fifths of first time buyers **(57%)** found the home buying process confusing, slightly higher than last year (49%).

Over three in five **(63%)** spent more money than intended on the house buy.

Nearly half **(49%)** agreed that the home they bought was empty for a few months as they couldn't afford to buy the furniture immediately.

Over nine in ten **(93%)** agree there are hard parts in the process of purchasing their first home, with raising a deposit (23%) and the length of the purchase process topping the list (22%).

Hardest part of the home buying process



For brokers, helping clients navigate the homebuying process is about more than just securing a mortgage, it's about guiding them through a potentially complex and lengthy journey. First time buyers often underestimate the time involved, especially when dealing with solicitors, estate agents, and unexpected issues like survey-related repairs. This can lead to delays that frustrate eager buyers.

“In order to help speed up the homebuying process, it's definitely worth using a broker. Their expertise can help streamline the mortgage process by filling out paperwork and forms on your behalf, as well as scanning the market for the most appropriate mortgage deals, all of which can be very time consuming.

Jon Cooper, Director of Mortgages, Aldermore



Prospective buyers

Only one in ten **(10%)** of prospective first time buyers say it is not difficult to buy your first property in the UK (11% in 2023). The majority **(62%)** say it is difficult.

The biggest obstacles prospective first time buyers think they face in buying their first property, include inflation (20%), property prices (19%), and raising a deposit (16%).

Almost a quarter **(23%)** of prospective first time buyers have started the process of buying a property before, only to have it fall through.

Approximately one in six **(17%)** have been declined a mortgage in the past, slightly down from 2023 (23%).

Most common reasons for lenders refusing a mortgage application

	2024	2023	2022
1) Didn't have a large enough deposit	27%	21%	20%
2) Me/ partner not earning enough	19%	17%	14%
3) Poor credit history	27%	17%	21%
4) The lender made an administrative error	16%	17%	21%
5) Being self-employed, a contract worker or having irregular income	19%	16%	17%



Using a broker



Actual buyers

Just over two thirds (**64%**) of first time buyers used a broker, mortgage adviser, or independent financial adviser to find the mortgage for their property.

Those who did use one found the mortgage broker through a recommendation from a family or friend (31%), their mortgage adviser (18%), or their estate agent (17%).

Overall, nine in ten (90%) said this was a good experience.

Top reasons why first time buyers used a broker or financial adviser

34%

I wanted to ensure I'd be able to afford my mortgage.

34%

I wanted someone else to manage the paperwork.

33%

They have whole of market experience.

30%

I wasn't sure where else to start.

29%

A friend/family member had a good experience with them.





Prospective buyers

Just under a quarter **(24%)** of prospective FTBs have been using a broker for advice on their mortgage (up from 17% in 2023).

The main reason for not using one, is not being that far along in the buying process (33%, consistent with 32% in 2023). Three in ten (31%) say they haven't got around to it yet, while one in six say it is just too expensive (16%).

Of those who have used a broker, the vast majority **(90%)** said it was useful. In fact, over half (54%) said it was very useful and 36% said it was quite useful.

How mortgage brokers helped in the process
(among those who have used a mortgage broker)

	2024	2023	2022
1) Provided useful recommendations	47%	34%	37%
2) Checked my finances work out	45%	36%	36%
3) Provided me with information I didn't know before	44%	33%	38%
4) Clearly explained the process	43%	32%	34%
5) Helped complete important paperwork	37%	28%	32%



“

The rise in first time buyers using brokers highlights the growing complexity of the property market. It's encouraging to see many buyers having a positive experience, which isn't surprising. Brokers are invaluable, not just for finding the best deals but also for guiding clients through a complicated and unfamiliar process.

Jon Cooper, Director of Mortgages, Aldermore



Research conducted, on behalf of Aldermore bank, by Opinium between 17th – 28th June 2024, among 2,000 Prospective First Time Buyers and 500 Actual First Time Buyers.

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