

First Time Buyer Index 2026

Source: Research conducted, on behalf of Aldermore bank, by Opinium between 10th October - 03 November 2025, with a nationally representative sample size of 2,000 prospective first time buyers and 500 actual UK first time buyers who bought a home within the past 2 years.

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Introduction

Welcome to the 2026 First Time Buyer Index.

This latest edition reflects a consistent commitment by Aldermore to showcase our latest insights and data on the first time buyer's market. By surveying 500 actual new first time buyers and 2000 prospective purchasers, this report provides an understanding into the feelings, challenges and realities of today's first time buyers in the UK.



The journey to homeownership remains challenging for first time buyers. This report brings together key insights and highlights that build a clearer picture of this customer demographic, drawing on attitudes, behaviours and the financial pressures shaping their path to owning a home.

For intermediary partners, this report offers a high-level view of the themes influencing first time buyers today, helping to inform conversations with informed topical guidance to support buyers with greater confidence as they move towards homeownership.

We hope you take away many of the learnings to help the next generation of homebuyers.

Nicola Goldie

Head of Strategic Partnerships and Growth,
Residential Mortgages, Aldermore

Financials



Deposits and savings behaviour

Actual first time buyers

Average deposit 2025

£89,400

October 2024

£83,500

July 2023

£84,697

July 2022

£60,862
£371,900

average paid for a first home (£447,500 last year).

25.6%

average deposit of their first home's value.

46%

have not been able to save as much due to rising cost of living.

38%

looked for a cheaper property due to high house prices.

Prospective first time buyers

Planned deposit 2025

£48,200

Approximately down from £54,000 in 2024

64%

are looking to raise a larger deposit due to the recent changes to the property market.

64%

are planning to buy a house of lower value as higher interest rates have increased average monthly repayments.

26.7%

of their monthly income after tax is the max they would consider spending on their mortgage.



Deposit expectations

Prospective first time buyers

Men (£52,000) intend to save a larger deposit than **women (£45,000)**.

Regional expectations

| 2025 | London | Yorkshire & Humberside | North East |
|------|----------------|------------------------|----------------|
| | £64,600 | £38,000 | £35,000 |

32%

where prospective FTBs buyers were seeking to buy was fairly evenly split; almost a third wanted to buy somewhere in the city.

27%

over a quarter wanted somewhere in the suburbs.

21%

a fifth wanted somewhere on the outskirts of a city.

21%

wanted somewhere in the countryside.



Being declined

Prospective first time buyers

12%

one in eight prospective first-time buyers have previously been declined for a mortgage **falling from 17% in 2024**.

4%

less than one in twenty have been declined on multiple occasions, a reduction from **8% last year**.



First time buyers mortgages

Actual first time buyers

53%are on a **fixed rate** mortgage compared to **64%** in 2024.**19%**are on a **variable repayment** mortgage compared to **22%** in 2024.

In terms of mortgage term, **a fifth have a term of 5 to 10 years (21%)**, while a similar proportion **(19%) have a term of 21 to 25 years** – with the average being 17 years.



How first time buyers are funding their deposits

The average salary earnt by prospective FTBs is **£38,700**, yet a **fifth** are planning to fund their deposit with **parental / family assistance** (20%).

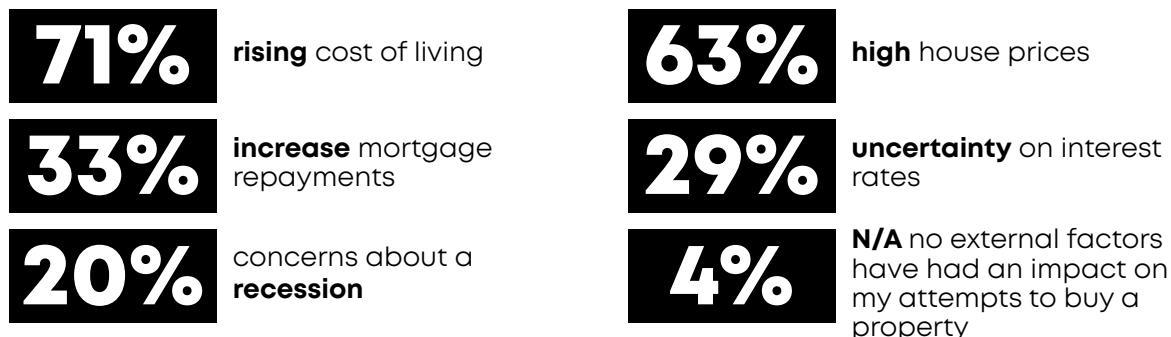
70%of FTBs were planning on funding their deposit through their **own savings**.**40%**using **joint savings** with a partner.**10%**using **inheritance**.**20%**using **parental assistance**.**4%****borrowing** from friends.



Ongoing affordability pressures facing first time buyers

The **rising cost of living** has impacted **seven in ten** prospective FTBs' attempts to buy a property.

% of the following factors that have had an impact of prospective FTBs attempts to buy a property:



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For many first time buyers, affordability remains the defining challenge, driven primarily by the rising cost of living, high house prices and ongoing uncertainty around mortgage repayments and interest rates.

Brokers should work closely with their customers to build confidence in their ability to secure a mortgage and help them plan for potential contingencies along the way. They can support this by helping customers to save, recommending apps or financial planning services that enable better management of monthly expenses and support deposit building.

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Head of Strategic Partnerships and Growth,
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Using a broker

71%

FTBs used a mortgage broker or independent financial advisor to find the mortgage for their property.

July 2024

64%

July 2022

70%

September 2021

56%



Finding a broker

30%

recommended by a friend or family member.

21%

recommended by estate agent.

14%

recommended by mortgage adviser.

15%

Google search.

19%

recommended by building company.

9%

social media.



Why use a broker?

39%

whole of market **experience**.

40%

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

33%

wanted to ensure they would be able to **afford** my mortgage.

29%

found the process **too complicated** and wanted to use an **expert**.



Why not use a broker?

37%

not that far along in the **buying** process.

33%

haven't got **round** to it yet.

19%

think it is too **expensive**.





Using a broker

Prospective first time buyers

24%

are using a broker for advice on their mortgage.

July 2024

24%

July 2022

20%

September 2021

29%

95%

say they have been **useful** in giving **advice** on their mortgage, compared to **87%** in 2024.

40%

haven't yet but **do** plan to.

33%

haven't used one and have **no** plans to do so.

6%

said they **don't know**.

“

Nearly a quarter of prospective first time buyers are already turning to brokers for mortgage advice, and the vast majority find that support valuable. As the market remains complex, brokers continue to play a critical role in helping buyers move forward with confidence.

The value of advice has never been more important; brokers need to make sure they are visible and that first time buyers can find them to get advice.

Summary

As the mortgage market becomes more complex, an increasing number of first time buyers are recognising the value of professional advice. Importantly, those who do use a broker are overwhelmingly positive about the experience. This reflects the vital role brokers play in helping buyers understand their options, navigate affordability pressures and move forward with greater confidence.

What is particularly encouraging is the growing intent among those who have yet to use a broker. As more first time buyers plan to seek advice as they progress on their journey, it reinforces the importance of trusted, expert guidance at a time when clarity and reassurance matter more than ever. Through our specialist expertise in supporting first time buyers, Aldermore works closely with brokers to help them identify the right mortgage solutions for their clients, even where circumstances may be more complex. By providing products, criteria and dedicated intermediary support designed around the needs of first time buyers, we are well placed to help brokers guide their clients with confidence. In an evolving market, brokers remain central to turning homeownership aspirations into reality, supported by Aldermore's specialist approach and expertise.

Find out more about how we support brokers and first time buyers on our dedicated [First Time Buyer mortgage page](#).

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