

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.

FOR INTERMEDIARY USE ONLY

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 earned 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**.

This is followed by:

40%

using **joint savings** with a partner.

10%

using **inheritance**.

20%

using **parental assistance**.

4%

borrowing from friends.

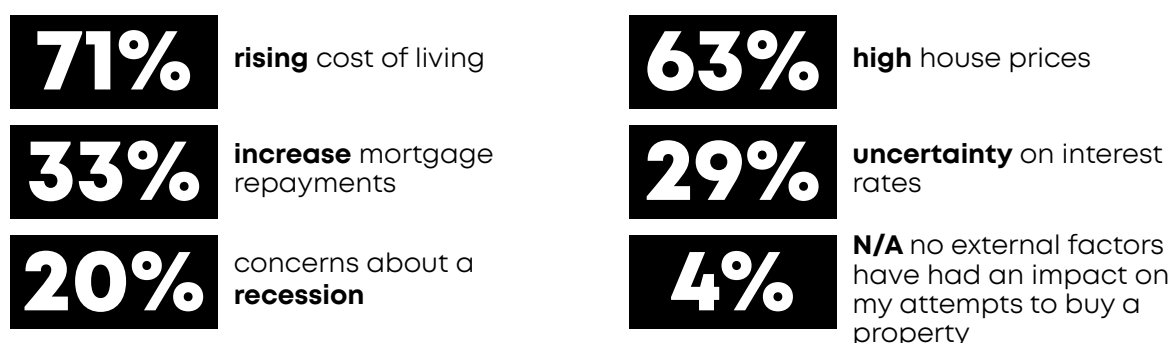




Ongoing affordability pressures facing first time buyers

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:



“

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.

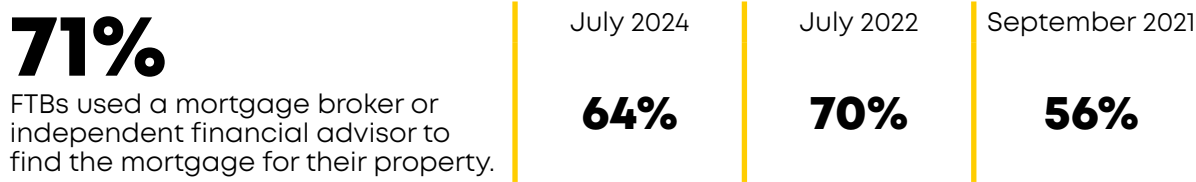
Brokers should work closely with their customers to build confidence in their ability to secure a mortgage and help them plan for potential contingencies along the way. They can support this by helping customers to save, recommending apps or financial planning services that enable better management of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

Nicola Goldie

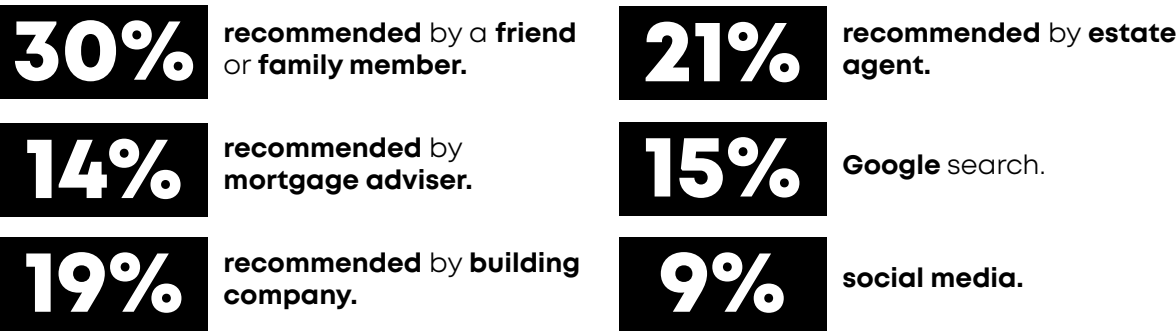
Head of Strategic Partnerships and Growth,
Residential Mortgages, Aldermore



Using a broker



Finding a broker





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](#).

Aldermore

FOR INTERMEDIARY USE ONLY.

This document was last updated on 05 January 2026. The information on this document is not intended to be comprehensive, and many details which may be relevant to particular circumstances have been omitted. We take no responsibility for the consequences of errors or omissions. This document is and should be treated as a helpful guidance, is offered on non-reliance basis and does not constitute legal or other advice. Please seek independent advice by your preferred providers for any of the matters mentioned in this document if you are considering them for your business.

Aldermore Bank PLC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Financial Services Register number: 204503). Registered Office: Apex Plaza, Forbury Road, Reading, RG1 1AX. Registered in England. Company No. 947662. Invoice Finance, Commercial Mortgages, Property Development, Buy To-Let Mortgages and Asset Finance lending to limited companies are not regulated by the Financial Conduct Authority or Prudential Regulation Authority. Asset Finance lending where an exemption within the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 applies, is exempt from regulation by the Financial Conduct Authority or Prudential Regulation Authority.

ALD-76