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233 first-time buyers forecasted to be priced out of the housing market every day over the next five years

- The number of first-time buyer completions in England forecasted to fall by 30% in 2023.
- A lost generation of 426,000 'capable and ready' first time buyers expected to be unable to get on housing ladder between 2023 and 2027 if present conditions persist.
- Leeds Building Society launches a new campaign called '[Losthaven](#)' to amplify the frustrated voices of aspiring first-time buyers and take action to protect homeownership for future generations.

Leeds Building Society estimates as many as 233 first-time buyers per day will be priced out of the housing market in England over the next five years. If left unaddressed, 426,000 people, equivalent to a city the size of Coventry, are unlikely to get on the housing ladder.

In a new report, titled "A Place to Call Home", Leeds Building Society analysed the [multiple barriers facing first-time buyers](#), forecasted the impact of the current economic conditions on first-time buyers over the next five years and made recommendation for what can be done long-term to address the issues.

The whole housing market has declined in 2023, but first-time buyer completions have fallen faster than the market. In March 2023 first-time buyer numbers were 24% lower than in March 2022, and Leeds Building Society forecasts first-time buyer transactions in England will be down by 30% in 2023 to 218,000 transactions.

First-time buyers today are historically earning above average incomes and yet they, and especially aspiring first-time buyers unable to get onto the housing ladder, face challenges incomparable to previous generations - a triple combination of historically high house prices, high deposit values, and high mortgage repayments.

Rising deposit requirements are the most striking change in the affordability picture for first-time buyers. Average deposit requirements stood at 115% of average first-time buyer earnings in 2022 (£68,700). This increased further to £73,100 in March 2023, or 26% of total purchase price.

In 2022 it took up to 12 years for an average private renter to save their deposit, while the time required to save for a deposit while living rent-free stood at 4 years.

Those able to buy a first home will need higher incomes than ever before, with mortgage repayments amounting to 29% of their take-home earnings, compared to 22% in 2022, even though those who can afford to become first-time buyers in 2023 are earning more than their equivalents in any previous period.

Commenting on the findings, Richard Fearon, CEO of Leeds Building Society, said:

“More than a decade of low interest rates has masked a growing gap between people with the ability, or family help, to build ever higher deposits and stretch their repayments and those who cannot.”

“In 2022 we took the bold decision to stop offering mortgages on second homes. We’ve also strengthened our support for first time buyers through our award-winning Shared Ownership proposition, a Home Deposit Saver account, a ground-breaking partnership with Experian to include extra evidence of a borrower’s good financial track-record in mortgage checks, and enhanced savings rates for shared ownership borrowers.”

“Today, we help someone buy a home every 16 minutes, and one in every two of our mortgages in 2023 has been for a first-time buyer. We’re doing all we can to help first-time buyers, but we can’t fix the housing crisis alone. Sadly, for an increasing number, homeownership is a distant dream.”

Without intervention a generation of 426,000 lost-first time buyers will be priced out of the housing market over the next five years. Leeds Building Society has named this ‘[Losthaven](#)’, an unseen fictional city bigger than Coventry. The Society is standing alongside the unwilling residents of Losthaven to amplify their voices and ensure action is taken to protect the future of homeownership for generations to come.

‘Losthaven’ continues the Society’s mission, which began in 2022, calling for significant policy changes in the UK housing market. Leeds Building Society believes [action is required in three key areas](#) to build a market which better supports and empowers first-time buyers:

1. **Building more homes of all types**, with a major acceleration of current efforts and policy changes including the restoration of mandatory housing targets and the introduction of targets for affordable housing in local authorities and reform of the planning system.
2. **Increasing affordable routes to home ownership**, with renters’ reform to provide greater protection for those saving for a deposit, support for a well-managed and regulated Build to Rent sector, and increased bridges to ownership such as Shared Ownership.
3. **Supporting people to save for their deposit**, with reform to the Lifetime ISA scheme to reflect house price increases and new measures to allow people to build and improve credit scores by including rent payments.

Richard Fearon concluded:

“Every generation deserves a place to call home and the Society is on a mission to do that, because the future needs action, not words. Without action we risk creating a lost generation of first-time buyers – a scar on the face of a country that prides itself on people’s ability to own a home, create roots in their communities, and prosper as a result.

“Homes must become more affordable, accessible, and available. We need real change in the housing market to improve supply long term. That’s why we’re working closely with the housing industry and the government, so we can continue to put home ownership within reach of more people for generations to come.”

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Notes to Editors

- Projections for first-time buyer numbers over the next five years are informed by the latest data on first-time buyer numbers in 2023 so far, on the affordability forecasts, on historical data on the number of first-time buyers during previous housing market downturns, and on the OBR forecasts for overall housing transaction numbers. (Source: Leeds Building Society, 'A Place to Call Home' report, page 21)

About Leeds Building Society

- Leeds Building Society operates throughout the UK and had assets of £26.9bn at 30 June 2023 (£24.1bn at 30 June 2022). The UK's fifth largest Building Society has its head office in the centre of Leeds, where it was founded in 1875.
- The Society won the title of Best Shared Ownership Mortgage Lender in the 2023 What Mortgage Awards, its eighth consecutive year of success in this category. It has also received a Gold Ribbon from Fairer Finance for savings accounts for five consecutive years, based on customer happiness and trust, along with the ability to explain things clearly.

<https://www.leedsbuildingsociety.co.uk/>