



Press Release

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First-time buyers need over 10 years to save for a deposit

Six months less than two years ago as affordability improves in eight out of 10 regions

Single first-time buyer

The average time it takes for a single first-time buyer to save for a 15% deposit in England and Wales fell to 10 years and three months in Q4 2018. This was six months less than in Q4 2016 when it took 10 years and nine months to save – a sign that affordability has improved slightly (table 1). This means that if a single first-time buyer started saving now, it would take them until the beginning of 2029 to be able to afford a home.

Eight out of 10 regions saw a fall in the amount of time needed for a single first-time buyer to save a 15% deposit over the last two years. It was nine months quicker to save for a deposit in the East, East Midlands and Wales than it was in Q4 2016. The North East and North West were the only regions where time to save stayed the same (table 1).

A single Londoner hoping to buy would need 15 years and nine months to save, down from 16 years in Q4 2016 as house price growth has slowed and incomes have risen (table 1). This means that it would now take until around Q3 2034 for a single first-time buyer to save for a home in the capital.

Couple first-time buyers

It was three months quicker for a full-time working couple in England and Wales to save for a home in 2018 than it was in 2016. In Q4 2018 the average couple would need to save for four years and nine months to raise a 15% deposit on their first home, half the time it takes a single person (table 1). Sharing rent and every day household costs such as food and bills means that a couple can save faster.

In London it was three months quicker for a couple to save for a home in 2018 than it was two years ago (table 1). The average couple would have to save up until the middle of 2026 to purchase their first home in the capital, taking seven years and six months on average. Meanwhile the quickest place to save for a home was in the North East, where it would take two years and nine months for a couple to save on average.

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10 year change

In Q4 2018 it was six months quicker for a single first-time buyer to save for a home in England and Wales than it was 10 years ago. In fact, it was a year quicker in three out of 10 regions for a single first-time buyer to save for a 15% deposit than it was in Q4 2008. London, the South East and South West were the only regions where it took longer to save for a deposit in 2018 than 10 years ago. It took a year and nine months longer to save for a home in the capital than it did in Q4 2008 (table 2).

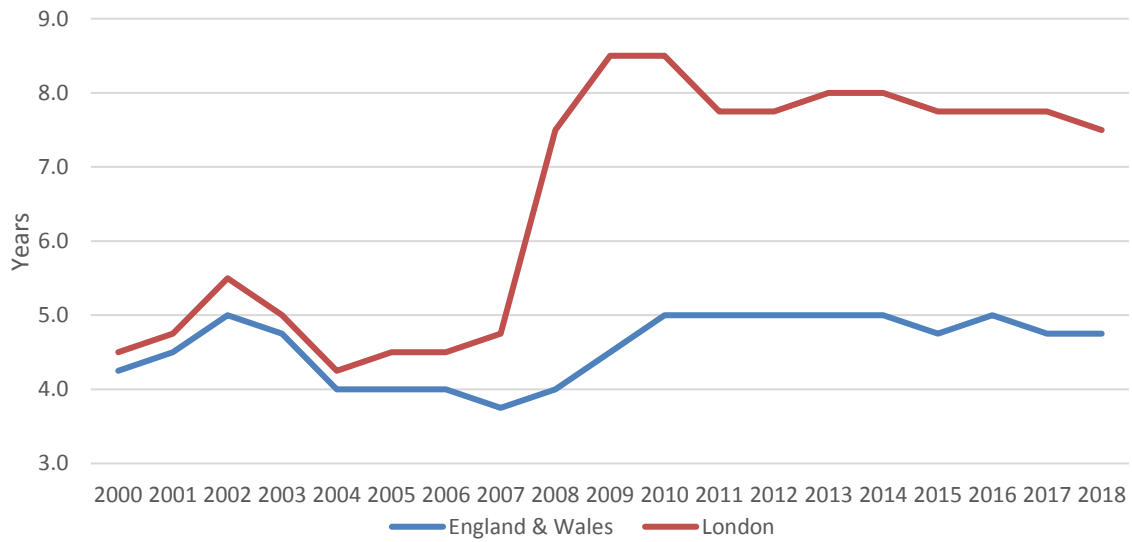
However, for couples it took longer to save for a deposit than it did 10 years ago in every region other than in the North East. In Q4 2008 it took four years on average to save a 15% deposit. It was three months quicker for a couple to save for a home in the North East in Q4 2018 than it was in Q4 2008 (table 2).

Aneisha Beveridge, Head of Research, Hamptons International said:

“Saving a deposit is still the biggest barrier to buying a home, but things did improve in 2018. Slowing house price growth – which is expected to continue – combined with rising wages, meant that last year it was six months quicker to save for a home than it was two years earlier. However, despite the slight improvement in affordability it still takes a single person more than a decade to save up to buy a home.

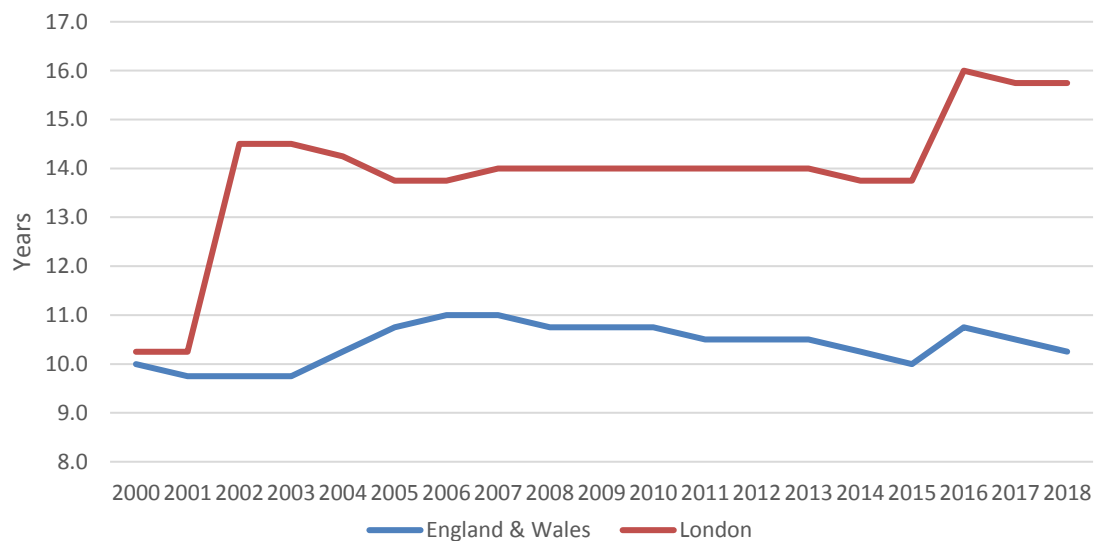
“Conditions are hardest in the capital where house prices have increased the most over the last decade. Despite price growth cooling off more recently, it still takes a single person over 15 years to save up for a 15% deposit for a home in the capital. This is over nine years longer than in the North East, which is the quickest region to save for a home.”

Chart 1 - Time it takes a couple to save for a 15% deposit (Q4 of each year)



Source: Hamptons International

Chart 2 - Time it takes a single person to save for a 15% deposit (Q4 of each year)



Source: Hamptons International

Table 1 - Time to Save for a 15% Deposit – 2 Year Change

	Single		Couple		Single	Couple
	Q4 2018	Q4 2016	Q4 2018	Q4 2016	2Y Change	2Y Change
East	11y 0m	11y 9m	5y 0m	5y 3m	-0y 9m	-0y 3m
East Midlands	9y 0m	9y 9m	4y 0m	4y 0m	-0y 9m	0y 0m
London	15y 9m	16y 0m	7y 6m	7y 9m	-0y 3m	-0y 3m
North East	6y 6m	6y 6m	2y 9m	2y 9m	0y 0m	0y 0m
North West	8y 6m	8y 6m	3y 6m	3y 6m	0y 0m	0y 0m
South East	13y 6m	13y 9m	5y 9m	6y 0m	-0y 3m	-0y 3m
South West	13y 0m	13y 6m	3y 6m	3y 9m	-0y 6m	-0y 3m
Wales	8y 6m	9y 3m	4y 0m	4y 0m	-0y 9m	0y 0m
West Midlands	9y 3m	9y 6m	3y 6m	3y 6m	-0y 3m	0y 0m
Yorkshire & Humber	8y 0m	8y 3m	3y 6m	3y 6m	-0y 3m	0y 0m
England & Wales	10y 3m	10y 9m	4y 9m	5y 0m	-0y 6m	-0y 3m

Source: Hamptons International

Table 2 - Time to Save for a 15% Deposit – 10 Year Change

	Single	Couple	Single	Couple
	(Q4 2008)	(Q4 2008)	10Y Change	10Y Change
East	11y 6m	4y 0m	-0y 6m	1y 0m
East Midlands	10y 0m	3y 3m	-1y 0m	0y 9m
London	14y 0m	7y 6m	1y 9m	0y 0m
North East	7y 6m	3y 0m	-1y 0m	-0y 3m
North West	8y 6m	3y 3m	0y 0m	0y 3m
South East	12y 0m	4y 6m	1y 6m	1y 3m
South West	12y 6m	3y 6m	0y 6m	0y 0m
Wales	9y 0m	3y 9m	-0y 9m	0y 3m
West Midlands	10y 3m	3y 3m	-1y 0m	0y 3m
Yorkshire & Humber	8y 9m	3y 3m	-0y 9m	0y 3m
England & Wales	10y 9m	4y 0m	-0y 6m	0y 9m

Source: Hamptons International

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Map – Time to Save for a 15% Deposit

England & Wales

	2016	2018
Couple	5y 0m	4y 9m
Single	10y 9m	10y 3m

North West

	2016	2018
Couple	3y 6m	3y 6m
Single	8y 6m	8y 6m

West Midlands

	2016	2018
Couple	3y 6m	3y 6m
Single	9y 6m	9y 3m

Wales

	2016	2018
Couple	4y 0m	4y 0m
Single	9y 3m	8y 6m

South West

	2016	2018
Couple	3y 9m	3y 6m
Single	13y 6m	13y 0m

North East

	2016	2018
Couple	2y 9m	2y 9m
Single	6y 6m	6y 6m

East Midlands

	2016	2018
Couple	4y 0m	4y 0m
Single	9y 9m	9y 0m

Yorkshire & Humber

	2016	2018
Couple	3y 6m	3y 6m
Single	8y 3m	8y 0m

East

	2016	2018
Couple	5y 3m	5y 0m
Single	11y 9m	11y 0m



London

	2016	2018
Couple	7y 9m	7y 6m
Single	16y 0m	15y 9m

South East

	2016	2018
Couple	6y 0m	5y 9m
Single	13y 6m	13y 6m

Key

-  Couple
-  Single

Source: Hamptons International

Ends

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Methodology:

1. Time to Save is based on the time it takes for a buyer saving for a deposit from today.
2. The Time to Save index takes into account how much money first-time buyers have left to save from their incomes, after tax, National Insurance, rent, council tax and spending on essential food, transport and utility bills. It assumes that households can save 22% of this remaining income towards a deposit.
3. We assume that wages increase in line with OBR forecasts and that house prices rise in line with our own expectations.
4. We assume the first-time buyer average house price is c85% of the regional average house price.
5. We use mean full-time earnings from the Annual Survey of Hours and Earnings (ASHE) to more accurately affect the cohort that are likely to buy. This roughly represents the top 65% of earners.
6. We use ASHE to adjust mean full-time earnings to the 20-29 age to reflect the age of first-time purchasers.

About Hamptons International

Hamptons International is a leading residential estate agent and property services company, operating in London and the South of the UK.

Hamptons International offers a wealth of award-winning services including UK and international Sales, Lettings, Property Management, Corporate Services, Residential Development, Development Land, Valuation Property Finance, and is a subsidiary of Countrywide, the UK's largest estate agency and property services group.

Hamptons International celebrates 150th Anniversary

In 2019 Hamptons International celebrates its 150th birthday. The estate agency business, headed by George Hampton, opened its doors in 1869 with an office in Pall Mall and eight members of staff.

150 years on and Hamptons International has a network of over 90 offices in London and the South of the UK employing over 1,000 members of staff.