



**Mortgage
Club
Awards
2017**

WINNER
Vida Homeloans
*Best Lender for Partnership
with Mortgage Club*
sponsored by Legal & General Mortgage Club



The Real First Time Buyer

LOUISA SEDGWICK
DIRECTOR OF SALES - MORTGAGES

November 2017





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The Real First Time Buyer

Sally Wright
Key Account Manager

November 2017



Agenda

- Regional variances – not everyone wants to live in London
- Demographics – what does a first-time buyer really look like?
- The Bank of Mum and Dad
- Friends buying together – what's in it for them?
- What do intermediaries need to look for?

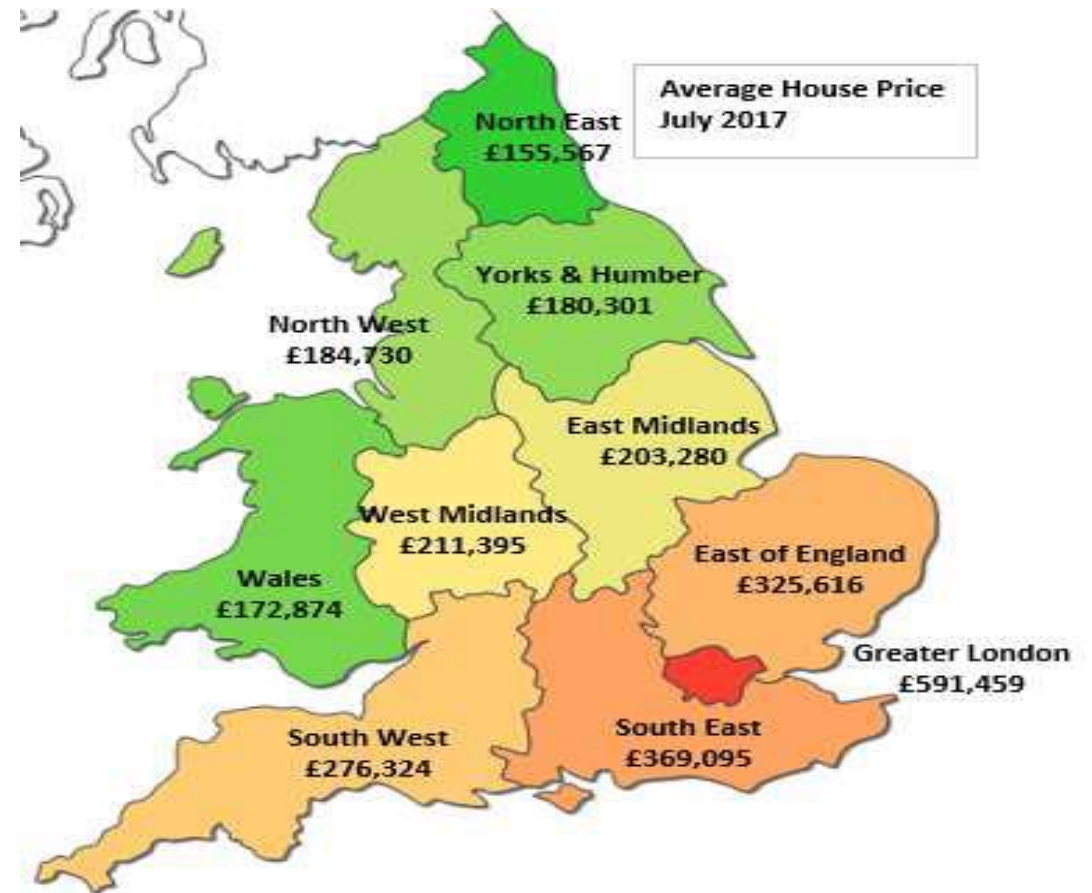
Regional Variances – not everyone wants to live in London.....

Minimum deposit needed

- North East £15,556
- Yorks & Humber £18,000
- North West £18,400
- Wales £17,287
- East Mids £20,320
- West Mids £21,139
- South West £27,632
- East England £32,561
- South East £36,909
- Greater London £59,459

Average Salary

- £29,282
- £29,282
- £31,144
- £29,881
- £30,280
- £27,962
- £28,355
- £30,280
- £32,524
- £42,302

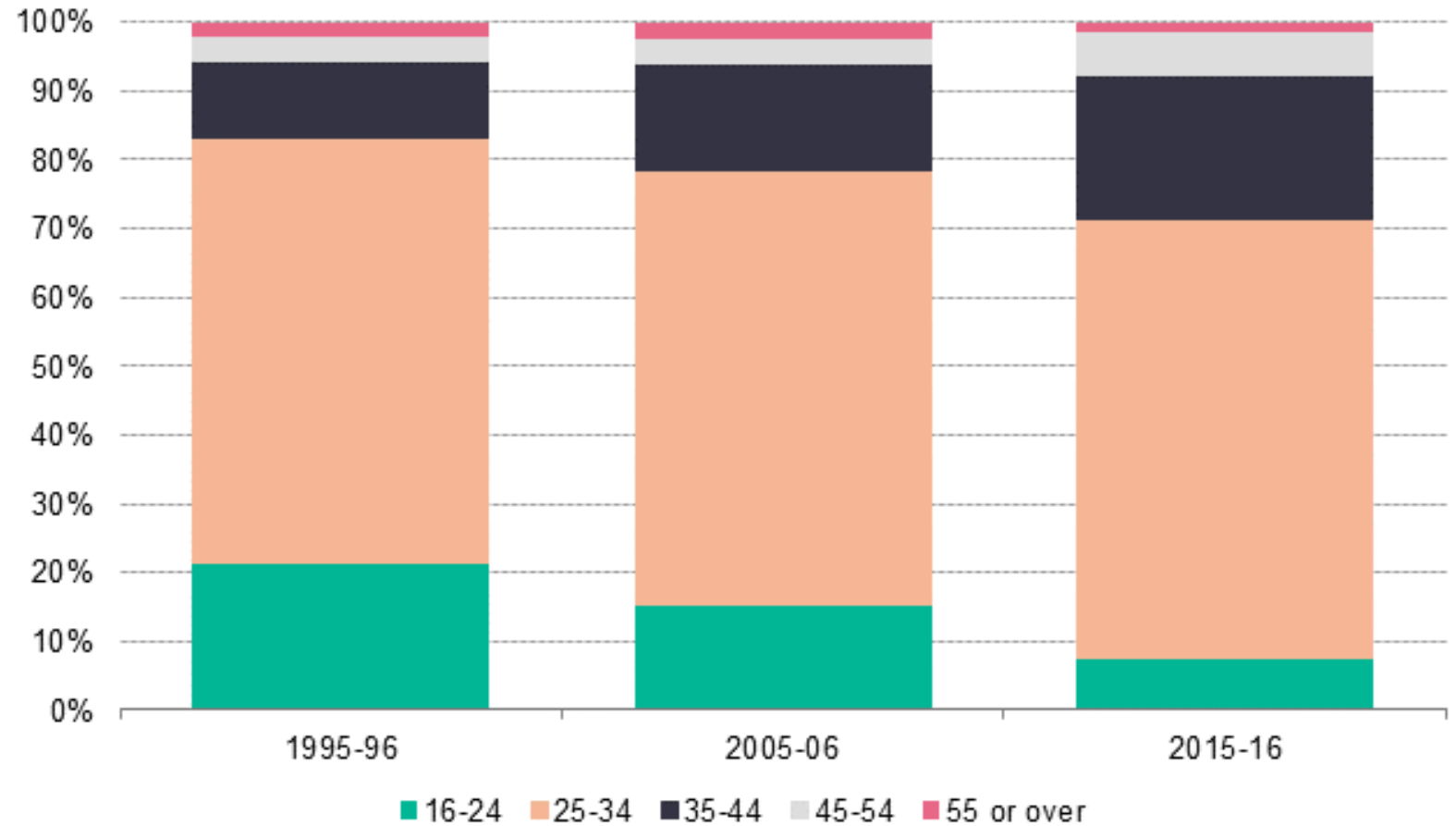


So what does this tell us.....

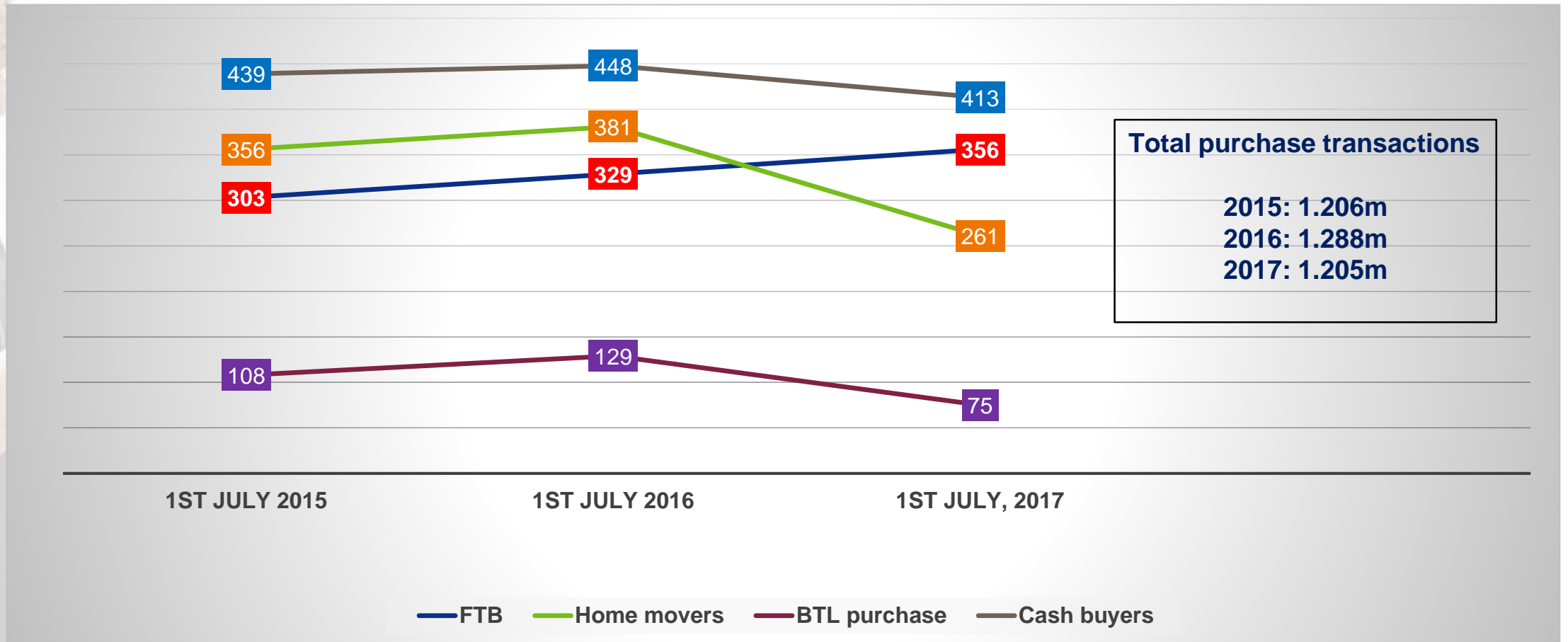
- As the **17th most expensive** place in the world to live properties in London are unaffordable without help – HTB/Gifted Deposits/Buying together (16.3% - London)
 - FTB Property in Clapham Junction - £172,500 – 2 bed flat (30% S/O)
 - Or a house boat with no fixed abode - £110,000!
- **However 60% of the UK is affordable**
 - FTB Property in Manchester City Centre – 2 bed flat £110,000
 - FTB Property in Birmingham City Centre – 2 bed flat £174,000
 - FTB property in Newcastle City Centre – 2 bed flat £130,000
 - FTB property in Milton Keynes – 2 bed flat S/O - £110,000
 - FTB property in Croydon – 2 bed flat £200,000

Age of FTB's – 72% are under 35 years

FTBs between 25 & 34 years have broadly remained the same – it's the younger and older borrowers that have changed



The purchase market is changing purchase transactions



First Time Buyer Transactions are increasing!

- HTB schemes – 120,828 number of properties sold through HTB (to date) 4,885 in London alone
- Bank of Mum and Dad – in 2017 £6.5bn will be lent or gifted by family
- People buying together
- Shared Ownership/Affordable housing
- 95% mortgages available (new build)
- Builder/Vendor gifted deposits
- Student schemes – the helping hand of Mum and Dad

42% of Vida house purchase mortgages have been to FTB's!

What's the opportunity – how do I find these FTB's?

- Older client banks – Mum & Dad/Grandma & Grandad
- Amateur Landlords – tax changes may make them sell
- Solicitors
- Colleges/Universities
- Large corporations/businesses
- Small local businesses
- Builders/Developers

What's the biggest challenge? nobody told them

We have a collective opportunity to guide FTBs into home ownership – act quickly before we run out of borrowers!!

IT'S ALL ABOUT EDUCATION!

