



Are first-time buyers the new specialism?

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Agenda

- Regional variances – not everyone wants to live in London
- Demographics – what does a first-time buyer really look like?
- Trends and Affordability
- What do our FTBs look like?
- What opportunities do intermediaries need to look for?

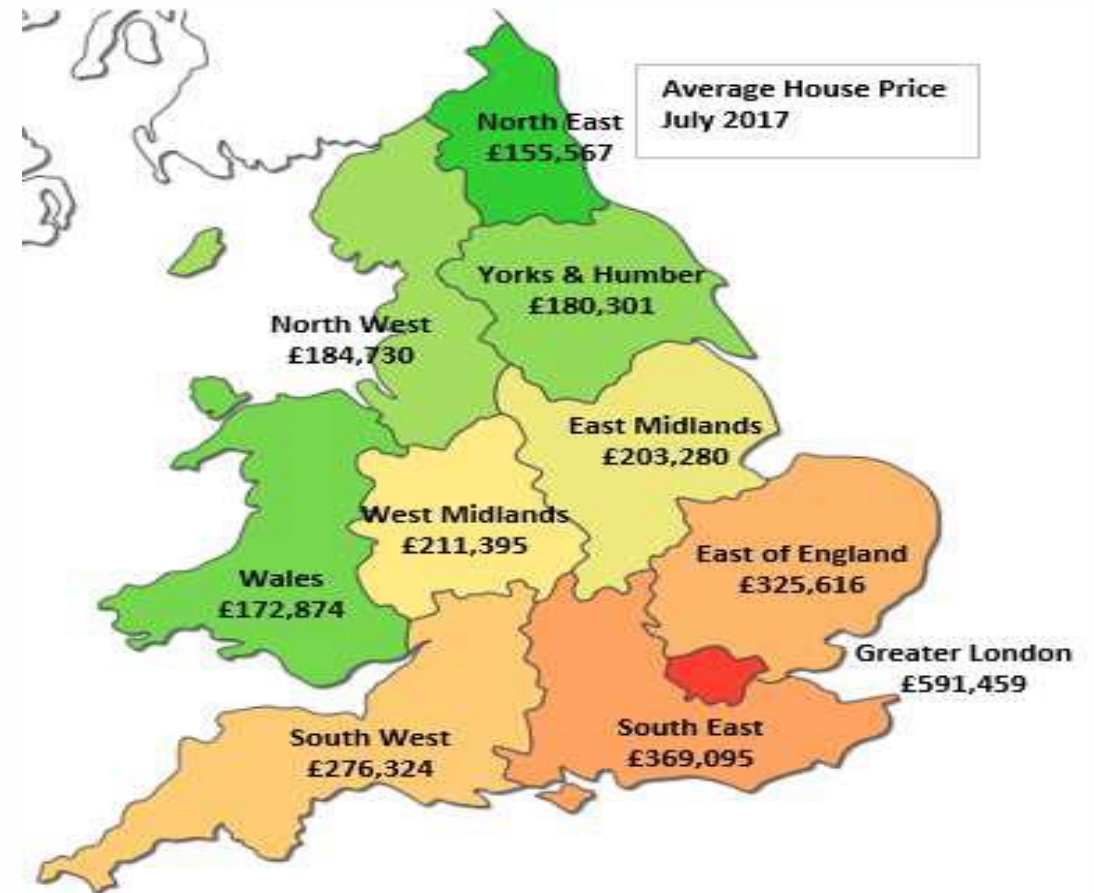
Regional Variances – not everyone wants to live in London.....

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

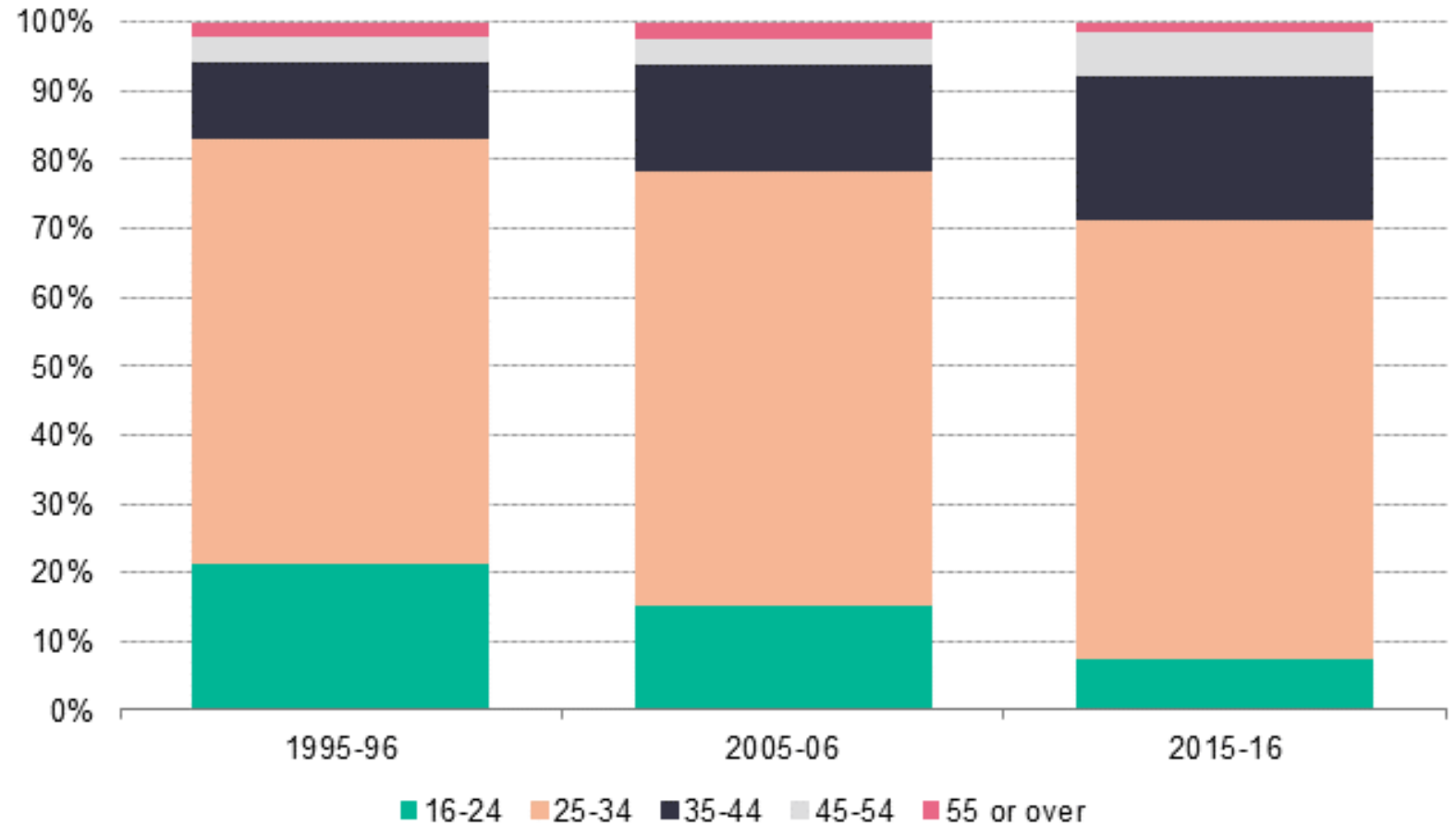


So what does this tell us.....

- 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 York – 2 bed terraced house £215,000
 - FTB Property in Birmingham City Centre – 2 bed flat £174,000
 - FTB Property in Leeds City Centre - £165,00 2 bed flat
 - FTB property in Liverpool City Centre – 2 bed flat - £115,000
 - FTB property in Croydon – 2 bed flat £200,000

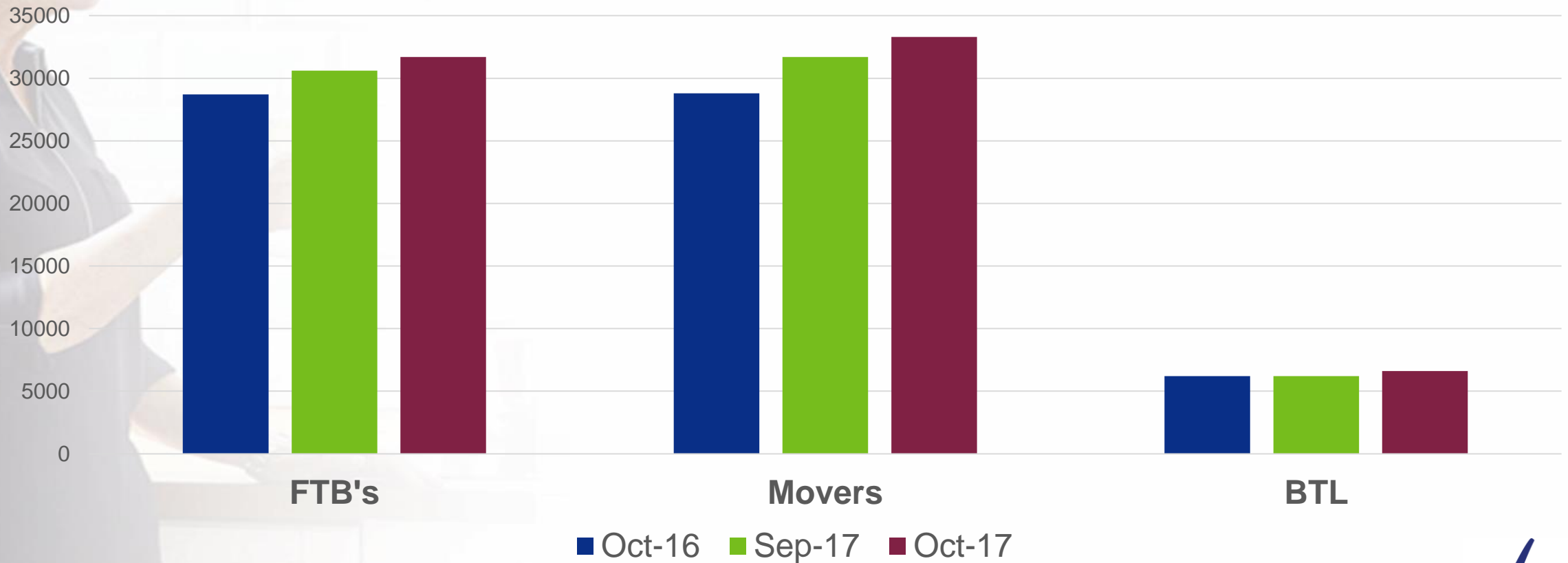
Age of FTBs – 72% are under 35 years

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



Trend of mortgage lending

Housing Purchase Transactions



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No more Stamp Duty - Hoorah

- What does that actually mean.....
- Average property price £216,750
- Stamp duty saving for FTB –

✓ £1,840

If a buyer takes full advantage outside of London - £6,500

FTB Affordability

| | Loan size (£) | Income (£) | Loan-to-value | Loan-to-income | Interest payment as % of income | Capital and interest payment as % of income |
|----------|---------------|------------|---------------|----------------|---------------------------------|---------------------------------------------|
| Oct 2016 | 133,458 | 40,077 | 84.6% | 3.56 | 8.8% | 17.6% |
| Sep 2017 | 138,000 | 40,842 | 84.1% | 3.61 | 8.0% | 17.3% |
| Oct 2017 | 138,750 | 40,946 | 84.7% | 3.60 | 8.0% | 17.2% |

First Time Buyer Transactions are increasing!

- HTB schemes – over 130,000 properties sold through HTB (to date)
- Bank of Mum and Dad – in 2017 £6.5bn was 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

43% of Vida house purchase mortgages have been to FTB's!

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

- 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 – Not the big boys!
- FTB - FTL

What's the biggest challenge? nobody told them

We have a collective opportunity to guide FTBs into home ownership – they are rapidly becoming the new '*Special Customer*' – for life!

IT'S ALL ABOUT EDUCATION!

