

**EMBARGOED FOR 00:01AM 03.07.20**

# Britain's first-time buyers eager to buy in 2020 despite COVID-19, research from Legal & General Mortgage Club shows

---

*93% of first-time buyers say they are still considering buying a property in 2020, despite the impact of the COVID-19 crisis – the majority (51%) say they definitely intend to buy this year*

*New research from Legal & General Mortgage Club shows that the majority of first-time buyers (54%) think it has been easier to save during the pandemic, with a third (31%) saving more than £100 extra each week*

*In some instances, buyers were even bringing forward their plans (8%), while others are now planning to buy in a more rural area (22%)*

The COVID-19 crisis has not dissuaded first-time buyers from pressing ahead with their housing plans, new research shows. Data from Legal & General Mortgage Club has found that 93% of first-time buyers are still considering buying in 2020, with the majority (51%) stating that they definitely intend to buy this year. The figures challenge concerns that the Coronavirus pandemic has prevented thousands of people, including those stepping onto the ladder, from buying property this year.

Around a third (35%) of first-time buyers said that the pandemic has had no impact on their plans to buy, while the average delay in buying for those that have been impacted was seven months. Buyers in Wales face the shortest delays to their plans of just under six months, while those in the East of England and London intend to put their plans on hold by almost eight months. However, some buyers have chosen to move more quickly as a result of the pandemic, with 8% saying they will bring forward their plans.

This eagerness amongst first-time buyers to step on the ladder can in part be explained by their improved ability to save during the crisis. With a reduction in costs on transport and social activities, almost a third (31%) of first-time buyers say they have been able to save more than £100 each week towards a deposit on top of what they were already putting away. On average, first-time buyers were saving £107 extra every week, with buyers in London (£127), the East of England (£126) and the North East (£118) saving the largest additional amounts. In the capital, some 13% of first-time buyers were even saving more than £250 extra per week.

The data has also revealed that the Coronavirus crisis has caused a shift in property requirements amongst first-time

buyers. More than one in five (22%) respondents say they now plan to buy in a more rural area. First-time buyers in the South West were the most likely to now plan to buy in a more rural location (27%), while those in the North East were the least likely (13%).

Legal & General's research also showed that the percentage of people rating outdoor space such as a garden as of critical importance has risen by 20% compared to before the crisis. In fact, three quarters (74%) of first-time buyers now rate having outside space as particularly important. The change in needs was particularly pronounced in London, where the number of buyers rating outdoor space as critical rose from 55% before the crisis to 74% now.

Reflecting the move towards remote working across the UK, the research has also found that the number first-time buyers seeking properties with space for a home office has almost doubled from 16% to 29%. However, the figures also showed that two in every five (39%) of Britain's youngest buyers (aged 18-24) still want to buy somewhere close to their physical place of work. This is nearly double the figure for the oldest group of first-time buyers (those aged 45-54), of which just 20% rated being close to their place of work as highly important.

**Kevin Roberts, Director, Legal & General Mortgage Club, comments:**

*"Homeownership continues to be an aspiration shared by thousands of people across the UK and it is clear from our research that the COVID-19 crisis has done little to dampen the ambition of the UK's first-time buyers. The mortgage market is already seeing pent-up demand from homebuyers after two months of lockdown. Advisers are busy helping borrowers to find the right mortgage and these findings suggest that this demand is set to continue in 2020 with the majority of prospective homeowners planning to buy this year.*

*"However, what we are clearly starting to see is a shift in where Britain's first-time buyers plan to buy. Where the city was once the first choice for many, more are now looking to the suburbs and even rural areas to buy. Remote working and enforced time at home have also both influenced first-time buyers to seek out properties with more 'office' and outdoor space. This could lead to a rise in demand in previously overlooked areas, which will need to be matched by housing supply.*

*"For some buyers, the crisis has even improved their chances of buying their first home by making it easier for them to save towards a deposit. Less money spent on commuting or social activities as helped them increase the amount the putting away each month, which could help to bring their homeownership ambitions forward, especially as lenders return to high loan-to-value lending."*

In order to help them onto the ladder, some first-time buyers are turning to housing schemes or even family and friends. More than one in ten (13%) first-time buyers who were not planning to use Help to Buy say they now intend to make use of the scheme, with first-time buyers in Wales most likely to now need the support of the government-backed equity loan. Another 13% also say they will move ahead with buying a Shared Ownership property, despite previously not intending to, including more than a fifth (22%) of the youngest first-time buyers aged 18-24. Further data from Legal & General Mortgage Club suggests that mortgage advisers are playing a central role in helping these

buyers to find alternative routes. Findings available through Legal & General Mortgage Club’s SmartrCriteria tool showed that in the first week on June alone, adviser searches for Joint Borrower/Sole Proprietor mortgages were already higher than compared to the whole of May.

In a sign of the ongoing challenges facing first-time buyers, the data also showed that many were continuing to rely on funding from the Bank of Mum and Dad. A third of buyers (33%) are getting financial assistance from family (including 6% who were not intending to do so before the crisis). Interestingly, even older first-time buyers were seeking financial support from the ‘BoMaD’. Younger buyers aged 18-34 are the most likely to be relying on financial support from family (34%), but even so more than a quarter (29%) of those aged 35 and over say they will ask for financial assistance. This includes 6% who didn’t intend to do so before the crisis. And in a demonstration of changing attitudes to homeownership, 12% of younger first-time buyers are now planning to buy with friends after the crisis – almost double the percentage for all first-time buyers (7%).

**Kevin Roberts concludes:**

*“In an interesting twist, COVID-19’s impact hasn’t necessarily been to stop first-time buyers from moving onto the housing ladder, but instead to change the paths many young people are taking into homeownership. COVID-19 and the subsequent lockdown has restricted the number of mortgages on the market at 90% loan-to-value. While we are seeing some lenders return to this market to the benefit of customers with smaller deposits, the number of high loan-to-value products remains well below the options available before the crisis.*

*“Instead, those with smaller deposits are seeking out alternative routes onto the ladder, including Help to Buy and Shared Ownership, or even buying with friends. At Legal & General Mortgage Club, our latest search figures show that independent mortgage advisers are playing a critical role for borrowers in this respect, helping them to understand their options, from family support mortgages to Joint Borrower/Sole Proprietor products.”*

**ENDS**

Region	% of first-time buyers now planning to buy in a more rural area	% of first-time buyers rating outdoor space as of critical or top importance		% of first-time buyers rating home office space as of critical or top importance	
		Pre-COVID	Post-COVID	Pre-COVID	Post-COVID
London	24%	55%	74%	13%	27%
South East	24%	68%	72%	21%	33%
South West	27%	68%	82%	17%	32%
East of England	24%	66%	71%	27%	37%
East Midlands	15%	74%	87%	8%	18%

<b>West Midlands</b>	18%	45%	59%	10%	23%
<b>Yorkshire &amp; the Humber</b>	20%	68%	80%	15%	31%
<b>North East</b>	13%	69%	82%	13%	24%
<b>North West</b>	21%	55%	68%	19%	28%
<b>Scotland</b>	20%	54%	70%	13%	30%
<b>Wales</b>	24%	76%	89%	17%	33%

<b>Region</b>	<b>% of first-time buyers who were not planning to use Help to Buy before the crisis, but now intend to</b>	<b>% of first-time buyers who were not planning to use Shared Ownership before the crisis, but now intend to</b>	<b>% of first-time buyers saving more than £100 a week extra towards their deposit</b>
<b>London</b>	15%	11%	41%
<b>South East</b>	10%	10%	30%
<b>South West</b>	13%	13%	23%
<b>East of England</b>	17%	8%	37%
<b>East Midlands</b>	15%	8%	26%
<b>West Midlands</b>	14%	18%	30%
<b>Yorkshire &amp; the Humber</b>	10%	15%	27%
<b>North East</b>	13%	18%	36%
<b>North West</b>	12%	12%	22%
<b>Scotland</b>	9%	13%	23%
<b>Wales</b>	26%	20%	39%

<b>Age split</b>	<b>% of first-time buyers who are intending to seek financial support from family</b>	<b>% of first-time buyers rating proximity to work as of critical or top importance (post-COVID)</b>	<b>% of first-time buyers rating home office space as of critical or top importance</b>
<b>Aged 18-24</b>	33%	39%	24%
<b>Aged 25-34</b>	34%	29%	28%

<b>Aged 35-44</b>	31%	26%	32%
<b>Aged 45 and over</b>	18%	20%	36%

### **FURTHER INFORMATION (JOURNALISTS ONLY)**

Nick Seymour

0203 404 7700

[landgmc@rostrum.agency](mailto:landgmc@rostrum.agency)

### **NOTES TO EDITORS**

The information contained in this press release is intended solely for journalists and should not be relied upon by private investors or any other persons to make financial decisions.

### **ABOUT LEGAL & GENERAL**

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with international businesses in North America, Europe, Middle East and Asia.

With almost £1.2 trillion in total assets under management at 31 December 2019, we are the UK's largest investment manager for corporate pension schemes and a leading global provider of pensions de-risking solutions, life insurance, workplace pensions and retirement income. As part of our commitment to inclusive capitalism and building a better society for all, we have invested over £25 billion in direct investments such as homes, urban regeneration, clean energy and small business finance.

Legal & General Assurance Society Limited. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Registered office: One Coleman Street, London EC2R 5AA.

