

More older buyers looking to step onto the housing ladder - Legal & General finds a 13% increase in 56-65 year-olds searching for their first home

Legal & General Mortgage Services, which is involved in 1 in 3 mortgages in the UK, can also reveal the average first-time buyer is now aged 33

Average loan value searched for by first-time buyers over the last year was £217,125

15 May 2024, London – New proprietary data from [Legal & General Ignite](#) on mortgage adviser searches highlights the growing trends among first-time buyers in the UK, including the growth of older first-time buyers, increases to average loan sizes and longer mortgage terms being searched for.¹

There was a 13% increase in Q1 2024 of 56-65 year-olds searching for their first property compared to the same period last year. This figure suggests a growing number of buyers are having to wait until their late 50s and beyond but are still keen to take their first step onto the housing ladder.

Legal & General Mortgage Services is involved in 1 in 4 mortgages in the UK and 1 in 3 intermediated mortgages. Data from its Ignite platform therefore provides a robust market overview and can highlight growing trends among UK borrowers to help brokers best serve their clients.

The bigger picture for first-time buyers

Further insight from Legal & General Ignite found that over the last year (April 2023 – April 2024) 38% of potential buyers in the UK were first time buyers, with an average age of 33.

Table 1: First-time buyer age demographics from Legal & General Ignite

First time-buyer age	Proportion of first-time buyers
18-30 years-old	44.8%
31-40 years-old	35.6%
41-50 years-old	13.9%
51-55 years-old	3.2%
56-65 years-old	2.2%
Over 65 years-old	0.3%

When comparing Q1 2024 and Q4 2023, there was a 37% increase in 18-30 year-old first-time buyers searching for a property, and a 33% increase in 31-40 year-old first-time buyers. There was a natural decline in overall market activity in the lead up to Christmas, so these increases mark a return to activity in the spring months.

¹Analysis of Legal & General Ignite data from 1st April 2023 to 1st April 2024. Legal & General is involved in close to 1 in 4 mortgages in the UK and 1 in 3 intermediated mortgages, and can provide a robust overview of current mortgage market activity across different customer demographics.

Average loan value and average term searched

Further analysis from Legal & General Ignite found that the average loan value searched for by advisers on behalf of first-time buyers over the last year was £217,125.

When comparing Q1 2024 to Q1 2023, the average loan value searched for increased by 0.81% from £220,358 to £222,148. However, when comparing Q4 2023 to Q1 2024, the average loan value searched for by advisers increased by 3.7% from £214,299 to £222,148. This analysis highlights that buyer affordability is perhaps beginning to ease as average monthly earnings increase and inflation drops, meaning buyers can afford larger loan values.

The most common mortgage term searched for by advisers on behalf of first-time buyers was 31-35 years (36%), followed by 26-30 years (24%) and 36-40 years (17%). This shows there is a tendency to lean towards the higher end of the mortgage term spectrum, potentially to find a more affordable deal. When looking at the broader market, the most common mortgage term searched on the platform was 31-35 years (28.5%), followed by 26-30 years (22.4%) and 21-25 years (18.4%).

Kevin Roberts, Managing Director, Legal & General Mortgage Services: “Our figures show that the desire to own a home remains strong, even for those who are waiting longer to take those first steps onto the property ladder. As affordability begins to ease, we’ll likely see further activity in the first-time buyer market, especially if inflation continues to fall and the Bank of England reduces its base rate later in the year.

“There are a number of factors likely to be impacting people’s decisions to buy a property. High rental prices may encourage some customers toward homeownership. Equally, as mortgage rates decreased at the start of the year, customers who had been waiting for the right time to buy may have found products which are more affordable.

“While affordability has eased somewhat, we know the Bank of Family has still been playing a key role in the housing market, either by gifted deposits or via practical support to help family members who are trying to save for their first home. This support from parents, grandparents, and other family members reached record levels in 2023, helping 318,400 property purchases with an astonishing £8.1 billion worth of lending. More than half (58%) of the value of intergenerational support goes to help first-time buyers. However, if that housing ownership dream is going to be achieved we’d still recommend buyers seek out a professional mortgage adviser to give them the best guidance on their options.”

-ENDS-

Notes to editors

About Legal & General

Established in 1836, Legal & General is one of the UK’s leading financial services groups and a major global investor, with £1.2 trillion in total assets under management² of which 40% is international. We have a unique and highly synergistic business model, which continues to drive strong returns. Legal & General provides powerful asset origination and management capabilities directly to clients, which also underpin our leading retirement and protection solutions. We are a leading international player in Pension Risk Transfer, in UK and US life insurance, and in UK workplace pensions and retirement income. Our purpose is to improve the lives of our customers and create value for our shareholders. Through inclusive capitalism, we are investing in long-term assets, such as real estate and infrastructure, that can help build a better society for the future.

About Legal & General Retail

Legal & General Retail helps create brighter financial futures for all our customers. The division covers the savings, protection and retirement needs of our c.14 million retail policyholders and workplace members.

²Data as at 31 December 2023.

In 2023, we had total individual annuity sales of £1,431 million, and issued £299 million of Lifetime Mortgages and Retirement Interest Only Mortgages. Our Workplace pension platform served 5.2 million members, while our Protection businesses gave peace of mind to several million direct, group and US customers, taking in £1,991 million of UK and \$1,584 million of US gross written premiums.

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