

Legal & General Ignite: Borrowers rely on financial gifts to enter property market in August

- Searches for borrowers using gifted deposits climbed by 35% in August
- Searches for borrowers using gifted equity or making a concessionary purchase also rose by 75% in August
- Searches on behalf of portfolio landlords jumped by 22% from July to August

London, Thursday 7th September 2023 – According to the latest data from [Legal & General Ignite](#), the free mortgage research and sourcing platform, borrowers relied on gifts from their loved ones to get on the property ladder in August. The data also confirmed that market activity is being driven by portfolio landlords, demand for holiday lets, as well as ongoing interest from overseas buyers.

Buyers lean on family wealth to achieve homeownership goals

In line with recent trends, borrowers are continuing to use financial support from their loved ones to secure a footing on the housing ladder. The data shows that searches on behalf of borrowers using gifted equity or making a concessionary purchase rose by 75% in August, and searches for those using gifted deposits also climbed by 35%.

This comes as little surprise given that Legal & General's new Bank of Family [research](#) found that 77% of buyers receiving family assistance directed at least a portion of their funding towards a deposit. Buyers' heavy reliance on family contributions is also highlighted in searches for guarantor/family assist increasing by 15% in August.

Other buyers opted for low-deposit paths to homeownership with searches for shared ownership schemes rising by 11% in August.

Portfolio landlords in no rush to exit the market and drive activity in August

Searches on behalf of portfolio landlords climbed by 22% from July to August as buy-to-let investors looked to expand their businesses. Other landlords used financial support to enter the market, as searches for landlord/vendor gifted equity jumped by 18% in August. Additionally, searches for holiday let/Air B&B rose by 22% last month as landlords continued to capitalise on the pandemic-fuelled demand for staycations.

Overseas demand and specialist lending keeps housing market buoyant

Additionally, the August data confirms 'visa' as the most popular criteria used by advisers searching on behalf of clients – this continues to hold the top spot. Searches on behalf of expats not in the UK and overseas customers climbed by 17% and 21% respectively, showing that foreign buyers are still looking to snap up UK property.

With Help to Buy coming to a close, specialist lending also propped up the market in August as many borrowers considered alternative avenues. Searches for discounted market sale increased by 69% in August as buyers looked to purchase a property at a discounted price, and searches for joint borrower-sole proprietor were the third most popular criteria as other buyers considered purchasing a property with other applicants.

Jodie White, Head of Mortgage Products & Transformation, Legal & General Technology commented: “Family gifting has been a common element of the homebuying process for some time now, and our data continues to tell this story, alongside Legal & General’s own ‘Bank of Family’ research. Criteria searches for gifted deposits, gifted equity, and more, continue to dominate our Ignite results, further highlighting the prominent role that family contributions play in supporting the UK’s housing system. At the same time, it’s clear that buyers are also relying on specialist products and alternative schemes that make it more achievable to get on the housing ladder amid the ongoing cost-of-living crisis.

“During what is continuing to be a financially challenging period for many, it’s critical that advisers adopt innovative technologies to effectively handle the demand for advice across a wide range of sectors. Advice is critical right now, and advisers have a key role to play in helping buyers access a comprehensive range of options that aligns with their financial needs.”

-ENDS-

Notes to editors

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*at 31 Dec 2022

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Further information [journalists only]

Patrick Davies – Account Director

LGMS@rostrum.agency

