The Eight Worst Areas for FTB Affordability Squeeze Revealed

As first home house price growth outpaces the wider market

LONDON, UK, February 6, 2023 /EINPresswire.com/ -- Research by the Gradual Homeownership provider, Wayhome, has revealed that across no less than eight areas of Britain, the average first-time buyer (FTB) house prices has climbed at a greater rate than the wider market over the last five years, putting an even greater squeeze on affordability for those attempting to get on the property ladder.

Wayhome analysed house price data for both Britain's first-time buyers and existing homeowners across the wider market and how the balance between the two has changed over the last five years.

Across Britain, the average price paid by a first-time buyer is currently £245,522, 29% less than the average price paid across the wider market (£345,576).

However over the last five years, the average cost of a first home has climbed by 29.5%, just 3.5% off the pace set by the wider market (33%).

While London is predictably home to the highest average price paid by a first-time buyer at £466,460, it's actually Yorkshire and the Humber where they face the largest struggle when it comes to relative affordability versus the wider market.

Although the average first-time buyer house prices across the region is the lowest in Britain at £181,628, it's also home to the smallest gap between the price of a first home and the price paid across the wider market (24%).

The research by Wayhome also shows that in the last five years, the average FTB house price in Yorkshire and the Humber has increased by 34.8%, just 0.8% less than the 35.6% increase seen across the wider market.

However, when analysing the market at local level, the research by Wayhome has revealed that in no less than eight areas of Britain, the average rate of FTB house price growth has actually exceeded that of the wider market.

In East Suffolk, the average cost of a first home has increased by 36.8% since 2017, 1.9% more than the rate of growth seen across the wider market.

In Merthyr Tydfil FTB house prices have climbed 1.2% more than the price paid by existing homeowners across the wider market.

In Bolsover (0.7%), South Holland (0.4%), St Helens (0.3%), Hyndburn (0.2%), North East Lincolnshire (0.1%) and the City of London (0.1%) the average price increase of a first home has also outperformed the wider market.

Co-founder and CEO of Wayhome, Nigel Purves, commented:

"With house prices pushed to record highs during the pandemic property market boom, first-time buyers have arguably never had it tougher when it comes to securing that first foot on the ladder.

Of course, the average cost of a first home differs from one region to the next, but this cost is also relative to the earning opportunities available to them. So it's fair to say that the financial hurdle of homeownership remains a sizeable one regardless of where you are looking to buy.

At the same time, the rate of first-time buyer house price growth seen over the last five years has essentially been on par with the wider market and has even climbed at a higher rate in some areas.

This is putting a further squeeze on affordability and so it's no wonder that many first-time buyers are becoming increasingly reliant on additional help, whether that be government buying schemes such as Help to Buy or other avenues such as shared ownership."

Data tables

Data tables and sources can be viewed online, here.

Notes to Editors:

From the insight that most people can comfortably afford to rent a home that works for them, but are unable to get a mortgage to buy a similar type of home, Wayhome has developed Gradual Homeownership.

Gradual Homeownership is an innovative hybrid part-buy part-rent model, to help people buy the home they want today. With Wayhome, people could buy a home worth up to 10x household income with just a 5% deposit and no mortgage or borrowing required.

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