

Scottish first-time buyers make up over half of all home loans

- **Number of first-time buyers down -10%, smallest fall compared to the rest of the UK**
- **Over half (51%) of all home loans now first-time buyers**
- **First-time buyer average house price now £188,670, down -1%**
- **Average deposit for first-time buyers dropped -4%, now £39,691**
- **New buyers in Scotland average 31, lower than the UK average**
- **Inverclyde is UK's most affordable place for first-time buyers**

The number of first-time buyers fell in Scotland by -10% to 27,339 last year – the smallest fall in the UK - compared to 2022, according to the latest analysis from Bank of Scotland.

The average house price for buyers entering the housing market in 2023 was £188,670, -1% lower than the previous year. Despite this, house prices for first-time buyers remain over £70,000 more expensive, on average, than ten years ago (+60%).

First-time buyers need to put down an average deposit of £39,691, -4% lower than in 2022. Despite these significant sums, those entering the property market now make up the majority (51%) of all home purchases (with a mortgage) last year.

Table 1: Number of first-time buyers in Scotland

	Number of first-time buyers	Annual % change	First-time buyers as % of all home purchase loans
2013	22,920	23%	44%
2014	27,550	20%	47%
2015	28,430	3%	46%
2016	30,660	8%	50%
2017	33,560	9%	50%
2018	32,480	-3%	50%



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2019	32,630	0%	49%
2020	28,740	-12%	51%
2021	35,020	22%	50%
2022	30,500	-13%	49%
2023*	27,339	-10%	51%

Sources: UK Finance and Bank of Scotland* estimate for 2023

Table 2: First-time buyers: average price and deposit by region

	Average house price 2022 (£s)	Average house price 2023 (£s)	Average deposit 2022 (£s)	Average deposit 2023 (£s)	Deposit as % of purchase price 2023	1 Year % change in deposit	1 Yr % change in average price
Scotland	191,159	188,670	41,487	39,691	21%	-4%	-1%
East Midlands	240,346	235,941	43,151	36,139	15%	-16%	-2%
East of England	338,251	327,926	61,050	52,682	16%	-14%	-3%
London	518,168	492,234	127,320	108,848	22%	-15%	-5%
North East	177,032	174,693	30,582	29,740	17%	-3%	-1%
Northern Ireland	171,590	174,337	33,168	31,948	18%	-4%	2%
North West	214,400	215,655	38,112	35,581	16%	-7%	1%
Scotland	191,159	188,670	41,487	39,691	21%	-4%	-1%
South East	364,048	353,724	69,834	59,075	17%	-15%	-3%
South West	282,705	273,968	56,723	49,135	18%	-13%	-3%
Wales	200,390	199,930	37,378	36,350	18%	-3%	0%
West Midlands	236,583	236,253	42,796	37,459	16%	-13%	0%
UK¹	302,008	288,136	62,471	53,414	19%	-15%	-5%

Source: Bank of Scotland 12 months to December 2023



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Graham Blair, Mortgages Director, Bank of Scotland, said:

“Following a bumper year in 2021, the number of first-time buyers fell in the last two years, although this trend was seen to a lesser extent in Scotland than the rest of the UK.

“Despite this drop, those buying a first home make up over half of all home loans and Scotland continues to offer some of the most affordable places to buy a home in the UK, something that will appeal to first-time buyers when saving for that hefty deposit.”



First-time buyers now average 31

According to Bank of Scotland’s analysis, first-time buyers in Scotland are now 31 years old on average, one year younger than the UK average.

Table 3: Average age of first-time buyers by nations and regions 2013 vs 2023

Region	Average age 2013	Average age 2023
Scotland	30	31
East Midlands	30	31
East of England	31	32
London	33	33
North East	30	30
Northern Ireland	30	31
North West	30	31
South East	31	33
South West	30	31
Wales	29	31
West Midlands	30	32
Yorkshire and The Humber	29	30
UK¹	30	32

Source: Bank of Scotland, 12 months to December

Affordability for first-time buyers

Compared to the rest of the UK, Scotland offers some of the most affordable places for those buying a first home. Inverclyde in West-Central Scotland is the most affordable - properties here are around 2.6 times the average salary (£41,598).



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The least affordable area in Scotland is Edinburgh, which also has one of the highest average house prices (£262,706), with average property prices around 5.8 times the average salary (45,648).

The data from Bank of Scotland also found that almost two thirds (63%²) of mortgage completions in the UK are now made in joint names (with 2 or more people).

Table 4: Scotland 10 Most affordable Local Authority District's for first-time buyers, 2023

Local Authority District	House Price to Average Earnings ratio
Inverclyde	2.6
West Dunbartonshire	3.3
North Ayrshire	3.4
East Ayrshire	3.4
Na h-Eileanan Siar	3.5
South Ayrshire	3.5
Shetland Islands	3.7
Clackmannanshire	3.8
Stirling	3.8
Renfrewshire	3.9

Source: See Notes to Eds

Table 5: Scotland 10 Least affordable Local Authority District's for first-time buyers, 2023

Local Authority District	House Price to Average Earnings ratio
City of Edinburgh	5.8
East Lothian	5.5
Midlothian	5.3
West Lothian	5.3
East Dunbartonshire	5.1
East Renfrewshire	5.0
Scottish Borders	4.8
Glasgow City	4.8
Dundee City	4.7
Argyll and Bute	4.6

Source: See Notes to Eds



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Table 6: UK 10 Most affordable Local Authority Districts for first-time buyers, 2023

Local Authority District	Region	House Price to Average Earnings ratio
Inverclyde	Scotland	2.6
West Dunbartonshire	Scotland	3.3
North Ayrshire	Scotland	3.4
East Ayrshire	Scotland	3.4
Na h-Eileanan Siar	Scotland	3.5
Hartlepool	North East	3.5
South Ayrshire	Scotland	3.5
Shetland Islands	Scotland	3.7
Cumberland	North West	3.8
Clackmannanshire	Scotland	3.8

Source: See Notes to Eds

Table 7: First-time buyers: average price and deposit by nations and regions, 10 year change

Region	Average house price 2013 (£s)	Average house price 2023 (£s)	Average deposit 2013 (£s)	Average deposit 2023 (£s)	10 year % change in deposit	10 year % change in average price
Scotland	118,212	188,670	23,228	39,691	71%	60%
East Midlands	124,788	235,941	23,483	36,139	54%	89%
East of England	179,141	327,926	36,704	52,682	44%	83%
London	266,792	492,234	60,530	108,848	80%	85%
North East	109,864	174,693	20,871	29,740	42%	59%
Northern Ireland	89,930	174,337	16,002	31,948	100%	94%
North West	118,142	215,655	22,241	35,581	60%	83%
South East	201,535	353,724	43,079	59,075	37%	76%
South West	162,059	273,968	34,862	49,135	41%	69%
Wales	116,501	199,930	21,787	36,350	67%	72%
West Midlands	128,327	236,253	25,969	37,459	44%	84%
Yorkshire and The Humber	114,015	204,178	21,797	33,208	52%	79%
UK¹	155,142	288,136	32,031	53,414	67%	86%

Source: Bank of Scotland 12 months to December 2013, 2023

ENDS



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Notes to Editor:

This information is intended for the sole use of journalists and media professionals.

Data sources

This research is based on data from Bank of Scotland's own extensive housing statistics database, UK Finance statistics, and ONS data on average earnings.

¹ Nations and regions are based on Government Office Regions, with the exception of the numbers of first-time buyers, as UK Finance use Economics Planning Regions.

² Based on combined Halifax, Lloyds Bank and Bank of Scotland mortgage completion data between January and December 2023, 63% were joint (2 parties or more) and 37% were sole applicants.

House Prices

The prices used in this research are simple arithmetic ('crude') averages for 12 months to December each year. These prices are not standardised and therefore can be affected by changes in the sample from period to period.

Average Earnings

Average earnings figures are from the ONS's "Annual Survey of Hours and Earnings" (ASHE) at Q2 2023, uplifted to October 2023 using ONS EARN01 weekly earnings data and refer to the means for full-time employees.

This report is prepared from information that we believe is collated with care; however, it is only intended to highlight issues and it is not intended to be comprehensive. We reserve the right to vary our methodology and to edit or discontinue/withdraw this, or any other report. Any use of this report for an individual's own or third-party commercial purposes is done entirely at the risk of the person making such use and solely the responsibility of the person or persons making such reliance." © Bank of Scotland plc all rights reserved 2024.



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