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A fall in the number of first-time buyers has historically been seen as a word of warning for the mortgage industry, however, our world has changed, and I am no longer convinced that the old rules apply.

To understand some of the changes, we need to look beyond the world of mortgages and consider some of the structural changes that have taken place over the last twenty years.

The average age of marriage has risen to around 30, as has the average age of child-birth. Thus, it is likely that the average individual, man and woman alike, will have worked for ten years before settling down, but their need for a permanent family home has diminished.

During this time, some will choose to remain with their parents but the vast majority will be living in rented accommodation.

A proportion of these will not be in a position to buy, but for some it will be a lifestyle choice. Many now want to see the world before they settle down and like the flexibility which renting offers.

This has been the primary driver behind the buy-to-let market in recent years, with buy to let now accounting for a large share of mortgage advances, taking up the slack from the first-time buyers.

There is a further, more tactical, reason for a drop in the number of first-time buyers. There is no doubt that, in many areas, prices have become overheated and while the underlying fundamentals underpinning the housing market remain strong, we are unlikely to see the high growth in house prices on a scale similar to that of recent years.

For this reason, many first time buyers are wisely sitting on the sidelines.

There needs to be some adjustments in the market and, when they come, I have no doubt that first-time buyers looking for a good buying opportunity will return to the market.