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Number of first-time buyers in Scotland surges by more than 90% over the last decade

- **Number of first-time buyers up by almost 16,000 in 10 years**
- **Average price of first home in Scotland is now £152,728**
- **North Ayrshire the most affordable location for first-time buyers**

The number of first-time buyers in Scotland rose to 33,558 in 2019, an increase of more than 90% from 17,580 a decade ago, according to the latest research from Bank of Scotland.

That's also a rise of around 3% (1,028) over the last year. First-time buyers still account for 50% of all property purchases with a mortgage in Scotland, up from 38% in 2009.

The Bank of Scotland First-Time Buyer Review also revealed that the average price paid for a typical first home has gone up by 38% (£41,687) in Scotland over the last 10 years, from £111,402 in 2009 to £152,728 in 2019. Meanwhile, the average deposit put down by a first-time buyer increased by 13% over the same period, from £26,427 to £29,950.

Over the last year alone, the average price paid by a first-time buyer in Scotland rose by 8% (£10,771), while the average deposit was up by 11% (£2,879).

However, Scotland remains one of the most affordable places in the UK to buy a first property, with only Northern Ireland (£136,850) and the North (£136,104) recording a lower average price for first-time buyers in 2019.

This compares to a UK average first-time buyer price of £231,455, while the average UK deposit last year for first-time buyers was £46,187.

Ricky Diggins, Operations Director, Bank of Scotland, said: "We've seen a big uplift in the number of first-time buyers in Scotland over the last decade, and they continue to account for around half of all purchases. This shows just how important they are to the health of the Scottish property market, a situation that's been helped by a number of factors, including Government schemes and continued low interest rates.

"Scotland also remains one of the most affordable areas in the whole of the UK, with both average prices and deposits much lower than the overall average across the four nations. That only tells part of the story though, with significant differences seen in many local areas, and locations such as Edinburgh and East Lothian looking more challenging for those aiming to take that first step onto the property ladder."

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Local first-time buyer affordability

The most affordable local authority district in Scotland is North Ayrshire, where the average price paid for a first home is £107,198, or 3.3 times the local gross average annual earnings of £32,866. That's closely followed by East Ayrshire and Inverclyde (both also 3.3).

The least affordable local authority district in Scotland is Midlothian, with an average property price of £174,033, at 5.2 times the average gross annual earnings of £33,319.

The highest average price for those taking their first step on the property ladder is in the capital, where at £211,307, Edinburgh prices are 5.1 times the average gross annual earnings.

East Lothian has recorded the biggest deterioration in affordability over the last decade, where the average price for a first-time buyer has risen from £135,369 to £182,922. Meanwhile, earnings have remained relatively flat, rising from £34,000 to £35,510 over the same period. This means the affordability measure has worsened by 29%, from 4.0 to 5.2 in 10 years.

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Table 1: Number of first-time buyers, Scotland 2009-2019

	Number of first-time buyers	Annual % change	First-time buyers as % of all house purchase loans
2009	17,580	-20%	38%
2010	17,170	-2%	37%
2011	16,220	-6%	38%
2012	18,610	15%	41%
2013	22,960	23%	44%
2014	26,680	16%	47%
2015	28,380	6%	46%
2016	30,740	8%	50%
2017	33,560	9%	50%
2018	32,530	-3%	50%
2019*	33,558	3%	50%

Sources: UK Finance and *Halifax estimate for 2019

Table 2: First-time buyers: Average price, average earnings and house price to earnings ratio, 2019

Local Authority District	Average house price (£s)	Average earnings (£s)	House price to earnings ratio
Aberdeen City	164,620	39,193	4.2
Aberdeenshire	171,963	40,340	4.3
Angus	148,350	31,981	4.6
Argyll and Bute	131,882	29,696	4.4

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City of Edinburgh	211,307	41,369	5.1
Clackmannanshire	129,047	31,840	4.1
Dumfries and Galloway	126,653	30,369	4.2
Dundee City	133,943	30,381	4.4
East Ayrshire	100,306	30,327	3.3
East Dunbartonshire	193,559	45,181	4.3
East Lothian	182,922	35,510	5.2
East Renfrewshire	188,582	51,429	3.7
Falkirk	134,576	32,016	4.2
Fife	129,323	32,293	4.0
Glasgow City	153,125	34,241	4.5
Highland	150,485	33,473	4.5
Inverclyde	103,662	31,324	3.3
Midlothian	174,033	33,319	5.2
Moray	141,150	32,148	4.4
North Ayrshire	107,198	32,866	3.3
North Lanarkshire	117,531	32,386	3.6
Perth and Kinross	155,324	36,854	4.2
Renfrewshire	127,621	36,632	3.5
Scottish Borders	133,514	32,208	4.1
Shetland Islands	161,298	34,097	4.7
South Ayrshire	122,237	34,948	3.5
South Lanarkshire	131,342	36,091	3.6
Stirling	159,061	45,617	3.5
West Dunbartonshire	116,188	30,978	3.8
Scotland	152,728	35,487	4.3

Sources: Halifax, 12 months to November 2019, ONS

Table 3: 10 Most affordable LADs for first-time buyers, Scotland, 2019

Local Authority District	House price to average earnings ratio
North Ayrshire	3.3
East Ayrshire	3.3
Inverclyde	3.3
Renfrewshire	3.5
Stirling	3.5
South Ayrshire	3.5
North Lanarkshire	3.6

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South Lanarkshire	3.6
East Renfrewshire	3.7
West Dunbartonshire	3.8

Sources: Halifax housing data, ONS

Table 4: 10 Least affordable LADs for first-time buyers, Scotland, 2019

Local Authority District	House price to average earnings ratio
Midlothian	5.2
East Lothian	5.2
City of Edinburgh	5.1
Shetland Islands	4.7
Angus	4.6
Highland	4.5
Glasgow City	4.5
Argyll and Bute	4.4
Dundee City	4.4
Moray	4.4

Sources: Halifax housing data, ONS

Table 5: First-time buyers: average price, loan and deposit by UK region, 2019

Region	Average house Price (£s)	Average mortgage (£s)	Average deposit (£s)	Deposit as % of purchase price
North	136,104	112,012	24,091	18%
Yorkshire and the Humber	156,232	128,634	27,598	18%
North West	163,459	133,987	29,472	18%
East Midlands	181,876	148,959	32,917	18%
West Midlands	185,091	150,913	34,178	18%
East Anglia	220,719	177,531	43,188	20%
Wales	153,267	127,563	25,704	17%
South West	221,357	178,773	42,584	19%
South East	295,348	240,922	54,425	18%
Greater London	453,385	343,501	109,885	24%
Northern Ireland	136,850	111,532	25,317	19%
Scotland	152,728	122,778	29,950	20%
UK	231,455	185,268	46,187	20%

Source: Halifax, 12 months November 2019, UK Finance

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EDITORS NOTES:

DATA SOURCES: This research is based on data from Halifax's own extensive housing statistics database, UK Finance statistics, and ONS data on average earnings. 'Regions' are based on Economics Planning Regions, with the exception of the affordability measure, which uses Government Office Regions.

1. House Prices

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

2. Average Earnings

Average earnings figures are from the ONS's "Annual Survey of Hours and Earnings" (ASHE) and refer to the means for full-time employees. At local authority district level, figures for the relevant local authority (residence based) are used in the majority of cases and inflated by the change in Weekly Average Earnings to Q3 2019. Where this has not been possible due to data unavailability, average earnings have been estimated using the change in weekly average earnings.

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