

As the Government announces plans to boost home ownership, young people are increasingly struggling to get on the property ladder, with nearly a quarter forced to take on an additional job to make ends meet

Submitted by: Key Loans & Mortgages Limited t/a KIS Finance
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A survey by KIS Finance (<https://www.kisbridgingloans.co.uk/>) has found that over 22% of 18 to 35 year olds have been forced to take on an additional job as the cost of living crisis deepens, making home ownership out of reach for an increasing number of people.

The Government's announcement today of a range of steps to try to help more people onto the property ladder will be good news for those who currently can't see themselves ever owning their own home. However, exactly how the proposed schemes will work in practice remains to be seen.

Key statistics from KIS Finance's survey found:

- 22% of those aged 18 to 35 have taken on an additional job to help them afford basic items such as rent, heating and food
- 57% reported they are already struggling financially and expect things to get significantly worse in the near future
- The Southeast has been hardest hit, with 18% of the workforce forced to take on additional employment to make ends meet, with this rising to 20% in London
- Wales has been the second hardest hit part of the UK with 19% of those in Cardiff needing to find additional employment to pay their bills

Young people may benefit from an extension of the Right to Buy Scheme

The proposal to extend the existing Right to Buy Scheme to include housing association properties could help large numbers onto the property ladder, who thought that home ownership was beyond their reach. This amendment to the original scheme, which was introduced by Margaret Thatcher in 1980 and allowed people to buy their council house at a discounted rate, could see up to 3 million low paid workers buy their own home.

With the current average age of first-time buyers having risen since the pandemic to 34, any plans to support young people to take that first step will be welcome. However, unless the proposals include definite plans to replace the existing stock of housing association properties the benefits will be short lived. This could prove a challenge as Housing Associations are likely to struggle to develop new homes from the profits raised by selling off their current stock, which could in turn actually make the housing

crisis worse in the long term.

Housing Benefits to support mortgage payments

Currently housing benefits are only paid towards rent, but the Government's plans to allow payments to go towards a mortgage could open up home ownership to a whole new section of the population. With currently around 3 million people claiming housing benefits, any changes to the system could have a significant effect on the property market.

Holly Andrews, MD at KIS Finance (<https://www.kisbridgingloans.co.uk/>) has commented:

"Whilst the announcement today of measures to help first time buyers onto the housing ladder will be welcomed, it remains to be seen how the proposals will work in practice. Accepting housing benefit payments towards a mortgage will be a significant change for mortgage providers and it may take some time for the details to be worked through. However, any steps to help support young people to escape from the trap of rented accommodation will be positive and the industry needs to be ready to adapt to support the proposed changes".

[ENDS]

Notes to journalists/editors:

All figures, unless otherwise stated, are from a survey conducted by The Leadership Factor for KIS Finance. The total sample size was 1,500. The survey was carried out online.

Further data breakdowns (by age, gender, region, and city) are available on request.

Full data report:

<https://www.kisbridgingloans.co.uk/finance-news/nearly-a-quarter-of-young-people-forced-to-take-on-an-additional-job-to-make>

About KIS Finance:

KIS Finance are an independent finance broker specialising in bridging finance, development finance, commercial mortgages, equity release, and secured loans. Their team of advisors have considerable experience across multiple different areas of the finance sector, as well as insurance and compliance.