

# Almost a quarter of Brits need help from family to fund the deposit on their first home

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A recent report

(<https://www.kisbridgingloans.co.uk/finance-news/why-so-many-of-us-need-help-to-buy-our-first-home/>) by KIS Finance has revealed that as more people struggle to get on the property ladder, 23.5% of Brits are reliant on help from their parents, or other family members, to fund the deposit to buy their first home.

The survey has also revealed how much longer individuals are having to wait before they are in the financial position to buy a house, often well above and beyond the average first-time buyer age of 34, according to the ONS.

The main findings from KIS' survey are;

- 23.5% of Brits have, or will, rely on financial help from members of their family to fund the deposit on their first home.
- 44.2% of 35-44 year-olds want to purchase a house but haven't been able to yet. 17% of this group will be relying on help from family.
- 28.3% of 45-54 year-olds still haven't been able to purchase their first home and 7.6% of these will also be relying on help from family if they are ever going to get on the property ladder.

Interactive Map – how long will it take to save the average house deposit in each region of the UK?

The full report includes an interactive map where you can see exactly how long it would take to save an average house deposit in each region of the UK. KIS have looked at the time it would take based on the average UK salary per age group, depending on whether you save 10% or 20% of your monthly income.

(if you would like to feature this map within your article, I can send you an embed code)

The report also looks at the potential reasons as to why so many prospective homeowners are having to rely on loans, gifts and inheritance from family to purchase their own home.

The key reasons are;

Housing is becoming less affordable

Taking a look at the latest house prices to earnings ratio, on average, house prices are 7.8 times more

than the UK average annual salary. This figure has risen steadily over the last 20 years from 3.5 in 1997.

Looking across the country, there are huge regional differences. Buying a house in the North West of England will cost, on average, 2.5 times the average UK annual salary, whilst in London this figure rises to as much as 44.5 times for those buying in areas like Kensington and Chelsea.

People are getting stuck in the rental cycle for longer

In 2007 there were 2.8 million households in the private rental sector – by 2017, this figure had increased by a whopping 63% to 4.5 million.

What's surprising to see is that rental households are actually getting older, with the biggest increase being the number of 45-54 year-olds living in rented property which shows that more people are staying in the rental sector for longer and not able to purchase their first home.

With the overall number of people living in rented accommodation increasing, and rental prices having gone up by a whopping 7.6% just since 2015, this may be a big contributing factor as to why so many people are having to wait so long to get on the property ladder.

It's not just finding the deposit, it's getting the mortgage too

In a further survey conducted by KIS Finance, people who had applied for a mortgage but been declined were asked what reasons they were given by the lender as to why they were unsuccessful.

These were the results:

-Income too low: 46.6%

-Unable to prove sufficient income (self-employed/contract worker): 34.1%

-Adverse credit history: 20.5%

-Lack of employment security: 15.9%

-Too many debts already: 13.6%

-Taken out a payday loan in the past: 8%

-Deposit was too small: 13.6%

As you can see, the majority of declined applications were caused by issues surrounding income.

When this data was broken down by age, unsurprisingly 18-24 year-olds represented the largest group of individuals who were declined a mortgage because of income issues with 62.5% having been turned down for these reasons.

However, the second largest group in this category is 55-64 year-olds where a massive 57.1% of those who were declined a mortgage stated that it was because of income related issues. Clearly even those later on in life are still struggling to afford to buy their own home.

#### Other reasons people need family loans

It's not just first homes that Brits are relying on financial help from family to purchase.

A massive 44.8% of the survey respondents said they have received help from family members to either purchase a car, or help cover its running costs (maintenance, insurance etc.)

The second most common reason for a family loan was to cover the costs of having children, including, initial costs of having a baby (buying prams, cots clothes etc.), childcare and school fees, with 34.4% of our respondents saying they have received help for these reasons.

More worryingly, 22.4% of respondents said they have had to receive financial help from family to cover general day to day living expenses, including rent, bills and shortfalls in wages.

[ENDS]

Notes to Editors

Full Report

<https://www.kisbridgingloans.co.uk/finance-news/why-so-many-of-us-need-help-to-buy-our-first-home/>

Data Sources

All figures, unless otherwise stated are from The Leadership Factor – total sample size was 2,002. Fieldwork was undertaken between 17th June 2019 and 24th June 2019. The survey was carried out online. View The Leadership Factor report [here](#).

First time buyer age, ONS

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Rental sector household increases, ONS

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About KIS Finance

KIS Finance are experienced professional finance brokers who have a wide range of guides to help consumers take care of their finances.

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