

LONDON'S FIRST-TIME BUYERS COULD SAVE UP TO £5,000 A YEAR USING EDUCATED BUYING CHOICES

Submitted by: Mobas Limited

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- Young professionals living in London seeking their first home could save up to £5,000 a year with just a half an hour commute
- Getting on the property ladder does not seem so daunting with good research and educated location choices
- First-time buyers would not have to compromise their lifestyle to buy their first home

As many first-time buyers' fear, buying your first home in London - when working in the city - is unaffordable and seems like a pipe dream. That is true for many, when the average house price has skyrocketed to a whopping £490,000.

However, first-time buyers could get themselves on the property ladder much sooner if they spend their time doing some research. A recent study by new mortgage and insurance advice service Saffron Mortgage Finders, has identified some interesting findings for young professionals that could assist them in buying their first home, without too much disruption to their lifestyle and even offering some additional disposable income.

The study, conducted in May 2020 compared the average house prices in cities commutable from London to house prices in the capital, and looked at the cost of commuting to see if there was a saving to be had by living in these cities – and the findings were very interesting.

As an example, if a first-time buyer was to purchase their first home in Luton – a city commutable directly into London, the saving per year for a full term of a 25 year mortgage was an unbelievable £5096.79 – not bad for a commute time of just 38 minutes. How do first time buyers save so much? The average house price in Luton is just over £272,000 – saving nearly £207,000 on the average house price compared to London. With the additional travel cost of £3176 against a London Zone 1-5 travel card (£2,400), the savings on the monthly mortgage repayment, not including interest, is over £5000.

However, this is not the case in other commutable cities. If a first time buyer would like to choose the beautiful city of Cambridge as their first-home base, based on the same formula and taking into account average house prices, it would be cheaper for them to buy in London as it would cost an additional £204 per year on mortgage repayments and travel costs (not including interest).

Colin Field, Director of Saffron Mortgage Finders comments: "It is common to discuss the difficulty of buying your first home in London and it is always advisable to explore house prices - in all areas. Getting on the property ladder might not be as difficult as expected, it just requires some time to research, plan and budget and if done cleverly, it does not have to financially or physically disrupt your lifestyle. It is common to commute up to 45 mins just getting from one side of London to the other."

How do commutable cities compare?

City Av House Price Commute Time Saving (per year)

CAMBRIDGE	£412,800	45	-£204
SOUTHAMPTON	£227,100	78	£6520
OXFORD	£410,000	55	£1604
NORWICH	£284,438	117	£422
MILTON KEYNES	£320,559	43	£2173
READING	£436,936	23	-£654
PETERBOROUGH	£241,180	50	£3573
LUTON	£272,181	38	£5097
SWINDON	£262,347	52	£1046
BRIGHTON	£404,064	61	£817
CHELMSFORD	£397,779	35	£1440.84

If a first-time buyer has aspirations to buy their first home on the warmer south coast of England, for an extra 17 minutes commute you can save an impressive £5703 per year by choosing to buy your initial home in Southampton as opposed to the heftier prices of Brighton.

If East Anglia is the region of choice, choosing a 5 minute longer commute to Peterborough as opposed to Cambridge for your first home, would save £3777 per year on your mortgage repayments – even paying the additional £3088 on travel expenses.

Field continues: “This is a real eye opener for first-time buyers. Choosing to buy in a more affordable city can not only get you on the property ladder, but the saving on mortgage costs, even taking into account the additional travel expenses, will ensure your quality of life will not be affected, as you will have more expendable income. A saving of over £3,000 per year is more money for home improvements or to put aside and save for a rainy day. Saffron Mortgage Finders offer a sourcing service for the most competitive first-time buyer mortgages and with more products offering impressive deals – a first-time buyer could find themselves in a better situation than they think.”

Saffron Mortgage Finders offers a mortgage and insurance advice solution and works as a brokerage service for those looking for a new mortgage. Offering a highly personalised service, the service will be predominantly phone-based, giving consumers the flexibility to contact mortgage advisors from 9am to 5.30pm on weekdays and 9am to 2.30pm on Saturdays. Meetings will also be available at a Saffron Building Society branch, or the customer’s workplace, if requested.

For more information or to start your mortgage journey*, visit Saffron Mortgage Finders (<http://www.saffronbs.co.uk/saffron-mortgage-finders>)

*Your home may be repossessed if you do not keep up repayments on your mortgage.

NOTES TO EDITORS:

Research Information:

Average mortgage prices were obtained from Zoopla's price index in April 2020. Travel expenses are season ticket prices, including Zones 1-5 Travelcard as per NationalRail.co.uk Season Ticket Calculator on 4th May 2020.

About Saffron Mortgage Finders:

Saffron Mortgage Finders is a wholly owned subsidiary of Saffron Building Society, Saffron Mortgage Finders (SMF) will operate as an appointed representative of Openwork, an FCA regulated business supporting mortgage brokers, who will provide the mortgage panel, systems support and regulatory approval required. Products will be reviewed and recommended from a panel of over 50 lenders, allowing the service to provide consumers with recommendations for mortgages and insurance products.

Media Contacts:

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