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First Time Buyers mortgage market continues to grow

In 2017, the number of First Time Buyers (FTB) mortgages taken out rose by almost 6% and the amount borrowed rose by around 7%. This followed on from very rapid growth in 2016, when the number of mortgages arranged rose by around 9% and the value of money borrowed rose by around 14%. The *First Time Buyers Market Trends Report 2018* provides an overview of the UK FTB mortgage market which has witnessed a period of strong growth in the last few years.

FTBs face mounting obstacles to buy their first homes, including house prices rising faster than incomes, a lack of house building, rising rental costs and more stringent lending criteria on mortgages. In response to these problems FTBs have:

- Increasingly stretched mortgage terms
- Been more willing to buy jointly even if they are unmarried
- Exploited the opportunities to borrow on higher income multiples
- Sought to buy in lower cost markets
- Relied more heavily on financial support from family and friends
- Used Government financial support schemes, which have allowed FTBs to buy more expensive properties and to buy at an earlier age than otherwise would have been the case.

At the end of 2017, FTBs collectively owed almost £240 billion in outstanding mortgages: between 2007 and 2017, the amount owned has more than doubled.

IRN Research estimates that between 2017 and 2022, the number of mortgage advances by FTBs will rise by over 18%, while the amount borrowed each year will rise by 31%, so that in 2022 almost £80 billion will be borrowed to finance a first home purchase.

In the future, IRN Research expects the FTB mortgage market to become more streamlined and efficient as more technology is used to speed the application and conveyancing processes and improve the communication and links between intermediaries and lenders.

The report (37pp, PDF), is available directly from IRN Research, priced at £250. UK sterling price is plus VAT so total price is £300.

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