

Bonallack and Bishop Solicitors

Press Release

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Buying a home is still seen as desirable

Property sales are slow, prices have fallen and the credit crunch is biting people in unexpected ways. But buying a home of your own is still seen as desirable, according to a new survey. Despite the housing market downturn, a recent report found that 54% of potential first-time buyers still think renting is throwing money down the drain. A fifth of people asked also said that they were optimistic that prices would rise over the long-term, while 30% said a property should be seen as a home and not an investment.

The survey, by the Co-operative Bank and Places for People, said first-time buyers think they need to save nearly £20,000 in order to get on to the property ladder. The average first-time buyer thinks it will take them two years and they will need to save £19,100 before they can even think about buying their own place. Half of people said they would forego a garage or an extra bathroom, while 40% were willing to compromise on how many bedrooms they had. But 80% of people wouldn't compromise on room size or location, while 78% felt the same way about a garden.

The proportion of first-time buyers making sacrifices to get on to the property ladder has increased sharply during the past year, with only 9% of people unwilling to compromise their lifestyle in order to buy a home, up from 57% 12 months ago. Half of people said they were foregoing eating out and having holidays abroad in order to become homeowners, double last year's figure, while four out of ten are also buying fewer new clothes, cutting down on buying coffee and lunch from shops and reducing their alcohol consumption. One in five people are making more drastic lifestyle decisions, such as delaying having children or getting married in order to buy their own home, while 11% have taken on an extra job.

Georgina Walters, Head of the Property department at Salisbury-based solicitors Bonallack and Bishop, commented: "Most of this survey does ring true, but it is not a reflection of the current market locally. While the majority of people start saving for their own place a few years after leaving university, most of the first-time buyers we deal with haven't put an exact figure or a timescale to it.

"We have found that most potential home buyers under the age of 30 are, of course, having to curb their lifestyles to save for a home when they meet a partner or are ready to put down roots, but, again, this is nothing new. Anyone moving house at any time usually has to do this, and many families have the discussion as to whether to move or have a holiday – that is no different for first-time buyers. In fact, many first-time buyers are surprised that they can manage to get on to the property ladder quite so soon.

"With the right advice, and the right attitude towards your outgoings, a first purchase is possible most of the time, so I would urge anyone thinking about it to talk to an independent mortgage advisor."

James Butcher from Whites Estate Agency in Salisbury comments, "There is no question that the market is harder at the moment but with the measures taken by the banks, I think this will increase liquidity and make mortgages more available to first-time buyers. Prices have come down 15% to 20% locally and we are finding that houses will sell when these discounts have been factored in. With inflation set to reduce considerably with the credit crunch, interest rates will no doubt follow and there is talk in the City that interest rates may be as low as 2% next year. I feel much more optimistic now and subject to no further major economic issues through the winter, the volume of transactions should pick up in the spring."

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