

News release

18 June 2022

‘First time buyer economy’ worth £73.1 billion by 2024

- First time buyer mortgage lending alone is set to reach £69.2bn by 2024, 15% more than in 2019
- FTBs predicted to spend £3.9 billion on extra costs relating to a first home purchase by 2024
- The combined total the typical FTB spends on top of their mortgage is close to £10,000 (£9,780)

The value of the first time buyer (FTB) economy is set to reach a total of £73.1 billion by 2024, according to latest research by Coventry for intermediaries (the broker arm of Coventry Building Society) in partnership with the Centre for Economics and Business Research (Cebr).

The research showed that FTB mortgage lending is predicted to reach £69.2bn by 2024, 15% above the level seen in 2019. Analysis by Cebr also shows that these borrowers are also expected to spend an average annual total of £3.9 billion on extra costs relating to home purchase by 2024. Therefore, the total contribution of FTBs to the economy will reach £73.1 billion in two years.

As it stands, the average FTB also spends £3,100 on additional upfront costs such as moving and legal fees as well as surveyor, valuation and mortgage fees. On top of this, each year, FTBs are estimated to spend £6,630 each, and £1.6 billion collectively, on renovating and redecorating their home within 12 months of moving in.

The combined total the typical FTB spends on top of their mortgage is close to £10,000 (£9,780). As critical advisers to FTBs, brokers are in the best position to educate clients on these additional costs before they fully commit to home ownership. People who've recently bought their first home really value the expert guidance their broker provided: almost three-quarters (74%) of FTBs judge mortgage brokers to have played an important role in their experience.

Jonathan Stinton, Head of Intermediary Relationships at Coventry Building Society, said: “With the First Time Buyer Economy set to reach £73.1 billion in the next two years, and FTB mortgages accounting for three in ten property transactions on average, there is a clear need for advice and education, and this presents an unmissable business opportunity for brokers.

For more information or additional comment please contact the press office on **0800 121 6868** or email media@thecoventry.co.uk

Calls to 0800 numbers are free when made from the UK. You may be charged for calls to all other numbers, please contact your service provider for further details.

Coventry Building Society. Principal Office: Coventry House, Harry Weston Road, Coventry CV3 2TQ. www.thecoventry.co.uk

“By supporting FTBs before, during and after buying a home, brokers really demonstrate their value to new borrowers. Educating new buyers on the need to budget for additional costs, and going above and beyond to deliver quality service when there is a clear need for it can create life-long relationships with new clients, helping to secure repeat business and word of mouth recommendations.

“Our research will give brokers a deeper insight into the growing first time buyer economy, helping them take advantage of the opportunities new buyers bring. We hope that the research and practical advice will be helpful for brokers in the coming months to grow their businesses and to continue supporting FTBs in the best way possible.”

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Notes for Editors

Spend on various costs by the average first time buyer	Average spend
Upfront costs	
Legal fees	£1,460
Upfront mortgage fees	£610
Surveyor and valuations fees	£480
Moving costs	£280
Other	£320
Renovation, redecoration and furniture (within the first year)	
Renovation/decoration	£4,210
Furniture	£2,420
Total	£9,780

Coventry Building Society

Coventry Building Society is the UK’s second largest building society and a top ten UK savings and mortgage provider.

Coventry Building Society is committed to making financial services simple and open for its members. Its website allows savers to compare the Coventry’s savings accounts with similar products across the whole of the market.

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