

## One in five Brits rent for up to 9 years before they can afford their first home

- Over a third (35%) of Gen Zs said that they didn't rent at all before purchasing their first home
- Half of Boomers had to rent between 5-9 years while saving for their first home

New research has revealed that on average it takes Brits between 5-9 years of renting before they can afford to buy their first home.

The study conducted by [Beehive Money](#), found that most Brits rent before being able to buy, with many renters worrying they will never get onto the property ladder, due to the cost-of-living crisis.

Interestingly, over a third (35%) of Generation Zs said that they had to rent for 1-2 years to save for their first home, while another third (35%) said that they did not need to rent. Under a third (28%) of 20–34-year-olds live with their parents; this is up from 25% in 2012. <sup>[1]</sup>

Ben Osgood, Money Expert at [Beehive Money](#), has revealed his top tips on how renters can get on to the property ladder.

### 1. Working out your budget

Renting and trying to save for your first home can seem impossible and attempting to do both at once can leave people feeling frustrated. But with some careful planning and budgeting, buying your dream home may be closer than you think.

Ben explains: "When buying your first home there are a number of costs that you need to consider when working out your budget. Such as your deposit, mortgage, stamp duty, surveyor fees and conveyancing fees. This is something that your mortgage adviser can help you with but bear these in mind when starting your first home journey.

"When reviewing your monthly outgoings, it's a good time to work out what's essential, like rent, bills, food and fuel, and those that aren't. There are a number of savvy ways to help you reduce your monthly outgoings, from analysing your non-essential outgoings like takeaways, clothing and nights out, to utilising tools such as [Beehive Money's Budget Planner](#) which is a great tool to help you budget for those future goals and is easily accessible."

### 2. Start using your rental payments to help build your credit score

Your credit score is a key component that mortgage lenders will take into consideration when you apply for a mortgage. Doing things like ensuring you're on the electoral register and paying your bills on time are much spoken about in terms of improving your score.

Ben says: "Something many renters aren't aware of is that as long as they pay on-time their rental payments can actually help build their credit score. Through [Beehive Money Marketplace](#), we connect our customers with a service that improves their credit position with all four main Credit Reference Agencies, and also improves their credit score with two of them - Equifax and TransUnion. Signing up to CreditLadder via [Marketplace](#) means your rent payments can be reported to Experian, Equifax, TransUnion and Crediva."

### **3. Saving for your deposit**

Before looking at properties on the market, you need to save for the deposit you are going to put down. Treat saving for your deposit like paying a bill, put it away in to a [savings account](#) each month so that you are not tempted to touch it. You will soon see the amount add up.

Ben explains: “Buying your first house is one of the most exciting things you will experience, and the first thing you need to do is to save for a deposit. The thought of saving for a house deposit can often leave people feeling a little helpless, but for first time buyers our [Lifetime ISA](#) lets you save up to £4,000 per tax year - plus they can receive up to £1,000 each year from the Government in bonuses as well as annual interest.”

### **4. Finding the best mortgage deal**

There is a whole host of mortgage advice and deals available on the market, so it is time to explore what type of mortgage best suits you. The amount you can spend on a property is determined by your salary, so bear this in mind before searching for your dream home.

Ben says: “When starting your initial mortgage research, you need to be able to answer the following questions:

1. The value of the house you want to buy
2. How much you have saved
3. How long you want the mortgage term to be
4. How much you earn
5. Your other monthly outgoings

“These questions enable you to be realistic about what you can afford. Buying a property is one of the biggest financial commitments you can make, so being fully aware about what you can afford is a must.”

### **5. Speaking to a mortgage adviser**

So, you’ve done your research, worked out what you can afford, and you have saved your deposit- now it is time to speak to a mortgage adviser. They will look into your income and spending and will help you confirm your budget and what you can borrow.

Ben explains: “Buying your first home can be a stressful time so it’s worth considering whether a mortgage adviser who can take away the stress of finding a mortgage. Your mortgage adviser will compare the best mortgage deals out there and find the right one for you.

“Finding a mortgage adviser is simple and easy. Friends may recommend ones they have used previously, or you may find one online that suits your needs perfectly. With their expert knowledge and experience, your mortgage adviser will deal with the lender directly on your behalf, which will save you a lot of time.

“In the [Beehive Money Marketplace](#), we also connect customers with expert mortgage through Mortgage Advice Bureau so homeowners can search and compare deals to find the mortgage that’s right for them.”

-ENDS-

For more information, contact Scott Parker ([scott.parker@jaywing.com](mailto:scott.parker@jaywing.com)) or Shelby Golby ([shelby.golby@jaywing.com](mailto:shelby.golby@jaywing.com))

#### Notes to Editor:

<sup>[1]</sup>[Young adults living with their parents - Office for National Statistics \(ons.gov.uk\)](#)

<sup>[2]</sup>Survey conducted by Consumer Intelligence on behalf of Beehive- 1,023 people surveyed

Lifetime ISA- [Homebuyer Lifetime ISA | Top Cash LISA | Beehive Money](#)

Gen Z and Boomers definition: [Millennials, baby boomers or Gen Z: Which one are you and what does it mean? - BBC Bitesize](#)

- Lifetime ISAs are available for savers to open digitally aged 18-39 for either first home purchases or retirement savings. With the Beehive Money Homebuyer LISA, you'll get tax free interest on your savings and a 25% government bonus on your contributions. If you put in the max £4,000, you'll get a £1,000 bonus.
- You need to have a LISA open for 12 months before you can use it to buy your first home, but if you need to withdraw the money before this, there is a 25% withdrawal fee.
- You can choose to leave it open after using for your first home to save for retirement and withdraw at age 60.
- There’s also the 25% withdrawal fee if you use the money for anything other than your first home or retirement.

#### About Beehive:

Beehive Money is a savings app and website that helps you look after your money, and the world around you. No tricky applications or confusing jargon: just **easy, ethical saving** for the things that matter. Although it’s a key feature, Beehive is much more than just a savings app. It’s a supportive community where you can grow your money and learn new things.

Beehive is also part of The Nottingham - a building society founded way back in 1849 that has spent over 170 years living its mutual ethos, trying to build a more equal society and make finances a little fairer. Instead of being run by shareholders, chasing profits over everything, it uses its money for good, from volunteering in communities, to donating to environmental causes and investing in financial education. Join us at Beehive Money, for a brighter future.