



How is the current housing market affecting first-time buyers?

First-time buyers across the country have been facing increasing difficulty for many years as it is becoming more challenging for them to get a foothold on the property ladder with little support offered from the Welsh government and rising house prices.




Despite house prices falling by -0.2% in August, it still takes the annual growth to 2.4% for the year so far¹. Apart from August's slight bump in the road for house prices, it still represents the strongest annual house price growth since December 2022, which is of course welcomed by those who are looking to place their property on the market. Nonetheless, first-time buyers face increased difficulty due to higher house prices across 2024 so far, 2.4% to be exact, making it more difficult for them to purchase a property.

¹ https://www.savills.co.uk/research_articles/229130/366533-0#:~:text=Activity%20improves%20as%20mortgage%20rates%20continue%20to%20fall&text=Despite%20the%20slight%20month%20on,consecutive%20annual%20house%20price%20growth.

The Welsh government provides some assistance for first-time buyers through the Help to Buy – Wales scheme² but this is restricted to new build homes, compared to the government in England which provides a stronger First Homes scheme which unfortunately for first-time buyers in Wales is only available in England³. Nonetheless, the Welsh government threshold for the Land Transaction Tax begins at £225,000 for residential properties, meaning that first time buyers purchasing a home under the £225,000 would not have to pay any Land Transaction Tax⁴.

Whilst the Welsh government provides a small amount of support for first-time buyers, it is the current growth in housing prices as mentioned above which is of real concern, as in 2024 so far, prices have risen by 2.4%. With the average price of a home in the UK currently sitting at £288,000⁵ according to the Office for National Statistics (ONS) August 2024, this is compared to £172,738 in September 2006⁶, thus showing a 66.73% increase in just 18 years. This means that year on year it is becoming more challenging for first-time buyers to get onto the property ladder, which makes it increasingly more crucial for the Welsh government to offer greater support and for those that are looking to buy their first home, to act sooner rather than later in case prices increase further.

If you're looking for more detailed advice about buying your first home, contact our award winning team today.

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² <https://www.gov.wales/help-buy-wales>

³ <https://www.gov.uk/first-homes-scheme>

⁴ <https://www.gov.wales/land-transaction-tax-guide>

⁵ <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/privaterentandhousepricesuk/august2024>

⁶ <https://landregistry.data.gov.uk/app/ukhpi/browse?from=1998-06-01&location=http%3A%2F%2Flandregistry.data.gov.uk%2Fid%2Fregion%2FUnited-kingdom&to=2018-06-01&lang=en>