



First homes: is now the time to buy?

Although it is likely that interest and mortgage rates will increase as we hopefully head towards the light at the end of the COVID tunnel, there are still plenty of rates currently at an all-time low. The stamp duty holiday may be over, however the housing market is still in an exceedingly positive place with high demand and low interest rates.

Of course, getting onto the property ladder is the goal for many younger people across the United Kingdom, however, saving for a deposit is still one of the biggest hurdles. Although turning 'generation rent' into 'generation buy' was a big part of the government's plans, there is no doubt that the pandemic has created more opportunities for first-time buyers to buy their first homes. With the vast majority of lenders offering reduced rates to help with the impact that the pandemic had on so many people nationwide, it is certainly a beneficial time to take advantage if you're looking to get on the ladder.

Saving for a deposit can often be a difficult process for potential first-time buyers – especially considering rent and living costs can be high for

many. It can seem almost impossible for people looking to get onto the property ladder for the first time to raise the appropriate funds. Given the difficulties young people face, it comes as no surprise that parents have become the UK's ninth biggest home buying lender.

Obviously, property is expensive for most and it is common for many people to struggle to save funds without help, whether that be in the form of a gifted deposit or a 'help to buy' scheme. While now is a good time for first-time buyers to buy, it may not be that easy for many. It's all well and good telling people to 'take action before it's too late', but for some that simply isn't an option. Considering this, is it really as 'do or die' as some people are saying?

Well, the short answer is no. While now is a good time to buy and if you are in the fortunate position of both wanting to move and being financially able to – then maybe doing so sooner rather than later is a good idea. For everyone else, however, there are more options.

Nobody can accurately predict what the housing market will do in the long run, but there are non-pandemic induced government schemes available to first-time buyers that will likely be available for the longer term. With the government emphasising intent to help people looking to get on the property ladder, the feeling is one of optimism moving forward.

It's important not to rush into a move. If you've been looking to move and are in a position that means you are able to move right now, then that's great - but it isn't quite 'now or never'. An influx in help-to-buy schemes has more to do with the nature of the market than the pandemic itself and it is therefore relatively safe to assume that whenever you decide to take that first step onto the ladder, the appropriate help will be available.



If you'd like to discuss the options available to you, contact your adviser today.