

OpenVoiceNews U.K.

Transparent. Unbiased. Yours.

Fewer Renters Putting Money Aside for Home Deposits as Living Costs Bite

August 6, 2025

— Categories: Real Estate



The number of renters saving for a house deposit has dropped sharply this year, as rising rents and everyday expenses make it harder to set money aside, according to new research from Barclays.

In July 2025, just 17% of renters said they were actively saving for a home deposit, down from 31% at the beginning of the year. The figures were released as part of the Barclays Property Insights report, based on a survey conducted by Opinium Research involving 2,000 UK residents.

The findings come as renters continue to feel the pressure of increasing housing costs. Nearly two-thirds (62%) of respondents said they have either already experienced or expect to experience a rent rise in 2025. These rising costs are leaving less room in household budgets for savings.

Jatin Patel, Head of Mortgages, Savings and Insurance at Barclays, said: “Many people dream of one day owning a home, but our latest findings highlight how renters are finding it ever harder to save for a deposit while keeping up with rising costs. More positively though, we’re still seeing savers create strong habits, and consider carefully the balance between getting into the market quickly with a lower deposit or trying to minimise monthly repayments in the longer term.”

The report also points to broader affordability concerns. More than a third (37%) of renters said they could not afford to buy in the area where they currently live or where they would prefer to live in the future. With limited options and stretched budgets, many are making tough financial decisions.

Common strategies to save for a deposit include cutting back on luxuries, reducing travel and holidays, and taking on additional work through side businesses. While some renters remain hopeful, just 12% believe they’ll be able to buy a property within the next year. This rises to 16% who see a path to homeownership within five years.

In the meantime, financial pressure continues to mount. Around 26% of renters surveyed said they were struggling to keep up with their monthly rent, compared with 15% of homeowners who reported similar struggles with mortgage payments.

Adjustments to spending habits are widespread. Nearly half (45%) of renters said they are changing how they spend to ensure they can afford to stay in their current accommodation.

Despite the challenges, some prospective buyers may have a glimmer of hope. Several lenders have recently updated their borrowing criteria, which could open the door to larger mortgage offers for certain applicants. However, critics argue that this does little to address the core issue of affordability, especially when wages have failed to keep pace with housing costs in many parts of the country.

The report reflects the increasingly tough landscape for aspiring homeowners, particularly younger people and families renting in urban areas. While government ministers have

spoken frequently about improving access to the housing market, renters nationwide continue to face a widening gap between their ambitions and the financial realities.

Opinium Research carried out the Barclays Property Insights research in July 2025, and it represents a snapshot of how economic pressures are shaping homeownership goals across the UK.