

OpenVoiceNews U.K.

Transparent. Unbiased. Yours.

Property Ladder Slipping Further from Renters, TSB and Barclays Warn

August 7, 2025

— Categories: Real Estate



A growing number of first-time buyers are being pushed to move back in with their parents and make serious sacrifices in order to afford a home, according to fresh reports from two of the UK's leading high street banks.

New findings released by TSB and Barclays this week shed light on the deepening challenges faced by aspiring homeowners. Rising house prices, unaffordable rents, and the increasing size of deposits needed are making it harder than ever for renters to make the leap onto the property ladder.

TSB's research, based on a survey of 1,000 individuals who purchased their first property within the past year, found that 96 percent relied on financial assistance to pull together a deposit. In a sign of just how difficult conditions have become, four in five respondents said they had to move back in with their parents to save enough money. A further 9 per cent said they were only able to buy after making a major compromise, such as relocating or choosing a smaller property.

"This has been a growing trend for some time, indicating how expensive it is for first-time buyers to get onto the housing ladder," said Mary-Lou Press, president of the National Association of Estate Agents (NAEA) Propertymark. "So much so that they have to make enormous sacrifices and/or depend upon financial help from their relatives just to purchase a property."

Barclays also published its own research, painting a similarly bleak picture for the rental market. The bank's data, gathered from across its customer base and combined with broader consumer insights, revealed that fewer renters are now saving for a deposit. Just 17 percent of renters reported actively saving in July, down sharply from 31 per cent at the start of the year.

Six in ten renters said they had already seen or expected to see their rent rise this year. This surge in rental costs is putting added pressure on those trying to save, with many reporting that home ownership feels increasingly out of reach. Only 12 percent of renters surveyed believed they could afford to buy a property within the next 12 months.

Barclays found that while rising rents are a significant challenge, soaring house prices have now overtaken deposits as the number one barrier to home ownership, cited by 38 per cent of respondents. The cost of a deposit was a close second at 35 per cent.

Renters are also dedicating more of their income to housing costs than those who already own a home. Barclays revealed that renters are spending 30.8 per cent of their take-home pay on rent, compared to homeowners who spend 26.6 per cent on mortgage payments. A quarter of renters said they struggle to meet their monthly rent, while only 15 per cent of homeowners said the same about their mortgage.

"Many people dream to one day own 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," said Jatin Patel, head of mortgages, savings, and insurance at Barclays.

Megan Eighteen, president of the Association of Residential Letting Agents (ARLA) Propertymark, also raised concern over the unsustainable level of rent prices. “Alongside this, the average deposit to purchase a home is around £70,000, so to pay heightened rent, as well as save for a deposit, will be nearly impossible for some,” she said.

She added that a more proactive approach is needed to support first-time buyers: “It’s really important that we tackle the root causes of these issues head-on. Additional support needs to be provided to first-time buyers in order to help them step onto the housing ladder.”