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TSB Report Shows Majority of First-Time Buyers Move Back in With Parents to Afford Homes

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— Categories: Real Estate



A new report from TSB has revealed that a significant number of first-time buyers (FTBs) are moving back in with their parents to save enough for a home deposit. The reason: rising property prices and living costs make independent living unaffordable for many young adults.

According to the survey, 80% of first-time buyers returned to their family homes as a financial strategy to get on the property ladder. The findings highlight the growing reliance on family support in terms of accommodation and financial contributions as buyers navigate a challenging housing market.

Nearly all respondents, 96% said they received some kind of financial assistance when building their deposit. Of those, 68% were supported by family members and 57% by friends. TSB's director of secured lending, Craig Calder, described this behaviour as an "increasing trend" among new buyers. "Many made sacrifices to meet their deposit targets, such as moving in with parents, and taking a second job," he said.

The report also found that compromise played a major role in buyers' decisions. Three-quarters of those surveyed accepted a home with fewer bedrooms, reduced outdoor space, or a smaller footprint to buy in a preferred location. While 38% said their new home met most of their expectations with minor compromises, only 22% felt they had purchased their ideal property. Meanwhile, 9% acknowledged making a significant compromise, prioritising affordability and location over space and features.

Many first-time buyers cut back in other areas of life to build their savings. Around 38% delayed major purchases, 37% reduced social activities, and another 37% took on additional work. On average, it took nearly three years to save for a deposit, with notable regional differences. Buyers in Wales faced the longest saving period at around 3.4 years, while those in the East Midlands managed it fastest, in approximately 2.6 years.

The monthly cost of renting before purchase averaged £960. After becoming homeowners, 45% of respondents said they felt more financially secure, while 39% said they felt a sense of relief.

TSB's data also showed that mortgage terms are slowly shortening. In 2025, the average mortgage term for first-time buyers stood at 31 years, slightly down from 32 years in 2024. The average deposit size across the UK was 18.9%, with notable variations by region. London buyers paid the highest proportion at 23%, while Welsh buyers had the lowest at 13%.

The average age of a first-time buyer has also increased, now standing at 32, up from 31 the previous year. Buyers in London were the oldest at 34 on average, followed by the South

East and East Midlands at 33. In contrast, Yorkshire and the Humber had the youngest average age at 30.

Mary-Lou Press, president at NAEA Propertymark, said the findings reflect a longer-term trend. “This has been a growing trend for some time, indicating how expensive it is for first-time buyers to get onto the housing ladder, so much so that they have to make enormous sacrifices and/or depend upon financial help from their relatives just to purchase a property,” she said.

She added: “What is needed to make housing more affordable is targeted help, and we are seeing many financial institutions take a lead here with flexible mortgage products, as well as a sustainable supply of new homes that will stabilise supply and demand levels, which can hopefully be achieved by the UK Government and the devolved administrations meeting their individual housing targets.”