

Research shows first time buyers are getting older

Research carried out by housebuilder Larkfleet Homes and First Time Buyer magazine has revealed that the current generation of first-time buyers is older than the one that preceded it.

In an online and telephone survey of house-buyers, Larkfleet found that 58 per cent said that their parents bought their first home at a younger age than the respondents themselves had done.

On average, first-time buyers now are three years older than they were just ten years ago.

Larkfleet CEO Karl Hick said: "This is a reflection on the changing market for home ownership. The age of first-time buyers is rising because house prices are rising faster than real wages. It is becoming more and more difficult for people to get onto the so-called 'housing ladder'."

The research also showed that 42 per cent of first-time buyers who are actively house-hunting think that the information available to them about house purchase is confusing – but 34 per cent think it is informative and 24 per cent say it is easy to find.

By the time they have actually gone on to purchase a property, however, views have changed. Among first-time buyers who have completed a purchase in the past year, 38 per cent describe the information available to them as informative and another 38 per cent say it was easy to find. Only 25 per cent say it was confusing.

Karl Hick said: "It may be that once they get fully involved in house purchase, first-time buyers discover that information is not as difficult to find and understand as they thought initially. Or it may be that more of those who thought available information was informative and easy to find actually went on to make a purchase!"

Other results of the survey show that the government's Help to Buy scheme is particularly important for first-time buyers. Some first-time buyers told Larkfleet researchers that they would not have been able to purchase a home without it.



Larkfleet carried out the research with the support of First Time Buyer magazine to gain a better understanding of this important part of the company's market.

Lynda Clark, editor of First Time Buyer magazine, said: "Getting onto the property ladder is such a different process for first-time buyers today compared with previous generations.

"The different challenges faced by today's buyers typically mean that a much larger deposit is required and so inevitably many potential buyers end up delaying the process. With many of the deposit reducing schemes available today, there are new means and ways to take that first step onto the ladder. The key is making sure that new buyers fully understand these schemes and see how they can help them as well as future generations to buy their first home."

Karl Hick added: "Many of the homes we sell are bought by first-time buyers. The research has helped us to get a better understanding of their needs – not just what they want from our homes but also what they need in terms of information to help them make the right decisions about getting onto the property ladder."

Award-winning Larkfleet

Over the past few months Larkfleet Homes has picked up a number of national awards – and is a finalist in two more.

The company was named **winner of the Best Small-Medium Sized Business category at the 2018 Best Business Awards.**

The judges were impressed by Larkfleet's commitment to sustainability and place-making.

Larkfleet was the **winner of a 'Silver Stevie' in the Medium Sized Company of the Year** category in the International Business Awards.

The company won the Best of Britain Business Awards 2018. The awards recognise forward-thinking businesses or enterprises that have outshone rivals or made their local community proud.

Larkfleet Homes is a finalist in two categories of the prestigious National Business Awards. The



feat was enough to garner the interest of The Times, which published a feature on the awards in September.

The company has nominations in the Stock Exchange Group Scale Up Award and the Lloyds Bank Positive Social Impact category.

Larkfleet CEO Karl Hick said: "I understand that to be short-listed for two National Business Awards in the same year is an unprecedented achievement."

Coffee, cake and cash

The Larkfleet Homes team recently took part in the World's Biggest Coffee Morning in aid of Macmillan Cancer Support.

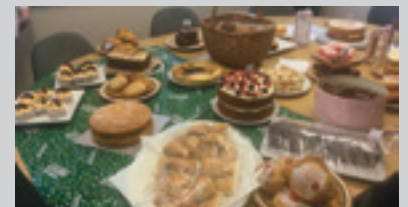
Forget Bake Off! Staff at Larkfleet House baked or brought in a wonderful selection of cakes and snacks - that's just some of them below – that were sold in the main meeting room to raise money for the charity.

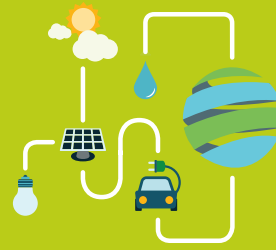
Visitors joined in the fun, buying and enjoying a cake – or two – with a nice cup of coffee, all in aid of a great cause.

Visitors to Larkfleet Homes and Allison Homes show homes were also invited to buy coffee and cakes throughout the day.

The World's Biggest Coffee Morning is Macmillan's biggest fundraising event for people facing cancer. Since 1990, Coffee Morning has raised over £165.5 million for Macmillan. People all over the UK host their own Coffee Mornings and donations on the day are made to Macmillan. Last year alone saw a total of £29.5 million raised in aid of the charity.

This year Macmillan aimed to raise even more and the Larkfleet team was happy to help.





Modular Housing

Factory built housing can solve the housing crisis, in time.

Speaking in a recent interview on BBC Radio Lincolnshire's Breakfast Show, Karl Hick, CEO of Larkfleet Homes, told listeners that modular housing is the answer to the housing crisis, but factory-built housing needs to be more economic, and cost effective, before it becomes more widespread.

Karl Hick said: "Yes, modular housing can be factory built without some of the traditional skilled trades on site and can be built quicker. But it is around 10-15 per cent more expensive than traditionally built homes. Yes, modular housing can solve the housing problem, but the average consumer can't afford it, and developers can't either and won't be able to recover all their costs.

"It will take the industry and consumers a while to get used to something that is not traditionally built with bricks and blocks."

Modular homes will be timber framed buildings incorporating some composite products. It is thought that they could reduce construction time by up to one month. This time saving should help move the government closer to meeting its annual housebuilding target of 300,000 new homes.

Karl Hick concluded that currently there are not enough skilled trades people and Brexit has had a serious impact on labour for traditional construction methods to be sustainable. Modular, factory-built homes will solve the housing crisis, but only once the process becomes more economical and cost effective.

London house price headache? Move north.

The East of England and the East Midlands are popular with Londoners seeking lower prices but still being within commutable distance of the capital.

Larkfleet Homes and Allison Homes have developments in Lincolnshire, Northamptonshire and Rutland, all within easy commuting distance of London.

According to research by residential estate agency Hamptons International, almost one third of London leavers (30 per cent) moved east while another 19 per cent moved to a new property in the East Midlands.

The number of Londoners who bought homes outside the capital rose to 30,280 in the first six months of 2018, a 16 per cent rise on the same period last year. The new figures show that there were 61 per cent more Londoners leaving the capital and buying homes elsewhere in the first half of this year than at the same period 10 years ago (18,840).

As affordability tightens, the East of England and the East Midlands are becoming increasingly popular destinations with London leavers. One in every six homes sold in the East of England is sold to a London leaver, while the proportion of Londoners leaving for the Midlands has more than tripled since 2008.

Many Londoners are leaving the capital to buy a bigger home. The average Londoner buying outside the capital spent £424,610 on their new home, 1.6 times more than a buyer from elsewhere.

More people are making a bigger move by moving further and buying a larger home sooner to avoid having to pay stamp duty on additional moves as they trade up. The average stamp duty bill for buying a detached home in the South is

£14,780, compared to £5,358 in the North.

Other hard factors contributing to many moves are clear - a historically low Bank of England base rate, subsequently low mortgage rates and rising inflation. Some London households are taking advantage of relatively cheap

mortgage lending to maximise square footage while they can. Others are, no doubt, simply looking to reduce their monthly outgoings in response to higher living costs with inflation reaching a six-year high.

Proximity to London

Most areas closer to the Greater London boundary come with higher house prices, but buyers eager to keep their commute to a minimum might be pleasantly surprised to discover price growth nearer the capital was slower last year than further afield. Average prices of homes with less than a 45-minute commute into zone one rose just 4 per cent in the last 12 months, whereas prices with a travel time of more than an hour rose 7 per cent.

But the average cost of a home is still significantly less the further from the capital you move. The average price of a four-bedroom home, 70 miles from zone one is £459,540. Within 25 miles of zone one the average price increases to £735,480 while a prime property, closer in still, will cost well in excess of £1 million.

Small Areas Soar in Price

With nearby countryside and a slower pace of life it's easy to see the attraction of villages, particularly for those seeking larger properties on bigger plots. In fact, 94,000 households over the previous year moved out of a city or suburb into the countryside. Prices in villages within commuting distance of London have risen with so many buyers leaving the city. But more limited housing stock is likely to have contributed to some of the price growth in these rural areas.

The True Cost

House prices are an important factor when leaving the capital, but buyers planning on commuting to London will need to factor in substantial train fares. For instance, annual season tickets commonly cost between £5,000 and £6,000 for passengers travelling about 45 minutes out of London.

Furthermore, cancellations and significant delays to services can add hours to a week's commute. However, the benefits of moving away outweigh the negatives for those seeking more choice and a different quality of life outside London.

