

**Recent trends in numbers of first-time buyers:  
A review of recent evidence**

**CML Research**

**Technical Report**

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**July 2005**

**ISBN 1-905257-04-X**

## **Information on related publications**

This technical report is published alongside a CML research report 'Understanding first-time buyers', July 2005. The methodology and source information are the same for both reports although there may be some differences in the analysis and interpretation.

A further technical report sits alongside both of these reports and is published by BMRB, 'First-time buyers: The decision to buy', CML/BMRB Technical report (2005). This contains findings from focus groups on young peoples' attitudes.

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The Council of Mortgage Lenders (CML) is the trade association representing the mortgage industry. Its members comprise banks, building societies, insurance companies and other specialist residential mortgage lenders, which together represent around 98% of the UK mortgage assets.

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A list of recent research reports and CML publications can be found at the end of this report.

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ISBN 1-905257-04-X

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## CHAPTER I INTRODUCTION AND PURPOSE

1. The purpose of the work presented in this report is to review recent changes and trends in the number and characteristics of first-time house buyers in the United Kingdom, including their ages and the way in which their numbers are related, age for age, to the whole population. It builds on work published in *First-Time Buyers in the United Kingdom: An Updated Age Analysis* (Council of Mortgage Lenders 2001) and in more summary form in “First-time buyers in the United Kingdom: an updated age analysis”, *Housing Finance No. 49*, February 2001. This work was itself an updating and development of the work carried out in 1995 and published in *Estimating the First-Time Buyer Population in the United Kingdom: An Age Analysis* (Council of Mortgage Lenders 1995). Reference to the two previous studies is necessary to provide context for the present work, and to show how far its findings support or modify the inferences drawn from the earlier work. What is attempted here is not only to update previous findings, but to extend the analysis to other aspects of the housing market, including how much of the demand comes from households formed by people who had been members of owner-occupied households that had separated; and how important numerically are recent inward migrants in the market for owner-occupied housing.

2. The main purpose of the work carried out in 1995 was to study the contribution of population change to the housing boom of the 1980s and then the slump of the early 1990s. In the later 1950s the number of births year by year began to rise rapidly. The rise continued to 1964 when it reached a peak. In the following year the number of births began to decline, at first slowly and then more rapidly until by the early 1970s the number of births had fallen back to where it had been before the rise began. This so-called “baby boom” added some 2.3 million to the population of the United Kingdom compared with what would have happened if the number of births had run approximately level. Those born in the years of the “baby boom” in 1956 to 1964 reached their mid-20s in the 1980s. Although there is no single exact first-time buyer age, the number of people reaching the ages at which first-time buyers were numerous rose year by year through the 1980s. That this demographic increase in first-time buyers contributed to the boom was a reasonable hypothesis. So too was that the

lagged effect of the fall in births in 1965 and subsequently contributed to the slump in the housing market in the 1990s. The boom might also have been strengthened and the slump made worse by purchases being brought forward during the boom owing to expectations of further rises in house prices to come. To throw some light here numbers of first-time buyers analysed by age were estimated year by year and related to the whole population analysed by age. The concept was introduced of “age-specific first-time buyer rates”, the estimated number of first-time buyers in a given year as a proportion of the whole population of that age in that year. Comparison of age-specific first-time buyer rates year by year would make possible estimates of how much of the increase in purchases during the boom and of the fall during the slump could be explained by changes in the size of the relevant age groups, and how much had to be explained in other ways.

3. The principal findings were:

- (a) The increase in the population of house buying age during the 1980s that was the lagged effect of births in the years of the “baby boom” made a strong contribution to the increase in purchases during the years. About one-half of the excess of first-time purchases in 1983-88 relative to the average in 1974-80 could be explained by population growth.
- (b) Shifts in the timing of purchases were important also; bringing purchases forward in time explained about one-quarter of the additional purchases in the boom and one-fifth of the shortfall during the slump.
- (c) In 1991-93 purchases at the younger ages (under 25) relative to population were much lower relative to past levels than were purchases at ages 25 and over.

4. The updating 2001 covered the period of the recovery of the housing market from the slump, with recovery beginning to turn into a boom at the end of the period, 1999 in statistical terms. The principal focus of interest was on how the number of first-time buyers and age-specific first-time buyer rates in the 1990s after the housing market came out of the slump compared with the 1980s before the peak of the boom. There had been expressions of concern about numbers of purchasers (and house

prices) not recovering as might have been expected when mortgage rates were reduced. The possibility was put forward that what had happened was not just a cyclical downturn but that the demand for house purchase had run up against longer term economic and social limits. The continuing low level of purchases at the younger ages (see Alan Holmans, 'A Decline in Young Owner-Occupiers in the 1990s', *Housing Finance* February 1996; and Chapter 6 of *Housing in England 1997/98*) gave cause for concern here.

5. The main conclusions from the work published in 2001, referred to for brevity as *Updated Age Analysis*, were:

- (i) First-time buyers in 1996-99, well past the immediate recovery from the slump, were about 8 percent fewer relative to population than in the 1980s excluding the peak of the boom, and about the same as in 1974-80.
- (ii) In the later 1990s "first-time buyers" included a substantial number of households who had been owner-occupiers before, and were therefore returning to owner-occupation, not newly entering it. If these were excluded, the reduction in the number of first-time buyers relative to population would be about 13 percent rather than the 8 percent quoted above.
- (iii) On the evidence of survey information about private sector tenants' expectations of buying a house, the historically low numbers of first-time purchasers at the younger ages appeared to be the result of later entry to home ownership rather than a lower long term preference for owner-occupation.
- (iv) Official population projections do not point to any major demographic effect that could cause large increases or decreases in the number of first-time purchasers. There is nothing in prospect like the "baby boom" effect in the 1980s.

6. The work presented in this report is intended to bring up to date the estimates of the number and ages of first-time purchasers, and relate them to the population, as in the two previous reports and reassess the conclusions (i), (ii), and (iii). Also included



is a more detailed analysis of the circumstances of “first-time purchasers” who have been owner-occupiers before, in order to assess how many are ex-members of owner-occupier households that separated. Also included is an assessment of the effect of inward migration from overseas on the number of first-time purchasers. The number of inward migrants has risen, and in the most recent official population projections is assumed to continue to run at levels well above what was assumed in the 1998-based projections which were current when the *Updated Age Analysis* was prepared. Future numbers of migrants are the main source of uncertainty in population projections; so how sensitive are estimates of future numbers of first-time purchasers to the volume of migration is an important question.

7. The arrangement of chapters and annexes is:

- |             |   |
|-------------|---|
| Chapter II  | The number of first-time purchasers in total years year by year; and the numbers that have already been owner-occupiers before, and the numbers that are recent immigrants. |
| Chapter III | Age analysis of first-time buyers, by number and as a proportion of the population of the relevant age (age-specific first-time buyer rates).                               |
| Chapter IV  | Cohort analysis of age-specific first-time buyer rates, with (as far as possible) “first-time buyers” who have been owner-occupiers before.                                 |
| Chapter V   | Future numbers of first-time buyers as inferred from official population projections and the cohort analysis, and implications for future numbers of owner-occupiers.       |
| Annex A     | Totals of first-time buyers year by year, with analysis by age.   |
| Annex B     | “First-time buyers” who have been owner-occupiers before.   |
| Annex C     | Owner-occupiers who are recent immigrants.  |
| Annex D     | Owner-Age specific first-time buyers rates: single years of age.  |

8. Geographical definitions pose a difficult problem. The United Kingdom is a single entity for financial markets, including institutions that lend for house purchase. Statistics relating to house purchase derived from information provided by or collected from lenders is therefore for the whole United Kingdom, apart from the Survey of Mortgage Lending (SML). The SML is a very important source of data on house purchases; it is the only financial source for dividing totals of loans between first-time buyers, moving owner-occupiers, and sitting tenants purchasers. The information is collected from financial institutions that lead for house purchase, and so includes the whole of the United Kingdom. But because the information obtained includes the location of dwellings included in the survey, separate totals can be produced for the four countries that comprise the United Kingdom. Information from housing surveys, on the other hand is specific to each of the countries. The information for each of them differs, in ways that are discussed in Annex A. Because the survey information is fuller for England than for the other three countries, the analysis of first-time buyers uses data for England in the first instance. Survey data about “first-time buyers” who have been owner-occupiers before is available only for England. Estimates and totals worked out for England are then scaled to United Kingdom totals.

9. Substantial amounts of material from *Updated Age Analysis* are re-used in this report. Enough of it has to be included in the text and annexes of the present report to make it intelligible without having to constantly refer back to *Updated Age Analysis*. But to repeat it in full would result in excessive length.

## **CHAPTER II FIRST TIME BUYERS: THEIR NUMBER, HOW MANY HAVE BEEN OWNER-OCCUPIERS BEFORE, AND HOW MANY ARE RECENT IMMIGRANTS TO THE UNITED KINGDOM**

1. One of the purposes of this report is to bring up to date the findings of the previous report (*First-Time Buyers in the United Kingdom: An Updated Age Analysis*) about the ages of first-time buyers and how their age distribution was related to the age distribution of the population as a whole. To bring the previous analysis up to date the definitions used in the previous work must be kept to, and the same geographical coverage. New information has to be taken on board, including revisions by the Office for National Statistics (ONS) to mid-year population estimates in the light of the results of the 2001 census. These revisions affect the estimated number of first-time buyers, because mid-year population estimates are used to gross the sample data from the Survey of English Housing. They also affect ratios of numbers of first-time buyers to total population in each age group (“age-specific first-time buyer rates”). In the *Updated Age Analysis* (pages 5-7) mention was made of evidence that substantial numbers of “first-time buyers” had been home owners before. In this report new information from the Survey of English Housing has been used to estimate their number and describe their circumstances. The Survey of English Housing began in 1993/94, and none of the other countries of the United Kingdom have surveys that provide comparable information. For continuity with the previous work first-time buyer totals and analysis by age are required for the United Kingdom as a whole. Similarly, “first-time buyers” include those that have been owner-occupiers before but are coming back after spells as tenants or members of someone else’s household. A separate analysis is made of “original” first-time buyers (i.e. who have not been home owners before) in England from 1993/94 to 2002/03. Their ages relative to population are analysed in Chapter III. The characteristics and circumstances of “returning” first-time buyers are outlined later in this chapter (paragraphs 9 and 10), and described more fully in Annex B.

2. Information about the housing tenure of inward migrants to the United Kingdom is available from the 2001 census and from the Labour Force Survey. The census asked for present usual residence and the usual residence one year previously, which

identifies recent inward migrants. The Labour Force Survey asks for the country of birth of sample members; and for persons born outside the United Kingdom the year in which they came to the UK. Information from these sources is presented in Annex C, with a summary in paragraphs 12 to 14 of this chapter.

### **Numbers of First-Time Buyers in the United Kingdom Year by Year**

3. Sources and methods for estimates of numbers of first-time buyers are in Annex A. As in the *Updated Age Analysis* the starting point is estimates derived from housing surveys of movers (within the previous year) whose tenure when interviewed was owner-occupier, but who before the move had been either a tenant or a member of someone else's household. Adjustments were made to exclude the small number who acquired their home by means other than purchase.

4. Adjustments were required to take on board the downward revisions to the official estimates of the population in the light of the 2001 census. The post-census estimate of the population of England at mid-2001 is 775,000 lower than the pre-census figure; and the revised estimate for 1991 333,000 lower. Grossed numbers of first-time purchasers in 2001/02 on the post-census basis were 18,000 lower than on the pre-census basis (see Annex A, paragraph 3). This figure, and the pre- and post-2001 census mid-year population estimates, were used to modify the published first-time purchaser totals from the Survey of English Housing and from the Labour Force Survey Housing Trailer for 1991 (Table A.2).

5. As in the *Updated Age Analysis*, totals of first-time buyers in the United Kingdom were derived from the estimates for England by scaling up pro-rata to the numbers of first-time buyers (excluding sitting tenant purchasers) in the United Kingdom and England in the Survey of Mortgage Lending. This is a make-shift method; but the best that can be done in the absence of survey information for Wales, Scotland, and Northern Ireland. Table 1 shows the estimated number of first-time buyers annually from 1983 to 2003. The figures for 1990 and earlier are taken from the *Updated Age Analysis*, modified on account of the revisions to the mid-year population estimates back to 1982.

**Table 1 Estimated Numbers of First Time Buyers in the United Kingdom**

(thousands)			
1983	443	1994	447
1984	497	1995	457
1985	493	1996	445
1986	469	1997	471
1987	476	1998	443
1988	539	1999	480
1989	368	2000	464
1990	351	2001	433
1991	348	2002	417
1992	302	2003	396
1993	410		

Source: Annex A, Table A.4.

6. The figures in Table 1 were estimated from sample data and so may be affected by sampling variation. That may be the reason for the figure for 1998 being distinctly lower than those for 1997 and 1999, for which no other explanation suggests itself. More readily explained is why the number of first-time buyers in 1999 was only 59,000 lower than in the exceptional boom year of 1988. Almost certainly an important explanation is larger numbers of “first-time buyers” who had been home owners before.

#### **“First-Time Buyers” Who Have Been Home Owners Before**

7. In the Survey of English Housing, householders that are owner-occupiers when interviewed are asked for the year in which they first bought a house or flat, whether they were renting it before buying it, and if so who it was rented from. For owner-occupiers resident less than three years at the address where they were interviewed, the answers to this question can be cross-analysed by their housing tenure before the most recent move. The cross-analysis shows which “first-time buyers” had owned a house or flat before. Tables were commissioned from ODPM of “first-time buyers” who had been home owners before according to immediate previous tenure, age, type of household, and how the previous owner-occupied house was owned (e.g. jointly with present spouse or partner, jointly with someone else, not jointly). The information in these tables is analysed in Annex B. In this chapter the division of all first-time buyers with mortgages (in England) between what may be termed “original” and “returning” first-time buyers is shown, and an analysis by category.

**Table 2 First-Time Buyers in England With Mortgages 1993/94 to 2002/03: Division Into “Original” and “Returning” First-Time Buyers.**

	(thousands)			
	<b>“Original” First-Time Buyers</b>	<b>“Returning” First-Time Buyers</b>	<b>All First-Time Buyers</b>	<b>Proportion of “Returning” First-Time Buyers (percent)</b>
1993/94	298	88	386	23
1994/95	280	83	363	23
1995/96	288	88	376	23
1996/97	282	87	369	23
1997/98	307	84	391	22
1998/99	290	80	370	22
1999/00	381	72	390	22
2000/01	297	68	365	18
2001/02	269	64	333	19
2002/03	264	63	327	19
2003/04	249	62	311	20

Source: Annex A, Table A.9.

8. For reasons of sample size, tables were prepared for pairs of years. The proportions for the two years together have to be taken to apply to each year separately. For that reason the proportions of “returning” first-time buyers in 1997/98 and 1998/99 (for example) as shown in Table 2 are the same. To be noted is that the proportions of “returning” owner-occupiers are lower for 1999/00 and subsequently than in 1998/99 and earlier.

9. A cross-analysis of how the earlier owner-occupied dwellings belonging to “returning” first-time buyers were owned and type of household (at the time of the interview) can produce a division into categories that has explanatory interest. In 1997/98 and subsequently three forms of ownership of the earlier dwelling were distinguished: jointly with present partner; jointly, not with present partner; and owned by self. These can be cross-classified by type of household: married couple; cohabiting couple; lone parent; other multi-person households; and one-person households. From this analysis, “returning” first-time purchasers can be divided into: “continuing households”, i.e. where the earlier dwelling was owned jointly with the present partner, or owned by self (one-person households); “reconstituted couple households”, i.e. owned jointly, not with the present partner; and “survivors from couple households”, i.e. formerly jointly owned but now a lone parent household or

living alone. Table 3 shows the number of returning first-time buyers in these categories. They are of households that moved within the previous three years and are therefore larger than the numbers of “returning” first-time buyers in Table 2, who moved within the previous year.

**Table 3 Categories of “Returning” First-Time Buyers**

					(thousands)	
		<b>1997/98 and 1998/99</b>	<b>1999/00 and 2000/01</b>	<b>2001/02 and 2002/03</b>	<b>2003/04</b>	<b>Proportions (all years combined) (percent)</b>
(i)	“Continuing households” (couples and one-person households)	89	70	70	80	33
(ii)	“Reconstituted couple” households	61	70	58	58	26
(iii)	“Survivors from couple households” (lone parents and one-person households)	54	36	41	26	16
(iv)	Others	70	55	53	57	25
<b>All “returning” first-time buyers</b>		<b>274</b>	<b>231</b>	<b>223</b>	<b>221</b>	<b>100</b>

Source: Annex B, Table B.4.

10. Just under one-third of “returning” first-time buyers were continuing households that came back to owner-occupation, in most instances from the private rented sector. Nearly all “continuing” couple households coming back to owner-occupation were married couples (Table B.3). Very few cohabiting couples had earlier owned jointly with the present partner; most had owned jointly with a different partner. Of the “reconstituted couples” in Table 3 about one-half were married couples at the time they were interviewed and one-half cohabiting couples. Just under one-fifth of the returning first-time buyers were former members of couple households who came back into owner-occupation as lone parents or were living alone; they were in a sense survivors from owner-occupier couple households that had broken up. They returned to owner-occupation after a spell in renting or as members of someone else’s household.

11. A special survey would be needed to find out about how the different categories of returning first-time buyers came to leave owner-occupation, and how they were able to return. Only a small proportion of returning owner-occupiers about 7% lost

their homes through mortgage repossession (Table B.7). Proceeds from the sale of the previous home appear to be important in enabling households that had left owner-occupation to return. Table B.6 in Annex B shows that about one-half of households that had previously owned jointly with the present partner included proceeds of the previous sale among the sources of finance for buying their present home. Availability of proceeds of the previous sale as a source of finance for returning first-time buyers helps explain why there are a considerable number of large “deposits” (in the sense of price paid minus house purchase loan) paid by first-time buyers.

### **First-Time Buyers Who Were Inward Migrants from Outside the United Kingdom**

12. Information about the housing tenure of households who are inward migrants to the United Kingdom is in Annex C. There are two sources of information: the 2001 census, which asked about the place of usual residence one year previously; and the Labour Force Survey (LFS). LFS distinguishes people born outside the United Kingdom, and asks for the year in which they moved to the UK (most recent move if more than one). The sample size of LFS is not large enough for an estimate to be made of the number and housing tenure of persons who moved into the UK in the previous year, so the tenure of households that came to the UK less than five years ago is taken.

13. Both sources show a high proportion of inward migrants being private sector tenants. The census information about the housing tenure of wholly moving households (i.e. all members with same address) who one year previously lived outside the UK shows that in Great Britain just over 70 percent were in the private rented sector (including rent-free). Ten thousand four hundred, 13 percent, of the total were owner-occupiers with mortgages. Table 4 compares the census and LFS information about the housing tenure of inward migrant households.



**Table 4 Housing Tenure of Inward Migrant Households**

	Census: Within Previous Year (Great Britain)		LFS: Less Than 5 Years (United Kingdom)	
	Number	Percent	Number (thousands)	Percent
Outright owner	6,550	8.1	10	3
Buying with mortgage	10,417	12.9	47	12
Shared ownership	209	0.3	<sup>(a)</sup>	...
Social rented sector	5,493	6.8	63	16
Private rented, unfurnished	54,030	67.1	120	31
Private rented, furnished				
Rent free	3,813	4.7	<sup>(a)</sup>	...
<b>Total</b>	<b>80,512</b>	<b>100.00</b>	<b>391</b>	<b>100</b>

Note: <sup>(a)</sup> Not distinguished in LFS.

Sources: Census 2001 National Report for England and Wales, Table T34; Scotland's Census 2001, Reference Volume update, Table T34. LFS data provided by Office of the Deputy Prime Minister.

14. The census and LFS agree on owner-occupiers with mortgages being about one-eighth of inward moving households from outside the UK. The proportions of owner-occupiers in total, including outright buyers, differ. But if the census figure is taken because it is derived from a complete count and not a sample, the likely number of first-time buyers who had come from outside the UK in the previous year was about 17,000 in round terms, which is just under 4 percent of the total of first-time buyers (Table 1), and about 5 percent of "original" first-time buyers. Changes in the number of immigrants would therefore be unlikely to make much difference in the short term to the number of first-time buyers. The longer term impact would depend on the rate at which immigrant households move from renting to owner-occupation; whether and if so how quickly the pattern of tenures of inward migrants converges with that of the whole population is a complex question that has been little investigated. Census information about housing tenure and ethnicity indicates that the answers could well vary between immigrants from different countries.

15. With net inward migration from outside the United Kingdom constituting one-half or more of the net increase in the population in recent years, the low proportion of owner-occupiers among recent inward migrants works to depress the number of first-time buyers relative to population. The long-term effect depends on how far the housing tenure of inward migrants moves towards that of the population as a whole, and how quickly.

### **CHAPTER III AGES OF FIRST-TIME BUYERS AND AGE-SPECIFIC FIRST-TIME BUYER RATES**

1. Separate analyses of ages and age-specific first-time buyer rates (numbers of first-time buyers in a given age group as a proportion of that age) are made for first-time buyers in the United Kingdom as a whole and for “true” first-time buyers in England. First-time buyers in the United Kingdom are defined in the same way as in *First-Time Buyers in the United Kingdom: An Updated Age Analysis*, and therefore include outright owners as well as buyers with mortgages.

#### **First-Time Buyers in the United Kingdom: Ages and First-Time Buyer Rates**

2. Estimates of first-time buyers in the United Kingdom analysed by age in each year from 1983 to 2003 are in Table A.5 in Annex A. To reproduce the whole table here would not be necessary. But figures for selected years are given in Table 6 to show how great have been the changes in the age of first-time buyers since the early 1980s. 1983 is taken as the level before the boom of the 1980s, 1988 as the peak year of that boom, and 1992 as the bottom of the recession. 1994 can be taken as the year of recovery from the recession, and 1999 as the top of the boom, in terms of numbers of first-time buyers at least. 2000, 2001, 2002, and 2003 are years in which the number of first-time buyers fell away by more than did the total of house buyers (Table A.1). A possible reason is the increases in house prices in those years reducing the number of potential buyers that could afford to buy, whereas moving owner-occupiers could afford higher house prices with less difficulty due to the higher prices obtained for the houses that they were selling.

**Table 5 Ages of First-Time Buyers in the United Kingdom: Selected Years**

	(thousands)						
	18-24	25-29	30-34	35-39	40-44	45 and over	Total
1983	158	129	64	40	22	30	443
1988	201	161	69	39	26	43	539
1992	87	98	49	26	17	25	302
1994	117	151	85	41	24	29	447
1999	84	166	105	58	29	38	480
2000	87	156	98	54	28	41	464
2001	82	138	88	49	26	50	433
2002	73	123	88	54	32	47	417
2003	70	113	81	51	31	50	396

Source Annex A, Table A.5.

3. Between the 1980s and the later 1990s (and the early 2000s) there was a steep fall in the number of first-time buyers under age 25, and an increase in the 25-29 and latterly the 30-34 age range. There was also an increase in the later 30s, and at ages 40 and over. A key question is how far these changes were the consequence of demography, the changing size of the relevant age groups and how far the result of a higher proportion of first-time buyers making their purchases at a later age. The reason why demography could be very important was the effect of the “baby boom”, the increase in the annual total of births that began in 1956, reached a peak in 1964, and then declined until in the early 1970s births were back to the level of the mid-1950s. The total of births in the United Kingdom between 1956 and 1972 was some 2.3 million higher than if births had continued at the annual rates of the mid-1950s. These large birth cohorts resembled a tidal wave as they moved upwards through the age distribution. Those born in 1964, the high point of the baby boom, entered the 18-24 age group in 1982; they moved to the 25-29 age group in 1989, and to the 30-34 group in 1994. To put the same point another way, in 1981 the 18-24 age group had been born in 1957 to 1963, when births in the United Kingdom averaged 918,000 a year; in 1986 the 18-24 group had been born in 1962 to 1968 when births averaged 981,000 a year, at the peak of the “baby boom”; but in 1994 they had been born in 1970 to 1976, when births averaged only 790,000 a year. Table 6 shows the age distribution of the population aged 18-44 in the years for which totals of first-time buyers analysed by age are in Table 5. The age structure of the population is not determined solely by past births: since the mid-1980s inward migration has added considerably to the young adult population.

**Table 6 Population of the United Kingdom Aged 18-44 in Selected Years 1983 to 2003**

	<b>18-19</b>	<b>20-24</b>	<b>25-29</b>	<b>30-34</b>	<b>35-39</b>	<b>40-44</b>
1983	1,943	4,481	3,887	3,844	4,018	3,241
1988	1,754	4,690	4,455	3,890	3,845	4,000
1992	1,505	4,350	4,691	4,316	3,830	3,938
1994	1,371	4,074	4,600	4,522	3,971	3,782
1999	1,453	3,464	4,155	4,640	4,503	3,971
2000	1,430	3,507	4,054	4,592	4,605	4,074
2001	1,428	3,583	3,916	4,559	4,665	4,181
2002	1,466	3,642	3,759	4,457	4,710	4,293
2003	1,526	3,719	3,659	4,411	4,711	4,397

Source: Office for National Statistics.

4. There were large and rapid changes in the size of the different age groups in absolute terms and relative to each other. The 20-24 and 25-29 age groups provide examples: the 20-24 group was much the larger in 1983; by 1992 it had become smaller than the 25-29 group, and by 1999 much smaller; but by 2003 the 20-24 group had become the larger again due to rapid reduction in the size of 25-29 group and a more moderate increase in the size of the 20-24 age group. The influence of the changing size and age structure on the number of first-time buyers can be measured arithmetically by using the number of first-time buyers in each age group (Table 5 and Table A.5) and the age analysis of the population (Table 6 and comparable data for other years) to calculate age-specific first-time buyer rates (number of first-time buyers per thousand population in each age group). The first-time buyer rates in Table 7 differ from those in Table 4 of *Updated Age Analysis* in being calculated from five year age groups (7 years in the 18-24 group) and not totals of one year rates. Both the first-time buyer numbers and the population totals have been revised since the *Updated Age Analysis* was written (see Annex A).

**Table 7 Age-Specific First-Time Buyer Rates for the United Kingdom 1983-2003: Five Year Age Ranges**

	(per thousand population)				
	<b>18-24</b>	<b>25-29</b>	<b>30-34</b>	<b>35-39</b>	<b>40-44</b>
1983	24.6	33.2	16.6	10.0	6.8
1984	26.8	36.2	19.2	11.5	7.5
1985	26.3	35.4	18.1	11.1	7.3
1986	25.1	32.4	17.4	10.3	7.0
1987	26.3	32.4	16.4	10.1	6.5
1988	31.2	36.1	17.7	10.1	6.5
1989	20.8	24.5	12.1	6.9	4.9
1990	19.8	23.2	11.5	7.2	4.6
1991	18.5	24.1	12.1	7.4	4.8
1992	14.9	20.9	11.4	6.8	4.3
1993	20.1	29.7	16.5	9.5	5.7
1994	21.5	32.8	18.8	10.3	6.3
1995	22.6	34.7	19.1	10.1	6.4
1996	21.0	35.4	18.2	10.3	6.4
1997	20.1	38.3	20.9	11.9	6.5
1998	17.6	36.2	20.1	11.4	6.7
1999	17.1	40.0	22.6	12.9	7.3
2000	17.6	38.5	21.3	11.7	6.9
2001	16.4	35.2	19.3	10.5	6.2
2002	14.3	32.7	19.6	11.5	7.5
2003	13.3	30.9	18.4	10.8	7.1

Source: Calculated from Table A.5 and population estimates cited in Table 6.

5. Comparing the first-time buyer rates in Table 7 excludes the effects of the changing size of the different age groups and thus shows more clearly the effect of housing market cycle — boom in the 1980s, then recession at the end of the 1980s and the early 1990s, then recovery and boom but with an apparent falling away of numbers of first-time buyers at the beginning of the 2000s. Caution is necessary on account of the numbers of first-time buyers depending on a single source, the Survey of English Housing scaled to the United Kingdom. A number of inferences can however be drawn from the first-time buyer rates in Table 7 and the actual numbers of first-time buyers in Table 5 and Table 6.

- (a) The reduction in the population aged 18-24 was only partly the reason for the widely noted fall in the number of first-time buyers of this age; the further reduction after 2000 was almost entirely non-demographic.

- (b) The large number of first-time buyers in the 25-29 age group in the 1990s, higher in 1994 to 2000 than in any year in the 1980s apart from 1988 was only partly demographic in origin; the perception that first-time buyers were buying later appears to have been well founded.
- (c) Later buying appears to have affected the number of first-time buyers aged 30-34; but demography was important here and comparison with the 1980s is made difficult by purchases by buyers aged 30-34 being reduced in the boom years through earlier purchases in anticipation of future price increases.
- (d) The increase in the size of the 35-39 and 40-44 age groups was important in the rise in the number of first-time buyers aged 35 and over.

6. To test these inferences more formally by comparing actual numbers of first-time buyers in each age group with the hypothetical numbers that there would be if the first-time buyer rates in a base year applied, an appropriate base year has to be chosen. The mix of ages of first-time buyers in the base year affects the comparison because numbers of buyers in different age groups can change at different rates. The interest here is in longer-term changes rather than the cycle, so probably the most suitable years to take as a base for comparison with the later 1990s are 1983, 1984, and 1985. They are before the boom of the 1990s fully gathered force, and the first-time buyer rates in those years appear not to have been affected by purchases being brought forward in expectation of price increases to come. In those years the number of first-time buyers averaged 478,000. A comparison may be made with 1999 and 2000, in which the number first-time buyers averaged 472,000. In Table 8 the average number first-time buyers in each age group in 1983-85 is compared with the actual number in 1999-2000 and also with a hypothetical number calculated by multiplying the population in each age group in 1999 and 2000 by the age-specific first-time buyer rates of 1983-85.

**Table 8 Comparison of First-Time Buyers Analysed by Age in 1999 and 2000 with 1983/85**

		(thousands)						
		18-24	25-29	30-34	35-39	40-44	45 and over	Total
(1)	1983-85 actual	169	139	68	44	24	33	478
(2)	1999 and 2000 actual	86	161	101	56	29	39	472
(3)	1999 and 2000 hypothetical (1983-85 first-time buyer rates)	127	143	83	50	29	(33)	465
(4)	Total difference between 1999-2000 and 1983-85 (2) minus (1)	-83	+22	+33	+12	+5	+6	-6
(5)	Difference due to first-time buyer rates (3) minus (2)	-41	+18	+18	+6	0	(+6)	+7
(6)	Difference due to population (3) minus (1)	-42	+4	+15	+6	+5	(0)	-13

Note: Small discrepancies are due to rounding of the average annual figures.

Source: Calculated from Table 7, Table A.5 and population estimates.

7. Overall, population change would have reduced the total of first-time buyers by some 10–15,000 between the early 1980s and the end of the 1990s. Differences in first-time buyer rates (i.e. numbers of first-time buyers relative to the population) worked to produce a small net increase in the number of first-time buyers. There was a steep fall in first-time buyers relative to population aged 18-24, with offsetting increases relative to population in the 25-29, 30-34, and 35-39 age groups. This could have been due to either or both of later entry to owner-occupation by “true” first-time buyers or increases in the number of “returning” first-time buyers, who are older. Meriting note is that the increase in the number of first-time buyers aged 30-44, some 50,000, about one-half (26,000) was arithmetically explained by population, the “baby boom” population passing age 30.

8. A similar analysis may be made of the fall in the number of first-time buyers between 1999 and 2000, 472,000, and 2002 and 2003 (407,000). To be considered is whether the decline was proportionally greater in some age groups than others, and whether such differences can be accounted for to any significant extent by population change. “Hypothetical” totals of first-time buyers in 2002 and 2003 were calculated

by multiplying the population totals in each age range by 1999 and 2000 first-time buyer rates.

**Table 9 Comparison of First-Time Buyers Analysed by Age in 2002 and 2003 with 1999 and 2000**

	(thousands)						
	18-24	25-29	30-34	35-39	40-44	45 and over	Total
(1) 1999-2000 actual	86	161	101	56	29	39	472
(2) 2002 and 2003 actual	72	118	85	52	31	49	407
(3) 2002 and 2003 hypothetical (1999-2000 first-time buyer rates)	90	146	98	57	30	(9)	460
(4) Total difference between 2002 and 2003 and 1999 and 2000 (2) minus (1)	-14	-43	-16	-4	+2	+10	-65
(5) Difference due to first-time buyer rates (3) minus (2)	-18	-28	-13	-5	+1	(+10)	-53
(6) Difference due to population (3) minus (1)	+4	-15	-3	+1	+1	(0)	-12

Source: As Table 8.

9. The number of first-time buyers fell relative to population at all ages under 40. In the 18-24, 25-29, and 30-34 age ranges the reduction was about 20 percent. What happened was a general fall in the number of first-time buyers rather than just later entry to house ownership. In the late 1990s and 2000 first-time buyers rates in the 25-29 and 30-34 age groups were particularly high, even compared with the boom years in 1988, which is probably a reason why the fall was so pronounced. The increases were in the 40-44 and still more the 45 and over age ranges. These are well above the ages where the number of first-time buyers could be affected by later entry to owner-occupation. More “returning” owner-occupiers are potentially a reason.

10. An alternative way of comparing age-specific first-time buyer rates across time is to express the rates in Table 7 in index number form, as in Table 7 of *Estimating the First-Time Buyer Population in the United Kingdom*. As in that table, 1974-80 is taken as the base. The values in the table below are different owing to first-time



buyer rates being re-calculated with revised estimates of the total of first-time buyers and revisions to official mid-year population estimates.

**Table 10 Comparison of Age-Specific First-Time Buyer Rates 1981-2003**

	<b>18-24</b>	<b>25-29</b>	<b>30-34</b>	<b>35-39</b>	<b>40-44</b>
1974-80 average per thousands population	25	31	16	10	7
1974-80 index	100	100	100	100	100
1981	90	95	79	75	74
1982	91	92	85	77	79
1983	100	106	106	100	100
1984	108	116	119	115	107
1985	104	113	113	110	104
1986	100	103	106	100	100
1987	104	103	100	100	100
1988	124	116	113	100	100
1989	84	81	75	70	71
1990	80	74	72	70	66
1991	76	77	75	75	70
1992	60	68	71	70	61
1993	80	96	103	95	81
1994	86	104	118	100	83
1995	90	112	119	100	91
1996	84	114	113	100	91
1997	80	123	130	119	93
1998	70	116	125	114	96
1999	68	129	141	129	102
2000	70	124	131	117	100
2001	66	114	120	105	86
2002	57	105	123	115	107
2003	53	100	115	108	100

Source: Calculated from Table 7 above; and Table 7 of *Estimating the First-Time Buyer Population*.

11. Table 10 shows the same longer term and short term reduction in first-time buyer rates as do Tables 8 and 9 above. It shows further that the reduction in first-time buyer rates in the youngest age group (18-24) in the housing market recession of the early 1990s was only partly reversed during the recovery, in contrast to the 25-29 and 30-34 groups. Subsequent experience in the later 1990s showed there to have been a longer term fall in the number of house purchases by younger households relative to population. In the later 1990s and in 2000 first-time purchaser rates in the 25-29 and 30-34 age groups were considerably higher than they had been in the boom years of the 1980s. This is consistent with house purchases being deferred to later

ages than in the 1980s, rather than an overall reduction in house purchase bound up with a shift to renting. The evidence here is ambiguous, however, owing to the probably increase in the number and proportion of “first-time buyers” who have been home owners before. The ages of “true” and “returning” first-time buyers are considered in the next section of this chapter. The run of years for which information is available is however much shorter (1993 to 2003) and more subject to sampling variation, and is for England, not the United Kingdom. A further analysis of the timing of purchases by first-time buyers which uses first-time buyer rates for single years of age is in Chapter IV.

### “True” First-Time Buyers: Number and First-Time Buyer Rates

12. “True” first-time buyers are those that have not been home owners before, which distinguishes them from “returning” first-time buyers. The information about them from the Survey of English Housing is summarised in Annex B, and estimates of their number in total and analysed by age are in Table A.11 in Annex A. Figures for selected years are in Table 11.

**Table 11 “True” First-Time Buyers With Mortgages in England: Selected Years 1993 to 2003**

	(thousands)						
	18-24	25-29	30-34	35-39	40-44	45 and over	Total
1993	76	133	50	19	9	11	298
1995	60	126	61	22	9	10	288
1997	45	142	72	24	11	13	307
1999	48	129	80	30	14	17	318
2000	45	120	75	28	13	16	297
2001	39	111	70	28	15	6	269
2002	39	109	69	27	14	6	264
2003	33	98	69	28	11	10	249

Source: Table A.11.

13. The trend in the number of younger “original” first-time buyers was downwards throughout the decade, and of older buyers upwards. The low figure for 45 and over in 2001 and 2002 is very likely to be a sampling quirk, given the higher figure for 2003. Age-specific first-time buyer rates for “original” first-time buyers in England are in Table 12.

**Table 12 Age-Specific First-Time Buyer Rates for “True” First-Time Buyers in England 1993-2002**

	(per thousand of population)				
	<b>18-24</b>	<b>25-29</b>	<b>30-34</b>	<b>35-39</b>	<b>40-44</b>
1993	16.2	34.0	13.5	5.9	2.8
1994	16.0	32.4	12.1	5.4	2.5
1995	13.8	33.2	15.8	6.5	2.9
1996	14.1	32.8	15.1	6.3	2.9
1997	11.0	36.8	18.3	6.7	3.5
1998	10.3	37.3	17.3	6.5	3.4
1999	11.8	36.8	20.5	8.0	4.2
2000	11.0	35.0	19.4	7.3	3.8
2001	9.4	33.4	18.2	7.1	4.3
2002	8.9	34.5	18.1	6.8	3.9
2003	7.6	31.6	18.5	7.1	3.0

Source: Calculated from Table A.11 and population estimates made available by the Office for National Statistics.

14. The age-specific first-time buyer rates for “true” first-time buyers show a considerable fall during the 1990s at ages under 25; a small increase in the 25-29 group and a rather larger increase in the 30-34 group; and a small increase in the 35-39 and 40-44 age groups. These are similar to what is shown for all first-time buyers in Table 7.

15. To estimate formally how much of the observed change in the number of “true” first-time buyers was due to increases and decreases relative to population and how much to population change, a calculation is made similar to that in Table 8 for all first-time buyers. In order to compare years in which the overall totals of “true” first-time buyers were similar, the average for 1993 and 1994 (289,000) is compared with the average for 1999, 2000, and 2001 (295,000). A comparison of single years would be too vulnerable to erratic variations between years.

**Table 13 Comparison of “True” First-Time Buyers Analysed by Age in 1999, 2000, and 2001 with 1993 and 1994**

		(thousands)						
		18-24	25-29	30-34	35-39	40-44	45 and over	Total
(1)	1993 and 1994 actual	74	129	48	18	9	11	289
(2)	1999, 2000, and 2001 actual	44	120	75	29	14	13	295
(3)	1999, 2000, and 2001 hypothetical (1993 and 1994 first-time buyer rates)	66	113	50	22	9	(11)	271
(4)	Total difference between 1999, 2000, and 2001 and 1993 and 1994 (2) minus (1)	-30	-9	+27	+11	+5	+2	+6
(5)	Difference due to first-time buyer rates (3) minus (2)	-22	+7	+25	+7	+5	+2	+22
(6)	Difference due to population (3) minus (1)	-8	-16	+2	+4	0	(0)	-16

Source: Calculated from Table 12 and Table A.11.

16. The analysis in Table 13 cannot be compared directly with that for all first-time buyers in Table 8 because the time periods are different. 1993 and 1994 were years when recovery from the recession in the housing market was not yet complete. Equally important, population change in the 1990s was different; the numbers aged 25-29 were falling, but in the 1980s they rose (see Table 6), which is the reason for the minus 16,000 figure in the 25-29 column in the difference due to population row. Nevertheless, it is safe to conclude that the number of “true” first-time buyers in the 30-34 age group increased relative to population in the 1990s. The same is probably true of the 35-39 age group.

## CHAPTER IV COHORT ANALYSIS OF FIRST-TIME BUYER RATES

1. The age-specific first-time buyer rates shown and discussed in Chapter III above are period rates, that is to say for a given age range in a given period (in this instance a year). Each is completely separate and not related to any other rates, even for the same people. The first-time buyer rates at ages 25-29, for example, cannot be directly related to the rates for the same people at ages under 25, for example. Such a linking of first-time buyer rates in any given year with rates for the same population in earlier years can however be made through a cohort analysis. In a cohort analysis the first-time buyer rates for a specified population group are linked together in sequence. The first-time buyer rates for population members aged 20 in 1990, for example, are linked to the rates at age 21 in 1991, at age 22 in 1992, and so on. In this way it is possible to see whether and how far the low number of purchases in 1992, a year of recession and slump in the housing market, was balanced out by higher numbers in 1993, 1994, and subsequently. A full description of cohort analysis of age-specific first-time buyer rates is in pages 42-45 of *Estimating the First-Time Buyer Population in the United Kingdom: An Age Analysis*. It is also used in Chapter 4 of *First-Time Buyers in the United Kingdom: An Updated Age Analysis*. That analysis is extended here to include first-time buyer rates in 2000 to 2003, and also to take on board the revisions to first-time buyer rates in 1999 and earlier years that resulted from revisions to the number of first-time buyers and to the total population.

2. A cohort analysis requires age-specific first-time buyer rates for individual years of age. These are in Annex D. The sources and methods for calculating them is the same as for the five-year rates in Chapter III. Numbers of first-time buyers by single years of age in the Survey of Mortgage Lending, and before 1993 the Building Societies Mortgage Survey, are used to apportion the estimated total of first-time buyers in each year between single years of age. These surveys have had large samples. But sampling variation is nonetheless present and can result in the occasional figure that looks odd in comparison with adjacent ages or previous and subsequent years.

3. A more serious issue than sampling variation is “first-time buyers” who have been homeowners before, termed in this report “returning first-time buyers”. For reasons discussed in Chapter III and Annex A it is not possible to construct a long time series that excludes them, certainly not by single years of age. The only course available is to construct cohort first-time buyer rates for all first-time buyers irrespective of whether they were “original” or “returning” first-time buyers, and then comment in the light of the information about proportions of “returning” first-time buyers according to age (Chapter III and Annexes A and B).

4. In *Estimating the First-Time Buyer Population* (1995) and *An Updated Age Analysis* (2001) cohorts started at age 18, the youngest age possible for first-time buyers owing to the law governing contracts with persons not of full age. Numbers of first-time buyers under age 20 (Tables D.1 and D.2) and therefore first-time buyer rates (Table D.3) are however very low. In this report cohorts are begun at age 20, on the ground that getting two more cohorts from the same set of first-time purchaser rates more than offsets any disadvantage from the cumulative totals at age 25 and above being slightly low owing to purchases at ages 18 and 19 being omitted. First-time buyer rates by single years of age from 1981 to 2003 are in Table D.3. First-time buyer rates in 1974 to 1981 are taken from Table D.1 of *Estimating the First-Time Buyer Population of the United Kingdom*. Table 14 shows cumulative first-time buyer rates at ages 25, 30, 35, and 40, with a start at age 20. Ages 40 and above are omitted because the numbers are very low (Table 7 above) and because with 1974 as the first year cohorts complete to age 45 would be possible for only six years.

**Table 14 Cumulative Age-Specific First-Time Buyer Rates by Cohort**

	(per thousand population)			
	At age 25	At age 30	At age 35	At age 40
<b>Cohort (year aged 20)</b>				
1974	165	315	403	439
1975	172	329	411	453
1976	171	331	409	455
1977	165	338	408	453
1978	164	335	403	452
1979	159	327	388	440
1980	159	322	390	444
1981	169	320	395	449
1982	174	315	395	453
1983	171	305	396	454
1984	178	303	399	457
1985	162	289	391	—
1986	155	299	404	—
1987	145	295	400	—
1988	126	297	400	—
1989	122	311	410	—
1990	123	312	—	—
1991	133	329	—	—
1992	141	329	—	—
1993	137	323	—	—
1994	132	312	—	—
1995	125	—	—	—
1996	116	—	—	—
1997	113	—	—	—
1998	105	—	—	—
1999	106	—	—	—

Source: Derived from Table D.3 and see text.

5. Before commenting on how far the cohort profiles in Table 14 indicate that particularly low (or high) cumulative first-time buyer rates in one five year period are offset in the next or subsequent periods, it is helpful to re-present the information from which Table 14 was derived in the form of cumulative first-time buyer rates for each five year age segment for each cohort.

**Table 15 Cumulative First-Time Buyer Rates for Each Five Year Age Segment**

	(per thousand population)				
	Ages 20-24	Ages 25-29	Ages 30-34	Ages 35-39	Total age 20 to age 40
<b>Cohort (year aged 20)</b>					
1974	165	150	88	37	439
1975	172	158	81	43	453
1976	171	160	78	46	455
1977	165	173	70	45	453
1978	164	171	68	50	452
1979	159	167	62	52	440
1980	159	163	68	55	444
1981	169	152	75	58	453
1982	174	141	80	58	453
1983	171	134	91	58	454
1984	178	125	96	59	457
1985	162	128	101	—	—
1986	155	144	105	—	—
1987	145	150	105	—	—
1988	126	170	104	—	—
1989	122	189	99	—	—
1990	123	189	—	—	—
1991	133	196	—	—	—
1992	141	188	—	—	—
1993	137	185	—	—	—
1994	132	180	—	—	—
1995	125	—	—	—	—
1996	116	—	—	—	—
1997	113	—	—	—	—
1998	105	—	—	—	—
1999	106	—	—	—	—

Source: As Table 14.

6. Table 14 shows evidence of differences between cohorts in cumulative totals of age-specific first-time purchaser rates being larger at age 30 than at age 25, but then becoming narrower at age 35 and narrower still at age 40. For the eleven cohorts for which there are data for the years to age 40 the range was 19 per thousand at age 25 (159 to 178); 35 per thousand at age 30 (303 to 338); 23 per thousand at age 35 (388 to 411); and 18 per thousand at age 40 (439 to 457). For the five cohorts for which the data extend to age 45, there was a range of 40 at age 25 (122 to 162); 14 at age 30 (289 to 303 thousand); and 19 at age 35 (391 to 410). Such a pattern could have two distinct causes: displacement of purchases due to the housing market slump at the end



of the 1980s, particularly very high mortgage interest rates; and a longer term trend towards later entry to owner-occupation. Of particular interest, though not easy to interpret is that cumulative first-time buyer rates to age 25 were much lower for the 1989 to 1994 cohorts (average 131) than for 1981 to 1986 cohorts (average 168); but at age 30 the average cumulative total for the 1989 to 1994 cohorts was 319, but for the 1981 to 1986 cohorts only 305. That is consistent with deferral of first-time purchase rather than a long term reduction. So too is the larger size of the 25-29 and 30-34 segments of cumulative first-time buyer rates for the more recent cohorts.

7. Interpreting changes through time in cumulative first-time buyer rates is made problematic, however by “returning” first-time buyers. They would be counted twice in tables 14 and 15, once when they bought a house or flat for the first-time, and then when they re-entered owner-occupation. A growing number and proportion of returning first-time buyers would distort comparisons, particularly at the higher years. At ages under 30, “returning” owner-occupiers have since 1993/94 been a fairly low proportion of the total (Table B.2). But at ages 30-34 and 35-39 they are considerably more important. The proportions (estimated from the Survey of English Housing) varied during the period for which data are available (1993/94 to 2002/03), but for the 30-34 age group the average proportion of first-time buyers that have been owner-occupiers before was 22 percent, and for the 35-39 age group 43 percent. That would imply that the larger size of the 25-29 segments of cumulative first-time purchaser rates in Table 15 was for the most part the consequence of postponement of “original” first-time purchases, but that increases in the 35-39 segments could well have been inflated by more “returning” first-time buyers. There is, though, an important paradox here. The larger numbers of moves from owner-occupation to the private rented sector would suggest that returning first-time buyers should have been increasing both absolutely and as a proportion of all first-time buyers. That is not, however, what the data from the Survey of English Housing actually show. In 1993/94 and 1994/95 combined, 31 and 47 percent of first-time buyers aged 30-34 and 35-39 respectively had been home owners before; but in 2001/02 and 2002/03 combined 19 and 36 percent (Table B.2). If the SEH figures are approximately right, then more of the increase in first-time buyer rates in the 30-34 and 35-39 age groups would be due to house purchase being postponed. That in turn would imply that the

recent low figures for households aged 20-24 are likely to be offset by more purchases later, a very important question for the future.

## **CHAPTER V FUTURE NUMBERS OF FIRST-TIME BUYERS AND IMPLICATIONS FOR TOTALS OF OWNER- OCCUPIERS**

1. This chapter considers the implications of the analysis of the ages of first-time buyers for future numbers of first-time buyers and for the growth in the number of owner-occupiers. Separate considerations apply to the totality of first-time buyers, including those that have been home owners before, and to those termed in this report “original” first-time buyers. The latter are fundamental for the growth of the total population of home owners; the main importance of “returning” owner-occupiers is that they keep down the number of permanent departures from owner-occupation. The totality of first-time buyers including those returning from owner-occupation is also of interest as part of the total of all house purchase transactions.

### **Demographic Estimate of Future Numbers of First-Time Buyers**

2. Numbers of “original” and “returning” first-time buyers and their ages were estimated in Chapters II and III, but the distinction between them could not be drawn in the cohort analysis in Chapter IV. An estimate of future numbers of first-time buyers derived from projections of the population in future years must therefore use the period first-time buyer rates in Table 7 (all first-time buyers) and Table 11 (“true” first-time buyers). This procedure at its simplest normally requires that base period first-time buyer rates will persist. Future changes in age-specific rates can be assumed; but the cohort analysis is required for a basis for judgements about future changes, e.g. how high should rates be assumed for the 30-34 age groups to compensate for lower first-time buyer rates in the 18-24 and 25-29 age groups.

3. The population projection that is the basis for these calculations is the 2003-based projection for the United Kingdom issued by the Government Actuary’s Department in September 2004. The assumptions are described in *Population Trends* Winter 2004. It is consistent with the revised estimates of the population at mid-2001 and 2002 issued by the Office for National Statistics (ONS) in September 2004. It assumes net inward migration to the United Kingdom averaging 130,000 a year, and does not include the negative “non-attributable population change” that was included

in the 2002-based projections. Like all official population projections it reflects current trends and policies. It is shown in summary form in Table 16.

**Table 16 2003-Based Projections of the Population of the United Kingdom: Selected Age Ranges 2001-2021**

						(thousands)
Age range	2001	2006	2011	2016	2021	Net change 2001-2021
15-19	3,678	3,956	3,875	3,572	3,535	-143
20-24	3,583	3,874	4,142	3,996	3,760	+177
25-29	3,916	3,753	4,037	4,304	4,160	+244
30-34	4,559	3,996	3,836	4,121	4,388	-171
35-39	4,665	4,590	4,024	3,866	4,150	-515
40-44	4,181	4,666	4,585	4,024	3,868	-313
45-49	3,755	4,150	4,626	4,547	3,992	+237
50 and over	19,670	20,571	21,957	23,823	25,537	+5,867
<b>Total aged 15 and over</b>	<b>48,007</b>	<b>49,556</b>	<b>51,082</b>	<b>52,253</b>	<b>53,390</b>	<b>+5,383</b>

Source: 2001 from Office for National Statistics.  
2006, 2011, 2016, 2021 Government Actuary's Department.

4. In the age groups to which most first-time buyers belong (Table 5) the population is projected to fall between 2001 and 2021, notwithstanding large scale inward migration. The principal reason is the effect of the very large number of births in the years of the “baby boom” of the later 1950s and 1960s. The number of births in 1964, 1,015,000, was 226,000 higher than in 1955: from 1965 onwards the annual total of births began to fall, at first fairly slowly but then more rapidly until in 1973 it was back to where it had been in 1955. The total of births in the intervening years was almost 2.4 million higher than it would have been if births had run level. Persons born in the years of the “baby boom” were mainly in the 30-34 and 35-39 age groups in 2001, and will be in the 40-44 and 45-49 age groups in 2011; but in 2021 they will be 50 or over and so beyond the age at which they could have much effect on the number of first-time buyers. The ageing of persons born in the years of the baby boom is the principal reason for the large changes over periods of five years shown in Table 16. Since the end of the “baby boom” there have been fluctuations in the number of births, but on nothing like the scale of the baby boom years.

5. Which should be the base years for demographic calculation of numbers of first-time buyers is not straightforward to determine. The same base years must be taken both for the calculation for all first-time buyers and for “original” first-time buyers, so 2002 is the most recent possible year with the information available. So as not give undue weight to the low figures for 2001 and 2002 or to skew the figures by including the boom year of 1999, the average of 2000, 2001, and 2002 is used. Table 17 shows the results. The average number of buyers aged 45 and over in 2000/02, 46,000 is put in for all future years.

**Table 17 Future Numbers of Total First-Time Buyers: 2000-2002 Based**

	(thousands)				
	2001	2006	2011	2016	2021
<b>Age</b>					
Under 25	81	88	94	90	85
25-29	139	133	143	153	148
30-34	91	80	77	82	88
35-39	52	51	49	43	46
40-44	29	32	32	28	27
45 and over	46	46	46	46	46
<b>Total</b>	<b>438</b>	<b>430</b>	<b>441</b>	<b>442</b>	<b>440</b>

Source: Calculated from Tables 5 and 16.

6. With constant age-specific first-time buyer rates projected changes in the total and the age structure of the population would imply a near-constant total of first-time buyers year by year. The key question, of course, is whether constant age-specific rates are an appropriate assumption, in view of past changes and the evidence from the cohort analysis (see paragraphs 15-16 below).

7. A similar calculation to that for all first-time buyers in Table 17 may be made for “true” first-time buyers. The totals of “original” first-time buyers (Table 11) and age-specific rates (Table 12) were derived from data for England (the Survey of English Housing, see Annexes A and B). There is an element of risk, therefore, in applying them to population totals for the United Kingdom. But since the number of original first-time buyers is so important for the future increase in the total of owner-occupied households the calculation is considered worthwhile, though subject to important caveats. It is shown in Table 18.

**Table 18 Future Numbers of “True” First-Time Buyers: 2000-2002 Based**

	(thousands)				
	2001	2006	2011	2016	2021
<b>Age</b>					
Under 25	49	53	57	55	51
25-29	134	128	138	147	142
30-34	85	75	72	77	82
35-39	33	33	28	27	29
40-44	18	20	20	17	17
45 and over	8	8	8	8	8
<b>Total</b>	<b>327</b>	<b>317</b>	<b>323</b>	<b>331</b>	<b>329</b>

Source: Calculated from Tables 11, 12, and 16.

8. The projected totals of all first-time buyers (Table 17) and “original” first-time buyers (Table 18) are brought together in Table 19 so that implied numbers of returning first-time buyers can be derived by subtraction.

**Table 19 Future Numbers of First-Time Buyers: “True” and “Returning” 2001-2021**

	(thousands)				
	2001	2006	2011	2016	2021
All first-time buyers	438	430	441	442	440
“Original” first-time buyers	327	317	323	331	329
“Returning” first-time buyers	111	113	118	111	111

Source: Tables 17 and 18.

9. The age distributions of all first-time buyers (from the Survey of Mortgage Lending) and of “original” first-time buyers (from the Survey of English Housing) are different at ages under 30. In the Survey of Mortgage Lending ages are at the date the mortgage is applied for, whereas in the Survey of English Housing it is at the date of the interview. “Original” first-time buyers moved to the current residence within the last three years, so there could be an interval of anything up to three years between applying for the mortgage and being interviewed. This difference is unlikely to have had much effect on the projected division between “original” and “returning” first-time buyers, however. The projection of an approximately stable number of first-time buyers in total of age-specific first-time buyer rates in the base period (2000-2002) persist, taking one year with another, holds good also for “original” and “returning” first-time buyers separately. The projected number of returning first-time buyers, 110-115,000 a year, and the estimated number in 2001, 111,000, may be compared with the average of 134,000 moves from owner-occupation to private sector renting in

2000/01 to 2002/03 (Table A.7); between 80 and 85 percent of “returning” first-time buyers moved from private renting (Table B.5). One hundred and ten to one hundred and fifteen thousand returning first-time buyers annually in future years would thus be compatible with a continuation of recent rates of outward movement from owner-occupation to renting.

10. The discussion thus far in this chapter of future numbers of first-time buyers has been in terms of what might be expected if first-time buyer rates in 2000-2002 were to continue. First-time buyer rates at the younger ages have however been falling, both for all first-time buyers (Table 10) and “original” first-time buyers separately (Table 12). The key questions are whether this fall will continue, and if so how far and how fast, and how far it is the consequence of house purchases being deferred and taking place later and how far it reflects a persisting preference to rent rather than buy by people with the means to buy if they chose. Later house purchase reduces the number of owner-occupier households compared with what would happen if households entered owner-occupation as early as they did in the 1980s.

### **Ages of First-Time Buyers and Their Implications**

11. It is important to distinguish between changes in the number of younger first-time buyers, and in age-specific first-time buyer rates that are particular to their age groups, and changes that are part of general rises and falls in activity by first-time buyers (e.g. the boom of the 1980s and then the recession). One way to do this is to calculate the median and lower quartile ages of first-time buyers year by year. The median and lower quartile ages in Table 20 were derived from the distributions of ages in Tables D.1 and D.2. First-time buyers aged 45 and over were omitted from the calculation, to avoid possible distortion from much higher numbers in 2000 to 2003 which have no evident explanation.

**Table 20 Median and Lower Quartile Ages of First-Time Buyers 1984-2003**

(years)					
	<b>Lower quartile</b>	<b>Median</b>		<b>Lower quartile</b>	<b>Median</b>
1984	22.5	25.6	1994	23.6	26.8
1985	22.5	25.5	1995	23.7	26.9
1986	22.5	25.5	1996	23.9	27.0
1987	22.4	25.3	1997	24.3	27.4
1988	22.4	25.0	1998	24.6	27.7
1989	22.5	25.2	1999	24.8	28.1
1990	22.6	25.5	2000	24.6	27.9
1991	23.0	25.8	2001	24.5	27.9
1992	23.2	26.3	2002	24.8	28.5
1993	23.4	26.5	2003	24.7	28.5

12. The rise in the lower quartile and median ages of first-time buyers can be seen to have begun in the early 1990s. It continued until 1999; there was then a pause after which it appears to have resumed in 2002 and 2003. A note of caution is appropriate, however, because the age distributions of first-time buyers were derived from samples. Overall the Building Societies Mortgage Survey and the Survey of Mortgage Lending are large, but there is a possibility of sampling variation affecting the figures for individual years of age. Subject to that proviso, though, the continuous rise in lower quartile and median ages from 1991 to 1999 puts a query against an explanation of the fall in the number of younger first-time buyers solely in terms of the surge in house prices at the end of the 1990s and in 2000-03 reducing the number of younger households that could afford to buy. That could hardly have applied before around 1997. Another possible explanation, not of course mutually exclusive, is that the increased availability of privately owned rented housing that followed the de-regulation of new lettings (1989) met a demand to rent that hitherto had been ineffective owing to lack of supply. The two influences might be combined; with the surge in house prices differentially reducing the ability of younger households to buy at a time when the demand to rent was being met.

13. The two suggested explanations potentially have different implications. The rise in house prices and house purchase outgoings relative to income appears at the time of writing to have halted for the time being and may to a degree reverse. An explanation in terms of renting instead of buying poses the question of whether the preference for renting is short term or long term. Some evidence is provided by



responses to questions asked of tenants in the 2002/03 Survey of English Housing (SEH) about whether they thought that they would eventually buy. The exact words of the question were: “Do you think that you will eventually buy somewhere or not?” If the answer was “yes”, the respondent was then asked: “Do you think you will buy this place or not?” Not all respondents to the survey said whether they thought they would eventually buy, or whether they would buy “this place”. An analysis of responses from those private sector tenants who answered the question about whether they thought they would buy is in Table 21, analysed according to age and income. The total column includes a small number of respondents who did not say whether or not they thought they would buy their present dwelling.

**Table 21 Expectations of Private Sector Tenants About Whether They Would Eventually Buy**

	(thousands)				
	Thinks will buy this accommodation	Thinks will buy, not this accommodation	Does not think will buy	Total (a)	Proportion that think they will buy, not this accommodation (percent)
<b>Age</b>					
Under 25	15	217	33	269	81
25-44	74	711	238	1,041	68
45-64	20	118	221	366	32
65 and over	0	11	219	231	5
<b>All ages</b>	<b>109</b>	<b>1,057</b>	<b>711</b>	<b>1,906</b>	<b>55</b>
<b>Income (b)</b>					
Under £200	24	246	371	645	38
£200 but under £300	15	124	113	255	49
£300 but under £400	21	121	59	208	58
£400 but under £500	13	105	34	160	66
£500 or more	33	356	46	446	80
Not stated	3	105	88	199	53
<b>All ranges of income</b>	<b>109</b>	<b>1,057</b>	<b>711</b>	<b>1,906</b>	<b>55</b>

Notes: (a) Includes respondents who thought they could buy, but did not say whether they thought they would buy their current accommodation.

(b) Gross weekly income of the household reference person and partner (if any).

Source: ODPM from 2002/03 Survey of English Housing.

14. In the age analysis the 25-44 group are probably the most important in this context, as they are likely to have started their housing careers and include most of the households that have chosen to rent but in the expectation of buying later.

Householders under age 25 are the more likely to say that they think that they will eventually buy because that is “what most people do”. Of tenants aged 25-44, two-thirds think they will buy on the open market. In terms of incomes, 80 percent of the top quarter of incomes think they will buy; of households with weekly gross incomes of £400 or more, broadly the top third of the distribution of income, three-quarters say that they thought that they would buy. On this evidence, a high proportion of tenants who can afford to buy say that they expect to do so. Conversely, there is only a fairly small number of tenant households in the top third of the income distribution that said that they did not think that they would buy, i.e. that they would continue to rent. This points towards postponement of entry to owner-occupation rather than a long term preference for renting.

15. Also highly relevant here is the cohort analysis in Chapter IV. Tables 14 and 15 provide evidence of lower than average first-time buyer rates in individual five year segments, particularly 20-24 but also 25-29, being to a considerable measure offset by higher rates in other segments. Table 14 shows there to have been considerably more variability in cumulative age-specific first-time buyer rates at age 25 than at age 30 for the same cohorts; and less at age 35 than at age 30. This pattern appears to be the consequence of two separate effects: cyclical swings in the housing market; and a longer term trend to later house purchase. The cyclical effect can be illustrated by the 1989 and 1990 cohorts, for which most of the first five years were during the housing market recession of the early 1990s, and the second five years were during the recovery and boom of the mid- and later 1990s. The longer term trend of cumulative first-time buyer rates at ages 30 and 35 is consistent with the downward trend at age 25 being due to a postponement of entry to owner-occupation which is compensated for at ages 25-29 and 30-34. Beyond age 35 “returning” first-time purchasers make the data hard to interpret.

16. A note of caution is in order about whether the cohort analysis demonstrates that it is likely that lower first-time buyer rates at ages under 25 after 2000 (Table 7) will be compensated for in later years. First-time buyer rates at ages 25-29 also fell steeply. This might be a cyclical effect which would be caught up later; or it could be evidence of further postponement of house purchase. The single year rates (Table

D.3) show a steeper fall at ages 25, 26, and 27 than at 28 and 29, which is consistent with further postponement of entering owner-occupation. As noted below, postponement of first-time purchases affects that total number of owner-occupiers, even if caught up later.

17. The survey evidence about the expectations of private sector tenants about eventually buying a house or flat (Table 21) together with the cohort analysis of ages of first-time buyers suggests that there has been a move to later entry to owner-occupation, and that this is still continuing (as of 2003), rather than a permanent shift of preference from owner-occupation to renting. Increasingly younger households have had a spell as a tenant before buying (see Table A.7); and these spells have become longer. This is a reversal of what happened in the 1960s and 1970s.

18. First-time house purchase at later ages affects the number, and therefore the proportion, of first-time buyers in the younger age groups. Its effects in the 1990s can be discerned from proportions of households in different age ranges that were owner-occupiers. An analysis of proportions of owner-occupiers in England according to age is shown in Table 22. The figures for 1991 and 1995 are taken from Table 2 of Alan Holmans, 'Owner-Occupier Households: Recent Trends in England and the USA, Australia, Canada, and New Zealand' in *Housing Finance* February 2000). "2001" figures are from the Survey of English Housing for 2000-01, 2001-02, and 2002-03 combined. Proportions are shown exclusive and inclusive of owner-occupiers who entered home ownership through purchase as sitting tenants from public authorities and housing associations, termed here for brevity "social sector sitting tenant purchasers". Their number is determined by processes quite separate from the main body of owner-occupiers.

**Table 22 Proportions of Households in England That Were Owner-Occupiers: Analysis by Age 1991, 1995, and 2001.**

	(percent)					
Age	Excluding Social Sector Sitting Tenant Purchasers			All Owner-Occupiers Including Social Sector Sitting Tenant Purchasers		
	1991	1995	2001	1991	1995	2001
Under 25	35.3	26.9	23.4	36.1	27.3	23.8
25-34	63.5	60.0	58.6	66.5	62.1	60.2
35-44	70.5	67.1	68.2	78.0	73.4	73.3
45-54	68.7	69.3	71.3	78.4	79.3	80.1
55-64	61.6	65.3	68.7	72.9	76.1	79.1
65-74	53.0	56.4	62.4	62.3	65.5	73.9
75 and over	49.6	54.0	54.5	53.2	59.0	63.2
<b>Total</b>	<b>60.6</b>	<b>60.6</b>	<b>63.2</b>	<b>67.6</b>	<b>67.7</b>	<b>70.2</b>

Sources: Alan Holmans, *loc. cit.*; and ODPM from Survey of English Housing

19. Between 1991 and 2001 the proportion of households in England that were owner-occupiers increased by much less than in the 1960s, 1970s, and 1980s. An important reason was the way in which in the 1990s first-time house purchase was progressively postponed, in contrast to earlier decades when it took place at successively earlier ages. The way in which the proportion of households that are owner-occupiers varies with age implies that the passage of time will bring a considerable increase in owner-occupation at the middle and higher ages. Apart from purchase as sitting tenants at advantageous prices, few households come into owner-occupation for the first time at ages above the mid-40s, and not many move to renting. Broadly speaking, the tenure distribution at ages 45-54 in 2001 will be the distribution at 55-64 in 2001 and at ages 65-74 in 2021, which will increase the proportion of owner-occupiers in the 65-74 age group (excluding sitting tenant purchasers) by about 9 percentage points between 2001 and 2021. But by how much the proportion of owner-occupiers increases overall will depend as well on whether later house purchase depresses further the proportion of households in the under 25 and 25-34 age groups that are owner-occupiers.

20. Analysis by age of first-time buyers, and inferences from the analysis about their future number is made tentative by the information about the number of returning first-time buyers being so incomplete. This information is not sufficient to

separate them off so as to allow a cohort analysis of “original” first-time buyers. A further very important question is whether the apparent fall in the number of “returning” first-time buyers (Table 2) is genuine or whether it is a statistical artefact. There is no technical reason evident thus far for why it should be an artefact. But returns to owner-occupation would be expected to follow departures with a time lag; since the number of departures increased in the 1990s (Table A.7) it would be expected that the number of returns would be higher at the end of the 1990s and the early 2000s than in the early and mid-1990s. If nevertheless the fall in the number of returning owner-occupiers is genuine, then one possible explanation is a longer-term preference for renting, notwithstanding the survey evidence about tenants’ expectations of renting. Another is the effect of affordability difficulties caused by high house prices, which would affect returning owner-occupiers without proceeds of the previous sale in the same way as “true” first-time buyers.

21. Meriting note is that the falling away in the number of first-time buyers after 2000 occurred when purchases of houses and flats for letting (“buy to let”) became much more prominent. One possibility is that the number of dwellings being sold continued much as before, but more them to buy to let investors and fewer to first-time buyers for their own occupation.

## **ANNEX A THE NUMBER OF FIRST-TIME BUYERS YEAR BY YEAR: TOTALS AND AGES**

1. Information about the number of house purchases in total and the number of first-time buyers was reviewed in Annex A of *Updated Age Analysis*. The conclusion reached from comparing numbers of purchases according to Inland Revenue and the Land Registry, and numbers of mortgage loans published by the (then) Department of the Environment, Transport and the Regions and by the Bank of England was:

“Discrepancies and inconsistencies abound to such an extent that currently makes producing a long series of house purchases year by year impossible.”

The conclusion drawn was that the best course in the circumstances was to use information from housing surveys (the Labour Force Survey housing trailers and then the Survey of English Housing) about moves to owner-occupied dwellings as a substitute for purchases. No information has since come to hand to alter this judgement. An advantage of moves to owner-occupied dwellings as a proxy for purchases is that it automatically excludes purchases of dwellings for use as secondary residences or for letting. Neither is relevant to estimating the number of first-time buyers, but they could very readily get included in totals of loans “on dwellings” or “secured on dwellings”. A consequence of using data from the Survey of English Housing and its predecessors is that the primary estimates and calculations must be for England, with scaling up to the United Kingdom as a secondary stage.

2. Normally a house or flat has to be purchased before a household can move in as an owner-occupier, apart from uncommon exceptions such as dwellings acquired by gift or inheritance. Evidence from the Survey of English Housing (Table A3.4 of *Housing in England 1998/99, 1999/00, and 2000/01*, for instance) outright owners with less than one year’s length of residence who neither bought outright nor had paid of a mortgage) suggests that number is in the range 10-15,000 a year. There is sometimes an interval between completing a purchase and moving into the house that has been bought; so moves in a given year need not coincide exactly with purchases in that year. The difference is, however, unlikely to be great. Table A.1 shows the number of households who were owner-occupiers when interviewed and had lived for less than one year at the address where they were interviewed. They are divided

according to whether the previous residence had been owner-occupied (“moving owner-occupiers”), or whether they were moving from renting or were new households (“first-time buyers”). Two sets of figures are shown for 2001/02. The first is grossed to pre-2001 census estimates of the population, as are those for 2000/01 and earlier, the second is grossed to post-2001 census population estimates as are the survey data for 2002/03 and 2003/04.

**Table A.1 Households Moving to Owner-Occupied Dwellings in England 1991 and 1993/94 to 2003/04**

(thousands)						
	All moving owner-occupiers			Moving owner-occupiers with mortgages		
	Moving owner-occupiers	First-time buyers	Total	Moving owner-occupiers	First-time buyers	Total
1991	380	324	703	315	308	623
1993/94	410	421	832	305	396	702
1994/95	436	402	837	326	374	700
1995/96	456	413	870	352	387	740
1996/97	453	405	857	351	382	733
1997/98	575	431	1,005	433	405	838
1998/99	580	402	982	448	386	817
1999/00	592	435	1,026	444	407	851
2000/01	587	411	998	458	383	841
<u>2001/02</u>	<u>578</u>	<u>377</u>	<u>955</u>	<u>433</u>	<u>351</u>	<u>784</u>
2001/02	566	358	923	418	333	751
2002/03	618	349	967	474	327	794
2003/04 (prov.)	556	328	884	432	311	743

Sources: 1991 from Housing in England Trailers to the 1988 and 1991 Labour Force Surveys, Table 8.1.

1993/94 to 2002/03 from Housing in England, reports (annually) from the Survey of English Housing, Table A2.2 (in most years). 2003/04 (provisional) from Survey of English Housing Provisional Results for 2003/04, Table 5.

3. Two sets of adjustments are required to Table A.1: (a) to exclude moving owner-occupiers who acquired their dwellings by means other than purchase; and (b) to revise estimates of purchases in 2000/01 and earlier to take account of the downward revision of the mid-year population estimates to which the Survey of English Housing data were grossed. The difference made by post-2001 census estimates of the population to the grossed number of first-time buyers is shown to be 19,000 in total and 18,000 with mortgages. For 2001 the post-census mid-year population estimate is 775,000 lower than the pre-census figure. The difference of 19,000 and 18,000 are projected back to earlier years pro rata to the downward

revision to the mid-year population estimate. The revision to the mid-1991 population estimate, for example, was 333,000; so the downward revision to the estimate of the number of first-time buyers is  $333/775 \times 19,000$ , i.e. 8,000. Movers who acquired their homes by means other than purchase were not divided between households moving from one owner-occupied residence to another and other movers in the sources cited in paragraph 3, so a pro rata division is made. The adjustments are shown in Table A.2.

**Table A.2 Adjusted Estimates of First-Time Buyers 1991 to 2003/04**

(thousands)							
	All "first-time buyers"				First-time buyers with mortgages		
	Total	Not bought	Population	Adjusted total	Total	Population	Adjusted total
1991	324	6	8	310	308	8	300
1993/94	421	6	11	404	396	10	386
1994/95	402	6	12	384	374	11	363
1995/96	413	6	12	395	387	11	376
1996/97	405	6	14	385	382	13	369
1997/98	431	5	15	411	405	14	391
1998/99	402	5	17	380	386	16	370
1999/00	435	5	18	412	407	17	390
2000/01	411	5	19	387	383	18	365
2001/02	356	5	—	353	333	—	333
2002/03	349	4	—	345	327	—	327
2003/04	328	4	—	324	311	—	311

Source: See text.

#### **All First-Time Buyers: Totals for the United Kingdom**

4. The adjusted totals of all first-time buyers in England in Table A.2 are the starting point for totals for the United Kingdom as a whole. In none of the other three countries of the United Kingdom are there surveys that provide estimates of moving households cross-analysed by present and previous tenure like those for England from the Survey of English Housing in Table A.1. The reports of the Scottish Household Survey and the Scottish House Condition Survey do not. This is the same situation as when the *Updated Age Analysis* was prepared. It is necessary to use the same method as used then to work from totals for England to totals for the United Kingdom, that is to say take the sample totals of first-time buyers (excluding sitting tenant buyers) in England and the United Kingdom in the Survey of Mortgage Lending and scale from England to the United Kingdom pro rata. Table A.3 shows this calculation. From



1993 to 1999 the figures from the Survey of Mortgage Lending are on a sample basis; but from 2000 some lenders reported all transactions. The data from lenders that still provided a 5 percent sample were up-weighted to be combined with the 100 percent data reported by other lenders. In this calculation the assumption is made that movers in 2003/04 (for example) are equivalent to purchasers in 2003 (calendar year). It is very rare for a buyer to move into a house before actually paying for it, which is when a mortgage advance is completed; but moves can often take place some time after the purchase, for instance to allow work to be done.

**Table A.3 Derivation of United Kingdom Totals of First-Time Buyers from Estimates for England**

	(thousands)			
	<b>England</b>	<b>Survey of Mortgage Lending</b>		<b>United Kingdom</b>
	<b>totals</b>	<b>England</b>	<b>United Kingdom</b>	<b>totals</b>
1993	404	11,991	13,727	462
1994	384	12,988	15,114	447
1995	395	10,637	12,312	457
1996	385	11,738	13,560	445
1997	411	11,900	13,625	471
1998	380	11,271	13,150	443
1999	412	11,044	12,867	480
2000	387	194,840	233,600	464
2001	353	125,820	154,360	433
2002	345	169,314	204,813	417
2003	324	128,762	157,276	396

Source: Table A.1.  
Data from Survey of Mortgage Lending provided by Council of Mortgage Lenders.

5. The method of scaling from England to the United Kingdom is a source of uncertainty over and above sampling variation in the Survey of English Housing. The sample numbers of first-time buyers in the Survey of Mortgage Lending vary from year to year relative to the survey estimate of first-time buyers in England; and the ratio of United Kingdom to England is distinctly higher in 2000 to 2003 (average of 21.4 percent) when the data from the Survey of Mortgage Lending was partly on a 100 percent and partly 5 percent than in previous four years (15.9 percent) when all the data were on a 5 percent basis. This may of course be coincidence, but the method of making estimates for the United Kingdom is made necessary by lack of suitable survey data for Scotland, Wales, and Northern Ireland.

6. The series for the United Kingdom in Table A.3 has to be linked back to earlier years. The figure of 447,000 for 1994 is almost identical with the estimate for 1994 in Table A.11 of the *Updated Age Analysis* (442,000). The figures there for 1991, 1992, and 1993 were respectively 356,000, 308,000, and 410,000. Reasons were given there (page 37) for thinking that the figure for 1993/94 derived directly from the Survey of English Housing was too high. Three hundred and fifty-six thousand for the United Kingdom in 1991 looks high in relation to the adjusted figure for England in Table A.2. If 8,000 is taken off the estimate of 356,000 on account of revision to the population total, the figure that results, 348,000 is similar in ratio to the figure for England (300,000) as for 1994 and 1995. Three hundred and forty-eight thousand is therefore taken as the figure for the United Kingdom in 1991. Figures for 1992 and 1993 are interpolated between 348,000 in 1991 and 447,000 in 1994. For years before 1991 downward revisions are needed because population estimates were revised back to 1982. Annual estimates of first-time buyers in the United Kingdom that take these revisions on board are in Table A.4. Estimates of first-time buyers in 1983 to 1990 from Table 3 of the *Updated Age Analysis* are taken without change apart from the population adjustments.

**Table A.4 Revised Estimates of First-Time Buyers in the United Kingdom 1983 to 2003**

			(thousands)
1983	443	1994	447
1984	497	1995	457
1985	493	1996	445
1986	469	1997	471
1987	476	1998	443
1988	539	1999	480
1989	368	2000	464
1990	351	2001	433
1991	348	2002	417
1992	302	2003	396
1993	410		

Source: *Updated Age Analysis*, Table 3; and see text.

### **First-Time Buyers in the United Kingdom: Age Analysis**

7. An analysis by age of the number of first-time buyers in the United Kingdom was estimated from sample numbers in the Survey of Mortgage Lending (Building Societies, Mortgage Survey in 1992 and earlier). This method was used both in the

original *Estimating the First-Time Buyer Population in the United Kingdom* (1995) and in the *Updated Age Analysis* (2001). For analysis of numbers of first-time buyers relative to population by means of age-specific first-time buyer rates (see Annex D for definition) single year estimates of ages of first-time buyers are necessary. The samples in the Survey of English Housing (SEH) are too small for this. Rather than using SEH for five year age groups and then the Survey of Mortgage Lending for single years of age, it seems better to use the Survey of Mortgage Lending throughout, not least because it is used to scale from England to the United Kingdom (Table A.3). To use this method to estimate the age distribution of all first-time buyers, including the small number that buy outright as well as the large majority that buy with mortgages, is to assume implicitly that the age distribution of outright buyers is similar to that of buyers with mortgages. This assumption is not wholly valid; but the proportion of outright buyers (see Table A.2) is too low for there to be a significant risk of error.

**Table A.5 Estimated Age Distribution of First-Time Buyers in the United Kingdom 1983 to 2003**

	(thousands)						
	18-24	25-29	30-34	35-39	40-44	45 and over	Total
1983	158	129	64	40	22	30	443
1984	175	144	73	47	25	33	497
1985	173	145	68	46	25	36	493
1986	165	137	66	42	25	34	469
1987	172	141	63	40	25	35	476
1988	201	161	69	39	26	43	539
1989	132	112	48	26	20	30	368
1990	123	108	47	27	19	27	351
1991	112	113	51	28	20	24	348
1992	87	98	49	26	17	25	302
1993	114	138	73	37	22	26	410
1994	117	151	85	41	24	29	447
1995	118	157	88	41	24	29	457
1996	106	158	85	43	24	29	445
1997	99	168	98	50	35	31	471
1998	86	155	94	50	26	32	443
1999	84	166	105	58	29	38	480
2000	87	156	98	54	28	41	464
2001	82	138	88	49	26	50	433
2002	73	123	88	54	32	47	417
2003	70	113	81	57	31	50	396

Source: Table A.4 and see text.

8. The number of first-time buyers aged 18-24 fell by a large amount and the number in the 25-29 age group rose. How far these changes were the consequence of demography — the “baby boom” generation increasing first the size of the 18-24 group and then the 25-29 group — and how far to purchases being made later was discussed in Chapter III and in more detail in Annex D. At the other end of the distribution of ages, Table A.5 shows a marked increase in the number of first-time buyers aged 45 and over. Because this is an open-ended age range the number of buyers cannot be expressed as a proportion of the population. Instead they are expressed in Table A.6 as proportions of all first-time buyers. From 1993 an analysis of ages of first-time buyers in the sample from the Survey of Mortgage Lending can be made to divide the ‘45 and over’ group into 45-49, 50-54, and 55 and over.

**Table A.6 First-Time Buyers Aged 45 and Over as Proportions of All First-Time Buyers: England 1993 to 2003**

	(percent)			
	45-49	50-54	55 and over	All aged 45 and over
1993, 1994, 1995	3.4	1.6	1.3	6.3
1996, 1997, 1998, 1999	3.5	2.1	1.4	7.0
2000, 2001, 2002, 2003	3.8	2.4	5.0	11.1

Source: Calculated from sample numbers of first-time buyers (excluding sitting tenant buyers) from the Survey of Mortgage Lending, made available by the Council of Mortgage Lenders.

9. An increase in the proportion of “first-time buyers” aged 45 or over could be caused by a higher proportion of them being “returning” first-time buyers (see next section). But the steep increase in the proportion aged 55 and over is surprising.

### **“Returning” First-Time Buyers**

10. The totals of first-time buyers in Table A.1 were estimated in ways that assumed that their number was not inflated by counting in moves from renting to owner-occupation where the rented accommodation was occupied only as a stage of what in substance was a move from one owner-occupied dwelling to another. In the “housing history” questions in the Survey of English Housing households that have lived at the address where they were interviewed for less than three years have been asked about the tenure of their previous accommodation. Since 1995/96 they have then been asked whether that accommodation was only temporary; and if it was, what was the

tenure of the last permanent accommodation. The previous tenure in the SEH tables from which Table A.1 was derived is that of the previous permanent accommodation. If the questions were answered correctly, moves from rented accommodation occupied as a stage in a move from one owner-occupied dwelling to another should not be included. Nevertheless the number of moves from private rented accommodation to owner-occupation has risen, and so too has the number of moves from owner-occupation to the private rented sector. The previous tenure of “first-time buyers” as given by the Survey of English Housing and its predecessors, and the number of moves from owner-occupation to renting from private landlords, are shown in Table A.7. In the table the coverage of “first-time buyers” is as in Table A.1 with the small number that acquired their dwellings by a gift or inheritance (Table A.2) included indistinguishably. Movers to rent-free accommodation are included with private sector tenants. As in Table A.1, the first row for 2001/02 is grossed to pre-2001 census population estimates, and the second row to post-census population estimates.

**Table A.7 Previous Tenure of First-Time Buyers and Number of Households Moving from Owner-Occupation to the Private Rented Sector: England**

	<b>Previous Tenure of First-Time Buyers</b>				<b>Moves from Owner-Occupation to Private Renting</b>
	<b>New households</b>	<b>Social sector tenants</b>	<b>Private sector tenants</b>	<b>Total</b>	
1971 <sup>(b)</sup>	161	66	174 <sup>(a)</sup>	402	36
1977	150	46	151	347	54
1984	220	47	90	360	60
1988	288	42	98	428	79
1991	210	19	96	326	90
1993/94	206	35	180	421	112
1994/95	188	38	175	402	104
1995/96	171	56	187	413	142
1996/97	166	39	200	405	127
1997/98	175	49	206	431	131
1998/99	144	47	211	402	135
1999/00	158	60	217	435	141
2000/01	136	33	242	411	127
<u>2001/02</u>	<u>141</u>	<u>34</u>	<u>202</u>	<u>377</u>	<u>143</u>
2001/02	131	32	194	357	137
2002/03	137	30	182	349	143
2003/04	122	18	188	328	130

Notes: <sup>(a)</sup> Includes housing associations.

<sup>(b)</sup> England and Wales.

Sources: 1971 from *Housing Policy* Technical Volume, Table II.39.  
1977 from *Recently Moving Households* (Office of Population Census and Surveys, 1983), Table 2.1.  
1984 from *Housing in England, Housing Trailers to the 1981 and 1984 Labour Force Surveys*, Table 8.1.  
1988 and 1991 from *Housing in England, Housing Trailers to the 1988 and 1991 Labour Force Surveys*, Table 8.1.  
1993/94 from *Housing in England 1993/94*, Table A7.4.  
1994/95 to 2002/03 from *Housing in England 2002/03*, Table A2.7.  
2003/04 provided by ODPM.

11. Two features of the time series in Table A.7 are particularly important here: (a) the reduction in the number of first-time buyers that were new households relative to the number that were previously private sector tenants; and (b) the much larger number of moves from owner-occupation to the private rented sector in the 1990s and after in comparison with the 1980s. The reduction in the number of first-time buyers that were new households is consistent with more households having a spell as tenants before entering owner-occupation, which is consistent in turn with the increase in the proportion of first-time buyers aged 25-29 and 30-34 (Table A.5). It is not possible, however, to distinguish in Table A.7 between the increase in the number of first-time buyers who were previously private sector tenants that resulted from later entry to owner-occupation from “returning” first-time purchasers who had previously left owner-occupation to become private sector tenants. The large increase in the number of such moves followed, with a lag, the increase in the availability of private rented accommodation that followed the de-regulation of the sector in 1989. The main reasons for moving from owner-occupation to the private rented sector, on the evidence of the Survey of English Housing (*Housing in England 2002/03*, Table 3.14) were divorce or separation (36 percent) and job related reasons (20 percent). It is highly likely that many owner-occupiers who moved to renting for job reasons would return to owner-occupation.

12. The number of owner-occupiers who came back after a spell in a different tenure, primarily but not exclusively renting from a private landlord, can be estimated from information collected by the Survey of English Housing. All owner-occupiers are asked for the year in which they first bought a house. The answers to this question identify those movers to owner-occupation from a different tenure who had been owner-occupiers at some time in the past. These movers to owner-occupation are termed here “returning” owner-occupiers. How long were the intervals between

leaving and returning to owner-occupation is not known; that would require a more detailed housing history than is collected by the Survey of English Housing.

13. The distinction between “returning” and “true” first-time buyers may first be cross-analysed by whether they were buying with mortgages or outright. The information about “returning” and “original” first-time buyers is for pairs of years (1993/94 and 1994/95 to 2001/02 and 2002/03), for sample size reasons (Annex B, paragraph 1). Provisional figures are included for the second, third, and fourth colander quarters of 2004, in combination with 2003/04. These are headed “2003/04” in Table A.8 and in Tables A.9 to A.11.

**Table A.8 Proportions of “True” and Returning First-Time Buyers with Mortgages**

	1993/94 and 1994/95	1995/96 and 1996/97	1997/98 and 1998/99	1999/00 and 2000/01	2001/02 and 2002/03	2003/04 (percent)
<b>“True” first-time buyers</b> (not home owners before)						
Own with mortgage	96.0	95.0	95.3	93.8	94.0	94.3
Own outright	4.0	5.0	4.7	6.2	6.0	5.7
<b>“Returning “ first-time buyers</b> (home owners before)						
Own with mortgage	90.2	89.0	86.5	89.7	87.0	87.0
Own outright	9.8	11.0	13.5	10.3	13.0	13.0

Source: Tables from the Survey of English Housing made available by ODPM.

14. The sample data from which Table A.8 was constructed are used to divide the totals of first-time buyers with mortgages (Table A.2) between “original” and “returning” first-time buyers. Because the information refers to pairs of years, the proportionate division has to be taken to be the same in both years of the pair.

**Table A.9 “True” and “Returning” First-Time Buyers: England 1993/94 to 2002/03**

	(thousands)			
	“True” First-Time Buyers	“Returning” First-Time Buyers	All First-Time Buyers with Mortgages	Proportion of “Returning” First-Time Buyers (percent)
1993/94	298	88	386	23
1994/95	280	83	363	23
1995/96	288	88	376	23
1996/97	282	87	369	23
1997/98	307	84	391	22
1998/99	290	80	370	22
1999/00	318	72	390	18
2000/01	297	68	365	18
2001/02	269	64	333	19
2002/03	264	63	327	19
2003/04	249	62	311	20

Source: Calculated for Table A.2 with data for Table A.8.

15. That the proportion of “returning” first-time buyers was lower in 1999/00 to 2002/03 was lower than in the mid-1990s does not sit well with an explanation of the rising proportion of older first-time buyers (Table A.5) in terms of increasing numbers of “returning” first-time buyers. Table A.5 is for the United Kingdom and Table A.9 for the United Kingdom, but that is unlikely to contribute much to an explanation. The age analysis is in Table A.10.

**Table A.10 Proportions of First-Time Buyers That Have Been Home Owners Before (“Returning” First-Time Buyers): Analysis by Age**

	(percent)						
	Under 25	25-29	30-34	35-39	40-44	45 and over	All ages
1993/94 and 1994/95	2	10	31	47	63	64	23
1995/96 and 1996/97	1	8	22	50	61	68	23
1997/98 and 1998/99	2	5	24	44	59	61	22
1999/00 and 2000/01	2	4	16	39	55	47	18
2001/02 and 2002/03	0	5	19	36	48	70	19
2003/04	1	3	16	33	55	66	20

Source: See Annex B.



16. The proportions of “returning” first-time buyers, age for age, changed little in the first three pairs of years in Table A.10, but then fell in all but the 45 and over age range. No obvious explanation suggests itself.

17. An age analysis of “true” first-time buyers is in Table A.11, constructed from the estimated totals in Table A.9 and the age survey data from which Table A.10 was derived. It is necessary to reiterate here that the survey data are for pairs of years, so that the age distribution is necessarily the same in both years.

**Table A.11 “True” First-Time Buyers in England 1993 to 2002: Analysis by Age**

	(thousands)						
	<b>Under 25</b>	<b>25-29</b>	<b>30-34</b>	<b>35-39</b>	<b>40-44</b>	<b>45 and over</b>	<b>Total</b>
1993	76	133	50	19	9	11	298
1994	72	125	46	18	8	11	280
1995	60	126	61	22	9	10	288
1996	59	123	59	22	9	10	282
1997	45	142	72	24	11	13	307
1998	42	134	68	24	11	13	290
1999	48	129	80	30	14	17	318
2000	45	120	75	28	13	16	297
2001	39	111	70	28	15	6	269
2002	38	110	69	27	14	6	264
2003	33	98	69	28	11	10	219

Source: Table A.9 and data from the Survey of English Housing.

18. Important to note is that the age distribution of first-time buyers as estimated from the Survey of English Housing is slightly different from that shown by the Survey of Mortgage Lending. Age in the Survey of Mortgage Lending is the age on the mortgage application form. Age in the Survey of English Housing is age at the time of the interview. The survey data from which Table A.11 was constructed are for households that moved within the three years before the interview. Age at the time of the move could therefore be as much as two years less than the age at the time of the interview.

## ANNEX B “FIRST-TIME BUYERS” WHO HAVE BEEN OWNER-OCCUPIERS BEFORE: NUMBER AND CHARACTERISTICS

1. The information about “first-time buyers” who have been owner-occupiers before comes from the Survey of English Housing. Tabulations were prepared by ODPM for pairs of years from 1993/94 and 2002/03, for households who had moved within the previous three years and were owner-occupiers at interview but not owner-occupiers at their immediately previous permanent address but had been owner-occupiers earlier. Pairs of years and movers within the previous three years were specified for reasons of sample size. They were divided at this stage simply into those that had been owner-occupiers before and those who had not. Distinctions among those that had owned before are discussed below. In Table B.1 numbers and proportions are shown separately for movers from private renting and for new households and movers from the social rented sector. This table includes the small number of first-time buyers who bought outright.

**Table B.1 “First-Time Buyers” Who Had Been Owner-Occupiers Before and Other First-Time Buyers (Includes Bought Outright)**

	<b>1993/94 and 1994/95</b>	<b>1995/96 and 1996/97</b>	<b>1997/98 and 1998/99</b>	<b>1999/00 and 2000/01</b>	<b>2001/02 and 2002/03</b>	<b>2003/04 (a)</b>
<b>Numbers of households (thousands)</b>						
Previous tenure private rented sector						
Owned before	163	197	209	189	181	172
Not owned before	255	322	385	437	403	400
<b>Total</b>	<b>418</b>	<b>518</b>	<b>593</b>	<b>625</b>	<b>584</b>	<b>572</b>
Previous tenure social rented sector or new household						
Owned before	95	86	65	44	41	48
Not owned before	561	546	520	546	448	409
Total	656	631	585	590	489	458
<b>Proportion owned before (percent)</b>						
Previous tenure	39.0	38.0	25.8	30.2	31.0	30.1
Private rented sector						
Previous tenure						
Social rented sector or new household	14.5	13.6	11.1	7.5	8.4	8.7
All first-time buyers	<b>23.9</b>	<b>34.6</b>	<b>23.1</b>	<b>19.1</b>	<b>20.8</b>	<b>21.4</b>

Note: (a) 2003/04 financial year and 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> calendar quarters of 2004

Source: See text (paragraph 1).

2. Information about the ages of “first-time buyers” who have been owners before and what in this report are termed “original” first-time buyers from the same source as Table B.1 (the Survey of English Housing) is shown in Table B.2.

**Table B.2 First-Time Buyers with Mortgages: Analysis by Age**

	(percentages)						
	Age						Total
	16-24	25-29	30-34	35-39	40-44	45 and over	
<b>1993/94 and 1994/95</b>							
Proportion owned before	1.9	10.3	30.5	47.0	62.7	64.2	23.2
Age distribution owned before	1.7	17.2	24.3	19.7	15.5	21.8	100.0
Age distribution not owned before	25.6	44.8	16.6	6.6	2.8	3.6	100.0
<b>1995/96 and 1996/97</b>							
Proportion owned before	1.1	8.4	22.1	50.0	61.2	68.1	23.4
Age distribution owned before	0.8	13.1	19.5	25.4	16.3	24.7	100.0
Age distribution not owned before	20.8	43.8	20.9	7.7	3.1	3.5	100.0
<b>1997/98 and 1998/99</b>							
Proportion owned before	1.5	4.8	23.6	43.9	55.9	61.1	21.5
Age distribution owned before	0.8	8.4	26.2	22.8	18.6	23.2	100.0
Age distribution not owned before	14.8	46.4	23.3	8.0	3.5	4.1	100.0
<b>1999/00 and 2000/01</b>							
Proportion owned before	2.1	3.6	16.5	39.2	54.7	46.7	18.3
Age distribution owned before	1.4	6.7	22.0	26.8	22.5	20.6	100.0
Age distribution not owned before	15.1	40.8	25.2	9.4	4.2	5.3	100.0
<b>2001/03 and 2002/03</b>							
Proportion owned before	0	4.6	18.8	36.2	47.6	69.8	19.5
Age distribution owned before	0	8.2	24.6	24.1	20.5	22.6	100.0
Age distribution not owned before	14.6	41.1	26.0	10.4	5.5	2.4	100.0
<b>2003/04 (a)</b>							
Proportion owned before	1.0	3.2	15.9	33.1	54.8	66.3	20.0
Age distribution owned before	0.5	5.2	20.7	22.3	20.7	30.6	100.0
Age distribution not owned before	13.4	39.5	27.6	11.3	4.3	3.9	100.0

Note: (a) See note (a) in Table B.1

Source: As Table B.1.

3. The ages of “first-time buyers” who had been owner-occupiers before are different from those of “true” first-time buyers. In 1993/94 and 1994/95 57 percent of first-time buyers with mortgages who had been home owners before were aged 35 and over, as were 67 percent in 2001/02 and 2002/03 and 74% in 2003/04. For “true” first-time buyers the proportion aged 35 and over were 13 percent and 18 percent respectively. Table B.2 shows there to have been a considerable amount of what looks like erratic variation in the distributions between adjacent pairs. But there was a clearly marked tendency for the proportion of “first-time buyers” who had been home owners before who were aged under 30 to diminish.

4. An analysis may also be made of the type of household headed by first-time buyers who had been home owners before, and their previous ownership status. The information available from the Survey of English Housing includes the form of ownership of the previous owner-occupied dwelling: in 1993/94 to 1996/97 “jointly with present spouse or partner”, or “not jointly with present spouse or partner”; and in 1997/98 jointly with present spouse or partner, jointly not with present spouse or partner, or by self. A cross-analysis by present household type provides evidence of how many of the first-time buyers who have been owner-occupiers before are likely to be continuing households returning to owner-occupation and how many are what may be termed “reconstituted households”. Table B.3 summarises this information.

**Table B.3 Type of Household and Previous Form of Ownership For First-Time Buyers Who Have Been Home Owners Before**

	Type of household at time of interview						(thousands)
	Married couple	Cohabiting couple	Lone parent	Other multi-person household	One-person, male	One-person, female	Total
<b>Previous form of ownership</b>							
<b>1993/94 and 1994/95</b>							
Jointly with present spouse/partner	70	3	2	0	5	2	83
Other	61	50	8	10	32	23	184
<b>All returning first-time buyers</b>	<b>131</b>	<b>53</b>	<b>10</b>	<b>11</b>	<b>38</b>	<b>25</b>	<b>267</b>
<b>1995/96 and 1996/97</b>							
Jointly with present spouse/partner	70	2	5	2	4	4	88
Other	63	62	9	10	34	16	195
<b>All returning first-time buyers</b>	<b>133</b>	<b>65</b>	<b>14</b>	<b>12</b>	<b>38</b>	<b>20</b>	<b>282</b>
<b>1997/97 and 1998/99</b>							
Jointly with present partner	60	4	1	0	2	0	67
Jointly not with present partner	32	29	8	5	29	17	120
Owned by self	35	22	3	2	15	10	67
<b>All returning first-time buyers</b>	<b>127</b>	<b>55</b>	<b>12</b>	<b>7</b>	<b>46</b>	<b>27</b>	<b>274</b>
<b>1999/00 and 2000/01</b>							
Jointly with present partner	46	3	0	0	1	0	51
Jointly not with present partner	35	35	9	6	20	7	112
Owned by self	33	11	1	3	15	6	69
<b>All returning first-time buyers</b>	<b>114</b>	<b>49</b>	<b>11</b>	<b>9</b>	<b>36</b>	<b>12</b>	<b>231</b>

	Married couple	Cohabiting couple	Lone parent	Other multi-person household	One-person, male	One-person, female	Total
<b>2001/02 and 2002/03</b>							
Jointly with present partner	46	3	0	1	2	1	53
Jointly not with present partner	29	29	9	4	21	11	104
Owned by self	23	14	2	5	12	9	66
<b>All returning first-time buyers</b>	<b>99</b>	<b>47</b>	<b>12</b>	<b>11</b>	<b>34</b>	<b>20</b>	<b>223</b>
<b>2003/04</b>							
Jointly with present partner	47	3	1	1	0	1	52
Jointly not with present partner	26	32	9	3	10	7	87
Owned by self	28	18	1	4	21	9	81
<b>All returning first-time buyers<sup>(a)</sup></b>	<b>102</b>	<b>52</b>	<b>11</b>	<b>9</b>	<b>31</b>	<b>17</b>	<b>221</b>

Note: <sup>(a)</sup> Includes not known whether owned jointly.

Sources: As Table B.1

5. Returning first-time buyers that were married or cohabiting couples and had previously owned jointly with their present partner can reasonably be taken as continuing households that have moved from owner-occupation to renting and back again, as can men and women living alone as one-person households who previously owned by themselves. Another category that can be identified is what may be termed “reconstituted couple households”, which are couple households where the previous form of ownership was owned jointly but not with the present partner. A third category is survivors from former couple households (strictly speaking jointly owned but not with present partner), i.e. lone parent households and new one-person households. A fourth category is couple households where the previous ownership category was “owned by self”. That does not necessarily connote living alone, but might well do so in many instances. This category may be termed new couple households to distinguish them from reconstituted couple households. A fifth category is households not classifiable in these terms, which comprises all “other multi-person households”, and those lone parent and one-person households where the previous ownership status was “owned jointly with present partner”. Lone parents households and one-person households do not have present partners. Like the other

tables in this Annex, Table B.4 refers to moves within the three years before interview.

**Table B.4 Categories of Returning First-Time Buyers With Mortgages**

(thousands)		1997/98 and 1998/99	1999/00 and 2000/01	2001/02 and 2002/03	2003/04 (a)
(i)	“Continuing households” (couples and living alone)	89	70	70	80
(ii)	“Reconstituted couple households”	61	70	58	58
(iii)	“Survivors from couple households”	54	36	41	26
(iv)	Couple households where previous status was owned by self	57	44	37	46
(v)	Unclassifiable	13	11	16	11
	<b>All returning first-time buyers</b>	<b>274</b>	<b>231</b>	<b>223</b>	<b>221</b>

Note: (a) See note (a) to Table B.1

Source: Calculated from Table B.3.

6. About one-third of the “returning” first-time buyers appear to have been continuing households that moved out of owner-occupation and then came back. About a quarter were “reconstituted” couple households, where the household head or reference person had been an owner previously, jointly with someone other than the present partner. Table B.3 shows that hardly any of the cohabiting couples had previously owned jointly with the present partner; they were either reconstituted couples or had formed a partnership with someone who had previously owned by himself (himself, because the head of a couple household in 1997/98 and 1998/99, and in 1999/00 and 2000/01 was the male partner and the “reference person” in 2001/02 and 2002/03 was commonly though not always the male partner). About one fifth were what are termed in Table B.4 survivors, that is household heads or reference persons who had been joint owners and so presumably members of couple households but when interviewed were lone parents or living alone. They had most likely had to leave owner-occupation as a consequence of separation and had subsequently come back. The housing careers of returning first-time buyers who were couples at the time of interview, but had owned by themselves are likely to have been more complicated.

7. An analysis can also be made of the previous tenure of first-time buyers according to whether they had previously owned jointly with the present partner, jointly owned with someone else, or owned by self. The sample sizes are not large enough for a cross-analysis by household type within previous tenure.

**Table B.5 Returning First-Time Buyers With Mortgages: Previous Tenure and Previous Ownership Status**

	(thousands)			
	New household	Social rented	Private rented	Total
<b>1997/98 and 1998/99</b>				
Owned jointly with present partner	5	4	46	55
Owned jointly, not with present partner	15	11	77	104
Owned by self	14	7	58	78
<b>Total</b>	<b>34</b>	<b>22</b>	<b>181</b>	<b>237</b>
<b>1999/00 and 2000/01</b>				
Owned jointly with present partner	2	4	38	44
Owned jointly, not with present partner	7	9	84	101
Owned by self	9	3	51	63
<b>Total</b>	<b>18</b>	<b>15</b>	<b>173</b>	<b>208</b>
<b>2001/02 and 2002/03</b>				
Owned jointly with present partner	2	2	42	46
Owned jointly, not with present partner	9	9	72	91
Owned by self	7	5	46	57
<b>Total</b>	<b>18</b>	<b>16</b>	<b>161</b>	<b>195</b>
<b>2003/04(a)</b>				
Owned jointly with present partner	3	2	37	41
Owned jointly, not with present partner	11	9	60	81
Owned by self	10	3	55	68
<b>Total</b>	<b>24</b>	<b>14</b>	<b>152</b>	<b>190</b>

Note: <sup>(a)</sup> See note (a) to Table B.1

Differences from Tables B.3 and B.4 are due to those tables including outright purchasers

Source: As Table B.1.

8. Most of the returning first-time buyers who had owned jointly with the present partner were coming from private rented accommodation, unlike those who had owned jointly with someone other than the present partner. They were more likely to be new households (i.e. had come from living as members of someone else's household) or from the social rented sector.



9. The Survey of English Housing asks owner-occupiers buying with mortgages about other sources of finance for the purchase. It also asks whether they had ever lost their house through mortgage repossession. It is therefore possible to estimate how many of the “returning” first-time buyers are making their way back into owner-occupation after being forced out through mortgage default. It is also possible to show how many returning first-time buyers gave proceeds from the sale of the previous house as a source of finance for buying. Table B.6 shows the proportion that did this; also shown for comparison is the number that gave gift or loan from family or friends. Also shown are corresponding figures for “true” first-time buyers, though how they could have had proceeds from the sale of the previous home is not readily understandable. No information about the amounts from the various sources is obtained by the Survey of English Housing.

**Table B.6 Proportion of “First-Time Buyers” with Mortgages for Whom Sale of the Previous Home was a Source of Finance for Their Purchase**

	<u>Previous Ownership Status</u>				<u>(percent)</u>
	<u>Jointly with present partner</u>	<u>Jointly not with present partner</u>	<u>Owned by self</u>	<u>Not owned previously</u>	<u>All first-time buyers</u>
<b>1997/98 and 1998/99</b>					
Sale of previous home	44	29	33	3	9
Gift or loan from family or friends	11	15	10	24	21
Both	45	30	36	--	--
<b>1999/2000 and 2000/01</b>					
Sale of previous home	48	25	38	3	8
Gift or loan from family or friends	7	11	11	22	20
Both	50	26	40	--	--
<b>2001/02 and 2002/03</b>					
Sale of previous home	52	30	39	2	9
Gift or loan from family or friends	9	10	16	24	21
Both	54	31	41	--	--
<b>2003/04 (a)</b>					
Sale of previous home	54	38	52	2	10
Gift or loan from family or friends	2	14	7	223	21
Both	56	41	54	--	--

Note: (a) See note 9a) to Table B.1

Source: As Table B.1

10. “Returning” first-time buyers who previously had owned jointly with the present partner are the most likely to partially finance their most recent purchase with the help of proceeds from the previous sale; and those that had previously owned jointly with someone other than the present partner the least. Few “returning” first-time buyers had gifts or loans from family and friends as well as the proceeds of selling the previous home. Of “true” first-time buyers about one-quarter received gifts or loans from family and friends. Given the small proportion of “returning” first-time buyers that had gifts or loans from family and friends as well as the proceeds of selling the previous home, it is safe to conclude from the “all first-time buyers” column in Table B.6 that about 30% of first-time buyers who were buying with a mortgage had finance either from the proceeds of selling the previous home or gifts or loans from family or friends, as well as the mortgage loan itself. The Survey of English Housing collects no information about the amounts. But it is highly likely that here is a major part of the explanation of the large “deposits” by first-time buyers shown by the Survey of Mortgage Lending and before that the Building Societies Mortgage Survey, where “deposits” are house price minus mortgage advance. The existence of a proportion of large “deposits/2 in this sense which make the average deposit (average price minus average advance) much higher than the median has been recognised since the 1970s when attention was drawn to it in the Housing Policy Technical Volume (Department of the Environment 1977). Table VI.21. The survey information in Table B.6 provides insights into the probable reasons.

11. The Survey of English Housing asks households whether during their housing careers they have experienced mortgage repossession of their homes. This information is drawn on in Table B.7 to show the number and proportion of “returning” first-time buyers that have experienced mortgage repossession. Their numbers are small, so caution is needed owing to sampling variation.

**Table B.7 “Returning” First-Time Buyers who Have Experienced Mortgage Repossessions**

	<u>Previous Ownership Status</u>			
	<u>Jointly with present owner</u>	<u>Jointly not with present partner</u>	<u>Owned by self</u>	<u>All statuses</u>
<b>1997/98 and 1998/99</b>				
Numbers (thousands)	5	10	6	22
Proportion of all in status (percent)	7	8	7	8
<b>1999/2000 and 2000/01</b>				
Numbers (thousands)	4	11	2	18
Proportion of all in status (percent)	8	10	4	8
<b>2001/02 and 2002/03</b>				
Numbers (thousands)	1	6	2	11
Proportion of all in status (percent)	4	6	3	5
<b>2003/04 (a)</b>				
Numbers (thousands)	3	6	5	13
Proportion of all in status (percent)	6	7	6	6

Note: (a) See note (a) to Table B.1

Source: As Table B.1

12. Only a very small proportion of returning owner-occupiers have experienced mortgage repossession, with no real difference between those who had previously owned jointly with the present partner, owned jointly with someone other than the present partner; or owned by oneself. This low proportion is however not a guide to the probability of returning to owner-occupation after experiencing mortgage repossession. The Survey of English Housing showed that in 2002/03 (*Housing in England 2002/03*, Table A3.10) that about 33% of people who had given up their homes through mortgage repossessions were owner-occupiers when interviewed, 44% were social sector tenants, and 21% private sector tenants.

## ANNEX C INWARD MIGRATION AND HOUSE PURCHASES

1. There are at the present time two sources of information about the housing tenure of inward movers to the United Kingdom: the census and the Labour Force Survey (LFS). The 2001 census included a question about usual place of residence one year before. The Labour Force Survey asks sample members for their country of birth; and if born outside the United Kingdom the year in which they arrived here. For persons who have moved back and forth between the other countries and the UK, the most recent arrival is counted.

### Census Information on the Tenure of Households Moving from Outside the UK

2. The census information about tenure and movement is for “wholly moving households”, defined as households where all members had the same address one year previously. The number and tenure of wholly moving households in England and Wales and in Scotland is shown in Table C.1.

**Table C.1 Number and Tenure of Wholly Moving Households From Outside the United Kingdom 2001**

	England and Wales		Scotland	
	Number	Percent	Number	Percent
Owns outright	5,984	8.0	566	9.4
Owns with mortgage	9,374	12.6	1,043	17.3
Shared ownership	192	0.3	17	0.3
Rented from council	2,122	2.8	306	5.1
Other social rented	2,867	3.8	198	3.3
Private rented	50,571	67.9	3,459	57.3
Living rent free	3,367	4.5	446	7.4
<b>All tenures</b>	<b>74,477</b>	<b>100.0</b>	<b>6,035</b>	<b>100.0</b>

Sources: Census, National Report for England and Wales, Table T.34.  
Scotland’s Census 2001, Reference Volume update, Table T.34.

3. Recent inward movers from outside the United Kingdom were to be found predominately in the private rented sector, especially in England and Wales. Only 10,400 in Great Britain as a whole were owner-occupiers with mortgages.

4. The information from the Labour Force Survey about the housing tenure of persons born outside the United Kingdom is cross-analysed by the age of the household reference person, in contrast to the census data which have no cross-analysis. The sample size however is not large enough for distinguishing persons who arrived in the previous year. In Table C.2 households (strictly speaking household reference persons) who arrived in the United Kingdom less than five years ago are shown. The table comprises survey data for 2002 and 2003 combined. The ages are as when interviewed, not at the time of arrival in the United Kingdom.

**Table C.2 Household Reference Persons Born Outside the United Kingdom Who Arrived Less Than Five Years Ago: Tenure and Age**

	(thousands)					
	Age					Total
	16-24	25-29	30-34	35-44	45 and over	
Owned outright	0	1	2	1	5	10
Buying with mortgage	2	12	13	14	7	47
Local authority or Registered Social Landlord	8	14	13	18	10	63
Private rented, unfurnished	18	31	25	33	12	120
Private rented, furnished	35	48	36	22	11	151
<b>All tenures</b>	<b>63</b>	<b>107</b>	<b>88</b>	<b>89</b>	<b>44</b>	<b>391</b>

Source: Provided by ODPM from Labour Force Survey.

5. As with 2001 census data, the Labour Force Survey (LFS) shows a high proportion — 69 percent — of recent migrants from outside the UK in the private rented sector. The proportion that were social rented sector tenants, 16 percent, is higher than that given by the census. The probably explanation is the difference in time period. A high proportion of overseas migrants go to parts of the country where the demand for social sector housing exceeds the supply, so that to get access to it takes time. A higher proportion would therefore be able to become social sector tenants within the five year period distinguished in the LFS data than in the one year for which the census provides information. The two sources of data appear compatible. The census shows rather over 80,000 wholly moving households in Great Britain from outside the UK in one year; 390,000 “household reference persons” coming to the UK in the previous five years is not very different as an average annual rate.

6. The census shows a higher proportion of outright owners among owner-occupiers moving into the UK (just under 40 percent) than does LFS (18 percent). But the proportion of the all tenures total that were owner-occupiers with mortgages is similar in both sources, 12-13 percent. On this evidence, changes in the number of inward migrants from outside the UK would not make a large difference in the short term to the number of first-time buyers with mortgages.

## ANNEX D ESTIMATES OF NUMBERS OF FIRST-TIME BUYERS AND AGE-SPECIFIC FIRST-TIME BUYER RATES BY SINGLE YEARS OF AGE: UNITED KINGDOM 1981-2003

1. Numbers of first-time buyers by single years of age in 1993 to 2003 were estimated from the same source as the five-year ranges in Table A.5. From 1981 to 1992 the source is Tables B.1 and B.2 of *Estimating the First-Time Buyer Population in the United Kingdom: An Age Analysis*. The numbers given there are scaled from 1983 onwards to agree with the revised totals in Table A.4.

**Table D.1 Estimated Numbers of First-Time Buyers by Single Years of Age 1993-2003**

	(thousands)							
	1993	1994	1995	1996	1997	1998	1999	2000
18	1.4	1.8	2.0	1.1	1.2	1.3	1.6	1.5
19	3.7	3.7	3.8	3.9	3.4	3.6	3.1	3.7
20	9.2	8.6	8.8	7.3	7.0	6.3	7.6	7.7
21	16.1	15.0	15.1	13.4	11.6	10.4	10.3	10.8
22	24.2	23.5	23.3	21.3	18.4	14.8	14.0	15.5
23	28.2	31.6	30.0	27.6	24.6	21.6	20.8	22.2
24	31.7	33.0	35.1	31.3	32.9	27.6	26.9	26.6
25	32.9	34.6	36.3	37.4	35.3	30.8	31.9	30.6
26	29.7	33.6	35.3	34.0	38.8	34.2	35.4	32.4
27	28.3	30.4	29.7	32.3	33.3	35.1	34.3	33.4
28	24.1	28.7	29.9	28.8	31.6	29.1	32.4	31.5
29	22.8	23.5	25.8	25.4	28.7	26.3	31.2	28.2
30	19.4	22.7	24.5	22.7	26.5	23.9	26.5	25.4
31	15.2	18.9	20.0	18.4	23.2	20.4	21.4	20.9
32	14.3	16.7	16.4	17.4	19.2	17.8	20.7	20.3
33	13.4	14.4	14.4	13.6	15.4	17.3	19.5	16.3
34	10.4	12.0	12.8	12.8	13.2	15.0	16.8	14.9
35	9.1	9.9	10.1	10.8	12.7	13.3	14.7	14.0
36	7.8	8.5	8.6	9.7	11.5	10.7	12.6	12.4
37	8.2	8.6	8.1	8.8	10.1	10.5	11.4	10.2
38	6.3	7.4	7.8	7.7	9.0	7.4	9.9	8.8
39	5.9	6.9	6.2	5.9	7.4	6.8	9.1	8.2
40	4.9	6.1	5.5	5.9	5.7	6.1	6.9	8.2
41	4.7	5.2	5.4	5.2	6.0	6.4	6.6	5.9
42	4.4	4.6	3.9	5.1	4.3	5.5	6.3	5.5
43	4.1	3.9	4.4	4.4	5.0	4.7	5.0	4.7
44	3.6	3.8	4.5	3.6	4.1	3.6	4.6	3.9
45 and over	26	29	29	29	31	32	38	41
<b>Total</b>	<b>410</b>	<b>447</b>	<b>457</b>	<b>445</b>	<b>471</b>	<b>443</b>	<b>480</b>	<b>464</b>

	<b>2001</b>	<b>2002</b>	<b>2003</b>
18	1.4	1.0	1.0
19	3.6	2.8	2.7
20	7.5	5.6	4.6
21	10.6	9.3	7.8
22	15.7	14.1	13.6
23	19.3	20.2	17.3
24	23.6	20.3	22.7
25	29.8	23.7	23.4
26	28.9	26.0	22.6
27	27.8	26.1	23.0
28	27.5	24.0	22.6
29	24.6	22.9	21.5
30	23.2	21.3	19.3
31	18.7	20.7	18.8
32	15.3	17.5	16.6
33	16.1	15.6	14.6
34	14.4	13.4	11.7
35	11.6	12.3	12.0
36	10.9	11.5	11.5
37	9.7	11.4	9.4
38	9.0	10.2	10.3
39	8.3	8.4	8.1
40	6.5	8.9	7.5
41	5.7	6.9	6.6
42	3.9	6.0	6.2
43	5.8	5.2	5.4
44	3.8	4.6	4.8
45 and over	50	47	50
<b>Total</b>	<b>433</b>	<b>417</b>	<b>396</b>



**Table D.2 Estimated Numbers of First-Time Buyers by Single Years of Age 1981-1992**

	(thousands)								
	1981	1982	1983	1984	1985	1986	1987	1988	1989
18	1.4	1.8	1.9	2.3	2.3	2.9	2.5	3.1	2.9
19	5.8	6.9	7.2	7.7	7.6	7.7	8.2	11.3	5.9
20	15.4	15.3	18.2	18.0	17.6	16.5	17.6	20.8	13.2
21	21.0	23.4	27.3	30.1	28.3	25.6	27.4	31.1	20.6
22	27.3	30.1	32.4	37.3	36.2	34.7	35.6	40.7	27.4
23	30.5	31.2	35.1	40.5	40.7	37.9	41.4	45.4	30.5
24	31.4	30.5	36.4	39.4	40.7	40.2	39.4	48.8	31.5
25	29.4	28.9	34.0	36.9	39.3	36.6	37.2	45.6	30.9
26	24.9	25.0	28.5	33.5	32.4	31.8	34.1	35.8	25.5
27	22.6	21.5	24.7	28.0	29.1	25.5	27.8	31.1	22.1
28	19.6	18.1	23.0	23.7	23.7	22.9	21.0	26.2	18.0
29	16.3	15.3	18.4	21.5	20.6	20.2	20.9	21.8	15.5
30	12.8	13.9	16.6	17.6	17.2	16.5	16.7	19.5	12.7
31	11.1	11.9	14.7	16.0	14.6	14.1	14.5	15.2	11.0
32	11.1	10.6	11.6	14.0	13.7	14.1	11.7	13.0	8.2
33	9.5	9.2	10.9	13.5	12.5	10.8	10.8	11.0	8.9
34	8.8	9.1	9.8	11.4	9.9	10.3	9.2	9.9	6.7
35	7.7	8.1	11.1	11.3	9.9	9.8	8.9	9.4	6.7
36	6.5	7.1	9.5	10.7	9.7	8.7	9.2	8.0	5.7
37	5.1	5.9	6.8	9.8	9.4	8.1	7.5	7.3	4.8
38	4.8	4.8	6.6	8.0	9.0	8.1	7.4	7.1	5.1
39	3.9	4.5	6.3	7.4	7.5	7.8	6.9	6.9	4.1
40	4.2	3.8	5.4	6.6	6.5	6.4	6.5	6.7	4.4
41	4.1	3.8	4.9	5.0	5.3	4.9	4.5	5.3	5.2
42	2.7	3.3	4.2	4.5	5.3	4.9	4.5	5.3	4.2
43	2.7	3.2	3.8	4.0	4.1	4.6	5.4	4.9	3.3
44	2.4	3.0	3.9	4.8	3.7	3.9	3.9	4.2	2.9
45 and over	28	22	30	33	36	34	35	43	30
<b>Total</b>	<b>371</b>	<b>371</b>	<b>443</b>	<b>497</b>	<b>493</b>	<b>469</b>	<b>476</b>	<b>539</b>	<b>368</b>

Source: See paragraph 1.

	1990	1991	1992
18	2.5	1.7	1.1
19	5.9	4.6	3.1
20	12.2	11.3	8.4
21	19.0	15.7	13.1
22	24.5	22.8	17.0
23	28.6	26.1	21.8
24	30.6	29.5	22.1
25	26.8	29.0	23.5
26	25.2	25.5	22.7
27	20.8	22.4	19.6
28	17.9	19.5	17.8
29	16.8	16.6	14.2
30	12.0	14.0	13.5
31	11.4	11.3	11.0
32	9.0	9.4	9.5
33	7.8	8.7	7.9
34	7.3	7.6	7.1
35	6.8	7.5	5.7
36	5.0	6.2	6.1
37	5.3	5.1	5.6
38	4.4	5.0	5.0
39	5.1	4.5	4.1
40	4.2	4.7	4.2
41	3.9	4.0	3.5
42	3.9	3.4	3.5
43	4.1	4.2	2.8
44	2.9	3.4	2.8
45 and over	27	24	25
<b>Total</b>	<b>351</b>	<b>348</b>	<b>302</b>

2. Age-specific first-time buyer rates calculated from the estimated numbers of buyers in Tables D.1 and D.2 and official mid-year population estimates (as of October 2004) are shown in Table D.3. The rates for 1981 are taken from Table D.1 of *Estimating the First-Time Buyer Population of the United Kingdom: An Age Analysis*.

**Table D.3 Age-Specific Single Year First-Time Buyer Rates: United Kingdom 1981-2003**

	(per thousand)							
	1981	1982	1983	1984	1985	1986	1987	1988
18	1.5	1.9	2.0	2.4	2.5	3.2	2.8	3.6
19	6.3	7.3	7.4	8.0	8.1	8.3	9.1	12.6
20	17.1	16.5	19.2	18.6	18.2	17.5	18.9	23.0
21	24.1	25.9	29.5	31.7	29.2	26.5	29.1	33.5
22	32.1	34.6	35.9	40.3	38.2	35.9	36.9	43.4
23	36.8	36.9	40.6	44.8	44.0	40.1	43.0	47.2
24	39.0	37.1	43.4	42.0	45.0	43.5	41.8	50.9
25	37.8	36.3	41.6	43.9	45.4	40.5	40.3	48.6
26	32.6	32.3	36.0	40.9	38.5	36.7	37.8	39.0
27	29.4	28.6	32.0	35.3	35.5	30.3	32.2	34.6
28	25.6	23.8	30.8	30.7	29.9	27.9	25.0	30.4
29	21.5	20.2	24.3	28.8	26.7	25.5	25.5	26.0
30	16.6	18.7	22.0	23.2	23.0	21.3	21.0	23.8
31	14.0	15.7	19.8	21.2	19.2	18.8	18.8	19.2
32	13.4	13.6	15.3	18.9	18.1	18.5	15.6	16.9
33	10.7	11.4	14.0	17.8	16.8	14.3	14.2	14.7
34	9.8	10.5	12.1	14.6	13.0	13.9	12.2	13.0
35	10.3	8.6	12.8	14.0	12.7	12.9	12.0	12.4
36	8.8	9.5	10.1	12.4	12.0	11.1	12.1	10.8
37	6.9	8.0	9.2	10.4	10.9	10.0	9.6	9.6
38	6.9	6.5	9.0	10.8	9.5	9.4	9.2	9.1
39	6.1	6.4	8.5	10.1	10.1	8.3	8.0	8.5
40	6.0	5.0	7.6	8.9	8.4	8.6	6.9	7.8
41	6.3	6.3	7.6	7.1	7.2	6.7	6.1	6.3
42	4.2	5.1	7.0	7.0	7.5	6.7	6.2	7.2
43	4.2	6.0	5.9	6.7	6.3	5.1	7.3	6.7
44	3.8	4.7	6.1	7.5	6.2	6.1	5.6	5.7

	1989	1990	1991	1992	1993	1994	1995	1996
18	3.4	3.0	2.2	1.5	2.0	2.7	3.1	1.7
19	6.9	6.8	5.6	4.0	5.1	5.3	5.6	6.1
20	14.8	14.2	13.0	10.1	11.8	11.8	12.5	10.7
21	22.8	21.3	18.2	15.1	19.4	19.2	20.6	18.9
22	29.5	27.2	25.5	19.7	27.9	28.2	29.6	28.9
23	32.6	30.9	28.9	24.4	32.7	36.4	35.9	35.0
24	32.9	32.7	31.9	24.5	35.6	38.3	40.4	47.4
25	32.3	28.0	31.0	25.4	36.6	38.8	42.0	42.9
26	27.2	26.4	28.7	24.3	32.1	37.3	39.5	39.3
27	24.1	22.2	23.5	20.6	30.3	32.8	32.9	36.1
28	20.0	19.6	20.9	18.8	25.4	30.8	32.2	31.8
29	18.0	18.7	18.2	15.2	24.1	24.8	27.6	27.3
30	15.2	14.0	15.6	14.8	20.9	24.0	25.8	24.2
31	13.4	13.6	13.2	12.3	16.8	20.4	21.2	19.4
32	10.3	11.0	11.2	11.1	16.1	18.4	20.9	18.4
33	11.5	9.8	10.6	9.4	15.7	16.2	15.9	14.7
34	9.0	9.5	9.6	8.7	12.5	14.0	14.4	14.1
35	8.8	9.1	9.7	7.2	11.1	11.9	11.8	12.2
36	7.5	6.6	8.3	7.9	9.8	10.4	10.3	11.4
37	6.5	7.1	6.7	7.5	10.6	10.8	9.9	10.6
38	6.7	5.9	6.6	6.6	8.4	9.6	9.8	9.4
39	5.3	6.7	6.1	5.4	7.8	9.2	8.0	7.4
40	5.5	5.4	6.2	5.7	6.5	8.0	7.3	7.6
41	6.0	4.8	5.1	4.6	6.3	6.9	7.1	6.9
42	4.5	4.5	4.2	4.5	5.8	6.2	5.2	6.7
43	4.5	4.4	4.9	3.5	5.3	5.2	5.9	5.9
44	4.0	3.9	3.6	3.3	4.5	4.9	6.0	4.9

	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
18	1.7	1.8	2.2	2.1	2.0	1.4	1.3
19	5.2	5.1	4.3	5.1	5.1	3.9	3.6
20	10.7	9.5	10.7	10.4	10.1	7.8	6.3
21	16.9	15.8	15.4	15.2	14.2	12.4	10.7
22	25.9	21.5	21.0	23.0	21.8	18.7	17.9
23	33.3	30.3	29.8	32.9	28.1	27.8	22.7
24	41.6	37.3	37.3	37.8	32.3	29.2	30.8
25	42.1	38.8	42.6	41.7	41.7	34.2	33.4
26	44.5	40.6	44.2	42.6	38.9	36.1	32.3
27	38.4	40.1	40.4	41.1	36.1	34.9	31.7
28	35.2	33.5	36.8	36.6	33.5	31.0	30.0
29	31.6	39.3	35.7	31.7	28.4	27.8	27.6
30	28.4	26.3	29.4	28.8	26.0	24.5	23.3
31	24.8	21.9	23.4	23.0	21.1	23.1	21.5
32	20.2	19.0	22.1	22.1	16.8	19.7	18.4
33	16.3	18.2	20.8	17.3	17.5	17.0	16.3
34	14.2	15.9	17.7	15.8	15.3	14.5	12.8
35	14.1	14.4	15.6	14.7	12.3	13.0	13.0
36	13.0	11.9	13.6	13.2	11.5	12.2	12.2
37	11.9	11.9	12.6	11.0	10.3	12.0	9.9
38	10.8	8.7	11.2	9.7	9.7	10.8	10.8
39	9.0	8.2	10.7	9.3	9.2	9.1	8.6
40	7.2	7.4	8.3	9.6	7.4	9.8	8.1
41	7.8	8.1	8.0	7.1	6.7	7.8	7.3
42	5.7	7.1	7.9	6.7	4.7	7.1	7.0
43	6.6	6.3	6.5	5.9	7.1	6.2	6.4
44	5.5	4.8	6.1	5.1	4.8	5.6	5.6