

Self-sufficient Scots rely less on Bank of Mum and Dad to make second step on property ladder

- **Scottish Second Steppers are less reliant on Bank of Mum and Dad than their counterparts in the rest of UK**
- **Scots much less willing to borrow from Grandparents or friends with only 3% choosing these options**
- **One in five Scottish Second Steppers require an average of £12,059 support from family and friends – half the amount of the rest of the UK**

Scottish homeowners looking to sell their first property and buy their second property are less reliant on the Bank of Mum and Dad than those in the rest of the UK according to the latest Bank of Scotland Second Steppers report.

Despite one in five Second Steppers in Scotland borrowing from family and friends in order to make their next step on the property ladder, Scots need less support than their counterparts in the rest of the UK.

Those Second Steppers who do get support from Bank of Mum and Dad receive on average £12,059 in financial support, which is less than half the amount of Second Steppers in the rest of the UK (£25,450). To help with the costs involved with selling their first home and buying their second, most Second Steppers plan to raise the deposit required for this through equity in their current property (60%).

More Scots believe that they will finance their next move with savings (50%) as opposed to help from others (19%). This is in stark contrast to the rest of the UK where a third (33%) believe they will finance their move with support from friends and family and only 39% believe it will be from savings.

Those having to rely on financial support from family and friends mostly look to their parents, with 14% borrowing from the Bank of Mum and Dad. If the Bank of Mum and Dad is unavailable for withdrawals, just 3% of Scots look to Grandparents or friends for support.

A third of Second Steppers say that market conditions have improved

A third (31%) of Second Steppers in Scotland say that conditions have improved since last year. There has also been an increase in the number of Second Steppers who are saving to support their next move, with 64% saying that they are making regular contributions to their savings. However, whilst the majority of Second Steppers in Scotland are saving to help with their move, the percentage of Scottish Second Steppers overpaying their mortgage to help increase equity is 26%, much lower than the 37% in the rest of the UK.

Graham Blair, mortgage director at Bank of Scotland, said:

“Second Steppers in Scotland are much less reliant on support from family and friends compared to the rest of the UK. It seems that Scots are self-sufficient when it comes to their finances, as most feel that they will fund their move with equity from their current property along with savings. To be fair to the rest of the UK, house prices have increased at a slower rate in Scotland than the rest of the UK, so that may well be a contributing factor.”

Financial support isn't the only thing stopping Second Steppers

Finding the right home remains a key issue for Second Steppers, with just over two fifths (41%) saying that they have not found the right property yet and 26% saying that there is a lack of affordable property available.

These, and other factors, resulted in 58% Second Steppers wanting to make the move last year not being able to do so which will have an impact on the number of properties available to first time buyers.

-ENDS-

Editor's Notes

The prices in the tables refer to the arithmetic average of house prices. The data extracted from the Land Registry is for 12 months to January each year and the first time buyer data from Lloyds Bank is for 12 months to April each year.

The price to earnings ratio is calculated using the ASHE data for all full time employees for years 2012 and 2017. Average earnings refer to mean values.

NB: No data available for City of London earnings. Lloyds earnings estimate for the following local authority districts: Kensington & Chelsea and Haringey.

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