

NO WAY HOME?

Restoring Britain's housing ladder

HELPING REAL LIFE HAPPEN

A report by Yorkshire Building Society



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Foreword



At Yorkshire Building Society our Purpose is clear. We exist to provide Real Help with Real Life, which we define as 'Members coming together to make good homes possible for more people'. As a mutual, owned by our members rather than shareholders, we exist to support people at every stage of their housing journey – whether they are taking their first step, moving as their lives change, or making the most of the home they already have. We also support responsible landlords and investors who enable the provision and creation of much-needed homes.

It is our commitment to this goal that has led us to commission this research and analysis from Public First – to obtain an in-depth, current picture of which aspects of today's housing market are working for the British population, and where further change is needed.

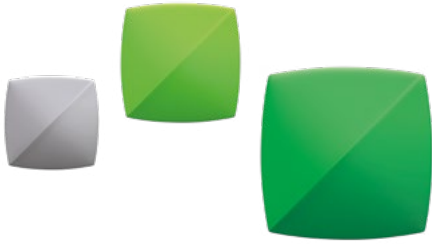
We exist to provide Real Help with Real Life, which we define as 'Members coming together to make good homes possible for more people'.

This is the latest example of a campaign we began in 2023, to highlight the experience of renters and homeowners through research, and call for targeted action to address areas of shortcoming. We have already seen progress on a number of the calls for change we highlighted in our previous, *Home Improvements*, policy paper, in 2024. This includes adjustments to regulation surrounding borrower affordability calculations which give lenders like us greater freedom to provide borrowers with the size of mortgages they need to match modern house prices, while still ensuring all lending is responsible.

However, it is clear there is still a great deal more to be done.

Our latest findings, outlined in the following pages, are both sobering and compelling. Britain remains a nation that believes in homeownership, yet for too many people the path towards it has become uncertain, delayed or out of reach altogether. For others already on the ladder, the ability to move as their needs change is increasingly constrained.

This matters not only for individuals and families, but for the country as a whole. A well-functioning housing market underpins financial resilience, supports life choices and enables people to build long-term security, as well as contributing significantly to a thriving economy. When the housing ladder doesn't work, the consequences extend far beyond housing, affecting opportunity, living standards and growth. >



➤ As this report shows, the challenges span the entire system. Renters face affordability pressures and limited choice. Those looking to buy encounter significant upfront costs and complexity. And too many households are unable to move to homes that better suit their circumstances at different stages of life.

Addressing these challenges requires a broad and balanced response.

We must continue to make homeownership more accessible – closing the gap between strong aspiration and limited opportunity or confidence. We must also recognise the importance of a healthy and sustainable rental market, which provides both a good standard of living today and, for many, a pathway into ownership. And we must better support people to adapt their housing as their lives evolve, whether that means moving, improving or rethinking how homes are used.

Underlying all of these priorities is the need to restore mobility and choice. A housing market that allows people to move up, down and across is essential – not only for individual wellbeing, but for a fairer and more dynamic market.

This report is intended to contribute constructively to a discussion which is becoming more urgent by the day, providing evidence and insight to help inform the choices ahead.

Our aim is to challenge, provoke and encourage change. Our member-owned mutual model – funded predominantly by our savers and with no shareholders – gives us the nimbleness to be able to prioritise customer need over profit. Founded on the principle of enabling homeownership, we hope to use this strength – along with the rest of our sector – to champion real and meaningful system change. We hope others will be inspired to follow our lead.

The priorities outlined in this document – backed by compelling evidence – provide tangible steps to a better-functioning housing market and reflect our belief that this is both achievable and necessary. One that restores choice, supports movement, and enables more people to benefit from the stability and security that a place to call home provides.



Susan Allen

Chief Executive Officer,
Yorkshire Building Society



Executive summary



Britain still believes in the housing ladder. Homeownership remains a powerful aspiration across society, valued as both a stable place to live and a route to long-term financial security. For many people it is the achievement of a major life ambition. Public polling conducted for this report finds close to nine in 10 UK adults (88%) say homeownership is important.¹

Yet the housing ladder has become not only harder to get onto, but more difficult to move through. Homeownership has fallen from around 70% of households in the early 2000s to just under 65% today, with a sharp decline among younger adults. Annual housing transactions have also fallen from around 1.5–1.8 million in the early 2000s to around 1–1.2 million in recent years. The result is a market that is less mobile, less responsive and less able to support people as their lives change.

More importantly, the impact is felt in people's lives – delaying family formation, limiting mobility for work and care, and making it harder for households to adapt as their circumstances change.

A generation risks missing out on the benefits of ownership

The consequences of a slower and less accessible housing ladder are substantial. Economic modelling conducted for this report finds that by retirement, homeowners are on average six

times wealthier than renters, a gap of £793,000 in today's terms. For today's 30- to 40-year-olds, the wealth gap between owners and renters could reach £1.6 million by retirement age and £2.6 million by end of life. Most of the difference is driven by homeownership. The wealth-building power of ownership is strongest of all for lower-income households. Lower-income owners are expected to be seven to 10 times wealthier than lower-income renters by retirement.

Ownership matters to people for reasons beyond wealth. The public values owning a home because it provides long-term stability, financial security, protection from rising rents and an asset for the future. These benefits become more strongly felt as people move further up the ladder, suggesting that experience of ownership reinforces its value. >



1. Public First online survey of 4,008 UK adults, fieldwork conducted from 30 March 2026 - 15 Apr 2026. Data weighted to nationally representative proportions by education, gender, age, region, socio-economic group.



➤ Reduced access to ownership therefore risks widening divides in wealth, stability and the ability to pass something on to children or grandchildren. Preventing a generation from missing out on the benefits of homeownership by restoring the housing ladder should be a central objective of housing policy.

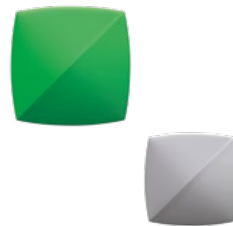
The ladder is jammed at every stage

The housing market is often discussed in terms of renters and owners. In practice, people experience the ladder differently depending on where they are and what move they are trying to make. Three in 10 adults have seriously considered moving home in the past year, but actual movement remains limited. The problem is not a lack of aspiration or demand to move, but the barriers households face at different points on the ladder:

- **Repeat renters**, those who rent and do not expect to buy, are often under the greatest financial pressure. Many still value ownership, but high housing costs squeeze day-to-day finances and weaken savings capacity, pushing it far out of reach. For some, historic adverse credit creates a genuine barrier to borrowing. For others, repeated financial pressure has led them to conclude that ownership is no longer realistic. Only 15% say they are financially comfortable.

- **Future homeowners**, renters who still expect or hope to buy, remain committed to ownership but face significant barriers to getting onto the housing ladder. They are the group most likely to have seriously looked to move in the past year, but 48% cite the high cost of living as a barrier to getting onto the ladder, 44% say homes are too expensive and 31% say they do not have enough savings for a deposit. Some may also be held back by uncertainty about mortgage eligibility, including how lenders would assess historic adverse credit or non-standard circumstances. Analysis for this report finds that just 11% of renters aged 20 to 44 are currently in a financial position to buy a home in England, falling to 5% in London.

- **First-time buyers**, people living in the first home they bought, have made it onto the ladder but can still struggle to move along it. Their first home may provide stability, but high prices, higher mortgage rates, limited suitable stock and concerns about selling can make the next move difficult. ➤





- **Second-steppers**, homeowners who have already moved on from their first home and are likely to move again, face many of the same barriers to mobility. Among this group, 36% cite moving costs as a barrier, 31% cite Stamp Duty and 29% cite the time and stress involved in buying.
- **Downsizers**, homeowners over the age of 55 who are open to moving home, face a later-life version of the same problem. Many see the benefits of moving, often to a smaller property, but 42% cite the time and stress involved in selling as a barrier, and say it would be difficult to buy a new property due to a lack of suitable homes (41%) and moving costs (37%). Without better options, many will remain in homes that may no longer fully suit their needs.
- **Established homeowners**, homeowners who expect to remain in their current home long term, are most likely to feel their property meets their needs and show least interest in moving home. They are most likely to have extended their home – 28% of this group have done so.

These differences show why restoring the housing ladder requires different interventions at different points in the market. Some households face hard

financial constraints, including insufficient deposits, affordability pressures or unresolved credit problems. Others may be closer to ownership than they realise but are held back by uncertainty about how historic adverse credit will be assessed or by a lack of clear guidance on mortgage eligibility. For those already on the ladder, the barriers are more often moving costs, Stamp Duty, process friction and a lack of suitable homes.

While the barriers differ, the consequences of a jammed housing ladder are shared across the market. When renters cannot save, fewer people can buy their first home. When future homeowners are blocked, property chains are more fragile. When first-time buyers cannot trade up, entry-level homes are not released onto the market. When second-steppers cannot move, there are fewer homes for households moving through the middle rungs of the ladder. When downsizers lack suitable options, larger homes remain occupied for longer. The market becomes slower for everyone.

These differences matter because they require different responses – stronger affordability and deposit support where households are genuinely constrained, and clearer guidance, earlier engagement and greater certainty where households may be closer to ownership than they assume.



Credit is a key constraint on movement through the ladder

Behind these different experiences is a sharper divide between those whose route to ownership is delayed and those whose route is being closed off. Some households are waiting longer to buy because prices, rents and mortgage rates have made the timing harder. Others are structurally excluded because their income, savings or credit history mean they cannot meet the requirements of the market. Another group may be closer to ownership than they realise but disengage because they assume they will be rejected or do not understand how lenders will assess them.

Historic adverse credit is therefore not simply another affordability barrier. It acts as a key system constraint on the housing ladder because its effects last beyond the original financial difficulty, shaping both lender decisions and borrower confidence. This matters particularly for households whose current income, savings or financial resilience may be stronger than their past credit record suggests. Addressing this should be a core part of restoring the housing ladder, so that past financial difficulty does not become a permanent barrier to homeownership.

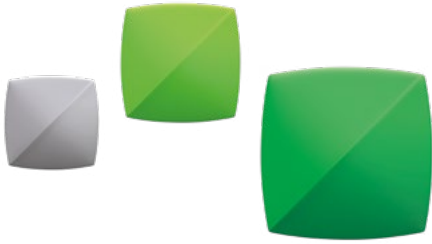
In practice, this means giving lenders greater confidence and clarity to take a more consistent view of borrowers with historic adverse credit, where current income and financial resilience support sustainable homeownership.

Renters face pressure from all sides

Renters are particularly squeezed by high costs and limited choice. It is a long-term tenure for some households and a route towards ownership for others. At present, it is not working well enough in either role. Renters are less likely than owners in every region to say there were enough suitable homes to choose from when they last looked to move. In the North East, only 21% of renters say there were enough suitable homes, compared with 45% of owners. In Yorkshire and the Humber, only 29% of renters say the same, while 41% say it would be impossible or a struggle to pay more rent each month.

For future homeowners, high rents weaken the route to ownership. For repeat renters, high costs and limited choice make renting a less secure and less comfortable long-term option. Stronger protections for tenants must therefore be matched by a serious focus on rental supply and the conditions needed for responsible landlords to invest in the market. Without that balance, the cumulative effect of tax and regulatory changes risks making good quality rental provision less attractive, reducing choice for renters and weakening the route into ownership.

This is not about supporting landlords in isolation, but about sustaining and increasing the supply of good quality homes, improving choice for renters and avoiding upward pressure on rents. ➤




➤ There may be more political space than is generally assumed for a balanced approach that supports responsible landlords as part of improving outcomes for renters. Polling for this report finds that 40% of private renters describe their landlord as reasonable and 36% as fair, compared with 9% who describe them as negligent and 5% as exploitative.

A less mobile housing market is costing the UK

A jammed housing ladder is not only an economic problem. It affects how people live. When households cannot move, they may delay starting or growing their family, remain far from work or support networks, struggle to care for relatives, or stay in homes that no longer meet their needs. For older households, the lack of suitable later-life housing can make it harder to remain independent and connected to their community.

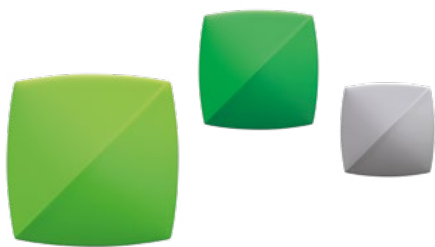
These social and lived impacts are reinforced by a wider economic cost. Modelling for this report finds that every home sale generates £27,000 in gross value added (GVA), meaning the economic activity generated through spending linked to moving home, from legal fees to renovation and furnishing. This impact rises to £66,000 on average once housing chains are included, because one sale enables further linked moves elsewhere in the market.

Over the next five years, housing sales could support £157 billion (bn) in GVA and generate £80 billion in tax revenue, if the 5.8 million transactions forecast by the Office for Budget Responsibility (OBR) take place. Keeping the market moving is therefore essential to protecting this economic contribution, while unlocking additional transactions could further boost growth and wellbeing.



Over the next five years, housing sales could support £157 billion in GVA and generate £80 billion in tax revenue.





A blueprint for restoring the housing ladder

The housing ladder can work better than it does today. A better functioning housing market depends on more choice, easier movement and wider access. More homes, across a wider mix of tenures and types, would give households better options as their needs change. Less friction would make it easier for people to move when needed. Stronger support to access ownership would help ensure that people with a realistic route to buy are not held back by deposit barriers, historic adverse credit or uncertainty about the mortgage process.

The Government has started to address the problem. Its planning reform agenda and ambition to increase housing delivery are important. Recent changes to mortgage regulation should give lenders more room to support creditworthy borrowers. Yet significant gaps remain. New supply will take time to come through, with OBR forecasts only seeing net additions reach the annual pace implied by the 1.5 million target by 2030-31.² Meanwhile renters' biggest concern remains affordability and many potential buyers still face a mortgage market that feels difficult to navigate. Stamp Duty and wider moving costs also remain major barriers to mobility.

A more practical and coherent strategy is needed to restore the housing ladder,

recognising the different needs of households at each stage. The fastest route to restoring movement is to help households make the moves they are already trying to make. Mortgage access reforms would unlock entry for future homeowners.

In the near term, the most impactful levers are those that unlock existing demand – improving mortgage access within responsible limits, supporting low-deposit lending, targeted Help to Buy-style support, and reducing the cost of moving – because these directly enable transactions that are already close to happening and strengthen housing chains.

Targeted Help to Buy-style support would help households constrained by deposits or affordability. Stamp Duty reform would significantly reduce the cost of moving for those already on the ladder. These are established policy levers that are most likely to change decisions in the near-term and should be the priority. Longer-term reforms are also necessary that expand housing supply, create more choice and help people prepare for ownership. >



2. <https://obr.uk/efo/economic-and-fiscal-outlook-march-2026/>



➤ Unlocking transactions and strengthening chains

The strongest near-term interventions are those that reduce the costs and constraints holding back otherwise viable moves. Helping more future homeowners buy would allow property chains to form. Reducing the cost of moving would support movement further up the ladder.

- The Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA) should simplify the responsible use of existing mortgage flexibility, giving lenders greater confidence to support creditworthy borrowers through judgement-led underwriting and sustainable low-deposit lending where affordability is robust. This should include clearer and more proportionate treatment of historic adverse credit, so that past financial difficulty does not unnecessarily exclude households whose current circumstances show they can sustain ownership.
- The Government should develop a more targeted successor to Help to Buy focused on households facing persistent barriers to ownership, while supporting additional housing delivery.
- The Government should reform Stamp Duty with a stronger focus on mobility, reducing barriers for second-steppers and downsizers as well as first-time buyers.

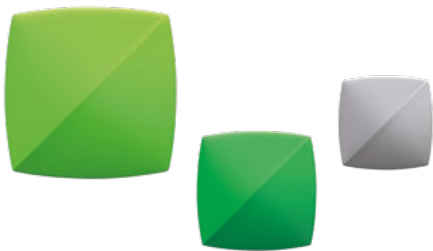
Modelling in this report shows the size of the opportunity. More widely available 5% deposit mortgages could enable 67,000 additional future homeowners to buy, more consistent use of existing lending flexibility could assist 198,000, and targeted Help to Buy-style support could assist 370,000. These interventions would need to be carefully designed and accompanied by additional housing supply, but they show where policy can have the greatest immediate impact.

Expanding the supply of suitable homes to create more choice

Increasing the range and availability of homes would support mobility throughout the system by making it easier for households to find homes suited to changing lives, incomes and family circumstances.

- The Government should adopt a broader and more flexible approach to housing supply that combines new build, brownfield regeneration, repurposing existing buildings and bringing empty or underused property back into use. ➤





- The Government should review the cost and regulatory pressures constraining urban regeneration and housing delivery.
- The Government should support responsible landlords to provide and expand the supply of good-quality rental homes by reviewing the tax treatment of landlords, better aligning incentives with other small businesses, and ensuring regulation encourages investment in rental supply.

Building stronger foundations for the housing market

A better housing market will also depend on earlier preparation, better guidance and more responsive policymaking, so that households can plan for ownership with greater confidence and government can respond more quickly when the ladder starts to jam.

- The Government should establish a more coherent long-term housing framework, including stronger independent oversight of housing supply, mobility and market functioning.
- The Government should modernise deposit support schemes to reflect the reality that many first-time buyers now purchase later in life.

- Regulators and lenders should work together to improve access to earlier and more consistent housing and mortgage guidance, to help households better understand realistic pathways into ownership and movement through the market. A key focus should be renters who have disengaged from ownership because they assume they will be rejected.

The British public has not given up on the housing ladder. Restoring it would help more people achieve the aspiration of ownership, but the prize is wider than that. A better-functioning housing market would support family life, caring responsibilities, ageing well, labour mobility, financial security and economic growth. The task now is to make the ladder work again for the lives people are trying to build.



The housing ladder still matters



For generations, the idea of a 'housing ladder' has shaped how people think about their home, aspirations and place in society. Renting, saving, buying a first home, then moving up was a familiar path, and one that matched people to jobs, families to the right home, and enabled a large part of the population to accumulate wealth.

A functioning housing ladder has never been only about ownership itself. It has also been about mobility through different stages of life – moving closer to work opportunities, finding space for children, supporting caring responsibilities, remaining connected to communities in later life, and adapting homes as needs change. When movement through the housing market slows, these wider social and personal changes become harder too.

While the public still believes in the concept of the housing ladder, the reality for many is that it no longer works as it once did. For a growing share of households, it is harder to reach and slower to move along.

Entry has become harder:

- Overall levels of homeownership fell from a peak of 70% of households in the early 2000s to just under 65% today.

- The decline has been much sharper for young adults – ownership among 25-to 34-year-olds fell from 59% in 2000 to 33% in 2015, and has only partially recovered to 39% in 2022.³

Progression has also slowed as the housing market has become smaller and less fluid:

- Annual UK transactions were typically 1.5-1.8 million in the early 2000s, equivalent to roughly 7-8% of housing stock changing hands each year. In recent years, transactions are closer to around 1-1.2 million annually, or around 4-5% of stock.⁴
- In the late 1980s, the average person moved home every nine years. In 2017, the average moving time was every 23 years.⁵

These trends are reshaping society and the economy, with fewer people able to own their home, and a growing divide between those who own property and those who rent. At the same time, housing delivery has struggled to keep pace with need, reinforcing pressure across the market and increasing the importance of a broader supply strategy that includes not only new build, but also brownfield regeneration, repurposing and the reuse of existing property.

3. <https://ifs.org.uk/articles/homeownership-young-adults-has-recovered-its-2010-level>

4. <https://www.gov.uk/government/statistics/monthly-property-transactions-completed-in-the-uk-with-value-40000-or-above>

5. <https://www.zoopla.co.uk/press/releases/brits-move-home-every-years/>



How the housing ladder is changing

To better understand how the housing ladder is changing, we have grouped the public according to both their current position in the market and their likely housing trajectory: repeat renters, future homeowners, first-time buyers, second-steppers, established homeowners and downsizers.

Our analysis is underpinned by new public polling conducted for this report.⁶ The typology helps us demonstrate how the housing ladder is jammed in different ways at different stages, moving beyond simply thinking about renters and owners.

Housing ladder typologies

Repeat renters

Renters who do not intend to buy, for whom renting is a long-term reality whether by choice or necessity. They report being least financially comfortable, with some facing real exclusion from ownership and others having disengaged after repeated barriers. They are split between renting privately and renting from a council or housing association.

First-time buyers

Homeowners that live in the first home they have purchased. Marginally older than future homeowners and report being the most financially comfortable.

Established homeowners

Homeowners who show little interest in moving home. They are older, more settled and financially comfortable, and are more likely to adapt their current home than move.

Future homeowners

Renters looking to become owners. Most rent privately and are the youngest group, with an average age of 34. Many still expect to buy, but some are delayed by affordability or deposits while others may be held back by uncertainty about mortgage eligibility.

Second-steppers

Homeowners who have moved on from their first home to another. They are older and more likely to come from professional and managerial socioeconomic groups (ABC1).

Downsizers

Over-55s interested in moving home, often to a smaller or more suitable property, but held back by a lack of appropriate homes, moving costs and the emotional burden of leaving a settled home.

6. Public First online survey of 4,008 UK adults, fieldwork conducted from 30 March 2026 - 15 Apr 2026. Data weighted to nationally representative proportions by education, gender, age, region, socio-economic group.

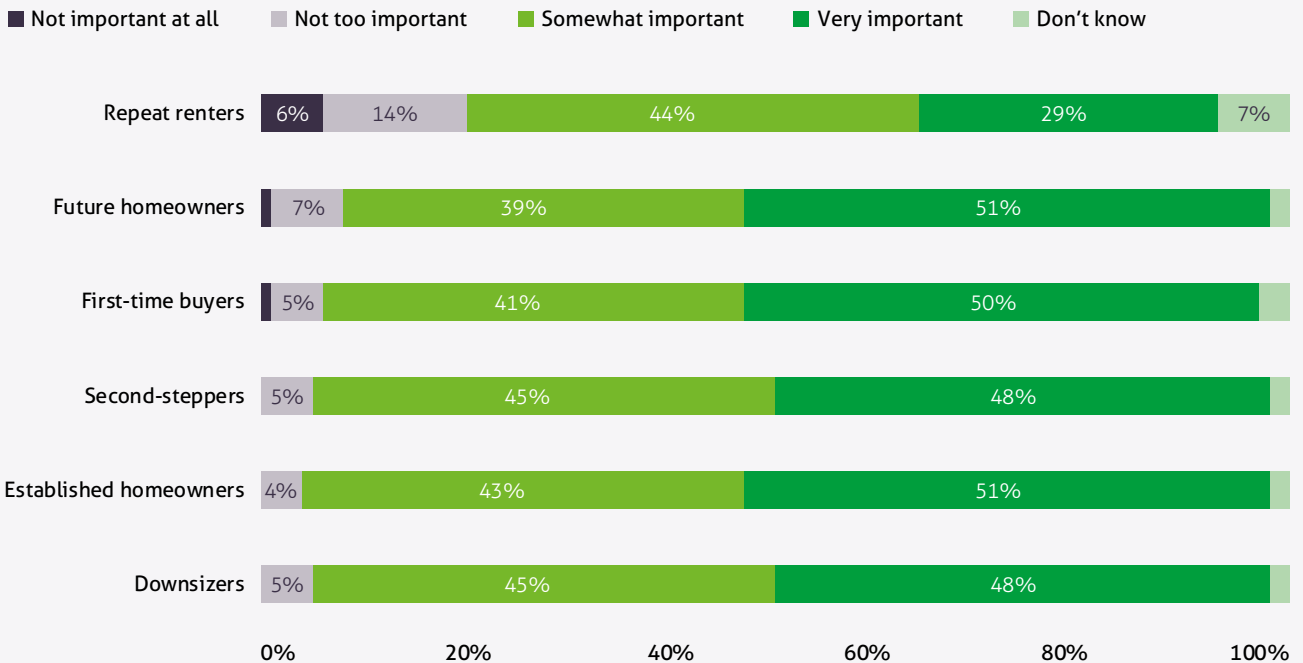


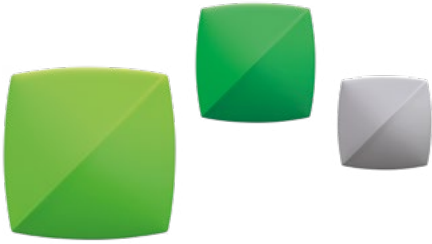
Almost everyone wants to own their home

Despite market pressures, public aspiration to own a home remains remarkably strong. A large majority of the public (88%) say that homeownership is important. This holds across socioeconomic groups and

tenures. Renters place almost as much importance on owning as existing owners, underlining that the value attached to ownership extends well beyond those who have already achieved it. >

How important people think it is to own their own home





➤ Homeownership is valued for a combination of practical, emotional and financial reasons. The most common benefit is seen to be the long-term stability it provides as a place to live (chosen by 64% of UK adults). Owning their home is also seen as a source of long-term financial security (54%), protection from rising rents (47%) and a way to build an asset that can be sold in the future (52%) or passed on to family (46%).

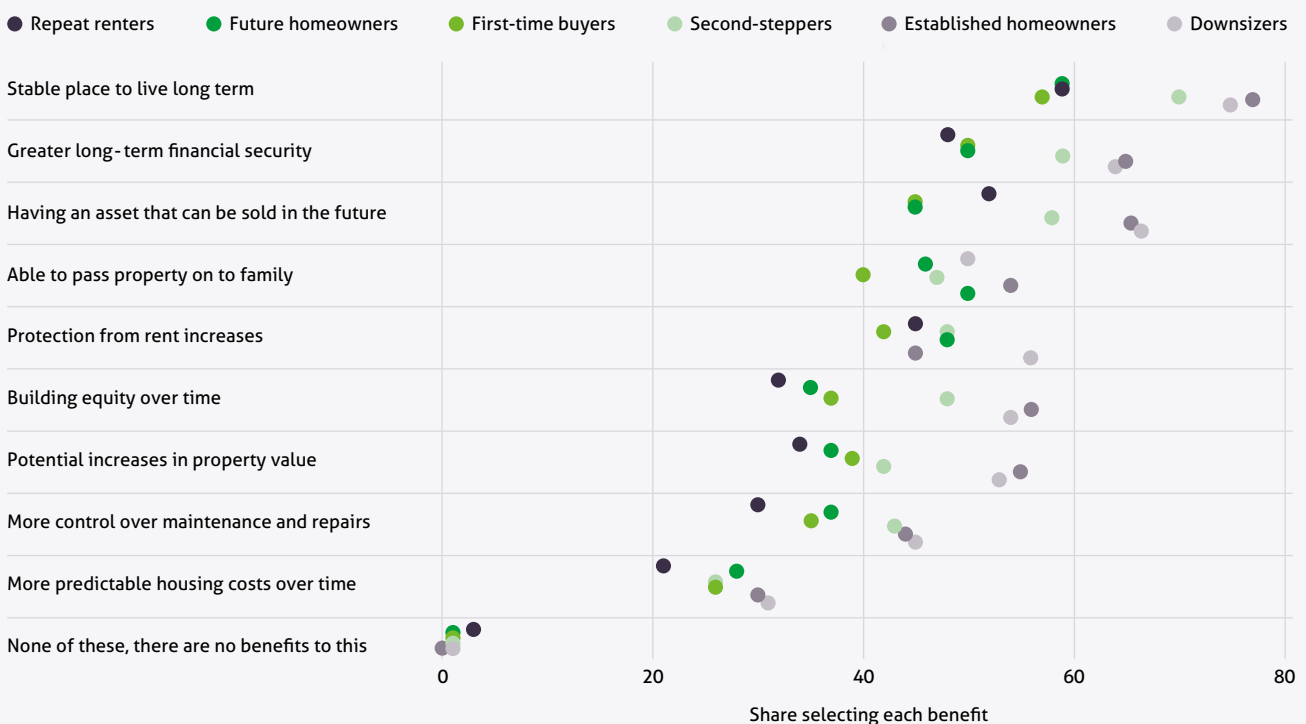
These values strengthen as people move up the housing ladder. While a majority of repeat renters and future homeowners already associate ownership with

providing a stable place to live (59%), this rises steadily among those with direct experience of ownership – from 57% of first-time buyers to 70% of second-steppers and 77% of established homeowners. Similar trends are observed in attitudes towards financial security and the ability to build an asset for the future, indicating that the experience of homeownership enhances its perceived value.

The findings show that the idea of the housing ladder continues to resonate not just as a cultural norm, but a means for achieving stability and security.

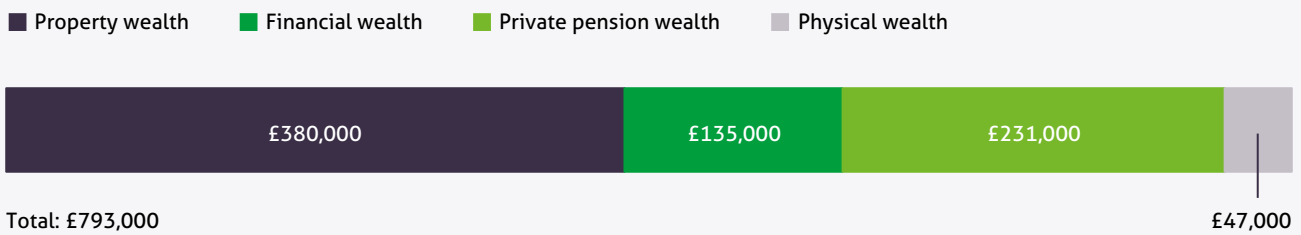
Benefits people see in owning a home

Which of the following do you see as benefits to owning a home?





Total wealth gap at retirement age between owner and renter households aged 65-74



Access to homeownership is a key driver of financial security

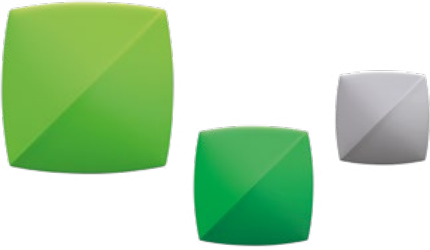
The widespread belief that homeownership offers financial security is supported by new economic modelling conducted for this report. Our evidence shows that homeownership has a profound impact on wealth accumulation over people's lifetimes.

By retirement, homeowners are on average six times wealthier than renters – a gap of £793,000 in today's terms.

Around half of this gap (£380,000) is directly attributable to property wealth, with the remainder reflecting differences in financial assets, pensions and other forms of wealth.

Worryingly, the wealth gap between renters and owners is projected to widen. For today's 30- to 40-year-olds, the difference in wealth between homeowners and renters could reach £1.6 million by retirement age. This is estimated by projecting wealth accumulation for owners and renters currently aged 30-40, assuming current ownership status doesn't change, and considering property value increases, income characteristics, consumption habits and average rental values for renters.

Around 63% of this projected gap is driven directly by homeownership – including £595,000 from property wealth and £406,000 from lower housing costs compared to renting – with the remainder explained by underlying income differences. >

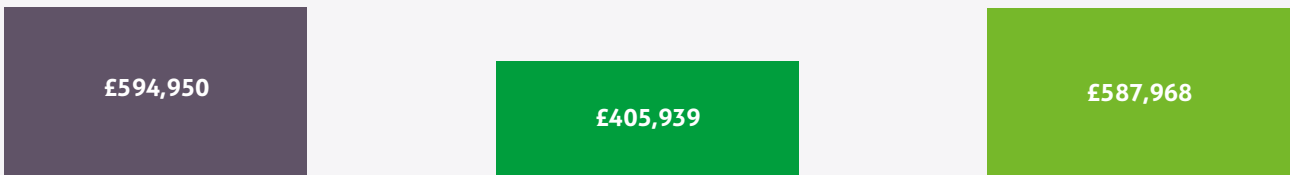


➤ We also project that the wealth gap will continue widening beyond retirement. By end-of-life (based on a life expectancy age of 88) the difference in wealth between owners and renters could reach £2.6 million in today's prices, reflecting the fact that owners will continue to accumulate housing wealth beyond retirement, while many renters will pay housing costs later in life.

The impact of homeownership on people's capacity to build wealth is especially important for those on lower incomes, for whom property is often the main significant asset they are able to build beyond pension wealth. By retirement, lower-income owners are expected to be typically seven to 10 times wealthier than lower-income renters, compared with around twice as wealthy among higher-income households. ➤

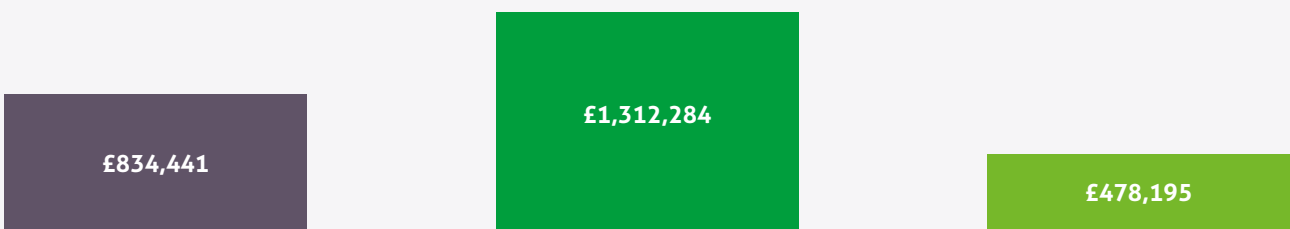
Owner-renter wealth gap projection for households aged 30-40, holding ownership status fixed to age 67

■ Property capital gain ■ Housing cost savings ■ Income & endowment



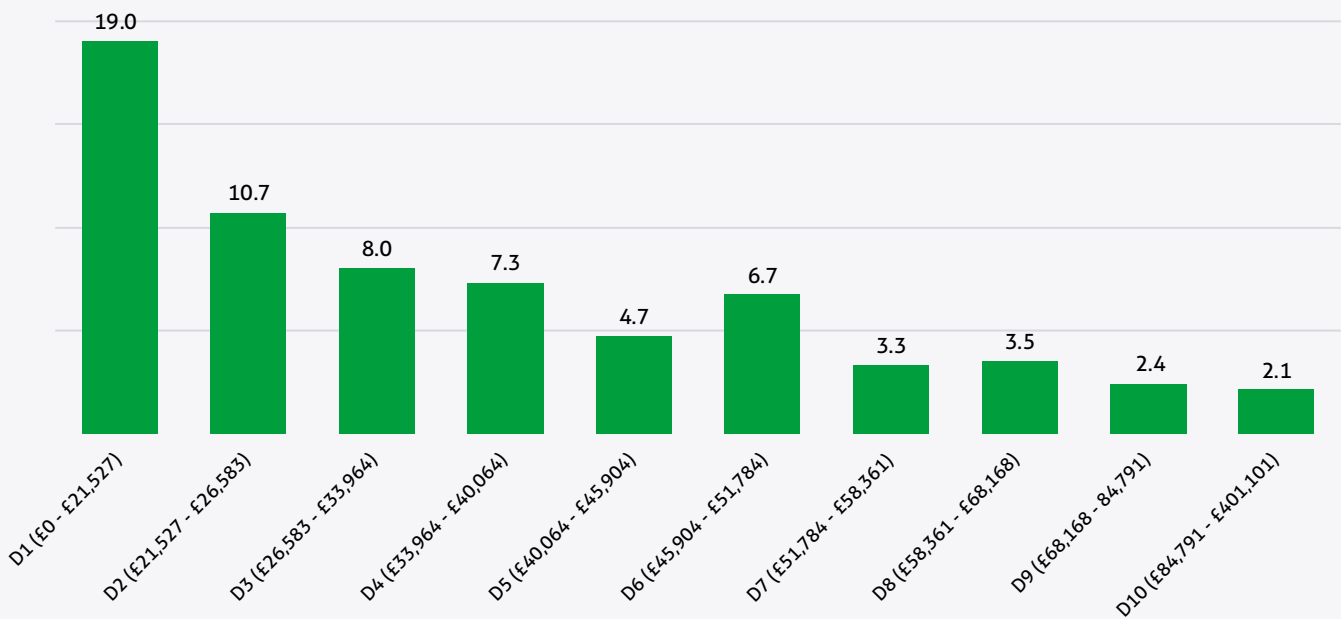
Owner-renter wealth gap projection to end of life

■ Property capital gain ■ Housing cost savings ■ Income & endowment





Ratio of owner to renter total household wealth, including pension wealth, by income decile



➤ The data reflects a fundamental difference in how wealth is accumulated across the income spectrum. For lower-income households, housing costs and everyday expenses absorb most of their income, leaving little capacity to build financial savings. As a result, property wealth tends to be the only meaningful source of wealth for low-income owners, and its absence leaves low-income renters with virtually no retirement wealth at all. ➤





➤ For higher-income households, the picture is different. Once housing costs and consumption are met, a substantial share of income remains available to build financial savings and pension wealth throughout working life.

Property still confers a significant advantage, but it represents a smaller share of a larger total meaning the relative gap between owners and renters, while still substantial in absolute terms, is proportionally smaller.

Differences in wealth between owners and renters will have a defining impact on relative financial vulnerability in retirement.

Our analysis finds that around 70% of renter households will exhaust their liquid wealth before the expected life expectancy age of 88 if they maintain similar living standards into retirement, compared with only around 6% of owner households.

The findings show homeownership is one of the central mechanisms through which households achieve financial security and build wealth. Ensuring that more people can access the housing ladder and progress up it will therefore be critical to supporting living standards.

Our analysis finds that around 70% of renter households will exhaust their liquid wealth before the expected life expectancy age of 88.



The ladder is jammed



Despite its importance to supporting mobility and living standards, the housing ladder is jammed at every rung. A large part of the population is looking to move home – our polling finds three in 10 adults have seriously considered moving in the last year – yet actual movement in the housing market remains limited, with only around 4-5% of housing stock having changed hands annually.

Too many households are stuck where they are, either because they cannot get on the ladder, cannot move up it, or cannot make the later-life move that would free up homes for others. While people want to move home, our research shows that they are running into different types of constraint depending on their position on the housing ladder.

Hard financial barriers are most visible, including insufficient income, savings, credit profile or suitable housing options. But uncertainty, risk and confidence also matter, from whether a household thinks it would be accepted for a mortgage to whether moving feels worth the cost, stress and disruption involved.

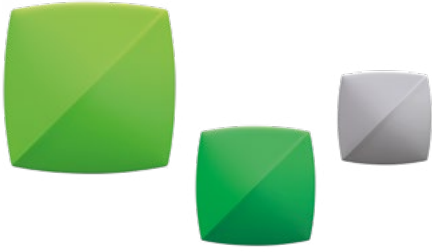
This chapter examines how those barriers differ throughout the ladder, from renters trying to buy or facing long-term exclusion from ownership, to first-time buyers and second-steppers looking to move on, to older households considering whether to downsize or adapt their home.

Renters trying to move forward

Future homeowners are the group most likely to have considered moving in recent years. Just under half (49%) say they seriously looked to move in the past year.

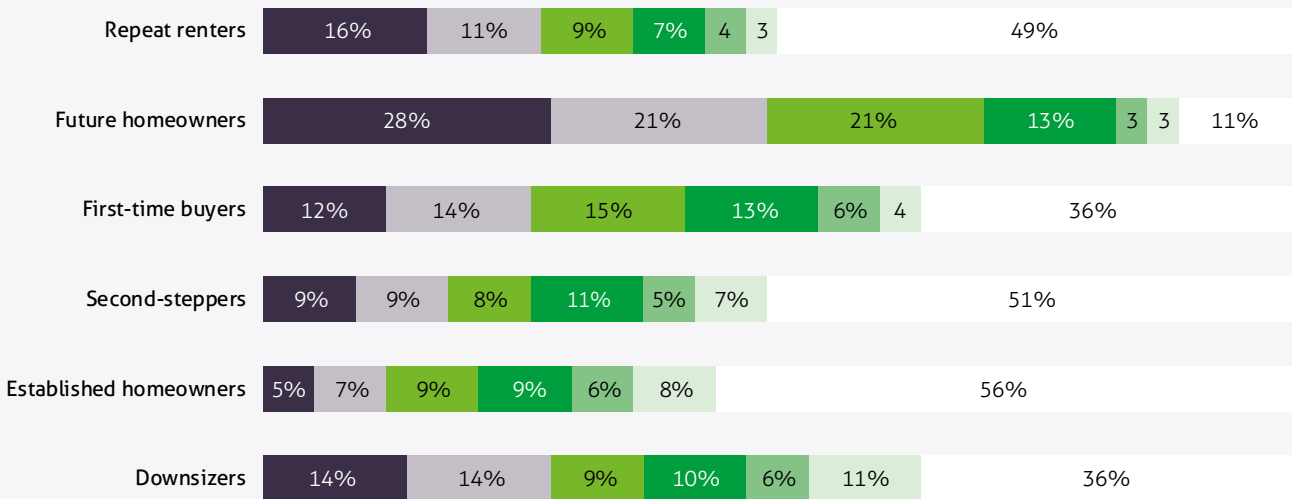
Among future homeowners, 48% cite the high cost of living as a personal barrier to getting onto the housing ladder and 44% say homes are too expensive, while 31% say that higher mortgage rates would make monthly payments unaffordable and 31% say that they do not have enough savings for a deposit, although the balance of these pressures varies across the country. By delaying ownership, these barriers can also stall important life moments for many households, like starting a family and putting down roots in a community. >





How recently did you last seriously look to move to a new home?

Within the last 6 months
 Within the last year
 Within the last 2 years
 Within the last 5 years
 Within the last 10 years
 More than 10 years ago
 I am not looking to move in the future



> Many future homeowners perceive mortgage access to be difficult. Over half (56%) of future homeowners believe it would be difficult for them to get accepted for a mortgage, compared to 41% of owners. When asked why mortgages are difficult to access, future homeowners most commonly cite high living costs (44%), wages not keeping up with rising house prices (40%) and high deposit requirements (39%).

Future homeowners are also more likely than the national average to say credit checks place too much weight on past issues.

The findings appear to reflect a combination of genuine affordability constraints, uncertainty about how lenders assess eligibility and lack of confidence in navigating the process. >



Case study:
Moving up the housing ladder and building long-term stability

David and Natalie, a couple from County Durham with two children, spent years moving between private rented accommodation and social housing while trying to save enough for a deposit to buy a family home. Although both worked full time, rental costs repeatedly limited their ability to build savings, delaying their move into more suitable housing for their growing family.

Access to Yorkshire Building Society's £5k Deposit Mortgage helped them take their first step onto the property ladder, enabling them to purchase a larger four-bedroom home close to family and friends. They described the move as transformative for their family life, giving their children more space, improving their sense of stability and allowing them to feel more financially secure for the future.

Their experience illustrates how barriers to moving through the housing ladder can shape wider family, community and quality-of-life outcomes.

Repeat renters are less likely to want to move home than future homeowners. Half say they have not considered moving within the past 10 years – of those who don't plan to move, most say this is because they are settled in their current home (57%). But settled should not always be read as satisfied, and not expecting to buy should not always be read as preference. Many repeat renters still value ownership but have adjusted their expectations in response to repeated financial barriers to entry. A significant share (26%) believe their credit history would prevent them from borrowing, while repeat renters are most likely of all groups to think the cost of housing makes buying a home difficult. >





➤ Repeat renters face a different set of pressures to future homeowners in the housing market. Just 15% say they are comfortable financially compared to 37% of future homeowners. Around a third (34%) of repeat renters say they can only just afford their costs and 12% say they cannot afford their costs and have to go without essentials like food and heating. Repeat renters are also the most likely group to say there were not enough suitable homes to choose from the last time they looked to move.

Among both groups, historic adverse credit can be one of the most significant barriers to homeownership. For some households it is a direct blocker to borrowing, even where their current circumstances may be more stable than their past credit record suggests. For others, it shapes expectations before they ever approach a lender.

The risk is that historic adverse credit becomes a lasting form of exclusion rather than a proportionate assessment of current affordability.

Reasons why people do not want to move home

	Repeat renters	Future homeowners	First-time buyers	Second-steppers	Established homeowners	Downsizers
I feel settled in my current home	57%	37%	54%	69%	80%	73%
I like my neighbourhood/local area	46%	36%	43%	59%	67%	62%
I feel safe	47%	38%	52%	56%	63%	54%
My property meets my needs (e.g. enough rooms)	42%	25%	42%	58%	69%	58%
My current home is affordable (e.g. rent, mortgage, bills)	46%	40%	36%	37%	41%	41%
I live close to friends and family	37%	21%	32%	36%	41%	34%
I have made improvements to the home	17%	15%	28%	36%	42%	40%
The costs associated with moving are too high	28%	38%	26%	23%	27%	30%
I have paid off or am close to paying off my mortgage	0%	0%	26%	42%	44%	38%
Suitable housing is hard to find	38%	37%	18%	11%	14%	19%
It is convenient to get to work	19%	23%	30%	17%	10%	18%
Children are settled in local schools	12%	22%	18%	16%	8%	3%
My health/mobility make it difficult to move	17%	5%	9%	8%	11%	8%
I am tied to a contract/lease	3%	6%	5%	1%	0%	0%
Other (please specify)	3%	5%	1%	1%	4%	3%
None of the above	2%	1%	2%	2%	1%	2%



First-time buyers and second-steppers

For those looking to progress up the housing ladder, the challenge of moving home is centred around the costs, friction and suitability of moving rather than the high cost of living and housing, even though those factors remain important.

First-time buyers, though they have made it onto the ladder, are in a market generally shaped by high prices, high interest rates and limited stock.

They are especially concerned about the challenge of selling their property, being far more likely to think selling a home will be difficult than second-steppers, established homeowners and downsizers.

First-time buyers are particularly concerned around whether they can sell to a buyer they feel comfortable with, such as a family or landlord (23% say this is a concern), whether there will be enough buyers on the market (19%) and requirements to provide upfront information (21%). >

Factors that would make selling a current home difficult

	First-time buyers	Second-steppers	Established homeowners	Downsizers
The time and stress involved in selling a home	38%	43%	34%	42%
Fees associated with selling (e.g. estate agent, legal fees, valuation, mortgage arrangements)	37%	35%	32%	36%
Preparing the home for sale (e.g. repairs, decorating)	31%	28%	22%	33%
Wouldn't sell for the right price	28%	22%	22%	27%
None of the above, it would not be difficult	9%	22%	32%	17%
Providing information to potential buyers, like EPC ratings	21%	13%	16%	17%
Not enough buyers on the market	19%	14%	10%	17%
Making sure I sell to the right people (e.g. a family, a landlord)	23%	12%	8%	8%
Don't know	5%	5%	5%	5%
Other (please specify)	1%	0%	3%	2%

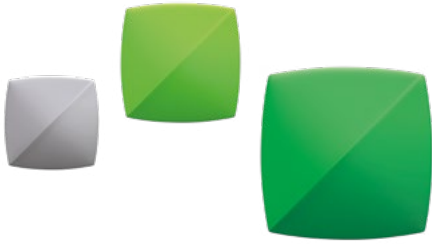
➤ Among second-steppers, 36% cite the costs associated with moving as a barrier to buying their next home, 31% cite Stamp Duty, 29% the time and stress involved in buying, 27% not being able to find a home in the area they want to live in, and 26% not being able to find a home with the amenities they want.

When it comes to selling their home, second-steppers are also more likely to be concerned about the time and stress involved in selling than the national average.

For households already on the ladder, the constraint to moving home is less about clearing the first financial hurdle and more about whether the next move is worth the cost, stress and tax. The polling shows these frictions are making movement through the housing market less attractive for many households, particularly second-steppers balancing growing families, work and caring responsibilities. This aligns with wider evidence that people are moving home less frequently than in previous decades, contributing to a slower and less mobile housing market overall.

Factors making it personally difficult to buy a home

	Repeat renters	Future homeowners	First-time buyers	Second-steppers	Established homeowners	Downsizers
Homes being too expensive	51%	44%	38%	41%	34%	40%
High cost of living	49%	48%	39%	38%	32%	31%
The costs associated with moving (e.g. legal fees, surveying, moving and storage)	26%	25%	29%	36%	35%	37%
Cost of Stamp Duty when buying a home	22%	19%	23%	31%	34%	35%
Not being able to find a home in the area I want to live in	15%	21%	21%	27%	33%	41%
The time and stress involved in buying a home	17%	19%	25%	29%	33%	32%
High interest rates on a mortgage would mean higher monthly payments	29%	31%	26%	28%	18%	14%
Not being able to find a home with the amenities I want (e.g. right number of bedrooms, size of kitchen, garden)	9%	18%	20%	26%	27%	31%
Having enough savings or equity for a mortgage deposit	36%	31%	20%	17%	15%	10%
Paying for repairs or renovations in a new home	20%	19%	22%	20%	19%	21%
Not being able to borrow the amount I would need to buy a home	33%	24%	18%	17%	11%	10%
Having to borrow more money from a lender	20%	18%	16%	13%	13%	9%
There are not enough homes available in general	14%	14%	14%	10%	9%	13%
Unable to borrow money due to credit history	26%	18%	9%	7%	4%	4%
Not understanding the process or knowing where to start	13%	16%	9%	3%	2%	5%



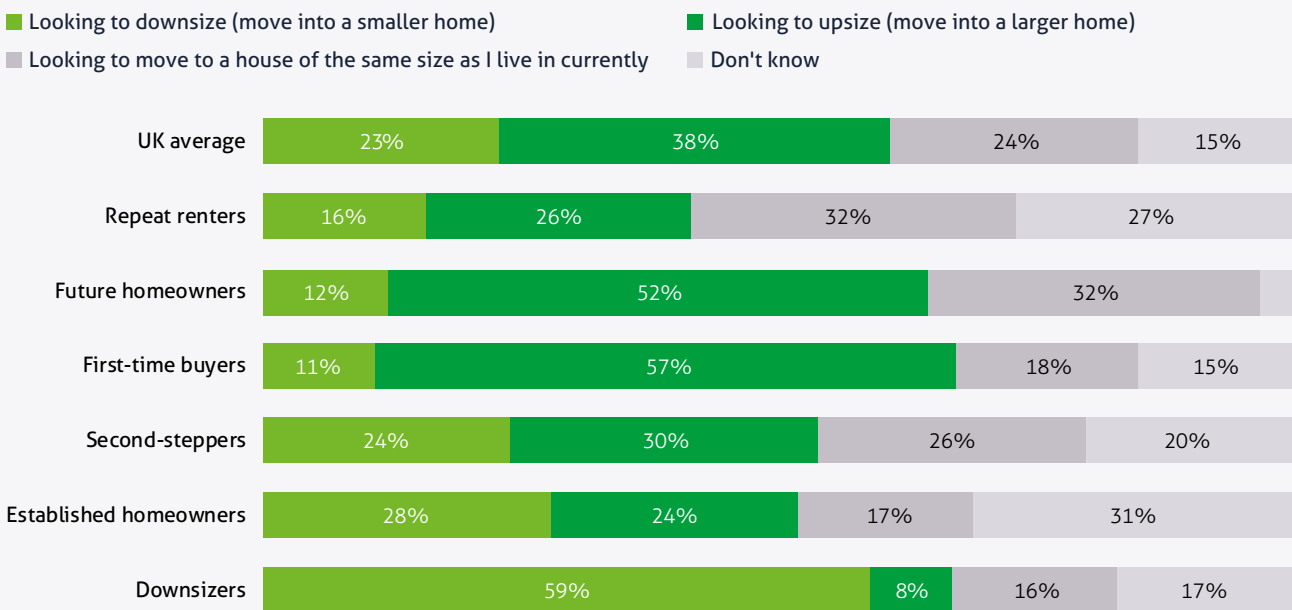
Downsizers

While expectations of moving home decrease with age, there remains a large proportion of older generations who expect to move in the future.

Just under half (48%) of people aged 55 to 64 plan to move home over the next decade, compared to 30% of people aged 65 and over. Half of those aged over 55 who want to move say it is to downsize.

Downsizers face a distinct challenge in the housing market. They are the most likely of all groups to say the shortage of appropriate homes stops them from moving (41% identify this as a barrier), as well as citing the burden of making a move in later life, such as the time and stress involved in selling (42%), the costs associated with moving (37%) and the cost of Stamp Duty (35%). >

Which of the following best apply to the home you intend to move to?





➤ Homes being too expensive remains important, but so do comfort, familiarity and the emotional realities of leaving a home and community that may have suited them for many years. For many older households, moving is not simply a financial calculation, but an emotional and social one too. It is tied to questions of independence, proximity to family, maintaining social connections and finding homes that remain suitable as needs change.

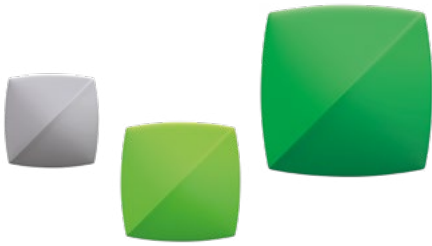
Yet many prospective downsizers stay put. Of those who do not want to move, 73% say it is because they are comfortable in their current home, 62% because they like their local area and 58% because their property meets their needs.

Staying put, improving and adapting

For some households, the answer to changing housing needs has been to improve or adapt their current home rather than to move somewhere new. The high cost and friction of buying and selling a home will be one factor that explains why home adaptation has become the default option for many instead of moving somewhere new, though the polling also shows the strength of attachment many people have to their community, support networks and local services. In many cases, staying put reflects attachment and stability as much as financial constraint.

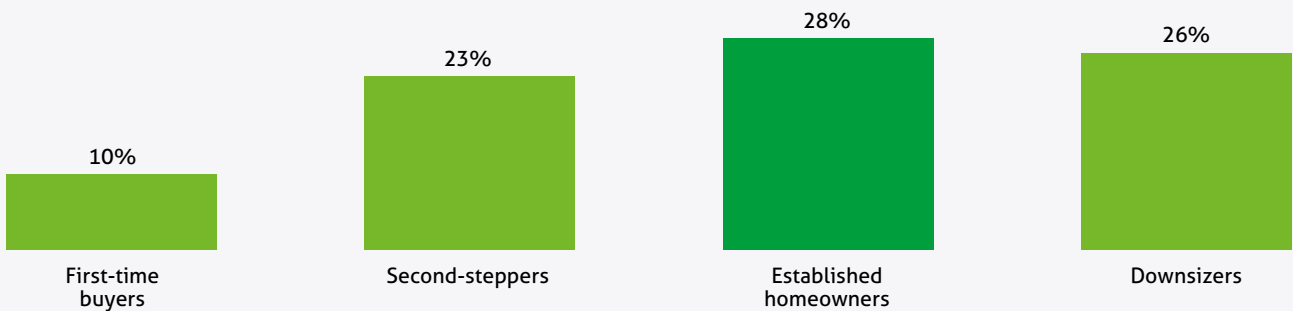
Established homeowners – homeowners who have moved previously but now expect to remain in their current home long term – are the most settled of any group in their home and area. They are most likely to feel their property meets their needs and show least interest in moving home. This group are also the most likely to have extended their property. Among established homeowners that had extended their property, close to two-thirds of this group (63%) did so to create more living space and just under half (46%) did so to improve the layout of their home. ➤





Established homeowners are most likely to have completed an extension

Share who say they have completed an extension on their property



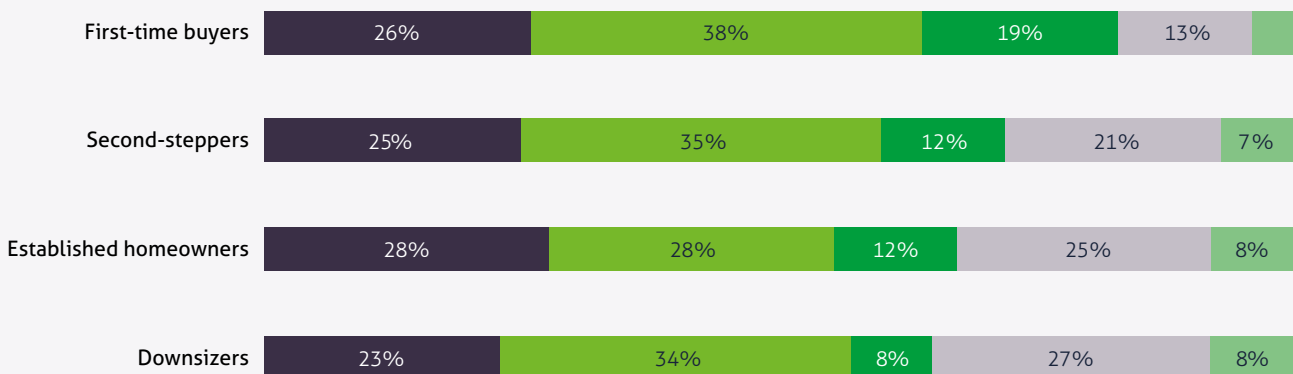
Along with downsizers, established homeowners are also most likely to have invested in improving the energy efficiency of their home. A third (33%) have invested

in energy efficiency improvements – with 84% saying they did so to reduce their energy bills.

Energy-efficiency improvements by housing journey stage

Share selecting each answer

No
 Yes, I have considered it
 Yes, I plan to do it in the future
 Yes, I have previously invested in it
 Yes, I have previously invested in it and plan to do more



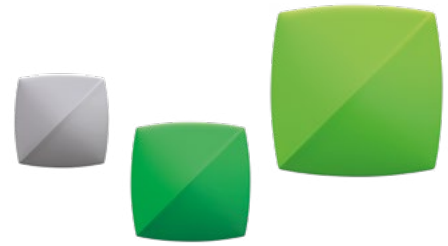
More homes, more choice

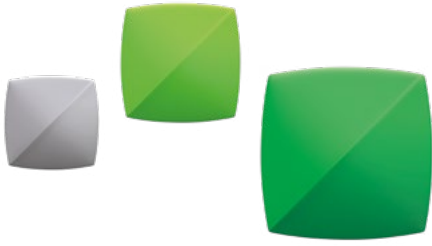
For the housing ladder to work more effectively, and for the housing market to become fairer, the UK needs more homes. The housing shortage is felt across the country when people find it difficult to find a home that is affordable, suitable and available when they need to move. For many households, that means being priced out of ownership. For others, it means struggling to find a rental home that meets their needs. For others still, it means finding that next step on the ladder – whether upsizing or downsizing – is harder than it should be.

This chapter sets out how the shortage of suitable homes is reducing choice across the housing ladder, with renters facing particularly acute pressures, and why a fairer housing market depends on increasing both the quantity and quality of supply.

Limited choice is driving dissatisfaction

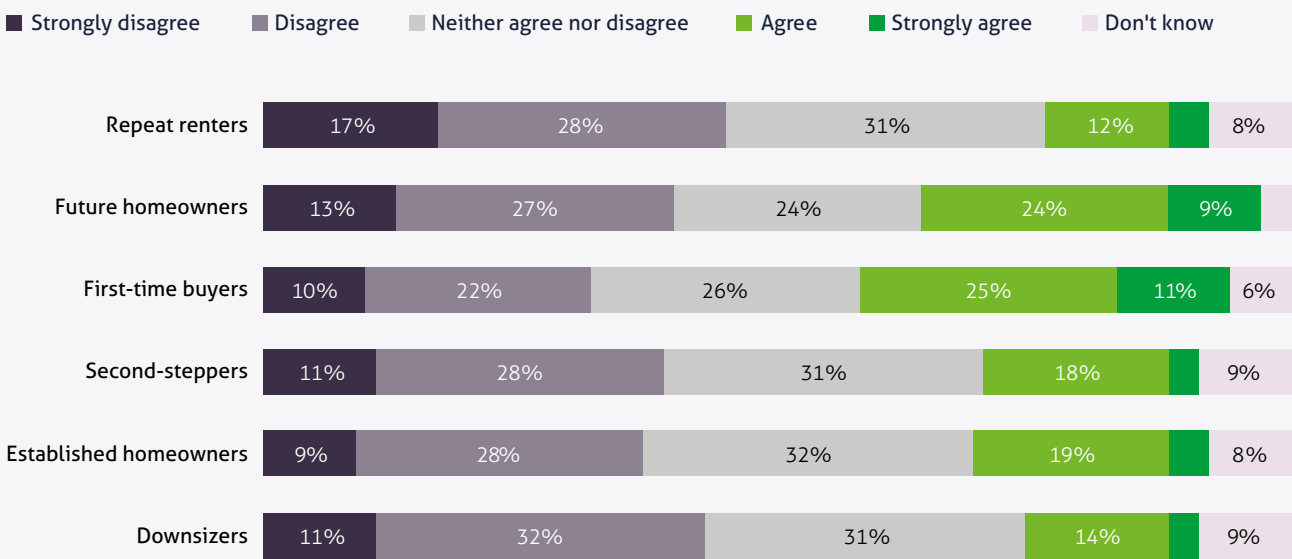
The impact of the housing shortage is feeding dissatisfaction because too many people cannot find the right home when they need to move. Every group on the housing ladder, other than first-time buyers, is more likely to say the housing market is not functioning as it should than to say it is working well. >





Views on whether the housing market is functioning as it should

Share selecting each response by housing journey stage



The market is not providing enough suitable homes

The problem is not only that there are too few homes overall, but that too few households feel the market offers them the right options when they need to move. Just over four in 10 future homeowners (41%) live in a property that wasn't their first choice, and 28% of first-time buyers. Similarly, over half (53%) of future homeowners and 42% of first-time buyers report facing a lot of competition for property the last time they moved home.

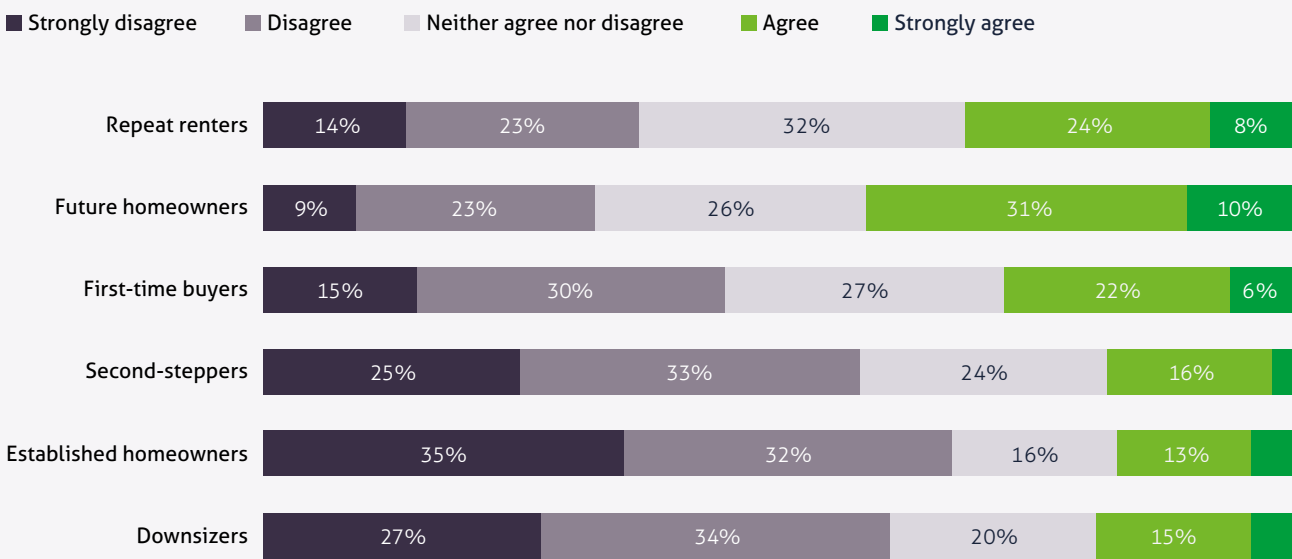
These pressures vary between renters and owners across the country. In every region, renters are less likely than owners to say there were enough homes to choose from that fit their needs when they last looked to move.

In the North East, for example, only 21% of renters say there were enough suitable homes, compared with 45% of owners. In the East of England the figures are 25% and 45%; in the North West, 30% and 48%; and in Yorkshire and the Humber, 29% and 40%. >



Whether people accepted a home that wasn't their first choice

Last time respondents moved home



➤ These findings suggest that housing pressures are not solely about headline prices, but also about whether households can find homes that are available and realistically accessible within local markets.

The impact on renters is pronounced because they are generally under greater financial strain. Renters in some places, such as Yorkshire and the Humber where 41% say it would be impossible or a struggle to pay more rent each month, experience high rent pressure alongside

a weak sense that enough suitable homes are available. More rental homes are needed not only to ease prices, but to improve the quality and range of choices available within local markets.

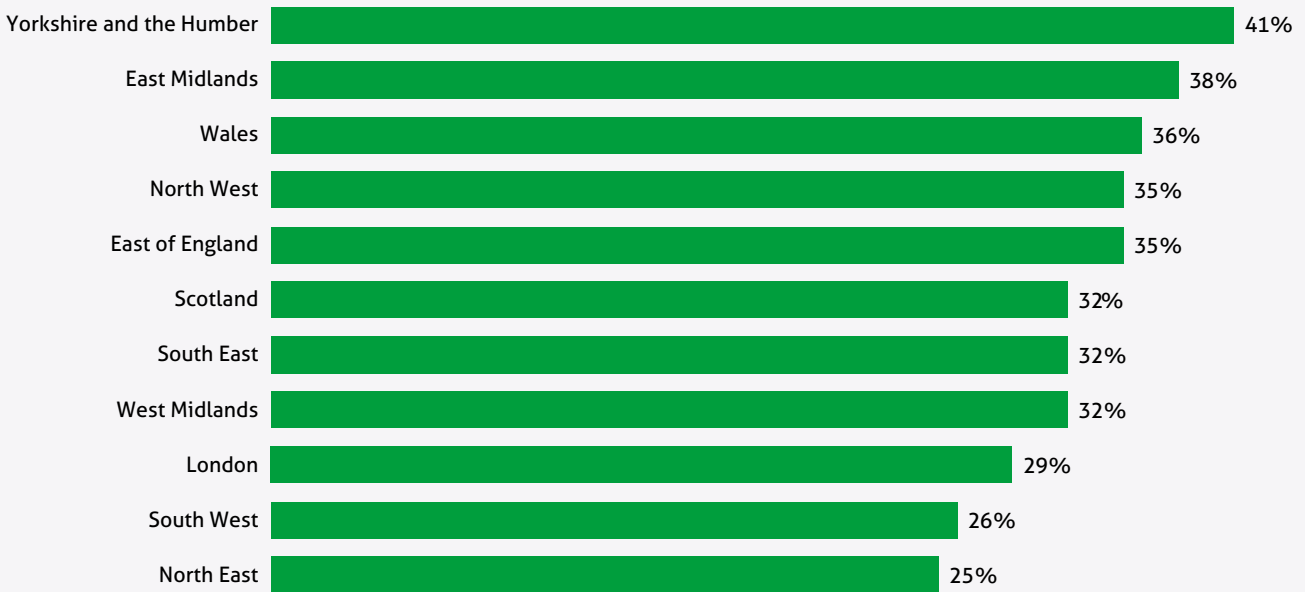
Renters need more choice and quality

The need for more homes is particularly acute in the rental market. Renting is a stepping stone to ownership for many, and for others a long-term reality. ➤



Renters who would struggle to pay more rent vary by region

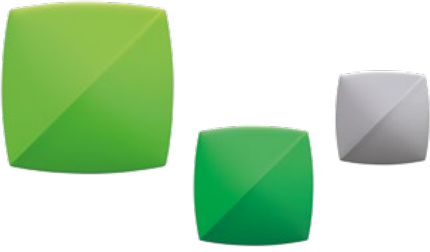
Share saying it would be impossible or a struggle to pay more rent each month



➤ Meeting the needs of future homeowners and repeat renters, whether that is providing more financial room to save for a deposit each month or simply a more comfortable home, requires improving choice and quality in the sector.

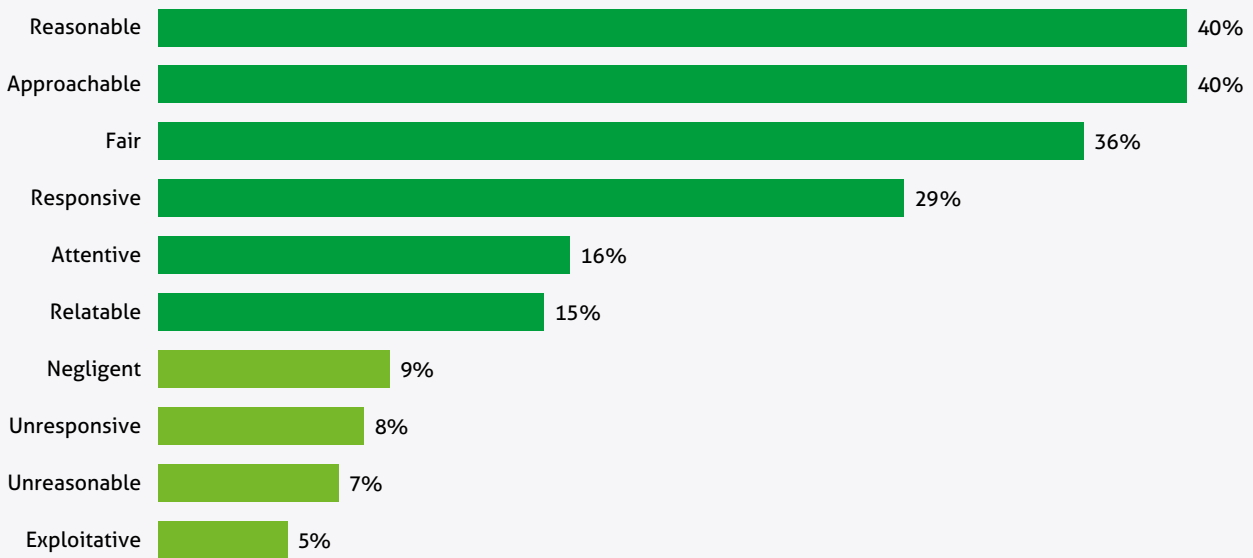
Increasing and improving rental supply necessitates supporting responsible landlords. While much of the public debate casts landlords in a bad light, our polling finds that the reality is most private renters are substantially more likely to

describe their landlord positively than negatively. Among private renters, 40% describe their landlord as reasonable, 40% as approachable, 36% as fair and 29% as responsive. By contrast, only 9% say negligent, 8% unresponsive, 7% unreasonable and 5% exploitative. The polling does not distinguish between different types or scales of landlord, but it suggests renters' experiences are often more mixed and nuanced than public debate sometimes implies. ➤



How private renters view their landlord

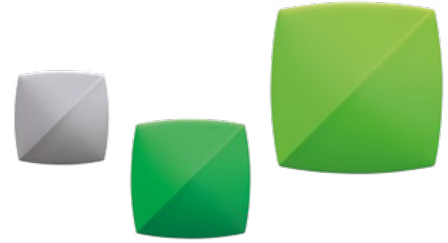
Which of the following would best apply to how you view your own landlord? Select up to three.



➤ These findings show there is a broad set of responsible landlords and that many renters see them as part of a functioning housing market rather than outside it. A healthier market should be judged not only by the strength of regulation, but by whether renters have more affordable and better-quality options than they do today.



A less mobile housing market is costing the UK



The challenges people face when looking to move home matter not just for households themselves, but for the wider economy. A more mobile housing market supports both economic activity and better life outcomes by helping households adapt as their circumstances change. It generates spending, construction activity and tax revenue, while also making it easier for people to move for work, access homes suited to their physical and financial needs and respond to changing family or caring responsibilities. When the housing ladder is jammed, mobility is reduced, holding back people's lives and the economy.

This chapter examines the cost of a less mobile housing market, showing how blockages at different points on the housing ladder constrain individual life chances, weaken transaction activity and reduce the wider growth benefits that come from enabling people to move.

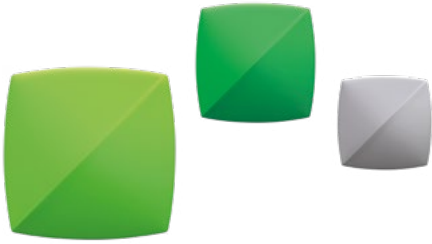
Housing mobility supports life changes and economic activity

Moving home is often how households adjust to work, family, care and later life needs. It also generates significant economic activity. Modelling conducted for this report finds that every home sale generates £27,000 in gross value added (GVA) – a measure of the economic activity created through spending associated with buying and selling homes, from legal fees

and removals to renovation and furnishing. It also generates £14,000 of additional revenue for the Exchequer, through Stamp Duty, corporation tax and VAT.

The benefits are larger once housing chains are taken into account. Around 70% of UK transactions involve chains, with an average length of 3.5 transactions per chain. Taking these wider chain effects into account, each housing transaction is estimated to generate around £66,000 in total GVA on average through both its direct economic effects and the additional activity created elsewhere in the market. This does not mean every transaction triggers a completely separate chain of equal value, but reflects the average cumulative impact of linked housing moves across the market as a whole. ➤

Every home sale
generates £27,000
in gross value added
(GVA).



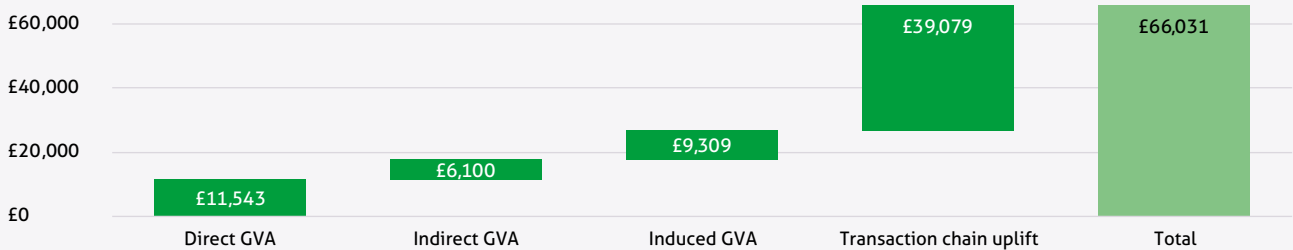
➤ Based on UK transactions statistics, we estimate that housing sales contributed almost £28 billion to the economy in 2025 alone. If the 5.8 million transactions forecast by the OBR take place between 2026 and 2030, housing sales could support £157 billion of GVA and generate £80 billion in tax revenue for the

Exchequer, mainly from corporation taxes and Stamp Duty.⁷

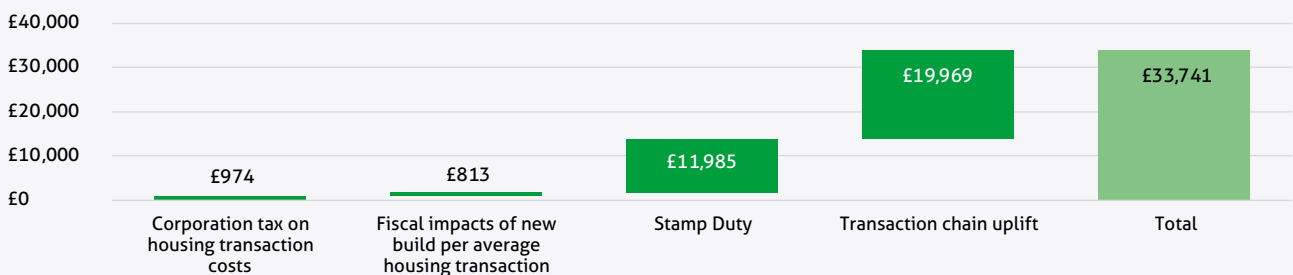
These figures demonstrate the potential economic benefits of unlocking moves across the housing ladder. When households are able to move, the benefits extend far beyond the individual transaction.

GVA and fiscal impacts of housing sales

GVA:



Fiscal:



NOTE: Direct GVA refers to activity from transaction spending itself; indirect GVA captures supply chain activity; induced GVA captures wider spending supported by that activity. Transaction chain uplift reflects additional activity from linked moves in a housing chain.

7. Based on 5.8 million transactions forecasted by the OBR for the period 2026-2030.

NOTE: Average value of the chain associated with each home transaction. We estimated that every home sale generates £27,000 in GVA. Literature also shows that around 70% of transactions involve chains and that the average chain length is 3.5 transactions. Therefore, the total value of the average chain associated with a home sale is: £27,000 x 3.5 (transactions) x 70% (% of transactions involving chains) = £66,150 (rounded to £66,000)



Case study:
Housing mobility and life progression

Leona and Mark, both in their twenties, had spent years living in a small council flat while trying unsuccessfully to save for a deposit large enough to buy a family home. Although both worked full time, high upfront costs repeatedly prevented them from moving. They had begun to give up hope of purchasing the home they wanted and delayed plans around marriage and starting a family.

Access to Yorkshire Building Society's £5k Deposit Mortgage ultimately allowed them to move into a larger home. They described the move as enabling them to 'stop planning and start living', giving them the confidence to think about marriage, children and long-term stability in a way that previously felt out of reach.

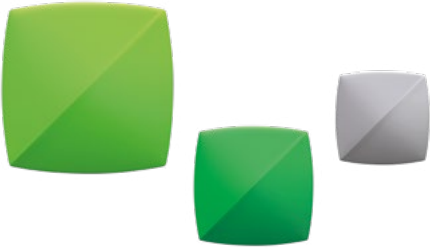
Backing future homeowners unlocks growth

One of the most economically significant blockages in the housing market is at the point of entry. When fewer people are in a financial position to purchase their first home, the effects are felt well beyond aspiring owners themselves. Fewer people buying their first home means less transactions, shorter or broken housing chains, and weaker demand for new homes.

Using national survey and housing market data, our analysis estimates that just 11% of renters aged 20 to 44 are currently in a financial position to buy a home in England under current market conditions.⁸ In London, that falls to just 5%, underlining how narrow the point of entry to ownership has become. >



8. Analysis of the Wealth and Assets Survey round 8



➤ Affordability conditions are less severe in some lower-cost parts of the country, although many households in these areas still face barriers linked to deposits, financial resilience and mortgage accessibility.

Supporting more future homeowners to buy their first home would have a strong, positive effect on the economy by increasing transaction chains, stimulating additional housebuilding and generating significant GVA and fiscal revenue. To test the scale of that opportunity, we modelled the potential impact of three illustrative interventions aimed at widening access to homeownership:

1. Introducing a Help to Buy-style equity loan scheme would have the largest effect, enabling around 370,000 additional future homeowners to afford a property. That would translate into around 55,000 extra purchases per year, support the construction of approximately 20,100 additional new homes, and generate around £9.4bn in annual GVA and £2.8bn in annual fiscal revenue. In practice, any successor scheme would need to be carefully targeted and implemented as part of efforts to unlock additional housing delivery.

2. Supporting more consistent use of higher loan-to-income lending within existing responsible lending flexibility would enable around 198,000 additional future homeowners to afford a property. This would support around 30,000 extra purchases per year, generate £5.2bn in annual GVA, and raise around £1.5bn in annual fiscal revenue.

3. Making 5% deposit mortgages more consistently available to creditworthy borrowers would enable around 67,000 additional future homeowners to afford a first property.⁹ This would support around 10,200 extra purchases per year, generate £1.9bn in annual GVA, and raise around £550m in annual fiscal revenue. ➤



9. 5% interest rate assumed.



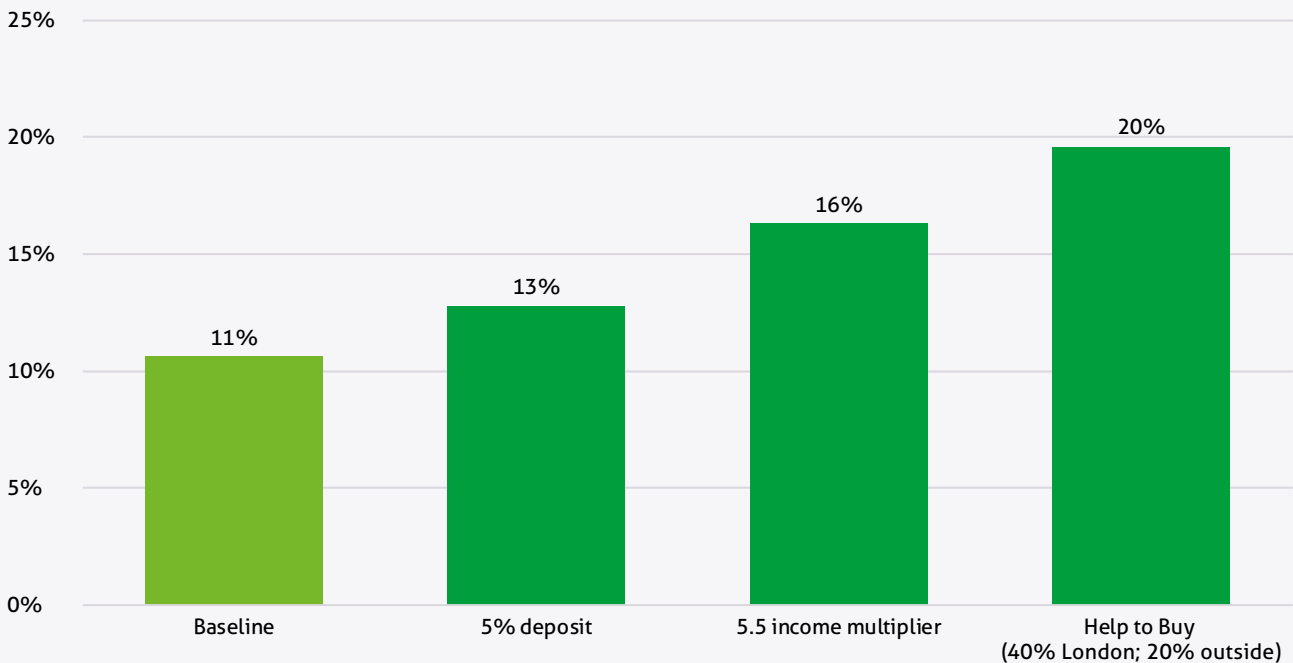
➤ This modelling illustrates the scale of demand among households whose main constraint is borrowing capacity. It should not be read as a case for blanket increases in income multiples or looser lending standards. Rather, it shows the potential economic and social gains from supporting future homeowners through targeted equity loans and enabling lenders

to use existing flexibility more confidently and consistently where borrowers meet responsible affordability tests.

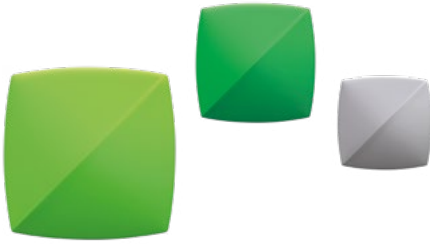
Any measures to widen access to ownership would also need to be accompanied by sustained increases in housing supply to support long-term affordability and market stability.

Impacts of tested policies on potential first-time buyers able to afford buying a home

Percentage of renters aged 20-44 who could buy



Note: Percentages show the share of renters aged 20 to 44 who could meet the modelled deposit, borrowing and repayment tests under each scenario.



Supporting downsizers and adaptation supports growth too

A more mobile housing market also depends on moves in later-life. Supporting older households to move into homes designed for retirement, or to adapt their existing home as their needs change, can generate substantial economic value. In the case of downsizing, this comes both from the construction of appropriate homes and from the additional transactions triggered elsewhere in the market as homes are freed up. In the case of adaptation, it comes from the direct economic activity created by improvement works and the wider benefits of helping households remain well housed for longer.

Our modelling finds that the building of each new home designed for retirement delivers a total of £313,000 in GVA to the economy.

Supporting later-life moves can also improve wellbeing, independence and quality of life by helping older households access homes better suited to changing physical and social needs.

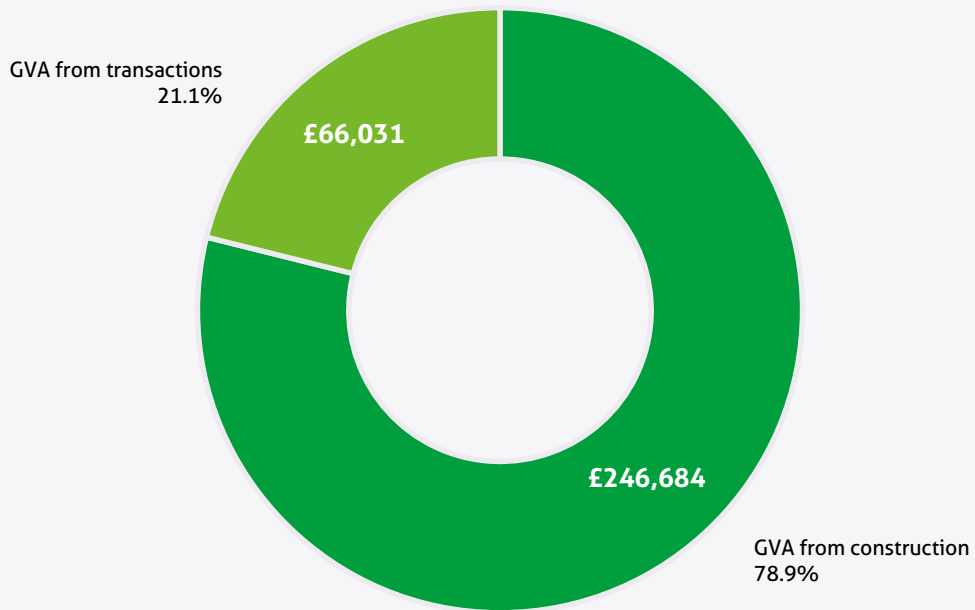
Our modelling finds that the building of each new home designed for retirement delivers a total of £313,000 in GVA to the economy. Of this, £247,000 comes from construction GVA, including direct building activity, supply chain activity and worker spending. Around £66,000 comes from transaction chain GVA, including legal, agency, removals, renovation and furnishing activity generated when a move frees up another property. On this basis, delivering an additional 30,000 homes a year designed for retirement could generate up to £7.4bn in GVA from construction and a further £2.0bn from transaction chains.

Each such home would also generate around £73,000 in revenue for the Exchequer, through taxes associated with both construction and the transactions unlocked by the move. >





GVA impacts of building homes designed for retirement



➤ While many older people are open to moving to homes designed for retirement, many households prefer to adapt their existing home. Our modelling suggests that each home adapted for retirement needs generates around £31,000 in additional GVA and £3,400 in fiscal revenue. Given that the English Housing Survey estimates around one million households in England still lack the adaptations they need, the wider economic gains from meeting that backlog could be very substantial.



The need to support the housing market



The Government has recognised a number of the pressures facing the housing market, including the need for more homes, better outcomes for renters and improved access to homeownership. Since the 2024 General Election, it has delivered significant policy and legislative changes to address these issues. Yet there remain important gaps in the Government’s approach to improving the housing market, particularly addressing the problems

people most commonly experience, including a housing ladder that is jammed for future homeowners, growing families, and older generations.

This chapter assesses where the Government has moved in the right direction, where important opportunities remain, and where further action is needed to restore movement through the housing market.

Area	Progress to date	What this gets right	What is still missing
More homes	Increasing housing supply a government priority	Recognises that more homes are needed to improve living standards	Current targets are welcome but remain below the scale needed to close the gap with comparable European countries. More attention is also needed on how supply, turnover and suitability combine to support movement through the market
Planning reform	Less leeway for new homes to be blocked by local councils	More land being made available for new homes, particularly in areas with high demand	Delivery challenges remain, with rising build costs making many schemes unviable. New mechanisms are also needed to unlock existing land and property, including repurposing
Access to ownership	Greater flexibility to lend mortgages at higher income multiples	Widens access while reflecting responsible lending principles	Too little at the scale needed to widen access for first-time buyers facing high deposits and affordability constraints
Private renting	Landmark legislation to strengthen renters’ rights	Recognises that renting needs to be more secure and better quality	Too little focus on increasing the supply of good-quality rented homes and supporting responsible landlords – tax and other regulatory changes a major disincentive for landlords
Later life housing and adaptation	Accepted recommendations of Older People’s Housing Taskforce	Acknowledges that housing needs change over time	No strong, joined-up strategy for downsizing, later-life housing, or adapting existing homes



Homeownership remains challenging

Access to homeownership remains challenging for many people, particularly younger generations. Just 11% of renters aged 20 to 44 are in a financial position to buy a home in England. The rest are held back because they do not have enough savings, sufficient income, a strong enough credit history, or all of these things, to secure a mortgage and meet the upfront costs of buying in their local area.

It is important to distinguish between different barriers to ownership. Some households are genuinely unable to buy under current conditions because they do not meet deposit, income, affordability or credit requirements. Others may be closer than they realise, but are discouraged by uncertainty about the mortgage process, past financial difficulty or assumptions about how lenders will assess them.

For future homeowners, this can make the route into ownership feel delayed, uncertain and financially precarious even where aspiration remains strong. For many repeat renters, long-term renting should not be mistaken for settled preference. It can reflect learned exclusion, where repeated financial pressure, difficulty saving and historic adverse credit cause households to disengage from ownership altogether even where aspiration remains strong. These groups require different responses, with stronger affordability and

deposit support for those who are locked out, and earlier guidance, clearer routes and more proportionate underwriting for those who may be able to buy with the right support.

Recent regulatory developments have moved things in the right direction, including greater scope for lenders to set their own higher loan-to-income lending limits and clarification around the freedoms they have to set the stress rates they apply to affordability calculations. This additional flexibility in mortgage lending has improved the prospects of some future homeowners, but the changes do not alter the basic picture. The existing framework can be complex to interpret and apply consistently, encouraging caution even where borrowers may be able to afford repayments sustainably. >





➤ Outside of regulation, direct support for homeownership from the Government is limited. Its Mortgage Guarantee Scheme is helpful for encouraging provision of low-deposit mortgages but its impact remains small, helping around 10,000 households a year to buy a first home.¹⁰ Recent increases to Stamp Duty for those purchasing a first property above £300,000 have also added several thousand pounds to the upfront cost of buying for some households, particularly in London and the South East.

Routes to owning therefore remain tightly constrained, especially in higher-cost parts of the country, and broader economic conditions such as weak wage growth, high interest rates and low confidence continue to limit the number of households in a position to buy their first home. Polling for this report also shows just how strongly the cost of living affects future homeowners' ability to buy housing.



Case study: **Delayed ownership and uncertainty around mortgage eligibility**

Rachelle, a telecoms contractor in her mid-30s, had long assumed her working arrangements would prevent her from getting a mortgage, despite stable income and years of employment. Concerned about tying up all of her savings in a large deposit while working on short-term contracts, she had never even attempted to apply for a mortgage and expected to spend several more years saving before ownership became realistic.

Yorkshire Building Society's £5k Deposit Mortgage ultimately enabled her to buy her first home. Reflecting on the experience, she described ownership as 'life changing', giving her greater financial security, stability and confidence about the future. Her case illustrates how uncertainty around eligibility, alongside deposit constraints, can delay or discourage otherwise creditworthy households from pursuing ownership.

10. https://assets.publishing.service.gov.uk/media/6909e85a7a88fd270a95fd4f/Q2_2025_MGS_Quarterly_Statistical_Report.pdf



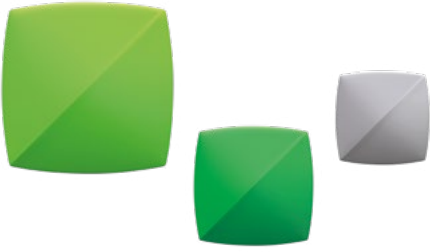
Greater support for future homeowners is needed

They need assistance both to build a deposit and secure a mortgage on terms they can afford. Support is also needed to help prepare future homeowners for what will very likely be the biggest financial decision of their lives. Our research finds that many aspiring buyers are uncertain about where to start and how mortgages work in practice. Some do not know how to overcome issues like poor credit history, so do not start at all. Support should distinguish between unresolved credit problems and historic adverse credit where current financial resilience is stronger than a past credit record suggests. Simpler and earlier mortgage advice would help more people understand the steps they can take to get onto the property ladder – 71% of those who used mortgage advice services say it made it easier to buy a home, compared with just 6% who say it made the process more difficult.

Improving support for homeownership would be firmly in line with public opinion. Making homeownership more accessible is the number one priority for the public. Both owners and renters are more likely to want the Government to prioritise helping future homeowners and making ownership more affordable than measures focused only on renters' rights, including repeat renters who no longer expect to buy and future homeowners who still do.

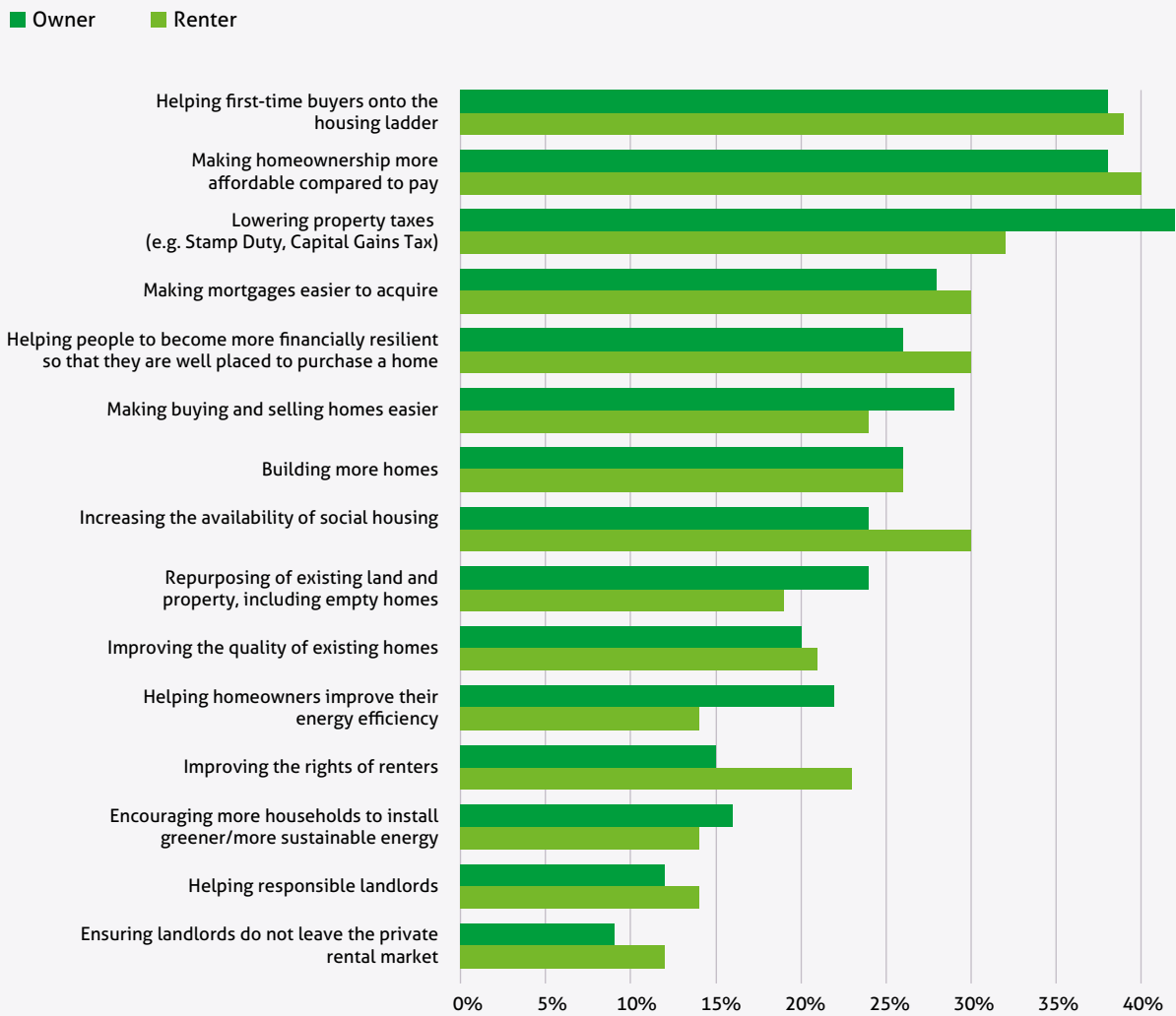
Our research finds that many aspiring buyers are uncertain about where to start and how mortgages work in practice.





Housing market priorities by owner/renter status

Which aspects of the housing market the Government should prioritise





There is not enough focus on mobility

Many people who want or need to move find doing so difficult, costly and risky. That challenge is reflected in our polling research and longer-term market trends. Housing transactions have fallen over the past two decades, and people now move less often than they once did, limiting flow up and down the housing ladder. One reason for this is that Stamp Duty has increasingly acted as a tax on mobility. As house prices and thresholds have diverged over time, more households have been pulled into higher bands, increasing the financial penalty attached to moving home.

This matters well beyond the housing market itself. A more mobile housing market would make it easier for households to adjust as their circumstances change – including relocating for work, responding to family pressures, accessing care and support networks, or moving into homes more suited to later-life. Unlocking more moves would also drive economic activity through more property transactions, and strengthen labour mobility by allowing people to move in response to changing job opportunities. When fewer moves happen, those wider economic benefits are lost too.

The Government has recognised some of these frictions. Its consultation on reforming the home buying and selling process, with the aim of speeding

up transactions, reducing costs and preventing sales from collapsing, is a welcome acknowledgement that moving home has become too cumbersome. But these reforms are likely to take time to implement, and their eventual impact remains uncertain. More fundamentally, they do not address some of the most immediate financial barriers that prevent households from moving in the first place.

Those financial barriers are strongly felt higher up the housing ladder. Homeowners are particularly likely to say the Government should prioritise lowering property taxes, making buying and selling homes easier, and helping people move around the housing ladder. This is especially pronounced among those who have been on the ladder longer: 43% of second-steppers, 50% of established homeowners and 50% of downsizers say lowering property taxes should be a government priority.

To support a more mobile housing market, process reform alone will not be enough.

- **The Government will also need to reduce the financial barriers that deter households from making the move that would allow the wider market to function more effectively.**



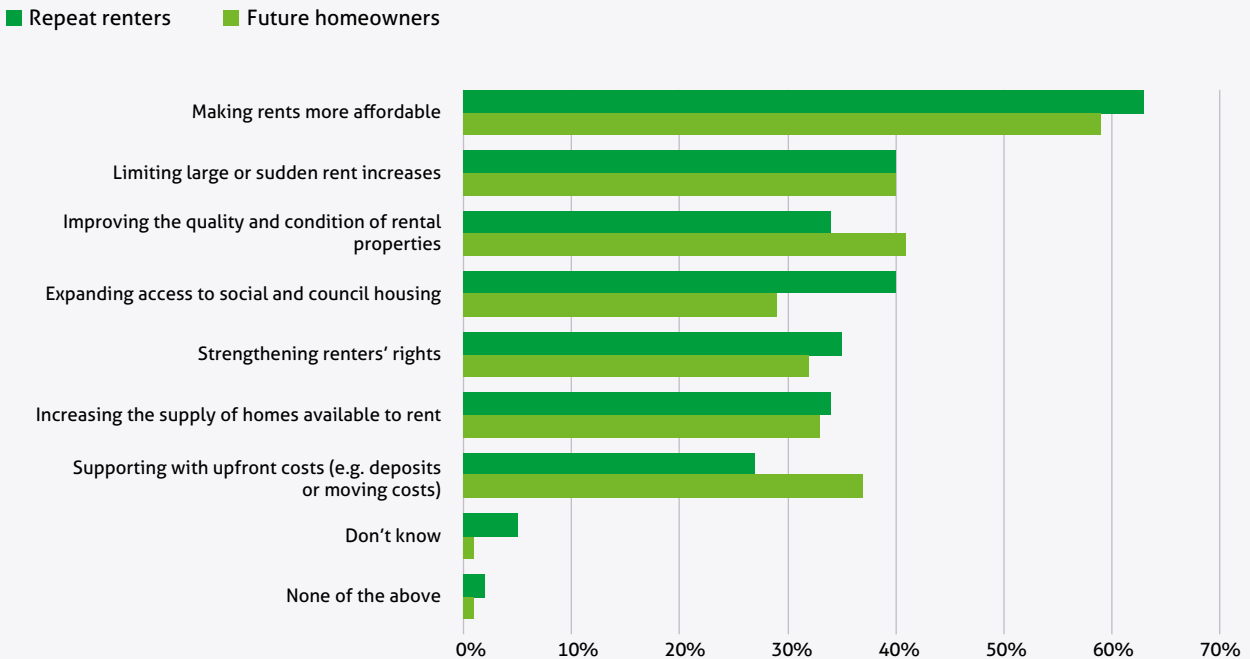
The main concern of renters has gone unaddressed

The primary concern of renters is the cost of housing. Making rents affordable is the priority of 63% of repeat renters and 59% of future homeowners, far ahead of other measures. High rents reduce people’s capacity to save, plan ahead and, for those who want to, move into ownership.

Recent government policy towards the private rented sector has focused primarily on strengthening renters’ rights. The Renters’ Rights Act introduces major reforms to the way the sector operates, including stronger protections against eviction, with the aim of reducing the risk that financially precarious households are pushed into homelessness. It also limits the circumstances in which landlords can repossess their property. >

Renters prioritise affordability and rent stability

What renters themselves think is most important for government to prioritise when it comes to renting





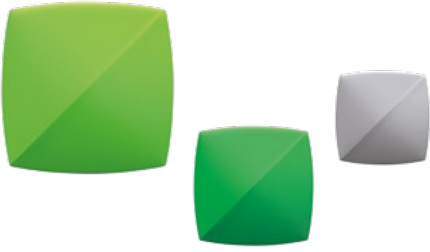
➤ These reforms aim to address a real problem, but they do not directly tackle renters' biggest concern, which is the cost and availability of housing. Nor do they sit in isolation. They follow a decade of tax and policy changes that have increased the cost of buying and operating rental property, including the replacement of full mortgage interest deductibility with a basic-rate tax credit for individual landlords, and a 5% Stamp Duty surcharge on additional properties.

Recent market evidence suggests these cumulative pressures have been associated with a significant and increasing number of landlords exiting the sector. Analysis by estate agency Savills found that around 254,000 buy-to-let properties were listed for sale in Great Britain in the year to March 2026 – equivalent to almost 700 homes a day – and that only 14% of sold rental properties were bought by other landlords. This comes after two decades in which the private rented sector expanded significantly, growing from around 11% of households in England in the early 2000s to around one in five households by the mid-2010s, before largely plateauing over the past decade despite continued demand for rental housing.

The long-term effect of the Renters' Rights Act on rental supply is not yet clear, but there is a risk it is becoming financially unattractive for responsible landlords to

remain in the market or expand the supply of good quality rental homes. A functioning rental market requires responsible landlords to remain commercially viable. If rental property is made structurally unattractive by tax and regulation, there is a high risk of underinvestment in the sector, which would lead to poorer quality homes. There is also a risk that higher costs are passed on to tenants through higher rents, worsening affordability and the gap between renters and homeowners. If responsible landlords leave the sector, the number of rental homes available will also fall, further pushing up costs and limiting choice for renters. That would make it harder both for households who expect to rent for longer, and for those trying to save for a deposit and move into ownership.

- **The Government should adopt a more rounded approach to supporting private renters.** Alongside stronger protections for tenants, the Government should consider how to support responsible landlords to provide more good-quality homes, and whether there are ways to reduce the costs of buying and operating rental property, not least by levelling the playing field with other small businesses in terms of taxes and reliefs. If renting is to work both as a decent long-term tenure and as a platform from which people can move into ownership, the sector needs more supply and more choice.



Expanding the supply of homes people need

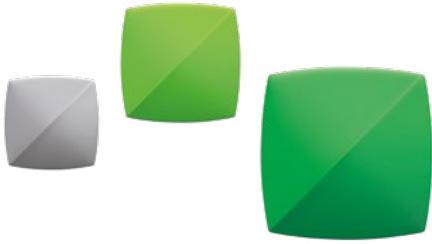
Our research suggests the housing shortage is not simply about the total number of homes being built, but also whether people can find homes that match their needs at different stages of life. Future homeowners struggle to access affordable entry-level homes, growing families face limited options to move, and downsizers often cannot find suitable later-life housing in the places they want to remain. In every region, renters are less likely than owners to say there were enough suitable homes to choose from when they last looked to move. Supporting mobility across the housing ladder therefore requires not only more homes overall, but a wider variety of homes, tenures and routes to supply.

The Government has already taken some welcome steps to support housing delivery in an effort to accelerate planning decisions. These changes are important and should help unlock additional supply over time. Yet housing delivery continues to fall well short of what is needed. Despite the Government's ambition to deliver 1.5 million homes over the course of this Parliament, annual delivery remains substantially below that level.

One of the key reasons for this shortfall is that delivering new homes has become increasingly challenging financially in many parts of the country. Research by Zoopla found that typical housing-led development is viable in only 36% of England, with viability challenged across 64% of markets.¹¹ The pressures vary sharply by geography. Higher sales values mean development is more likely to stack up in southern England, while lower sales values in the Midlands and North make it harder for schemes to absorb rising construction, financing, policy and regulatory costs. Zoopla finds that 64% of southern England has sales prices capable of supporting delivery costs, compared with 13% in the Midlands and 10% in northern regions. >



11. https://assets.ctfassets.net/2zc2pc2uwamh/70QRkGMNp0bTGaCN8exCEF/056d8871ac866c529cc53201a2dda3cc/Zoopla_Homebuilding_Viability_Report_2025.pdf



➤ Industry estimates point to the same conclusion. The Home Builders Federation estimates that the average cost of building a new home has increased by around £76,000 since 2020, significantly weakening the viability of many schemes.¹² These pressures are particularly acute in some regions and for higher-density developments, risking the loss of exactly the kinds of schemes most likely to support mobility in areas of high demand.

In some parts of the market, regulatory and prudential requirements are also contributing to higher ongoing costs. For example, some landlords and developers face additional valuation and compliance requirements linked to lending and capital rules, including Basel 3.1. These requirements can increase the cost and complexity of holding or developing property, with impacts varying significantly by geography, scheme viability and development type.

Taken together, these pressures are likely to be felt especially sharply by smaller and medium-sized developers, whose share of new homes has fallen from around 40% in the 1980s to 10% today, making it harder for a wider range of schemes to come forward.¹³

A broader and more flexible approach to supply is needed that addresses the high

cost of building new homes and makes more of the potential for repurposing existing buildings, brownfield regeneration, converting larger properties into smaller homes, and bringing underused property back into use. In many towns and cities, these approaches may offer faster and more viable ways to increase supply than conventional new build in places where demand is already strong. Repurposing existing buildings and land also resonates strongly with the public because it aligns housing delivery with regeneration rather than relying solely on urban expansion.¹⁴

- **Alongside conventional housebuilding, the Government should place greater emphasis on making brownfield regeneration viable, repurposing existing buildings, bringing empty homes back into productive use and unlocking underused commercial land.** This should form part of a broader strategy to increase housing mobility and expand supply, particularly in high-demand areas.



12. https://www.hbf.co.uk/documents/15569/HBF_Viability_Report_March_2026.pdf

13. <https://www.lse.ac.uk/geography-and-environment/research/lse-london/documents/Reports/Supporting-SME-Housebuilders-nov24-A5-proof4.pdf>

14. <https://www.publicfirst.co.uk/the-quiet-yes-why-listening-to-the-majority-could-unlock-development>



Downsizing should be better supported

Many older households are open to moving later in life. Half of over-55s who want to move say they would like to downsize. Helping more people make that move would not only enable older households to live in homes that better suit their needs but also improve movement through the wider market by bringing more family-sized homes back into circulation.

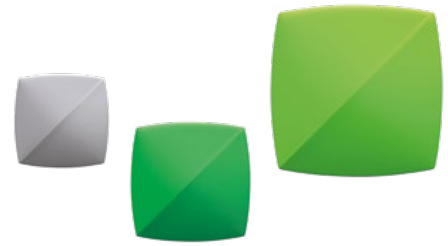
Yet policy still does too little to make downsizing a realistic and attractive option. Among prospective downsizers, 41% say a lack of suitable homes is a barrier, 37% cite the costs associated with moving, and 35% point to Stamp Duty. More broadly, downsizers are also highly likely to say that the time and stress involved in selling a home puts them off moving.

- **The Government should do more to increase the supply of homes designed for later-life and reduce the financial and practical frictions that make moving feel burdensome.** Until there are more attractive, well-located and affordable options for older households, many people who might otherwise downsize will continue to stay put.

The Government should do more to increase the supply of homes designed for later-life and reduce the financial and practical frictions that make moving feel burdensome.



A blueprint for restoring the housing ladder

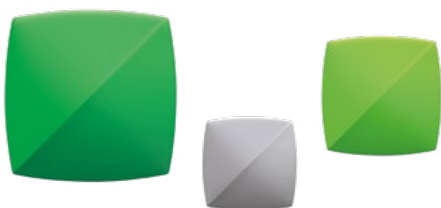
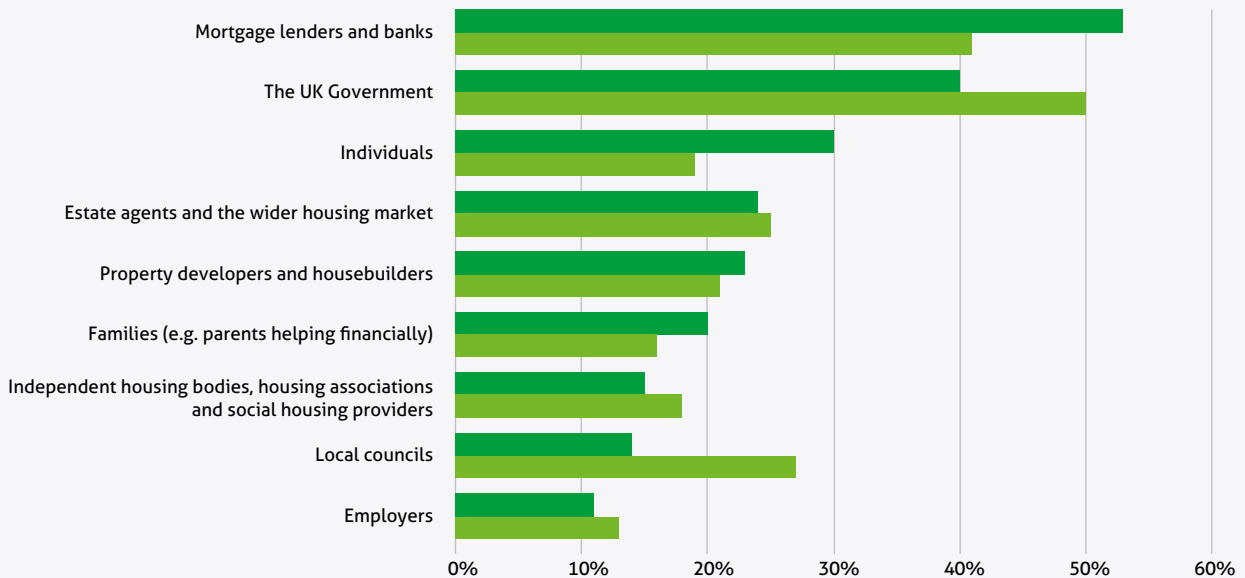


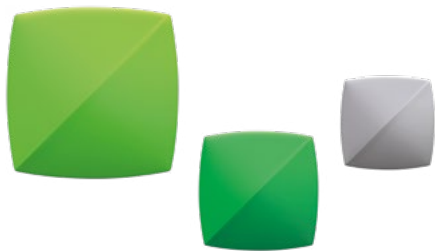
The public does not think individuals alone can solve the problems facing the housing ladder. They see institutions – above all government and lenders – as having the greatest power to improve access, affordability and movement through the market.

This blueprint summarises the report’s priority action points, ordered by where change could have the greatest and quickest impact. It focuses first on unlocking transactions, then expanding suitable supply, and finally building stronger long-term foundations.

The actors seen as most responsible for ensuring that people in Britain are able to move up and down the housing ladder

■ Owners ■ Renters





It also needs to recognise that households are stuck for different reasons, from deposit and affordability barriers to historic adverse credit, high moving costs and a lack of suitable homes. The evidence in this report suggests some reforms have particularly powerful effects across the housing market.

Measures that improve access at the point of entry, reduce barriers to moving and increase the supply of suitable homes can have particularly powerful, market-wide effects by unlocking housing chains and increasing mobility across the ladder. When one household can move, it often enables several others to move too, whether first-time buyers purchasing from second-steppers, downsizers freeing up family homes, or additional supply easing pressure elsewhere in the market.

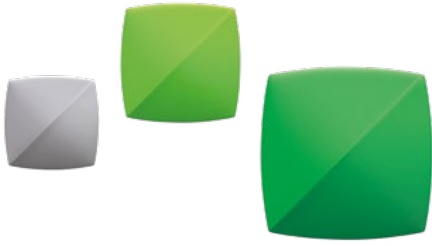
The recommendations that follow are therefore ordered by how quickly and directly they would restore movement through the market. The first priority is to unlock transactions by improving access to ownership and reducing the cost of moving. The second is to expand the supply of suitable homes, across tenures and life stages, so that households have more choice. The third is to build stronger foundations for the long term, helping households to prepare earlier and giving policymakers the tools to respond more effectively.

Priority 1: Unlocking transactions and strengthening chains

Helping future homeowners to buy and reducing the cost of moving can change decisions in the near term. Mortgage access reforms help households at the point of entry, while Stamp Duty reform changes the financial calculation for households already considering a move. Together they would strengthen chains from both ends of the market.

- **Simplify the responsible use of existing lending flexibility.** The Prudential Regulation Authority (PRA) should review whether current rules, guidance and supervisory expectations create unnecessary complexity that discourages firms from using existing flexibility consistently. The aim should not be weaker lending standards, but greater confidence for lenders to apply judgement-led underwriting where borrowers can demonstrate sustainable affordability. This should include more proportionate treatment of historic adverse credit, variable income and later-life circumstances where borrowers can demonstrate current financial resilience. >





- **Support more consistent availability of sustainable, low-deposit lending where affordability is robust.**

Government, regulators and lenders should consider how to make low-deposit lending more consistently available to creditworthy households, while maintaining prudent affordability checks and avoiding blanket demand stimulus. A clearer, more usable framework that enables responsible lenders to support creditworthy households without compromising standards would help not only first-time buyers but also households already on the ladder and looking to make the next move.

- **Develop a more targeted successor to the Help to Buy equity loan scheme.**

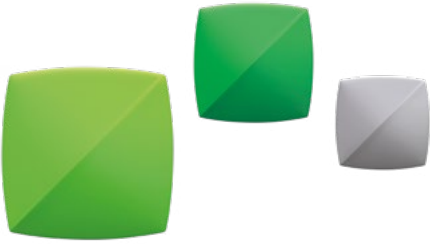
A new government scheme should be designed to support the households constrained by deposits, credit history or affordability pressures, and should apply across new-build, repurposed and existing homes, with caps on the maximum value of property that can be purchased through the scheme. This would unlock additional housing delivery across the market, particularly for smaller and medium-sized housebuilders and developers.

- **Reform Stamp Duty with a stronger focus on mobility.** Permanent protection should be provided for people buying their first home as well as targeted relief for second-steppers and downsizers where moves unlock wider market flow. Over time, the tax could be phased out and replaced with one that is more appropriate to the modern economy.

Priority 2: Expanding the supply of suitable homes to create more choice

Unlocking transactions will have the quickest impact, but a more mobile market also depends on a wider supply of suitable homes. Households cannot move if the right homes are not available in the places where they need to live.

- **Adopt a broader and more flexible approach to increasing housing supply to provide a wider variety of homes.** Alongside increasing new-build delivery, the Government should accelerate brownfield regeneration, support the repurposing of existing buildings and land, bring empty homes back into use, and unlock underused commercial buildings and urban land in places where demand is strong. >



- **Support responsible landlords to provide and expand the supply of good-quality rental homes.** Protections for tenants should be combined with a more balanced approach to encouraging investment in good-quality rental supply. The Government should also review the tax treatment of landlords, with a view to encouraging responsible investment and better aligning incentives with those available to other small businesses.
- **Increase the supply of attractive later-life housing.** The Government should do more to support homes designed for older households who may want to downsize, remain independent or move closer to family and support networks.

Priority 3: Building stronger foundations for a more responsive market

Restoring the housing ladder means helping households get ready to buy sooner, while the Government acts faster to remove the barriers that stop people moving.

- **Establish an independent housing commission or equivalent body to oversee long-term housing strategy.** The Government should create a commission that sets and monitors priorities around access, housing supply, mobility, homebuilding, repurposing existing buildings, rental quality and later-life housing.

- **Revisit savings support for deposits, with products that reflect the reality that first-time buyers are older than they used to be.** Government-backed deposit support schemes should cater for the fact that many first-time buyers now purchase later in life, including by reviewing Lifetime ISA age limits which require accounts to be opened before age 40 and prevent further contributions or bonuses after age 50.
- **Move beyond a narrow focus on topline housebuilding targets towards a broader view of housing supply and mobility.** The Government's forthcoming long-term housing strategy should place greater emphasis on repurposing existing buildings, helping to accelerate housing delivery and support the regeneration of town centres and communities. >





- **Make mortgage advice and guidance a more normal and earlier part of the journey into ownership.** Regulators, lenders and brokers should work together to improve access to earlier advice and mortgage guidance. This would help households understand realistic pathways into ownership, prepare more effectively and avoid unnecessary self-exclusion. Guidance should be particularly focused on renters who assume they will be rejected because of their income, savings, employment status or credit history.

These recommendations are mutually reinforcing. Reforms to mortgage access and Stamp Duty would have the quickest effect by helping households move.

A broader approach to supply would create the choice needed for mobility to be sustained. Better guidance, deposit support and long-term oversight would help households prepare earlier and allow policy to respond more quickly when the market stops working as it should. Together, they would help restore the housing ladder as a route to ownership, security and movement through life.



A broader approach to supply would create the choice needed for mobility to be sustained.

Conclusion



This report shows clearly that while the aspiration for homeownership remains strong, the system supporting it is under strain. The housing ladder still matters – but it isn't working as it should for many people across the UK.

The challenge today is not just initial access, but progression. Too many people are unable to move when their lives change – whether that is taking a first step, finding space for a growing family, or downsizing later in life. Our research shows that this blockage is felt across the system – in reduced opportunity, constrained supply and weaker economic activity.

What is needed now is a more practical focus on unlocking that movement and supporting those who are ready to take the next step.

As a lender, we see first-hand both the barriers people face and the difference that the right support can make.

As a lender, we see first-hand both the barriers people face and the difference that the right support can make. That is why we are focused on developing solutions that directly address the biggest challenges – particularly affordability, deposits and access to lending.

In recent years, we have introduced a number of innovations to help more people into homeownership. Our £5k Deposit Mortgage has already helped over 2,500 people purchase a home worth up to £500,000 with a deposit of just £5,000. We were also among the first lenders to respond to regulatory changes that allow more flexible affordability assessments, and more lending at higher income multiples, where this is affordable and responsible – helping us support a wider range of borrowers.

We have also taken steps to help customers manage the real-world costs of moving, including launching products designed to offset increases in upfront expenses such as Stamp Duty.

But more can and must be done. We are continuing to explore new ways to support customers – from helping more people to overcome deposit and affordability barriers, to working with landlords, brokers and partners to support the creation of more homes, including by repurposing existing buildings and land – an opportunity we believe is all-too-often overlooked. >



➤ Progress will require coordinated action. Lenders, government, regulators and the wider industry all have a role to play in reducing the friction in the system, expanding supply, and ensuring that housing works for people at every stage of life.

At Yorkshire Building Society, this goes to the heart of why we exist – to provide Real Help with Real Life. We are committed not only to supporting our members directly, but to using our voice and partnerships to help drive meaningful change.

We hope this report demonstrates both the scale of the challenge and the opportunity that exists – and helps inspire the focus and action needed to create a housing market that works better for everyone.



Tom Simpson
Managing Director of Homes,
Yorkshire Building Society



We are committed not only to supporting our members directly, but to using our voice and partnerships to help drive meaningful change.

Appendix



Polling methodology

Public First conducted an online survey of 4,008 adults in England, Scotland and Wales between 30th March and 15th April 2026. Results are weighted using iterative proportional fitting, or 'raking', and have weighted responses by interlocking age, gender, region, socioeconomic grade and education to fit nationally representative proportions.

Typology methodology

Respondents were grouped into six housing ladder typologies based on a combination of:

- Current tenure
- Housing history
- Future housing intentions
- Age (for downsizers).

The typologies are intended to capture different stages and trajectories within the housing market, moving beyond a simple distinction between renters and owners.

Economic modelling methodology

Current wealth gap analysis

Public First conducted descriptive analysis of wealth levels and wealth gaps between owner households and renter households for cohorts of households around

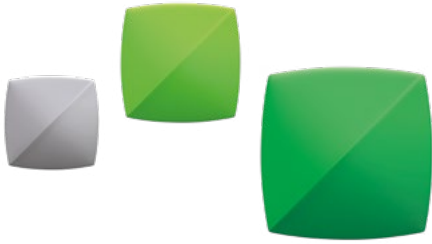
retirement age (65-74), across rounds 5 to 8 (latest published) of the Office for National Statistics (ONS) Wealth and Assets Survey (WAS), to understand trends and changes over time and to assess how far homeownership is associated with wealth gaps at retirement age. ONS published round 8 wealth methodology and bulletin figures were used as an external validation point for the treatment of private pension wealth in round 8.

Using WAS classification on tenure, households were grouped into owners and renters (including private and social renters). The analysis was restricted to households where the household reference person (HRP) was aged 65 to 74.

Household wealth measures were then extracted. These included:

- Total household wealth
- Total household wealth excluding private pension wealth
- Property wealth
- Financial wealth
- Private pension wealth
- Physical wealth.

Survey-weighted descriptive statistics were then calculated and owner-renter wealth gaps were summarised as absolute gap in pounds and owner-to-renter ratio. >



➤ **Projected wealth gap at retirement:**

Public First estimated the projected retirement wealth gap between households who own their home and those who rent, using microdata from WAS round 8 (fieldwork April 2020 to March 2022). The model projects the wealth of households aged 30-39 (the critical first-time buyer cohort) from 2026 to State Pension age (67), under a binary tenure assumption: those who currently own are assumed to continue owning to retirement; those who currently rent are assumed never to own.

The output is a headline wealth gap figure decomposed into three structural channels: property capital gains; the savings advantage from lower long-run housing costs, and the underlying income and endowment differential between the two groups.



The core projection runs a year-by-year loop for each household from 2026 to their individual retirement year. In each projection year t , the investable surplus for household i is:

$$\text{surplus}(t) = \max[\text{income}_0 \times (1 + g^{\text{inc}})^t - \text{cons}_0 \times (1 + g^{\text{cons}})^t - \text{housing_cost}(t), 0]$$

Where income_0 and cons_0 are the 2026 starting values, $g^{\text{inc}} = 0.47\%$ per annum (real income growth) and $g^{\text{cons}} = 1.20\%$ per annum (consumption inflation).

Housing cost (t) follows tenure-specific rules: the mortgage annuity payment for owners until the mortgage is repaid (then zero), or $\text{income}_0 \times 34\%$ (or 28% for social renters) $\times (1 + 0.47\%)^t$ for renters, where rents are a proportion of household incomes (based on ONS English Housing Survey Table 2.5) and real income growth rate is 0.47% per year based on ONS households gross disposable income per head.

The surplus is floored at zero: households whose costs exceed their income in a given year are not assumed to not save, they simply have no investable surplus that year. This is a conservative assumption that avoids modelling household debt behaviour. ➤



➤ Each year's surplus is split between pension contributions and financial savings:

- 8% of surplus – pension pot combined employer and employee defined contribution (DC) rate, consistent with auto-enrolment minimums.
- 92% of surplus – financial savings (net financial wealth account).

Each year's pension contribution is compounded forward to retirement at 3.0% per annum real (a conservative long-run real return on a balanced DC fund). Each year's financial saving is compounded at 3.5% per annum real.

Property wealth at retirement for owner-occupiers is: $\text{Property}_{ret} = \text{gross_prop_value}_{2026} \times (1 + 1.62\%)^n$, using Land Registry historic Price Paid data CAGR 2009-2025 (+1.62%) to project property wealth.

The headline wealth gap at retirement age is then decomposed into three structural channels:

- The property capital gain, assumed 0 for renters and equal to the weighted mean of projected gross property values compounded at the real house price index (HPI) growth rate for owners.

- Housing cost savings: the long-run savings advantage arising from the structural difference in housing costs between owners and renters. Owners eventually pay off their mortgage and incur zero housing cost for the remaining years; renters pay rent throughout. This captures both the 'rent versus mortgage' cost differential and the 'rent versus zero' differential in the post-mortgage years.
- Income and endowment gains: this is the residual gap that captures the portion of the wealth gap that would exist even if owners and renters faced identical housing costs. ➤





➤ Projected wealth gap over lifespan

The post-retirement analysis at household level reproduces for each year between 68 and 88:

- Income: the household's full new State Pension entitlement (one per adult in the household at survey observation), growing at +0.5% p.a. real (central case, anchored on the historical triple-lock excess over CPI; Institute for Fiscal Studies (IFS) R209).
- Outflows: target real consumption, set equal to each household's pre-retirement consumption at age 67 and then grown forward on an age-pieewise, income-differentiated schedule based on IFS report on spending change through retirement, plus housing costs (rent for renters or zero for owners with mortgages assumed paid off by retirement) and a one-off home adaptation cost of £27,000 (2026 £) at age 75, paid by owners only.
- Shortfall between income and outflows is funded by drawing down liquid wealth: financial wealth first, then pension wealth. Liquid stocks earn their real returns (3.5% financial, 3.0% pension) on the balance held at the start of the year, before that year's withdrawal.

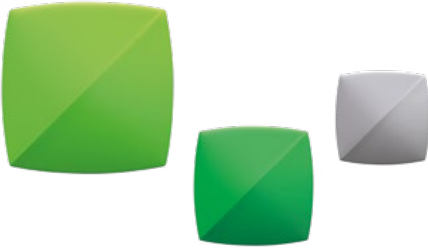
- Illiquid stocks (property, physical) compound at their real growth rates throughout.
- If liquid wealth is exhausted, the household is recorded as in deficit for the rest of the projection, with consumption rationed to State Pension income.

Final wealth at age 88 is the sum of remaining property, financial, pension and physical wealth.

First-time buyers analysis and the impact of policy interventions

Public First's analysis estimates the number of people who could feasibly purchase a first home in England under a given set of market and policy conditions. It is designed specifically to allow scenario analysis against different policy regimes, including reintroducing Help to Buy or providing flexibility around deposit or income multipliers.

The model produces regional and national estimates of the number of potential first-time buyers (aged 20 to 44) who could meet three simultaneous affordability tests: deposit availability, mortgage borrowing capacity, and ability to sustain monthly repayments. ➤



Starting population

Renters aged 20-44
No dependent children
Not already owners

Singles & couples
assessed separately

Singles

Couples

Combined wealth & income
for couples

Breakup discount applied
to couple count

Test 1 – Deposit affordability

Available wealth (excl. pension) ≥ Deposit + Stamp Duty + costs

Default deposit: 10% – Purchase costs: £2,500
Price < £300k – no Stamp Duty Price ≥ £300k – 5% on excess above £300k

Test 2 – Mortgage borrowing capacity

Max loan (income × multiplier) ≥ Av. FTB property price – deposit – discount

Default income multiplier: 4.5 × - Deposit: 10% –
Discount: Help to Buy equity loan (0 in baseline)

Test 3 – Repayment affordability

Net income minus living costs ≥ Annual repayment

Net income = gross pay – income tax – NI – Living costs deducted
Stress rate = actual rate (5%) + 3pp

✓ **can_buy = 1** Weighted by WAS
survey weight – aggregated by region

✗ **can_buy = 0** Fails any one of the
three tests

Values inflated from WAS survey year to target year using house price, wealth and income indices.
Source: ONS Wealth & Assets Survey, Stamp Duty First-Time Buyer Affordability Model

➤ The primary microdata source is the ONS WAS a large-scale longitudinal household survey that collects detailed information on wealth, income and financial circumstances. Key variables drawn from WAS include: total personal wealth, pension wealth, total pay (gross income), employment situation, household type, tenure status, property

ownership flag, dependent/non-dependent child flags, age group, region, and person-level survey weights.

House prices are estimated from first-time buyer transaction prices sourced from the Price Paid dataset. ➤



➤ The range of interventions affects first-time buyers' potential to pass the affordability tests and provides an estimated number of additional potential buyers as an effect of these.

The number of additional buyers is then translated into actual home purchases by assuming that 75% of those who could buy would do so, and spreading the purchase over five years. Public First also applied housing market supply and demand elasticities to estimate a supply response and the number of additional new homes that could be built as a response to the demand spike.

The activity related to building new homes is then estimated as a GVA using standard industry ONS Input-Output tables.

Estimating the economic impact of housing mobility

Public First estimated the economic impact of housing mobility based on a range of standard housing transaction costs associated with moving homes, including conveyance and legal fees, building survey, moving costs and removals, estate agent fees, average renovation costs and furniture costs. Based on these costs, Public First used its internal model based on published ONS Input-Output Tables to convert the spending into GVA figures.

Fiscal benefits to the Government were estimated accounting for Stamp Duty rates (calculated using average housing transaction prices using HM Land Registry Price Paid data) and corporation tax rates on transaction costs.

Using industry benchmarks, Public First estimates that in the UK, on average, 70% of housing transactions involve chains and that the average chain length typically involves 3 to 4 properties.

Estimating the economic impact of supporting later-life moves and adaptation

Public First estimated the economic impact of building homes designed for retirement by using benchmarks on new homes construction costs, applying a 1.1 average uplift factor to construction costs due to additional features required and assuming these homes are smaller than average (70 sqm vs 90 sqm).

Cost of adaptation of existing homes for retirement needs was based on research from specialist organisations on accessible housing and estimated at £27,000 per home.

Standard output to GVA ratios and direct to indirect GVA multipliers were then applied, based on ONS Input-Output tables.

About Public First

Public First is a global strategic consultancy that works to help organisations better understand public opinion, analyse economic trends and craft new policy proposals.

It has worked directly with some of the world's biggest companies, government departments, top universities and major charities to produce bespoke, original policy proposals and reports derived from an evidence base of economic analysis and public opinion research.

Public First is a member of the British Polling Council and is a Company Partner of the Market Research Society, whose rules and guidelines it adheres to.

