



## **What will happen to First Time Buyers without the 'Bank of Mum and Dad'?**

**London, 5<sup>th</sup> November 2008** According to latest research carried out by specialist market research company BDRC ([www.bdrc.co.uk](http://www.bdrc.co.uk)), 40% of older homeowners (aged 45+) have offered financial assistance to help their children get onto the housing ladder. A fifth of those have raided their own savings to provide a deposit.

The research, published in BDRC's 2008 Mortgage Achilles Report, reveals a 'generation gap' between would-be First Time Buyers (FTBs) struggling to find the finance to buy a home, and older homeowners who have seen the paper value of their homes soar in recent years. As a result, many FTBs have come to rely on the so-called 'Bank of Mum and Dad' for financial support, rather than wait for house prices to drop or consider shared ownership.

### **Over half of FTBs are not saving for a deposit**

80% of the young un-mortgaged (18-45, no mortgage) would like to buy a home if they could. BDRC classifies them into three groups: 'potential FTBs' who are likely to buy in the next 24 months, 'longer term FTBs', looking to buy beyond the next two years, and 'wannabes' who would like to buy but can't see it happening.

Despite intending to buy in the next 24 months, over half of potential FTBs are not currently saving for a deposit, saying that they can't afford to save. But the research suggests that isn't necessarily the case; instead some prefer to spend their money on other things or to save for other purposes.

Mark Long, Client Services Director says “Clearly many potential First Time Buyers are simply not making adequate financial plans to be in a position to afford a home – either because they can’t afford to, or because they don’t care to.

Whilst two in five of the parents surveyed have offered financial assistance to their children to help them become home owners, the current turmoil in the financial markets suggests that the ‘Bank of Mum and Dad’ may not be in a position to offer such help in the future. This could have a significant impact on any recovery in the housing market.”

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**Note to editors:**

Mortgage Achilles is the longest running syndicated report on the consumer and intermediary take on the mortgage market. This annual study focused on the drivers of business acquisition and retention in the mortgage market and encompasses both consumer and intermediary markets. First launched in 1996, the 2008 study includes a unique survey of Older Home Owners and Potential FTBs. Many key companies buy into this report including Abbey, Nationwide, Halifax and Kensington.

**About BDRC**

Founded in 1991, Business Development Research Consultants is a leading full service market research agency. Working primarily for service organisations, the company specialises in hotels, finance, travel and tourism and mobile telephony. Headquartered in London BDRC works internationally and has representation in South Africa and Asia. For more information, please visit [www.bdrc.co.uk](http://www.bdrc.co.uk).