

Legal & General Ignite: Applicants reliant on gifted deposits up 10% in November

The latest data from [Legal & General Ignite](#), the free mortgage research and sourcing platform, has revealed a significant rise in borrowers relying on financial support from family members – the ‘Bank of Family’ – as the resurgence in first-time buyer activity continues.

Legal & General Ignite recorded a 9% month-on-month increase in searches for first-time buyer products in November. This follows a robust 13% surge in October, with first-time buyer searches consistently ranking in the top 4 since September 2023. However, in a sign of stretched affordability, first-time buyers are increasingly relying on financial support from the ‘Bank of Family’, with searches for products accepting those with a gifted deposit seeing a 10% rise. November also saw a further 12% increase in searches for gifted equity and concessionary purchases, highlighting the ongoing need for external financial support in the property market.

Earlier this year, research and forecasts from Legal & General and the Centre for Economics and Business Research (Cebr) found that financial support from the Bank of Family is expected to help fund 318,400 housing transactions in 2023. This is the highest number of property purchases family gifting has ever supported since Legal & General began tracking family lending in 2016. Read the Bank of Family report in full, [here](#).

Resilient market demand across the board

Despite economic uncertainties and the challenges posed by the cost of living crisis, overall market demand remains resilient, according to Legal & General’s free search and criteria tool. The total number of searches increased by 1% from October to November. Meanwhile, ‘Capital Raising’ has emerged as the third most popular search criteria over the last two months, recording a significant 16% increase since September.

The latest data from Legal & General Ignite also indicates an emerging trend among portfolio landlords looking to increase their market share. Searches related to ‘second residential property’ experienced substantial growth of 29%, while brokers searching for HMO (House in Multiple Occupation) products increased by just under 20%, reflecting the growing interest in diverse property types within the portfolio landlord segment. Holiday let and Airbnb searches also increased slightly, maintaining their position among the top 8 searches with a 1% increase.

Affordability challenges persist

Despite the resilience of the market, affordability remains a key concern for borrowers. While the number of searches for products catering to borrowers who had previously missed a mortgage payment fell by 15%, searches for this criterion remain high, underscoring the ongoing impact of the rising cost of living. In contrast, searches for ‘default unsatisfied’ increased by 6%, pointing to a broader market issue of homebuyers attempting to clear debts before applying for mortgages.

Kevin Roberts, Managing Director, Legal & General Mortgage Services:

"As the property market continues to evolve, it's clear that first-time buyers are driving significant momentum, seeking support from the Bank of Family to navigate affordability challenges. The data from Legal & General Ignite also highlights the resilience of the overall mortgage market, with diverse trends among portfolio landlords and a sustained interest in capital raising, even during these uncertain times.

“Affordability does remain a persistent concern though, reflected in the notable level of defaults and missed mortgage payments, as well as the continued reliance of first-time buyers on the support of family

and friends. It is important that all borrowers, no matter their circumstances, seek the guidance of an expert adviser, to ensure they are taking the optimum path in what remains a fast-moving and complex market.”

Notes to editors

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*as at August 2023

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Further information

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