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Manchester tops list of Britain's first-time buyer hotspots – with Worcester rising fastest

- **Manchester is the most popular location for first-time buyers outside London**
- **First-time buyers now account for around half of all mortgaged home purchases across Britain**
- **In the most popular areas, that rises to more than 70%**
- **Worcester is home to the fastest-growing first-time buyer market**

New research from Lloyds reveals Britain's hottest locations for first-time buyers, highlighting the towns and cities where people getting onto the ladder now make up the biggest share of home purchases.

The analysis identifies the locations outside London where first-time buyers make up the highest proportion of all mortgaged home purchases[1].

After a tough few years of both higher prices and rising borrowing costs, the affordability picture is improving and many first-time buyer hotspots are thriving. Leading the way is **Manchester**, where first-time buyers made up **70.2%** of all mortgaged home purchases last year – up from 67.2% in 2024. That's the highest share anywhere in Britain outside of London.

Manchester's mix of relatively affordable homes, strong job opportunities, major regeneration projects and a well-connected transport network continues to draw in younger buyers. The city also saw more people take their first step onto the ladder in 2025 than in any year since 2019.

Next on the list comes Sandwell in the West Midlands, where first-time buyers made up 69.7% of the market.

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Top 10 areas with the biggest share of first-time buyers

Local authority area	Region	% of FTBs among all buyers 2025[1]	Average FTB price 2025[2]	Difference to regional average
Manchester	North West	70.2%	£230,090	+£38,110
Sandwell	West Midlands	69.7%	£185,235	-£45,491
Birmingham	West Midlands	69.4%	£214,825	-£15,900
Luton	Eastern England	69.4%	£251,798	-£59,990
Thurrock	Eastern England	68.2%	£289,819	-£21,969
Leicester/Oadby	East Midlands	66.9%	£221,663	+£2,718
Coventry	West Midlands	66.5%	£193,022	-£37,703
Harlow	Eastern England	66.1%	£265,156	-£46,632
Stevenage	Eastern England	65.9%	£286,949	-£24,838
Salford	North West	65.6%	£201,682	+£9,703
Great Britain average (excluding London)		46.3%	£254,920	N/A

Why is Manchester so popular with first-time buyers?

- **More affordable homes:** Compared to many other major cities, Manchester offers more affordable property prices. The average first-time buyer property price is £230,090, which is almost £25,000 below the British average first-time buyer price (£254,920).
- **Lots of choice:** The city provides a range of property types, from modern apartments in regenerated areas to traditional terraced houses in the suburbs, catering to different tastes and budgets.
- **A growing economy:** Manchester has experienced significant economic growth and business investment, particularly in sectors like technology, finance, and media, opening up new job opportunities.

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Amanda Bryden, Head of Mortgages, Lloyds:

"Choosing your first home is a huge moment. Affordability is the number one priority for most first-time buyers, and we're seeing more people cast their net wider to find places that match both their lifestyle and their budget.

"That flexibility can quite literally open up more doors. Manchester is a magnet for those seeking modern city-living, while increasing demand for Worcester's more historic charm shows just how quickly new and unexpected hotspots can emerge.

"Homeownership remains one of the most effective ways to build long-term financial security. If you're thinking about buying, speaking to a mortgage expert is a great first step. They can explain what's affordable for you and talk you through the support available, including low-deposit options."

How affordable is it to get on the property ladder?

Getting on the property ladder can be closer than many prospective first-time buyers think. Monthly mortgage repayments can often be cheaper than renting an equivalent property – potentially saving buyers thousands each year and allowing owners to start building up equity.

The majority of first-time buyers say raising a deposit is the biggest challenge to getting on the property ladder[3], suggesting low-deposit mortgages could be a solution for many – including the 60%+ who buy jointly each year and are able to call on more than one income[4].

As an illustrative example, based on Manchester's average first-time buyer property price of £230,090, a 5% deposit works out at £11,505. On this basis, monthly mortgage payments could be around £1,136[5] – roughly £200 less than the city's average private rent of £1,337[6].

Mortgage calculations are based on a 4.72% interest rate fixed for five years, with a 30-year repayment term[5].

After five years, the homeowner could have added a further £18,682 of equity. Even if property prices stay flat, in this example the loan-to-value ratio of their mortgage would have fallen from 95% to 87%.

Combined with the savings from cheaper mortgage payments compared to renting, this could make a first-time buyer around £31,500 better off after five years – or around £20,000 taking into account the cost of the initial deposit.

Prospective buyers who want to find out how much they might be able to borrow, and how much a mortgage could cost, should check out the [Lloyds online mortgage calculator tool] which gives results in just a few minutes.

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Glasgow leads the way for first time buyers in Scotland, Rhondda Cynon Taf in Wales

Across the rest of Great Britain, the picture varies by region.

Glasgow has the highest share of first-time buyers of any local area in Scotland, at 61.2% and with an average property price of £182,910.

In Wales it's Rhondda Cynon Taf, where those taking their first steps onto the property ladder make up 57.9% of the local housing market, at an average price of £156,035.

Areas with the biggest first-time buyer market share in each region

Region	Local Authority Area	% of FTBs among all buyers 2025[1]	Average FTB price 2025[2]
Eastern England	Luton	69.4%	£251,798
East Midlands	Leicester / Oadby	66.9%	£221,663
North East	Newcastle Upon Tyne	56.3%	£183,324
North West	Manchester	70.2%	£230,090
Scotland	Glasgow	61.2%	£182,910
South East	Southampton	64.9%	£210,620
South West	Bristol	59.4%	£298,674
Wales	Rhondda Cynon Taf	57.9%	£156,035
West Midlands	Sandwell	69.7%	£185,235
Yorkshire and The Humber	Kingston upon Hull	53.9%	£118,847

Where are first-time buyers gaining ground fastest?

While the biggest concentrations of first-time buyers are usually found in major towns and cities, the fastest-growing markets are often in smaller towns and more rural areas.

The cathedral city of Worcester leads the way, where first-time buyers accounted for 58.7% of the local housing market in 2025, up sharply from 40.6% in 2024.

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Top 10 areas where the first-timer buyer market share is growing fastest

Local authority area	Region	% of FTBs among all buyers 2024[1]	% of FTBs among all buyers 2025[1]	Increase in market share (pp)	Average FTB price 2025[2]
Worcester	West Midlands	40.6%	58.7%	+18.1	£224,056
Runnymede	South East	47.1%	62.4%	+15.3	£445,236
East Hampshire	South East	33.6%	48.8%	+15.1	£393,716
Angus	Scotland	31.2%	44.2%	+13.0	£151,548
West Lancashire	North West	31.6%	44.6%	+13.0	£203,461
Vale of White Horse	South East	37.5%	50.0%	+12.5	£347,004
Fareham	South East	33.7%	45.8%	+12.1	£288,799
East Lindsey	East Midlands	30.0%	41.8%	+11.8	£191,067
Exeter	South West	41.8%	53.4%	+11.6	£262,926
East Cambridgeshire	Eastern England	45.7%	56.9%	+11.1	£288,491

Amanda's top tips for first-time buyers

Just 13% of prospective first-time buyers say they fully understand the homebuying process, with the legal process and getting a mortgage often cited as the biggest hurdles[7]. That's why getting advice is so important.

Lloyds mortgage expert Amanda Bryden has built a career in the industry that spans almost 30 years. She started as a mortgage broker and has since filled a variety of senior roles across several of the country's biggest lenders.

Here's what she suggests:

1. **Do your research**
   Start by understanding the steps. From an agreement in principle, to mortgage approval to moving day. Free guides and resources like the expert-led online sessions from lenders like Lloyds can help make it all much clearer.

2. **Get advice**
   Speak to a mortgage adviser or broker early. They'll help you understand what you can afford and what costs to expect, from the deposit to legal fees. Lloyds lets you make a video appointment to speak to a mortgage expert at a time that's convenient for you.

3. **Explore your options**
   Support is available. A mortgage expert will show you options you might not have considered and guide you on ways to build up the funds quicker. Schemes like Shared Ownership and products like Lloyds 5% deposit mortgage can make buying more affordable than you might think.

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Notes

The information contained in this release is intended for the sole use of journalists and media professionals. Any mortgage figures or scenarios included are illustrative examples only and are not intended to constitute financial advice or an indication of customer outcomes. Mortgage customers or applicants should refer to the Lloyds website for full details, including terms and conditions, eligibility criteria, and how to obtain regulated advice.

Methodology:

Unless otherwise stated, the analysis in this release is based on the same mortgage approval data used to calculate the Halifax House Price Index (HPI), the UK's longest running monthly house price series with data covering the whole of the UK going back to January 1983. This incorporates mortgage approval data from Lloyds Banking Group – the UK's biggest mortgage lender – including customers of both Lloyds Bank and Halifax.

Figures quoted for Great Britain, regions of England, Scotland and Wales reflect the average of respective Local Authority Areas for the calendar year quoted. Therefore, figures quoted may differ from those published previously in the main monthly Halifax House Price Index.

Greater London was intentionally excluded from the analysis due to its distinct market dynamics, notably significantly higher property prices in comparison to the rest of the country. Northern Ireland data has not been included due to a significantly lower sample size.

References:

1) First-time buyer percentage figures have been calculated based on the number of first-time buyers as a proportion of the overall number of mortgage transactions (all buyers) for a given Local Authority Area (LAA). The figures are believed to be indicative of market trends. Note this calculation does not include cash buyers.

2) Local Authority Area (LAA) house price data is based on a 'price per square metre' methodology, scaled up to a typically sized property for each LAA based on EPC data. The smaller number of transactions in individual LAAs may lead to greater volatility in average house prices. In some cases, neighbouring LAAs have been combined to ensure a robust sample size. All Great Britain house price data calculated on the average of individual LAA data.

3) Statistic taken from BSA research: https://www.bsa.org.uk/media-centre/press-releases/mortgage-flexibility-starts-to-reduce-barriers-for-first-time-buyers

4) Previous research by Halifax, part of Lloyds Banking Group, found that more than 60% of first-time buyer mortgage completions were in two or more names, further supporting affordability calculations.
Source https://www.lloydsbankinggroup.com/media/press-releases/2025/halifax-2025/first-time-buyer-market-rebounds.html

5) The first-time buyer mortgage scenarios referenced are illustrative examples of the monthly repayment amount only. They do not include additional costs such as legal fees, nor other ongoing costs associated with homeownership. Mortgage calculations are based on a five-year fixed-rate mortgage at 4.72% with a 5% deposit and a 30-year repayment term. This product was available via the Lloyds website to Club Lloyds current account holders on 12th February 2026 and is subject to change. Actual borrowing amounts, interest rates, and monthly repayments will depend on individual circumstances, including credit history, income, and affordability assessments.
Source: https://www.lloydsbank.com/mortgages/first-time-buyers.html

6) Average rent figures taken from data published by the ONS on 21st January 2026. These reflect the average across all property types and tenures. The comparison between rent and mortgage costs for first-time buyers is illustrative only and not intended to be like-for-like.
Source: https://www.ons.gov.uk/economy/inflationandpriceindices/articles/housingpricesinyourarea/2024-03-20

7) Figure based on research carried out by OnePoll on behalf of Lloyds, which surveyed 2,000 UK Adults who are prospective first-time buyers. Survey conducted from 17th to 21st July 2025.

This research has been conducted by Lloyds Banking Group in partnership with S&P Dow Jones Indices, which acts as administrator for the Halifax House Price Index. S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies, and governments to make decisions with confidence. For more information, visit https://www.spglobal.com/spdji/en/.

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