



8<sup>th</sup> March 2010

## **Changes in purchasing behaviour evident according to new EBS First Time Buyer research**

**67% of prospective first time buyers believe now is a good time to purchase**

**3 in every 4 first time buyers are concerned about their job or their partners' job security**

**Monday 8th March 2010:** EBS Building Society today released the results of first time buyer research. The research found that while job security concerns are prevalent, first time buyers are positive about the housing market and a majority (67%) feel that now is a good time, or very good time to purchase their first home. Among the target audience of potential first time buyers, about three in ten are actively looking for their first home, with most of the balance (6 in 10) stating that they will be actively looking to buy before the year is out.

Potential buyers are shopping around for their mortgage: those that have looked for finance (48% of respondents) stated that they had contacted, on average, more than three different lending institutions.

The research found, as would be expected, there has been changes to purchasing behaviour:

- 29% of respondents stated that they were looking for a bigger house than they had originally planned for.
- 35% stated that they were now looking in an area that previously would have been too expensive for them.
- These trends are most obvious in Dublin where almost half of respondents stated that they were now considering a locality that previously would not have been feasible.

The average amount that prospective first time buyers expect to spend on their new home is € 260,000, with those looking for second hand houses or houses in Dublin expecting to pay slightly more than this.

53% of respondents said that they were concerned about their own job security and 22% said that they were concerned about their partner's job security. A definite gender split was evident in the research: men are more likely to be worried about their job security. 63% of men surveyed said that they were concerned, versus 42% of women.

This fact is again evident amongst those that said that they were concerned about their partners' job security: 33% of women are concerned about their partners' job security; only 10% of men surveyed were concerned about their partners' job security.

Dara Deering, Director of Membership Business, EBS Building Society commented on the research: "Ensuring First Time Buyers have confidence in the housing market and access to affordable, responsible finance are key issues that will contribute to our domestic economic recovery. It is good to see in this research that such a large portion of first time buyers do believe that now is a

good time to purchase, and this demonstrates their acknowledgement that the market will level-out, with such steep declines in first time buyer house prices most likely to be a thing of the past. The most recent EBS / DKM Affordability Index, published in January, shows that affordability levels continue to improve for first time buyers. The quarterly Index showed that the average proportion of net income required to fund a mortgage has fallen by more than 50% in the past three years – the research demonstrates that first time buyers are aware of this.

"Understandably there are significant levels of unease about job security and until the domestic and international markets demonstrate sustained growth, this uncertainty is likely to remain. However, one thing that lenders can and should ensure is access to affordable, responsible home finance.

"EBS is committed to lending to the first time buyer market. Indeed the society was founded 75 years ago with providing home finance as its founding principle. EBS continues to grow its share of the first time buyer market, with 1 in 2 first time buyers who chose to go directly to a financial institution, purchasing their home with EBS last year. EBS offers a range of mortgage products for first time buyers, such as EBS First Mortgage, which offers a choice of competitive variable or fixed interest rates, up to 92% loan to property value and an 'easystep' option allowing you to reduce your mortgage repayments for the first three years.

Other findings include:

- Those actively looking now are more likely to be male, Dublin-based, middle class and aged between 30 – 40 years.
- Those who do not feel now is a good time to buy stated that they were concerned that prices might fall further and for their own job security.
- Two thirds of those asked think that they will stay in their first home forever.
- Of those that think that they will move, they think that they will move in approx 8 years.