



Lloyds TSB

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TODAY'S YOUTH SWAP CAP AND GOWN FOR BRICKS AND MORTAR

One in ten 18 -24 year olds shun university to save cash for first home

One in ten young people has sacrificed university in order to save money towards their first home. A further third of 18 -24 year olds are calling for a cut in university tuition fees to help them get on the property ladder, according to research released today by **Lloyds TSB mortgages**.

The Lloyds TSB *Next Generation of Homeowners Report* reveals that younger generations are now prepared to make a number of major sacrifices to fulfil home-owning aspirations. One in five young '20 somethings' has forfeited their first choice career option in favour of a better paid job they don't enjoy. A further one in six admits to juggling two jobs to help build a deposit towards a first home.

According to the findings, over half (54 per cent) are currently living at home indefinitely and a further third have put world travel plans on hold. In addition, one in five of those aged 22–24 yrs admit they are actively redirecting pension contributions towards a house deposit.

These measures may be a result of the fact that homeownership is now the number one priority for the nation's 18 - 24 year olds, as three quarters of respondents name owning a home as the goal they most want to achieve by the age of 30. Career aspirations are ranked far lower; gaining a management level role is named by just 32 per cent and starting a business is cited by 30 per cent as a pressing ambition.

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Alison Burns, Mortgage Sales Director at Lloyds TSB, commented: “The fact people are willing to forgo their education highlights the importance of homeownership to the younger generation. However, these extreme measures may not always be necessary, as the research shows a number of misconceptions about the modern housing market.

“Almost 65 per cent of those we spoke to believe a 10 per cent deposit is an essential requirement but this is not the case. Mortgage providers are becoming increasingly flexible to accommodate the changing circumstances of first time buyers, so many of the old mortgage myths no longer apply. Young people should seek mortgage advice before making a decision that could affect their long term future.”

Indeed, over half (55 per cent) of young people believe they will need to be earning a minimum of £30,000 per year to get on the ladder, with one in ten believing a salary of £40,000 is required.

Despite the fact many lenders will now consider candidates with low-level credit problems, over half of those questioned believe you must be debt-free, i.e. no outstanding student loan or credit card charges, to meet mortgage lender requirements. A further two out of five wrongly believe that three years continuous employment is a prerequisite to mortgage approval.

Helen Eagleton, aged 24, who is currently in the process of buying her first home, commented: “The headlines paint a pretty gloomy picture for first time buyers and I had just assumed that owning a home was out of my reach unless I made some major sacrifices. I was living with my parents and commuting over two hours a day when I finally plucked up the courage to seek advice. I soon discovered that many of my assumptions were wrong and I was not the undesirable candidate I had first thought. It opened my eyes to the many options available to first time buyers and six months later I am just weeks away from completion.”

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In response to the research Lloyds TSB has launched *The Essential Guide to Buying Your First Home*, which is available free of charge at www.lloydstsb.com/mortgages. The comprehensive guide provides potential buyers with details on everything from improving your credit record, assessing your budget to a jargon busting guide to mortgage terminology.

Full details of Lloyds TSB Flying Start mortgage range, which is specially tailored to the needs of first time buyers, is also available online.

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Notes to editors:

Life goals under 25s want to achieve by the age of 30

1. Own a home (75%)
 2. Get married (64%)
 3. Have children (50%)
 4. Travel the world (44%)
 5. Have a senior management role (32%)
 6. Start a business (30%)
- Research conducted by Ciao amongst 500 18 – 24 year olds and 500 adults with children aged 18 and 24 years old in June 2007

For more information:

Amanda Glover / Kirsty Clay

Lloyds TSB Press Office

Tel: 020 7356 2021

Amanda.glover@lloydstsb.co.uk

www.lloydstsb.com/mortgages