# First-time buyers in the UK spend £163,047 on rent before homeownership



First-time homebuyers in the UK now face significantly higher costs in renting before they can afford to purchase a property, with recent research revealing they spend an average of £163,047 on rent prior to buying. This figure is a substantial 40 per cent increase compared to a decade ago, when the average rent expenditure was £116,427. The rise is primarily driven by soaring rents and the climbing cost of living, which are seriously impeding prospective buyers’ ability to save for a deposit.

According to data from specialist mortgage lender Perenna, the additional amount paid in rent today represents an increase of approximately £46,621 since 2015 alone. When the average house price rose to £270,000 in July, the deposit needed — typically 10 per cent — was around £27,000. However, the sizeable sums paid in rent could be equivalent to a 60 per cent deposit on the average home. Despite this, mounting rental costs combined with affordability restrictions on borrowing limit many from stepping onto the property ladder. For example, mortgage rules often cap borrowing at 4.5 times a buyer's salary, making homeownership particularly difficult for single purchasers.

Perenna's founder, Colin Bell, highlighted the structural challenges young people face in the housing market. He explained that while some choose to rent by preference, many are trapped in an increasingly unaffordable rental cycle without building equity. Unlike mortgage payments—which help buyers acquire ownership and creditworthiness—rent payments offer no investment return, effectively locking tenants out of wealth accumulation despite often exceeding monthly mortgage costs. Bell warned that the current market infrastructure encourages long-term renting rather than homeownership, calling for more financial mechanisms and low-deposit mortgage options to help young people onto the ladder.

The number of years first-time buyers rent before purchasing has increased as well, from an average of 11.4 years a decade ago to 12.8 years today, assuming renters start at 21. This shift reflects deeper affordability issues; official figures show the average private monthly rent rose by 5.7 per cent in the year to August, reaching £1,348 nationally. Regional differences are stark: London sustains the highest rents at £2,253 per month, while the North East has the lowest average at £745. Wales experienced the largest annual increase at 7.8 per cent, and England holds the highest average rent overall at £1,403.

Tenant advocacy groups are pressing the government for intervention. Ben Twomey, chief executive of Generation Rent, expressed concern that rents have risen faster than wages, increasingly burdening tenants. Twomey called for rental protection measures analogous to energy and water bill caps, urging devolved authorities to have powers to limit rent increases regionally.

The trend of escalating rent expenses predates recent years. Research from 2016 by the Association of Residential Letting Agents (Arla) found first-time buyers spent an average of £52,900 on rent before buying. London renters faced the highest costs at £68,300, compared to £31,300 in the North East, illustrating a persistent North-South affordability divide. Earlier data from 2014 indicated homeowners spent around £41,900 in rent on average and often rented for seven years before purchasing. Over time, these figures have grown sharply, underscoring intensifying difficulties for young buyers amid rising rents and house prices.

The implications are clear: many renters are effectively funding landlords for years instead of building equity in property, reflecting systemic barriers in the UK housing market. The combination of high rents, borrowing limits, and savings challenges creates a prolonged hurdle for homeownership, prompting calls for policy reforms to equalise opportunities and financial supports for first-time buyers in regions across the country.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.dailymail.co.uk/money/galleries/article-15111155/Report-time-homeowners-spend-rent-buying.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[4]](https://www.independent.co.uk/property/homehunters-spend-ps41-900-on-rent-before-becoming-first-time-buyers-9138385.html)
* Paragraph 2 – [[1]](https://www.dailymail.co.uk/money/galleries/article-15111155/Report-time-homeowners-spend-rent-buying.html?ns_mchannel=rss&ns_campaign=1490&ito=1490)
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* Paragraph 4 – [[1]](https://www.dailymail.co.uk/money/galleries/article-15111155/Report-time-homeowners-spend-rent-buying.html?ns_mchannel=rss&ns_campaign=1490&ito=1490)
* Paragraph 5 – [[1]](https://www.dailymail.co.uk/money/galleries/article-15111155/Report-time-homeowners-spend-rent-buying.html?ns_mchannel=rss&ns_campaign=1490&ito=1490)
* Paragraph 6 – [[1]](https://www.dailymail.co.uk/money/galleries/article-15111155/Report-time-homeowners-spend-rent-buying.html?ns_mchannel=rss&ns_campaign=1490&ito=1490)
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* Paragraph 8 – [[1]](https://www.dailymail.co.uk/money/galleries/article-15111155/Report-time-homeowners-spend-rent-buying.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[2]](https://www.bbc.com/news/business-35541835), [[3]](https://www.theguardian.com/money/2016/feb/12/uk-first-time-buyers-average-rent), [[4]](https://www.independent.co.uk/property/homehunters-spend-ps41-900-on-rent-before-becoming-first-time-buyers-9138385.html), [[5]](https://www.moneyexpert.com/news/average-first-time-buyer-will-have-paid-over-50k-rent-800583709/), [[6]](https://www.bbc.com/news/newsbeat-35554985)

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## Bibliography

1. <https://www.dailymail.co.uk/money/galleries/article-15111155/Report-time-homeowners-spend-rent-buying.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data
2. <https://www.bbc.com/news/business-35541835> - A 2016 BBC News article reports that first-time buyers in England who purchase a house that year will have already spent an average of £52,900 on rent. The Association of Residential Letting Agents (Arla) conducted the research, highlighting significant regional variations. In London, the lifetime rent expenditure for first-time buyers is £68,300, while in the North East, it's £31,300. The study underscores the escalating unaffordability of rents due to a shortage of available housing, with the North-South divide in the UK being a clear illustration of this trend.
3. <https://www.theguardian.com/money/2016/feb/12/uk-first-time-buyers-average-rent> - A 2016 article from The Guardian discusses a report by the Association of Residential Letting Agents (Arla) revealing that first-time buyers in the UK will have spent an average of £52,900 on rent before buying their first home. The report highlights regional disparities, with London renters spending £68,300 and North East renters £31,300. The article emphasizes the rising unaffordability of rents and the challenges faced by potential buyers in saving for a deposit amidst escalating housing costs.
4. <https://www.independent.co.uk/property/homehunters-spend-ps41-900-on-rent-before-becoming-first-time-buyers-9138385.html> - A 2014 article from The Independent reports that homeowners in the UK spend an average of £41,900 on rent before purchasing their first property. The research by Santander Mortgages indicates that homeowners who rent prior to buying spend an average of seven years as tenants, with 15% spending 11 years or more. The study also highlights the financial challenges faced by renters in saving for a deposit, with many finding it difficult to save while paying rent.
5. <https://www.moneyexpert.com/news/average-first-time-buyer-will-have-paid-over-50k-rent-800583709/> - A 2016 article from MoneyExpert reports that the average first-time buyer in the UK will have paid a total of £52,900 in rent before purchasing their first home. The report highlights the significant increase in both rental costs and house prices in recent years, making it more challenging for younger generations to buy their first home. The article also discusses regional variations, with London renters spending £68,300 and North East renters £31,300.
6. <https://www.bbc.com/news/newsbeat-35554985> - A 2016 BBC News article reports that individuals who start renting their first home today will pay £64,400 to landlords before buying their first property, according to the Association of Residential Letting Agents (Arla). The figures are based on average first-time buyers being 31 and people moving out of their family homes at 18. The article highlights the escalating unaffordability of rents due to a lack of available housing and the North-South divide in the UK.
7. <https://www.standard.co.uk/news/london/firsttime-buyers-in-london-spend-more-on-rent-than-deposit-for-ps1m-house-a3178716.html> - A 2016 article from the London Evening Standard reports that first-time buyers in London pay out the price of a deposit for a £1 million home in rent before they can afford to buy. Research claims that more than £68,000 will have been forked out in the lifetime of an average renter in the capital before they can afford to buy. A five per cent deposit on a house worth £1 million would be £50,000, highlighting the significant financial burden of renting in London.