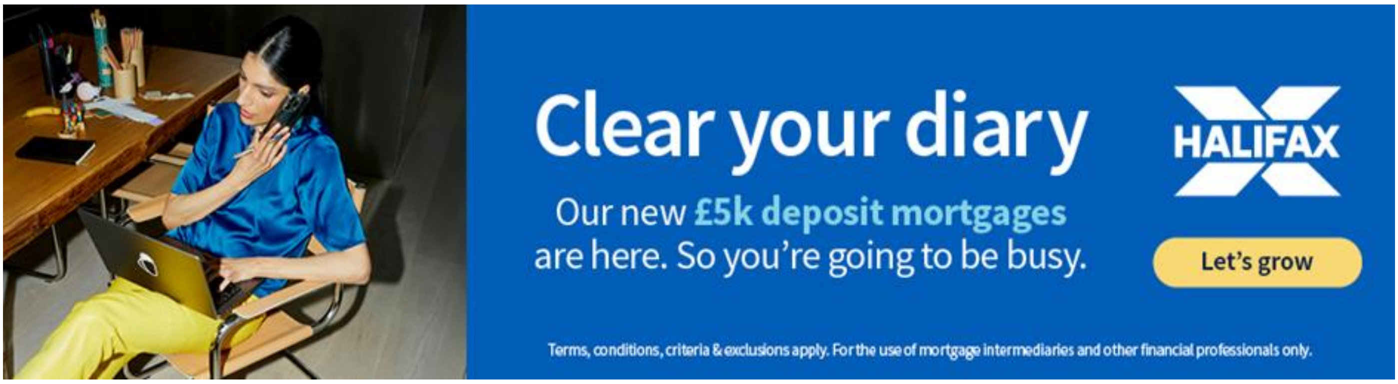

Halifax Intermediaries: Supporting First-Time Buyers with a New £5,000 Deposit Mortgage

Halifax Intermediaries is proud to support the launch of a new £5,000 deposit mortgage, designed to help more first-time buyers take their first step onto the property ladder. This innovative product addresses one of the biggest barriers facing aspiring homeowners today: saving for a deposit.

For many renters, the challenge is not affordability of monthly payments but the ability to build a substantial upfront deposit. In fact, a significant proportion of first-time buyers report that raising a deposit is the most difficult part of buying a home, particularly without access to financial support from family. This new proposition has been developed with those customers in mind, individuals who are financially responsible, managing regular housing costs, but are locked out of homeownership due to high deposit requirements.

The product enables customers to purchase a property worth up to £300,000 with a minimum deposit of just £5,000, equating to a maximum loan-to-value (LTV) of 98%. It is offered as a five-year fixed rate mortgage, providing payment certainty, and comes with no product fees. The maximum loan-to-income ratio is set at 4.5 times income, with terms available up to 40 years, subject to affordability and credit assessments.

From an intermediary perspective, this presents a valuable opportunity to support a wider segment of first-time buyers, particularly those who have demonstrated the ability to meet rental payments that are often comparable to, or even higher than, mortgage repayments. By reducing the upfront barrier, advisers can help clients potentially bring forward their homeownership plans by several years.

However, as with all high LTV lending, it is essential that brokers carefully assess suitability. The product includes strict affordability criteria and may not be appropriate for all clients. It is not available for certain scenarios, including new build properties, shared ownership, or cases involving gifted deposits. Ensuring customers fully understand their commitments and long-term financial position remains critical.

This launch also reflects broader shifts in the housing market. The average first-time buyer age continues to rise, driven by ongoing affordability pressures and increasing living costs. At the same time, many prospective buyers overestimate the level of deposit required, often believing they need over £20,000 to purchase a home. By clearly communicating the availability of lower-deposit solutions, intermediaries can play a key role in reshaping perceptions and opening up new possibilities for clients.

Beyond access, homeownership offers longer-term financial benefits, including stability and the opportunity to build equity over time. In many areas, mortgage repayments align closely with rental costs, reinforcing the appeal of transitioning from renting to owning where feasible.

Halifax Intermediaries remains committed to supporting brokers with solutions that respond to evolving customer needs. The £5,000 deposit mortgage is a significant step in improving accessibility while maintaining a responsible approach to lending. By working together, we can help more first-time buyers turn ambition into reality and create a stronger, more inclusive housing market.

To find out more visit our website here