



EMBARGOED UNTIL 00:01 HRS ON SATURDAY 3 SEPTEMBER

Homeowners' Housing Aspirations Show Signs of Optimism

- **Almost three quarters of homeowners (74%) believe that they will achieve their long-term family home in no more than two more moves**
- **81% of homeowners believe they will have to wait longer to reach their long-term family home than they would have a decade ago – however this number has fallen from 88% in 2012**
- **Three-bedroom homes are the most popular choice - two in five (40%) said this was what they aspired to – the average price of a three bedroom home in 2016 is £222,745**

The latest research from Lloyds Bank has revealed that homeowners are gradually starting to feel more optimistic about the time it will take them to move into their long-term family home.

Whilst four out of five homeowners (81%) believe that they will have to wait longer to achieve their long-term aspiration than they would have a decade ago, the report shows that the number of homeowners thinking that has fallen steadily from 88% in 2012.

Similarly, whilst this year's study shows that four in 10 (41%) believe the uncertain housing market has had an impact on housing aspirations, this number has fallen from 53% in 2012.

However a third (33%) said that they had expected to be further along the housing ladder than they currently are. The figure is higher for first-time buyers, with 43% saying they were lagging behind their expectations. By comparison, only 20% of those on their fourth move or more felt they were not where they had expected to be on the housing ladder.

Almost three quarters (74%) believe that they will achieve their long-term family home in no more than two more moves.

Andrew Mason, Lloyds Bank Mortgage Products Director, said: "There's still a perception amongst a large number of homeowners that their long-term aspirational home seems far off and they are not moving up the housing ladder as quickly as they had hoped, although this perception has been gradually improving over the last few years.

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SATURDAY 3 SEPT 2016



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“Those who are further up the property ladder appear to be more satisfied with their progression, whereas those who are just starting out may feel that they have a mountain to climb before they reach their long-term home. Despite that, first-time buyers are in a slightly better position to move than they were a year ago and are the group most likely to be on the move.”

Three bedroom homes the most popular choice

A three-bedroom home was the most popular choice to aspire to for a long-term home, with two in five (40%) saying that was their ideal home. One in four (24%) said that they wanted a four bedroom home. The most popular ‘extras’ on homeowners’ wish lists were gardens, garage space and conservatories.

The average price of a three bedroom home in 2016 stood at £222,745, with the average total income of the occupants being £51,494.

However, regionally there are large variations on both house prices and income which affect affordability of these properties. In London (£485,050) and the South East (£317,355), house prices are significantly higher. However, average incomes of the applicants are also higher too (£97,358 and £65,095 respectively), helping affordability in those regions. Despite this, London and the South East remain the least affordable regions for these homes and as a result applicants are on average 36 years old, which is a year older than the national average.

In contrast, long-term family homes in the North and Wales are more affordable with the average three bed property costing £142,506 in the North and £145,500 in Wales. Average incomes of the applicants are lower (£41,088 and £39,155 respectively), but long-term homes are still more affordable in both regions. As a result the average age of the applicants is lower than the national average (35) in the North and Wales (both 34).

Reasons for moving

The most popular reasons cited for wanting to move to a new property were wanting to move to a new area (40%), looking to downsize (38%), current property too small (27%) and wanting a bigger garden (14%).

More than half had been in their current property for more than a decade and the average length of time homeowners had been in their current property was 7.7 years. For first-time buyers this was 6.9 years, for second steppers 8.1 years, for third steppers 7.9 years and for fourth steppers 8.2 years.

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Table 1 – 3 and 4 Bed average house prices by region in 2016

Region	Crude Average Price £ 2016		
	All Bedrooms	3 Bed	4 Bed
North	155,516	142,506	223,195
Yorkshire and the Humber	171,656	153,502	249,816
North West	176,523	161,738	261,646
East Midlands	187,888	164,586	266,165
West Midlands	195,023	175,700	287,322
East Anglia	235,920	216,148	326,389
Wales	165,566	145,500	238,762
South West	240,721	228,912	342,163
South East	329,449	317,355	466,059
Greater London	455,937	485,050	664,833
Northern Ireland	132,517	114,940	174,388
Scotland	169,696	165,676	252,833
UK	244,772	222,745	336,323

Source: Lloyds Banking Group, 12 months to July 2016

Table 2 – Average total income of occupants in 2016

Region	Average Total Income of Occupants £ 2016		
	All Bedrooms	3 Bed	4 Bed
North	43,482	41,088	57,717
Yorkshire and the Humber	44,600	40,410	60,616
North West	45,074	42,280	63,692
East Midlands	45,600	41,413	61,646
West Midlands	47,448	42,351	70,472
East Anglia	51,564	48,559	67,071
Wales	43,018	39,155	57,869
South West	50,837	48,294	70,969
South East	66,806	65,095	92,209
Greater London	90,525	97,358	129,359
Northern Ireland	37,573	33,479	46,329
Scotland	46,906	46,398	65,518
UK	55,394	51,494	74,161

Source: Lloyds Banking Group, 12 months to July 2016

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Table 3 – Average age of main applicant in 2016

Region	Average Age of Main Applicant £ 2016		
	All Bedrooms	3 Bed	4 Bed
North	35	34	37
Yorkshire and the Humber	34	34	37
North West	34	34	37
East Midlands	35	35	38
West Midlands	35	34	37
East Anglia	36	35	39
Wales	35	34	38
South West	36	35	39
South East	36	36	39
Greater London	34	36	38
Northern Ireland	34	33	36
Scotland	35	35	37
UK	35	35	38

Source: Lloyds Banking Group, 12 months to July 2016

Editors' Notes

House price data is taken from Lloyds Banking Group internal data.

Other consumer data is based on consumer research undertaken by BDRC Continental (bdrc-continental.com) on behalf of Lloyds Banking Group. Fieldwork took place between December 2015 and February 2016 and the previous wave of research took place between November and December 2014. Around 1000 interviews were collected from a representative online consumer panel of homeowners housed by Research Now.

For further information

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