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Cost of moving house rises to £11,000

- The average cost of moving home in the UK has increased by £870 (9%) over the past year to £10,996
- Moving costs in Greater London increased by £4,732 (18%) over the past year; more than five times the national increase
- Nationally, the total cost of moving has increased by £2,206 (25%) in the past ten years

The average cost of moving house in the UK has increased by £870 over the past year¹ to £10,996, according to the latest research from Lloyds Bank.

This 9% rise is well above the 0.5% increase in the consumer price index² and annual growth in average earnings of 1.5%.

Rising house prices are the main factors behind the increase in moving costs, pushing up estate agency, stamp duty and conveyancing fees, which are all typically linked to the purchase price.

Higher estate agency fees account for more than half of the increase in average moving costs, which have risen by £402³ (8%) to £5,404 in 2016. Average stamp duty costs have increased by £372 (17%) to £2,504 and legal costs are up by £93 (8%) to an average of £1,251. [Table 1]

Moving Costs Greater in London

The figure differs widely, however, across regions, which largely reflect local property price trends. Greater London has seen the average cost of moving increase more sharply over the past year – by £4,732 (18%), more than five times the national increase of £870. This is largely down to the fact that Greater London house prices have risen by 14.5% over the past year compared to the UK average of 8.5%.

The average moving cost in London stands at £31,416 – nearly three times the UK average – and the average homemover in the capital pays more than £15,000 in stamp duty and £11,000 in estate agency fees. The cost of moving in the capital equates to a substantially higher proportion of annual gross earnings than nationally: 72% against 32%.

Mike Songer, Mortgage Director at Lloyds Bank, commented: "The cost of stepping up the housing ladder has continued to rise sharply over the past year. As a result, the cost of completing a home move in the UK has grown significantly over the past decade, to nearly £11,000.

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PRESS RELEASE

SATURDAY 17 SEPTEMBER 2016



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"This trend is especially marked for buyers in London and the South East with the combination of both higher property prices and more rapid increase in prices in recent years resulting in significantly higher moving costs in these parts of the country.

"Lloyds Bank is committed to helping customers take their first or next step on the property ladder, and so earlier this year we launched a new 'hassle free' mortgage offer to help cover some of the initial costs for mortgage customers, such as purchase legals, valuation and mortgage and product fees."

South-East second most expensive region for homemovers

The South East is the second most expensive region for moving, with an average outlay of £20,210 – a rise of £3,382 (20%) since last year. At the other end of the spectrum, there has been virtually no change in Wales and only very small rises in the North West (1%) and Scotland (2%).

Northern Ireland has the lowest moving costs, at £5,401 (18% of local annual average earnings), whilst moving costs are between £6,900 and £8,000 in Yorkshire and the Humber, the North East, Scotland, the North West and Wales.

Moving costs outpace inflation over past decade

Nationally, the total cost of moving has increased by £2,206 (25%) in the past ten years from £8,790 in 2006 to £10,996 today. This is in line with the percentage growth in average house prices over the decade. Average gross annual full time earnings have increased by less - 17% - over the same period. As a result, the total cost of moving has risen from 30% to 32% as a percentage of gross annual earnings⁴.

Again, there have been substantial regional differences in moving cost trends. London has seen the highest rise in the cost of moving over the last decade, with a £12,680 (68%) increase from £18,736 to £31,416. This rise is substantially higher than in any other region with a £4,329 increase in the South East being the next highest. Moving costs have increased as a proportion of annual gross earnings in the capital from 46% in 2006 to 72% in 2016.

In sharp contrast, moving costs in Northern Ireland have fallen by £1,957 (27%) from £7,358 in 2006 to £5,401 in 2016 due to the dramatic decline in house prices in the country following the onset of the financial crisis in 2007. Moving costs in the North East and Wales are also slightly lower than a decade ago.

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Table 1: Cost of moving home by category 2006-2016 (£s)

	2006	2015	2016	1 year % change	1 year £ change
Stamp duty	2,023	2,132	2,504	17%	372
Estate agency	4,279	5,002	5,404	8%	402
Surveyors' fees	525	665	665	0%	0
Home removal	952	1,109	1,111	0%	0
Conveyancing	1,011	1,158	1,251	8%	93
Energy Performance Certificate	N/A	60	60	0%	0
Total	8,790	10,126	10,996	9%	870

Sources: Lloyds Bank, Halifax, Which? Pickford and ONS

* Based on Q2 data

Table 2: Cost of moving by region 2006-2016 (£s)

	2006	2015	2016	1 year % change	1 year £ change	10 year % change	10 year £ change
South East	15,881	16,828	20,210	20%	3,382	27%	4,329
London	18,736	26,684	31,416	18%	4,732	68%	12,680
Yorkshire and the Humber	7,148	6,936	7,730	11%	795	8%	582
East Anglia	8,415	9,974	10,973	10%	999	30%	2,558
North East	7,244	6,529	7,133	9%	604	-2%	-111
Northern Ireland	7,358	5,073	5,401	6%	328	-27%	-1,957
South West	9,275	10,546	11,098	5%	552	20%	1,823
West Midlands	8,500	9,402	9,814	4%	412	15%	1,314
East Midlands	7,824	8,105	8,389	4%	284	7%	565
Scotland	6,516	6,822	6,947	2%	125	7%	431
North West	7,364	7,390	7,459	1%	69	1%	95
Wales	7,718	7,569	7,563	0%	-6	-2%	-154
UK	8,790	10,126	10,996	9%	870	25%	2,206

Sources: Lloyds Bank, Halifax, Which? Pickford and ONS. * Based on Q2 data

This information is intended for the sole use of journalists and media professionals.

Notes to Editors:

¹Based on estimated cost incurred in Q2.

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² Annual change in CPI from June 2016 and June 2015.

³ Includes VAT of 20% on fee paid.

⁴ Average earnings are based on ASHE 2015 survey for full time workers published by the ONS and refers to the mean, with Lloyds Bank estimates for 2016.

The figures used in the release refer to the moving cost of a home mover not a first-time buyer and uses the average price property for a homemover by region.

The house price data used in this report refers to Quarter 2 (homemovers) of the relevant year and has been sourced from the Halifax House Price Index, the UK's longest running monthly house price series.

Data on home moving costs has been drawn from a range of statistics including Halifax and the Office for National Statistics (ONS). Home moving costs covered in the report are stamp duty, estate agency fees, surveyor's fees, conveyancing and removal costs.

Stamp duty:

The average stamp duty bill has been calculated using the average house price for each year and the stamp duty band it falls in.

Estate agency fees:

The average estate agency bill has been estimated as a fee of 1.8% of the average house price for each year. This estimate has been sourced from research by Which? (<http://www.which.co.uk/news/2011/03/estate-agents-fees-exposed-248666/>) and is assumed to be fixed through the time period and by region. Estate agency costs includes a 20% VAT on top of the 1.8% commission fee, this was not included in previous releases.

Conveyancing fees:

The conveyancing fee has been estimated as 0.5% of the average house price for each year. For the purpose of this analysis stamp duty has been estimated as a separate cost and land registration fees are excluded to lack of reliable historic data for some regions. This estimate has been based on a range of market intelligence including: http://www.home.co.uk/guides/buying/one_off_costs.htm.

Surveyor's fees:

Based on Lloyds Banking Group data on survey and valuation fees (level 2) data including administration fee.

Lloyds Bank 'Hassle Free' mortgage offer:

This offer can be withdrawn at any time and excludes: Product Transfer, Further Advances, Shared Equity (including Help to Buy Equity Loan), Shared Ownership and Local Lend a Hand.

There may be additional fees payable to third parties e.g. Stamp duty, Disbursements and Lessor's Registration Fee (if applicable).

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