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Housing market sales fall with London and the South East faring the worst

- Home sales in England & Wales fell by seven percent last year
- Over 80% of towns in England & Wales experienced a fall in sales last year
- Retford in the East Midlands saw the biggest rise in home sales, up by 15% followed by Cannock in the West Midlands at 12%
- Despite the fall in home sales, the first-time buyer housing market continues to grow reaching the highest level since 1996 at 49%

Property sales in 2016 were 7% lower than in 2015, according to the latest research from Lloyds Bank. There were 848,857 home sales in England & Wales in 2016, compared to 915,096 in the previous year.

All regions saw a decrease in sales in 2016 compared to 2015, with the largest falls in Greater London (-20,660 sales, -18%) and the South East (-23,422 sales, -10%). Both East and West Midlands fared the best with just a one percent decline, followed by North West (-2%). (Table 1)

Despite the recent dip in home sales, there has been an improvement compared to five years ago when the market started to recover from the financial crisis. The number of sales in England & Wales as a whole increased by 29% (188,386 sales) from 2011-2016 with the majority of regions seeing increases of between 23% (South East) and 46% (North West). The exception – and the worst performer by some distance – was Greater London with a rise of just 2% in the past five years.

Over 80% of towns experienced a fall in sales in 2016

The majority (82%) of towns in this survey saw a decrease in sales between 2015 and 2016. In Greater London all boroughs experienced a fall in sales.

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Despite this, the first-time buyer housing market continues to grow

Even with the fall in property sales, the first-time buyer housing market continues to grow. In 2006, just over a third (36%) of all house purchases financed by a mortgage were made by first-time buyers. In 2016, this proportion is estimated to have reached almost half (49%), the highest level since 1996.

Andy Mason, mortgage director at Lloyds Bank, commented:

“The recovery in the housing market has stumbled during the past year with sales declining in all regions. Despite record low interest rates and Government schemes, such as Help to Buy, sales remain significantly below the levels seen at the height of the last housing boom.

“The decrease in the amount of people moving home could be caused by movers not being able to find the right home, in the right location or those who don’t have enough equity in their current home to put down as a large enough deposit for their next mortgage. Add to this that the average cost of moving home is close to £11,000, with costs in London over £31,000 and these factors make it more challenging for those looking to move home.”

Retford in the East Midlands saw the biggest rise in home sales in 2016

Despite the overall decline in sales, nearly one in five (18%) local markets recorded some improvement in sales activity between 2015 and 2016. Retford in the East Midlands saw home sales increase by 15% followed by Cannock in the West Midlands (12%). (Table 3)

There was a general north-south divide, as over 80% of the towns that saw a rise in home sales in 2016 are in the north.

Brent (Greater London) and Berkhamsted (South East) recorded the largest drops in home sales in 2016, both falling by 30%. (Table 4)

Property sales still over a third lower than a decade ago during the last housing boom

The property market has not recovered to the heights of the last housing boom ten years ago, with property sales in England & Wales a third (-442,277 sales, -34%) lower than in 2006. Regionally, sales are lowest compared with 2006 in Greater London (-74,861 sales, -44%). The smallest falls have been in the East Midlands and Wales (both -28%).

Home sales across **all** towns and local authorities are still lower than in 2006. Biggleswade in the South East has experienced the smallest fall in sales (-2%), followed by Hinckley and Didcot (both -4%). (Table 5)

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The largest falls in property sales from 2006 were in Westminster (-63%), followed by Nelson (-59%) and Burnley (-58%) in the North West. (Table 6)

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Table 1: Property sales and % changes by region, 2006-2016

| | Sales 2006* | Sales 2011* | Sales 2015* | Sales 2016* | 2006- 2011 % Change | 2006- 2016 % Change | 2011- 2016 % Change | 2015- 2016 % Change |
|----------------------------|------------------|----------------|----------------|----------------|---------------------------|---------------------------|---------------------------|---------------------------|
| North | 70,776 | 33,162 | 44,781 | 41,088 | -53% | -42% | 24% | -8% |
| Yorkshire & the Humber | 124,143 | 55,765 | 79,724 | 77,384 | -55% | -38% | 39% | -3% |
| North West | 150,075 | 66,019 | 98,780 | 96,552 | -56% | -36% | 46% | -2% |
| East Midlands | 103,237 | 52,156 | 75,373 | 74,547 | -49% | -28% | 43% | -1% |
| West Midlands | 115,772 | 56,402 | 81,728 | 80,921 | -51% | -30% | 43% | -1% |
| East Anglia | 60,683 | 34,227 | 44,303 | 42,213 | -44% | -30% | 23% | -5% |
| Wales | 57,885 | 30,308 | 42,905 | 41,610 | -48% | -28% | 37% | -3% |
| South West | 136,213 | 74,405 | 105,098 | 96,446 | -45% | -29% | 30% | -8% |
| South East | 303,481 | 165,680 | 227,345 | 203,923 | -45% | -33% | 23% | -10% |
| Greater London | 168,861 | 92,242 | 114,660 | 94,000 | -45% | -44% | 2% | -18% |
| England & Wales | 1,291,134 | 660,471 | 915,096 | 848,857 | -49% | -34% | 29% | -7% |

Source: Land Registry, *January to December

Table 2: % of towns with an annual rise/ fall in home sales by region, 2006-2016

| | 2006 | | 2011 | | 2015 | | 2016 | |
|----------------------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|
| | Hot* spots | Cold** spots | Hot* spots | Cold** spots | Hot* spots | Cold** spots | Hot* spots | Cold** spots |
| North | 91% | 9% | 61% | 39% | 74% | 26% | 13% | 87% |
| Yorkshire & the Humber | 100% | 0% | 68% | 32% | 50% | 50% | 36% | 64% |
| North West | 100% | 0% | 61% | 39% | 63% | 37% | 32% | 68% |
| East Midlands | 100% | 0% | 50% | 50% | 59% | 41% | 41% | 59% |
| West Midlands | 100% | 0% | 62% | 38% | 65% | 35% | 41% | 59% |
| East Anglia | 100% | 0% | 71% | 29% | 24% | 76% | 19% | 81% |
| Wales | 100% | 0% | 38% | 62% | 62% | 38% | 31% | 69% |
| South West | 100% | 0% | 49% | 51% | 46% | 54% | 12% | 88% |
| South East | 99% | 1% | 46% | 54% | 38% | 62% | 6% | 94% |
| Greater London | 100% | 0% | 38% | 63% | 22% | 78% | 0% | 100% |
| England & Wales | 99% | 1% | 52% | 48% | 47% | 53% | 18% | 82% |

Sources: Lloyds Bank, Land Registry, January -December

* Proportion of towns that recorded an annual increase in home sales, **Proportions of towns that recorded an annual fall in home sales



Table 3: Ten towns with the highest % increase in property sales, 2015-2016

| Post town | Region | Sales 2015 | Sales 2016 | Sales % Change 2015-2016 |
|--------------------|--------------------------|------------|------------|--------------------------|
| Retford | East Midlands | 604 | 694 | 15% |
| Cannock | West Midlands | 1148 | 1288 | 12% |
| Nelson | North West | 605 | 675 | 12% |
| Dewsbury | Yorkshire and the Humber | 566 | 627 | 11% |
| Lytham St Annes | North West | 922 | 1021 | 11% |
| Wisbech | East Anglia | 918 | 1015 | 11% |
| Thornton Cleveleys | North West | 853 | 942 | 10% |
| Burnley | North West | 1429 | 1578 | 10% |
| Lowestoft | East Anglia | 1346 | 1476 | 10% |
| Coalville | East Midlands | 781 | 851 | 9% |

Source: Lloyds Bank, Land Registry, January-December

Table 4: Ten towns with the largest fall in property sales, 2015-2016

| Post town | Region | Sales 2015 | Sales 2016 | Sales % Change 2015-2016 |
|-------------|----------------|------------|------------|--------------------------|
| Brent | Greater London | 2924 | 2048 | -30% |
| Berkhamsted | South East | 546 | 384 | -30% |
| Newham | Greater London | 2831 | 2009 | -29% |
| Harrow | Greater London | 2928 | 2094 | -28% |
| Workington | North | 578 | 429 | -26% |
| Hackney | Greater London | 2828 | 2106 | -26% |
| Basildon | South East | 1937 | 1465 | -24% |
| Hounslow | Greater London | 3200 | 2432 | -24% |
| Southwark | Greater London | 4058 | 3098 | -24% |
| Thatcham | South East | 585 | 450 | -23% |

Source: Lloyds Bank, Land Registry, January-December

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Table 5: Ten towns with the smallest % fall in property sales, 2006-2016

| Post town | Region | Sales 2006 | Sales 2016 | Sales % Change 2006-2016 |
|---------------|---------------|------------|------------|--------------------------|
| Biggleswade | South East | 609 | 595 | -2% |
| Hinckley | East Midlands | 1246 | 1200 | -4% |
| Didcot | South East | 839 | 802 | -4% |
| Dartford | South East | 1951 | 1822 | -7% |
| Retford | East Midlands | 777 | 694 | -11% |
| Waterlooville | South East | 1595 | 1416 | -11% |
| Rugeley | West Midlands | 683 | 605 | -11% |
| Hailsham | South East | 623 | 548 | -12% |
| Havant | South East | 854 | 751 | -12% |
| Newquay | South West | 755 | 660 | -13% |

Source: Lloyds Bank, Land Registry, January-December

Table 6: Ten towns with the largest % fall in property sales, 2006-2016

| Post town/Local authority | Region | Sales 2006 | Sales 2016 | Sales % Change 2006-2016 |
|---------------------------|--------------------------|------------|------------|--------------------------|
| Westminster | Greater London | 5991 | 2218 | -63% |
| Nelson | North West | 1661 | 675 | -59% |
| Burnley | North West | 3728 | 1578 | -58% |
| Ealing | Greater London | 6338 | 2703 | -57% |
| Kensington And Chelsea | Greater London | 3914 | 1671 | -57% |
| Wallsend | North | 1217 | 529 | -57% |
| Bradford | Yorkshire and the Humber | 8917 | 3902 | -56% |
| Thatcham | South East | 1009 | 450 | -55% |
| Hull | Yorkshire and the Humber | 8166 | 3647 | -55% |
| Enfield | Greater London | 6236 | 2900 | -53% |

Source: Lloyds Bank, Land Registry, January-December



Table 7: 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 | 1,110 | 1,110 | 0% | 0 |
| Conveyancing | 1,011 | 1,158 | 1,251 | 8% | 93 |
| Energy Performance Certificates | N/A | 60 | 60 | 0% | 0 |
| Total | 8,790 | 10,127 | 10,994 | 9% | 868 |

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

* Based on Q2 data

2016 cost of moving release - <http://www.lloydsbankinggroup.com/Media/Press-Releases/2016-press-releases/lloyds-bank/cost-of-moving/>

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House Prices:

The house price and sales data in this report is sourced from the HM Land Registry. House price data is from the Land Registry and refers to crude average prices. These prices are not standardised and therefore can be affected by changes in the sample from period to period. The data in the research covers the period January to December each year.

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