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The **Lloyds Bank Homemover Review** tracks conditions for those who already own a home. The review is based on data from the Lloyds Banking Group house price database, the Council of Mortgage Lenders, the Office for National Statistics and the Bank of England.

## Stagnant homemovers market impacts first time buyers

- There were 171,300 homemovers in the first six months of 2017 – 3,175 (2%) down from the first half of 2016.
- Homemovers account for around half (51%) of the housing market compared to 64% a decade ago.
- Over the past five years, the average price paid by homemovers has grown by 41% (£84,869).

**The number of homemovers – current homeowners moving house – fell by 2% in the first six months of 2017 compared with the same period in 2016, according to the latest Lloyds Bank Homemover Review.**

There were 171,300<sup>1</sup> homemovers in the first half of 2017 compared with 174,300 in the same period last year. The first half of 2016 saw 18,000 more homemovers (an increase of 11% compared to the first half of 2015). This increase may have been due to owners making home purchases before the introduction of the new stamp duty charges for second and additional homes.

Since hitting a market low of 117,900 in the first half of 2009, the number of homemovers has grown by 45% (or 53,000). However, the current numbers still remain at just under half (48%) of what it was before the financial crash in the first half of 2007 (327,600). (See Table 1)

### Flat homemovers market leaves first time buyers driving housing activity

A decade ago, just under two-thirds (64%) of all house purchases financed by a mortgage were made by homemovers. In 2017, this proportion has dropped to almost half (51%).

### Andrew Mason, Lloyds Bank mortgage products director, said:

“In the past year, the number of homemovers appears to have stabilised despite continuing low interest rates and rising employment. There are a number of factors which could be influencing this, more people are paying off their mortgages and not moving, with supply at historic low levels there could be a shortage of suitable homes coming on the market and the cost of moving house could be putting people off.

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“This has meant that homemovers now account for just half of today’s housing market compared to a decade ago when it accounted for two-thirds of the market. This has a knock on affect for first time buyers as there will be fewer properties available for them also.”

## **Homemover prices and deposits rise to record levels**

Over the past five years, the average price paid by homemovers has grown by 41% (£84,869) from £206,122 in 2012, to £290,991<sup>3</sup> in June 2017, equivalent to a monthly rise of £1,414.

In London, the average homemover price has grown by 56% since June 2012 to £561,032, the highest in the UK. The average homemover price in the capital is 41% or £163,579 higher than the South East (£397,452) which is the second most expensive. Northern Ireland has lowest average price of £165,404.

The average deposit put down by a homemover has increased by 40% in the past five years, from £68,663 in 2012 to £96,109 in 2017. Not surprisingly Londoners put down the largest deposit towards the purchase of their next home; £188,916 - four times higher than the average homemover deposit of £48,080 in Northern Ireland, the lowest. (See Table 3)

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**Table 1: Annual number of Homemovers (purchasing with a mortgage) – UK**

	Number of Homemovers	Annual % change	Number of First Time Buyers	Annual % change
2007 H1	327,600	3%	181,500	-5%
2008 H1	179,800	-45%	109,300	-40%
2009 H1	117,900	-34%	72,700	-33%
2010 H1	157,100	33%	95,500	31%
2011 H1	138,300	-12%	86,000	-10%
2012 H1	152,000	10%	100,600	17%
2013 H1	145,500	-4%	116,300	16%
2014 H1	165,400	14%	167,300	44%
2015 H1	156,300	-6%	140,500	-16%
2016 H1	174,300	11%	157,900	12%
2017 H1	171,300	-2%	162,704	3%

Source: CML

**Table 2: Homemovers: Annual Average House Price % Change, 2012-2017\***

	2012 £	2016 £	2017 £	1 year % change	5 year % change
North East	147,681	183,933	185,303	1%	25%
Yorkshire and the Humber	161,827	207,118	212,607	3%	31%
North West	161,421	212,724	218,851	3%	36%
East Midlands	164,944	219,018	231,697	6%	40%
West Midlands	172,774	233,910	241,838	3%	40%
East Anglia	192,184	265,249	292,272	10%	52%
Wales	153,136	197,066	201,928	2%	32%
South West	218,972	278,783	295,794	6%	35%
South East	262,886	382,324	397,452	4%	51%
Greater London	359,679	540,440	561,032	4%	56%
Northern Ireland	137,092	159,326	165,404	4%	21%
Scotland	168,241	201,470	204,974	2%	22%
<b>UK</b>	<b>206,122</b>	<b>285,606</b>	<b>290,991</b>	<b>2%</b>	<b>41%</b>

Source: Lloyds Bank calculations, LBG \* 12 months rolling average to June for each year.

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Table 3: Homemovers: Average Price And Deposit By Region, 2017\*

Region	Average House Price 2017 (£s)	Average Deposit 2012 (£s)	Average Deposit 2017 (£s)	Deposit as % of purchase price 2017	5 Year % Change in Deposit
North East	185,303	44,054	56,032	30%	27%
Yorkshire and the Humber	212,607	52,114	67,327	32%	29%
North West	218,851	49,230	64,117	29%	30%
East Midlands	231,697	52,831	74,250	32%	41%
West Midlands	241,838	55,557	75,547	31%	36%
East Anglia	292,272	70,558	105,113	36%	49%
Wales	201,928	46,851	63,428	31%	35%
South West	295,794	81,040	105,972	36%	31%
South East	397,452	91,155	137,823	35%	51%
Greater London	561,032	121,942	188,916	34%	55%
Northern Ireland	165,404	38,973	48,080	29%	23%
Scotland	204,974	53,289	62,848	31%	18%
<b>UK</b>	<b>290,991</b>	<b>68,663</b>	<b>96,109</b>	<b>33%</b>	<b>40%</b>

Source: Lloyds Bank calculations, LBG. \*12 months rolling average to June.

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## NOTES:

<sup>1</sup> Bought with mortgage finance

<sup>2</sup> Crude average house price over the 12 months to June

<sup>3</sup> CML Regulated Mortgage Survey Table S15

Stamp duty rates On Residential house Purchases and Buy to Let (BTL), Second and Additional Homes

Band	Residential rates (December 2014)	BTL and Additional Homes rates (April 2016)
£0 - £125k	0%	3%
£125k - £250k	2%	5%
£250k - £925k	5%	8%
£925k - £1.5m	10%	13%
£1.5m+	12%	15%

Source: HMRC

## DATA SOURCES:

This research is based on data from the Lloyds Banking Group housing statistics database as well as the Council of Mortgage Lenders, the Office for National Statistics and the Bank of England.

- 1. House Prices.** The prices used in this research are simple arithmetic ('crude') averages. These prices are not standardised and therefore can be affected by changes in the sample from period to period.
- 2. Historic figures on the number of homemovers and first time buyers** have been sourced from the Council of Mortgage Lenders (CML).

## For further information, please contact:

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