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Scottish homemover market stalls

- Number of homemovers decline to 2016 levels, with only 15,300¹ moving home in the first half of 2018.
- Average house price paid by homemovers increased by more than a fifth (21%) in the last 5 years to £209,496².
- Average deposit a Scottish homemover pays has risen to £65,353.

The number of people moving home in Scotland has returned to levels seen in 2016 following a brief growth spell last year, with only 15,300 current homeowners moving home in the first half of 2018 according to Bank of Scotland's Homemover Review.

During 2017, homemover activity across Scotland increased as homeowners seemed to take advantage of low mortgage rates and high demand for homes which made it easier for homemovers to make their next step on the housing ladder. However, this rise in homemovers has now fallen to 2016 levels with 3,100 less people moving home compared to the second half of 2017 (18,400) and 900 less compared to this time last year. (Table 1)

Homemover prices and deposits rise to record levels, but are still below UK average

The average price paid by homemovers has grown by 21% over the past five years, from £172,881 in 2013, to £209,496 in 2018. However, this is still below the UK average. East Anglia recorded the biggest increase of 46% over the same time period with South East and Greater London also recording significant increases of 45% each. (Table 2)

The average deposit put down by a Scottish homemover has also increased by 23% in the past five years, from £53,205 in 2013 to £65,353 in 2018. This is also one of the lowest increases across the UK in the same time period. Unsurprisingly, Londoners pay the largest average deposit of £189,167 towards the purchase of their next home. (Table 3)

Graham Blair, Bank of Scotland mortgage director, said:

"Despite an uplift in the number of people moving in 2017, the homemover market has stagnated in the first half of this year. The low availability of the 'right type' of homes for those looking to move up the housing ladder may have constrained market activity. And whilst Scottish homemovers haven't seen price increases quite on par with the rest of the UK, the change in house prices and deposits required have still increased by a significant amount and may also be contributing to the recent slowdown of people moving home."

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Notes for editors:

¹ Bought with mortgage finance

² Crude average house price over the 12 months to June

Table 1: Number of homebuyers (purchasing with a mortgage) – UK

	Number of Homemovers	Annual % change	Number of First Time Buyers	Annual % change
2008 H1	21,300	-31%	12,800	38%
2009 H1	11,800	-45%	7,000	37%
2010 H1	14,100	19%	8,700	38%
2011 H1	12,300	-13%	7,600	38%
2012 H1	13,200	7%	8,900	40%
2013 H1	13,100	-1%	10,600	45%
2014 H1	14,500	11%	12,900	47%
2015 H1	15,300	6%	13,300	47%
2016 H1	15,300	0%	14,500	49%
2017 H1	16,200	6%	17,200	51%
2018 H1*	15,300	-6%	16,256	50%

Source: CML * Lloyds Bank calculation

Table 2: Homemovers: Average House Price % Change, 2008-2018**

	2008 £	2013 £	2017 £	2018 £	1 year % change	5 year % change	10 year % change
Scotland	195,508	172,881	205,475	209,496	2%	21%	7%
North	179,475	151,637	182,782	189,073	3%	25%	5%
Yorkshire and the Humber	188,068	162,994	211,177	214,690	2%	32%	14%
North West	203,668	167,861	217,273	224,175	3%	34%	10%
East Midlands	194,764	170,890	229,947	245,425	7%	44%	26%
West Midlands	209,802	189,733	244,047	257,149	5%	36%	23%
East Anglia	234,488	209,056	290,313	305,612	5%	46%	30%
Wales	192,072	168,329	200,109	210,903	5%	25%	10%
South West	257,517	232,157	297,294	313,646	6%	35%	22%
South East	316,522	284,994	397,092	412,759	4%	45%	30%
Greater London	407,892	389,236	562,317	566,200	1%	45%	39%
Northern Ireland	266,601	129,828	165,391	170,031	3%	31%	-36%
UK	251,046	219,479	289,254	296,936	3%	35%	18%

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Source: LBG calculations

**12 months rolling to June

Table 3: Homemovers: Average Price And Deposit By Region, 2018**

Region	Average House Price 2018 (£s)	Average Deposit 2013 (£s)	Average Deposit 2018 (£s)	Deposit as % of purchase price 2018	5 Year % Change in Deposit
Scotland	209,496	53,205	65,353	31%	23%
North	189,073	46,783	56,695	30%	21%
Yorkshire and the Humber	214,690	53,371	67,229	31%	26%
North West	224,175	52,475	67,336	30%	28%
East Midlands	245,425	55,062	78,023	32%	42%
West Midlands	257,149	64,242	83,123	32%	29%
East Anglia	305,612	78,416	116,278	38%	48%
Wales	210,903	55,506	68,509	32%	23%
South West	313,646	90,937	117,892	38%	30%
South East	412,759	104,757	145,554	35%	39%
Greater London	566,200	137,972	189,167	33%	37%
Northern Ireland	170,031	37,013	48,003	28%	30%
UK	296,936	76,303	99,592	34%	31%

Source: LBG calculations

**12 months rolling average to June

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DATA SOURCES:

This research is based on data from the Bank of Scotland 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).

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