

NOT FOR BROADCAST OR PUBLICATION BEFORE 00.01 HRS ON FRIDAY 20 JULY 2018

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."

--Ends--

Bank of Scotland Press Team:

Paul O'Neill
07557 499 179

Paul.O'Neill@Lloydsbanking.com

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% |

Bank of Scotland Press Team:

Paul O'Neill
07557 499 179

Paul.O'Neill@Lloydsbanking.com

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

Bank of Scotland Press Team:

Paul O'Neill
07557 499 179

Paul.O'Neill@Lloydsbanking.com

Press Release



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).

For more information:

Paul O'Neill – 07557 499 179

Paul.O'Neill@Lloydsbanking.com

"This report is prepared from information that we believe is collated with care, however, it is only intended to highlight issues and it is not intended to be comprehensive. We reserve the right to vary our methodology and to edit or discontinue/withdraw this, or any other report. Any use of this report for an individual's own or third party commercial purposes is done entirely at the risk of the person making such use and solely the responsibility of the person or persons making such reliance. "© Bank of Scotland plc all rights reserved 2018.

Bank of Scotland Press Team:

Paul O'Neill
07557 499 179

Paul.O'Neill@Lloydsbanking.com