

The Rightmove Consumer Confidence Survey

The UK's leading survey of consumers from the UK's leading property website

First-time buyer forecast

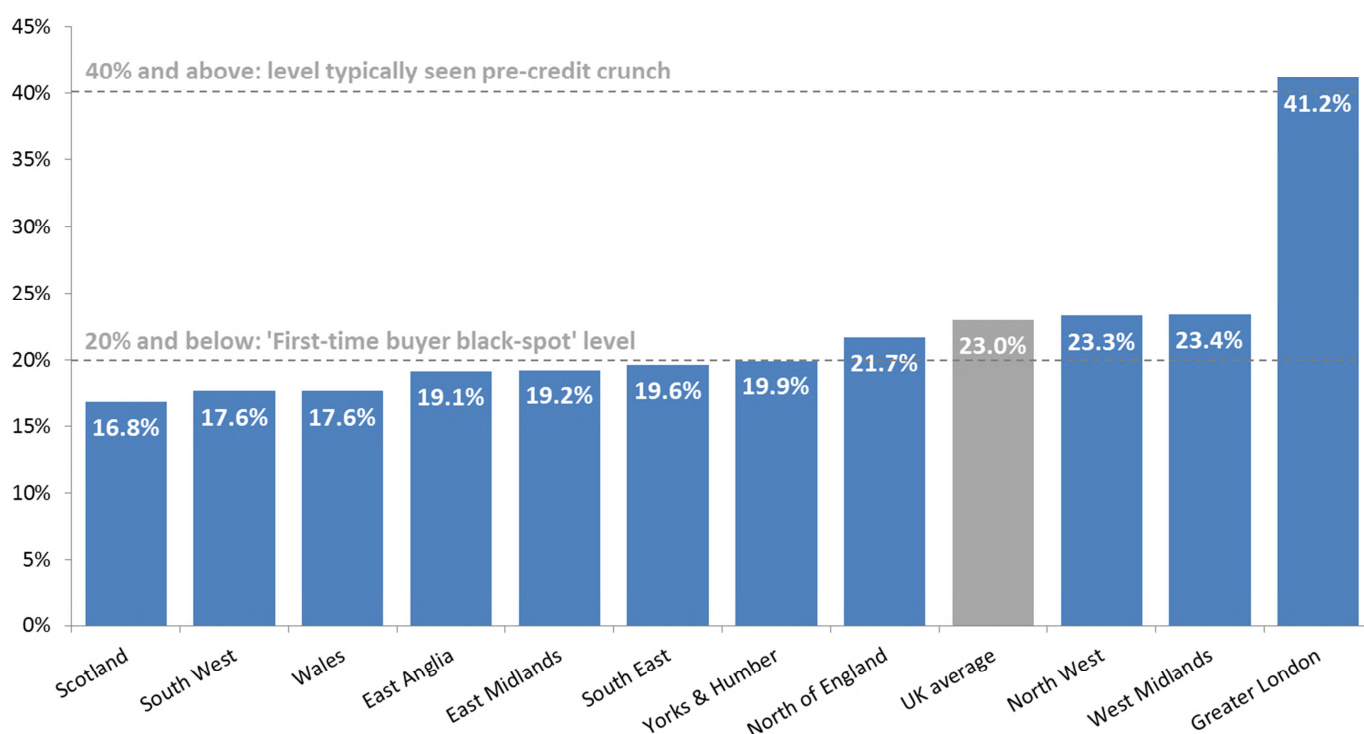
**** RELEASED – 8th August 2011 ****

7 out of 11 UK regions are now 'first-time buyer blackspots'

- Prospective first-time buyer levels in 7 out of 11 UK regions drop below the 20% mark, half the 40% level desired for a healthy and functioning property market
- Only London fits the model of pre-credit crunch norms, 41.2% of those intending to buy in the capital over the next year will be first-time buyers - almost twice the national average
- Between July 09 and July 11 would-be first-time buyer levels dropped from 30.8% to 23.0% despite an eleven-fold increase in mortgage products available to this group
- Raising a deposit remains by far the single biggest property concern for first-time buyers, indicating that more initiatives such as FirstBuy are needed

First-time buyers

% of those who expect to buy in the next 12 months that will buy for the first-time



* The Rightmove Consumer Confidence Survey reports the opinions of 14,125 potential buyers captured between Monday, 4th of July and Monday, 18th of July 2011.

Rightmove's latest first-time buyer survey highlights deterioration in levels of first-time buyers. At a national level, only 23% of all respondents who intend to purchase a property in the next 12 months will do so for the first time, down from 26.2% last quarter. The picture at a regional level is even more concerning. In seven out of eleven regions 'first-timers' account for less than 20% of would-be buyers, highlighting some real 'blackspots' where first-time buyer levels are currently below half the desirable 40% level associated with pre-credit crunch norms.

Miles Shipside, director of Rightmove, comments: "First-time buyers perform an essential function at the start of the housing ladder by beginning chains that help others in the area to move as well. The emergence of so many first-time buyer blackspots has serious implications not just for those who are unable to buy for the first time, but also local housing markets in each of those regions. It is particularly bad news for first-time sellers, for example."

Rightmove's research shows London to be the only exception to the malaise. In the capital, 41.2% of all that intend to buy will be first-time buyers, twice the current average of all the other regions and above the 40% level indicative of a healthy market. The West Midlands is the next highest at just 23.4% and serves to demonstrate how big the divide is. Indeed, the impact of the London-effect distorts the national figure to such a degree that without it, the average for the remainder of the country would be below 20% for the first time in our survey.

Shipside adds: "London is often associated with the high-profile top-end cash-rich clique but is perhaps less well-known for its active first-time buyer segment which helps to drive its wider market. Despite loftier purchase prices in the capital, these figures indicate that Londoners are better placed to raise both the requisite deposit and size of mortgage to make their first step onto the housing ladder."

This quarter's results are perhaps all the more surprising given that there is evidence of greater focus on first-time buyers by lenders. The number of mortgage products targeted at first-time buyers has increased from 13 at the time of our July 2009 report to the 138 currently on offer¹. However, during that period the proportion intending to buy for the first time has dropped from 30.8% to the 23.0% recorded in this report.

Further research by Rightmove reveals three key issues why this may be the case, and why 7 out of 11 UK regions have effectively become 'first-time buyer blackspots':

- **Difficulty in raising a deposit**
More than 2 in 5 first-time buyers state that raising a deposit is their single biggest property market challenge, by far the largest concern expressed within our survey.
- **Concerns over financial security**
A further 1 in 5 first-time buyers cite a combination of concerns about meeting monthly mortgage payments and their own personal financial circumstances as a barrier to entering the property market.

¹ Source: www.mortgage27.co.uk

- **'Over-priced' property prices**

5 out of 10 buyers in the UK state they feel property is over-priced in their local area, however this figure jumps to 7 out of 10 amongst those looking to buy for the first time.

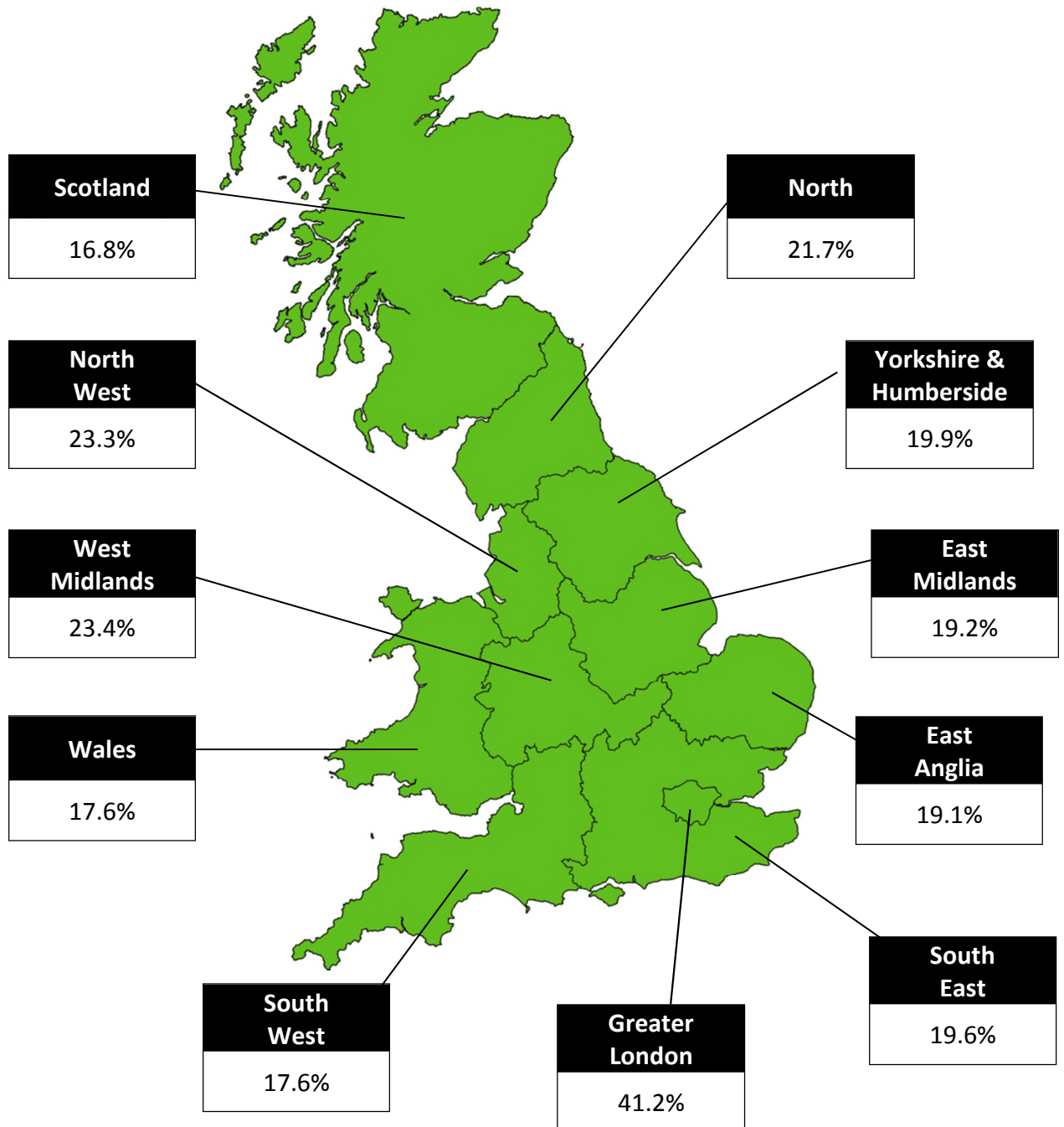
Shipside adds: "It's tough for first-time buyers to save for a deposit in the face of the rising costs of living. Even though the number of available mortgage products for this buyer group has improved, it appears that deposit requirements are still proving a major hurdle. On-going concerns over financial security and out-of-reach asking prices are further adding to the average first-time buyer's problem pile."

More deposit assistance initiatives such as the government-backed FirstBuy scheme would help address the biggest concern that first-time buyers state is preventing them getting onto the housing ladder. However the FirstBuy scheme allowing a 5% buyer deposit is limited to 10,000 mortgages and is restricted to new build property.

Shipside adds: "It's encouraging to see a big increase in lender products aimed at first-time buyers, though issuing new products is only of material assistance if deposit requirements and credit-scoring criteria allow them to convert into mortgage approvals. Against this backdrop, potential first-time buyers have highlighted their views on their intentions, and the result appears to be some serious blackspots in their activity".

First-time buyers: the regional picture

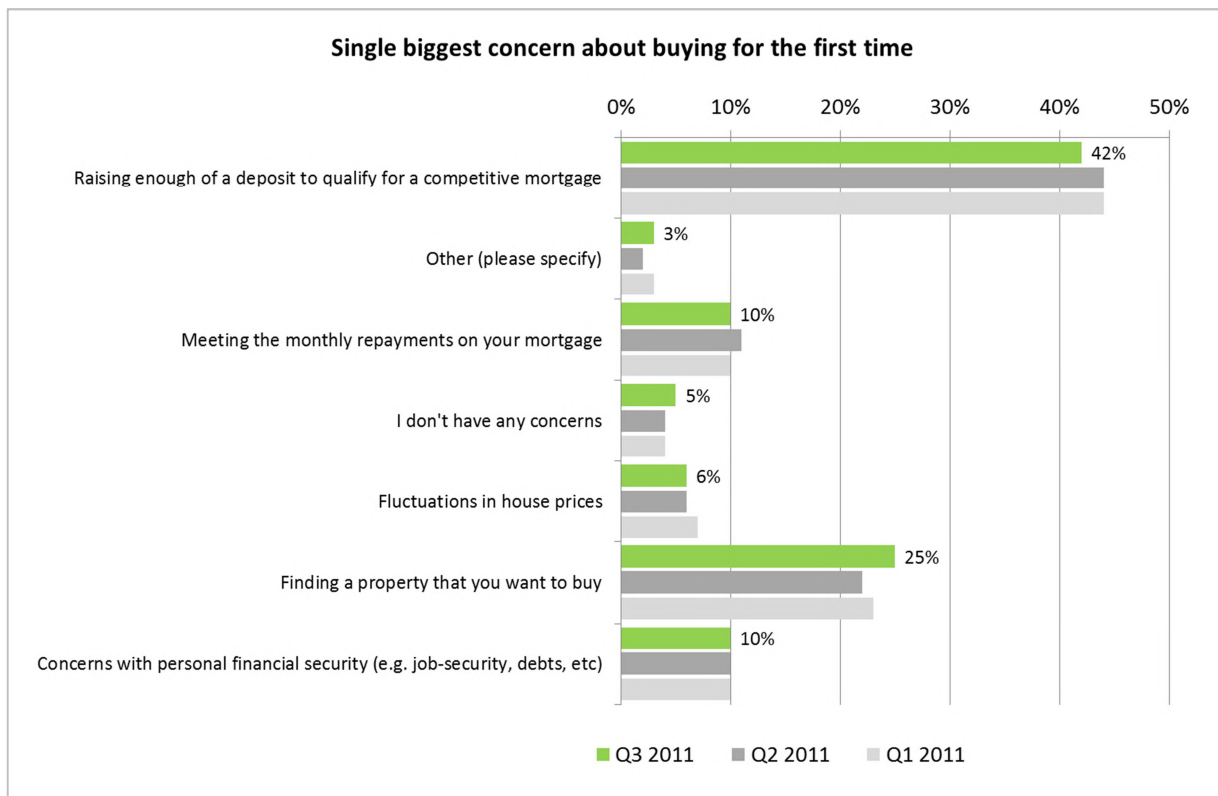
% of those who expect to buy in the next 12 months that will buy for the first-time
Quarter 3 (August 2011)



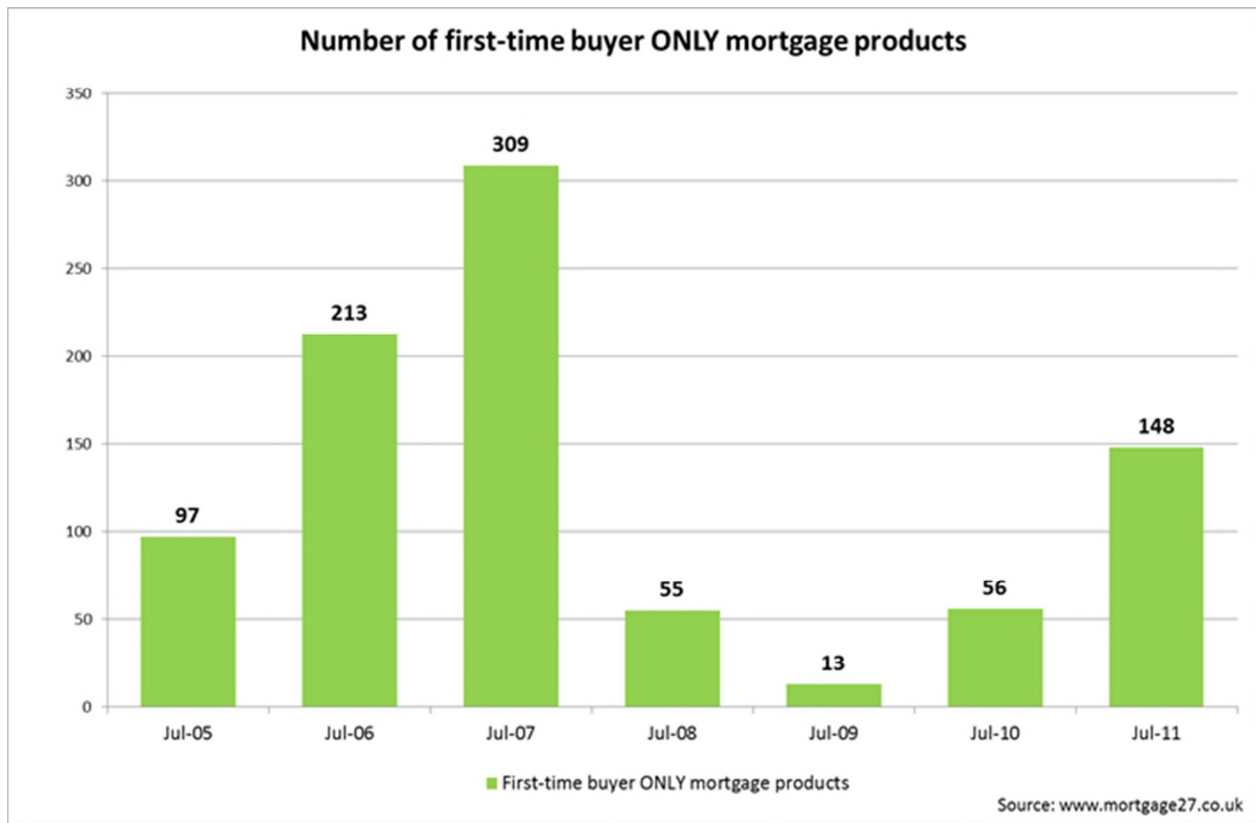
First-time buyers: regional trends

Quarter	2011			2010			2009	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
East Anglia	19.1%	23.7%	19.6%	21.0%	21.7%	23.2%	23.8%	25.3%
East Midlands	19.2%	23.0%	18.7%	22.9%	18.3%	22.7%	21.0%	21.8%
Greater London	41.2%	42.0%	38.6%	42.4%	38.7%	43.3%	43.3%	43.7%
North of England	21.7%	25.6%	20.5%	22.5%	20.9%	23.9%	21.8%	25.2%
North West	23.3%	26.5%	25.8%	26.5%	22.8%	24.9%	26.2%	29.7%
Scotland	16.8%	23.3%	19.9%	22.5%	20.4%	23.4%	19.3%	24.9%
South East	19.6%	22.3%	21.6%	21.7%	20.9%	25.0%	23.1%	25.3%
South West	17.6%	20.5%	18.7%	20.8%	17.8%	20.9%	21.4%	22.9%
Wales	17.6%	22.3%	18.4%	18.7%	17.4%	22.4%	22.3%	20.8%
West Midlands	23.4%	23.9%	23.3%	24.2%	22.6%	26.8%	22.9%	26.3%
Yorks & Humber	19.9%	23.7%	22.2%	21.3%	19.6%	25.6%	22.8%	26.9%

Single biggest concern about buying



Number of mortgage products available to first-time buyers only



About this survey

The data presented as part of this release is taken from the quarterly Rightmove Consumer Confidence Survey. The survey seeks the views and attitudes of home-movers towards a key British obsession – the housing market. Started in early 2009, more than 120,000 people responded to the survey in its first year alone.

The Rightmove Consumer Confidence Survey provides a UK-wide picture of home-mover confidence by collecting opinions on a range of factors affecting the housing market and perceptions of it.

As one of the Top 10 most visited websites in the UK, Rightmove attracts a wide demographic and one that very closely matches the working-age profile of the UK. Rather than purely seeking the views of those currently active in the housing market, Rightmove's database ensures a much wider, more representative sample.

All responses were completed via an online questionnaire Monday, 4th of July and Monday, 18th of July 2011. A total of **14,125** responses were received from **potential buyers** during this time.

Data is weighted using Census data available from the Office for National Statistics to help ensure the results are representative of the UK and its regions.

	N	% of response
East Anglia	1,072	7.6%
East Midlands	1,156	8.2%
Greater London	2,064	14.6%
North of England	521	3.7%
North West	1,462	10.4%
Northern Ireland	15	0.1%
Scotland	746	5.3%
South East	2,721	19.3%
South West	1,628	11.5%
Wales	547	3.9%
West Midlands	1,087	7.7%
Yorkshire & Humberside	1,106	7.8%
Grand Total	14,125	

NB – Northern Ireland is not included in any regional analysis presented owing to the relatively small sample size