

The Rightmove Consumer Confidence Survey

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

First-time buyer forecast

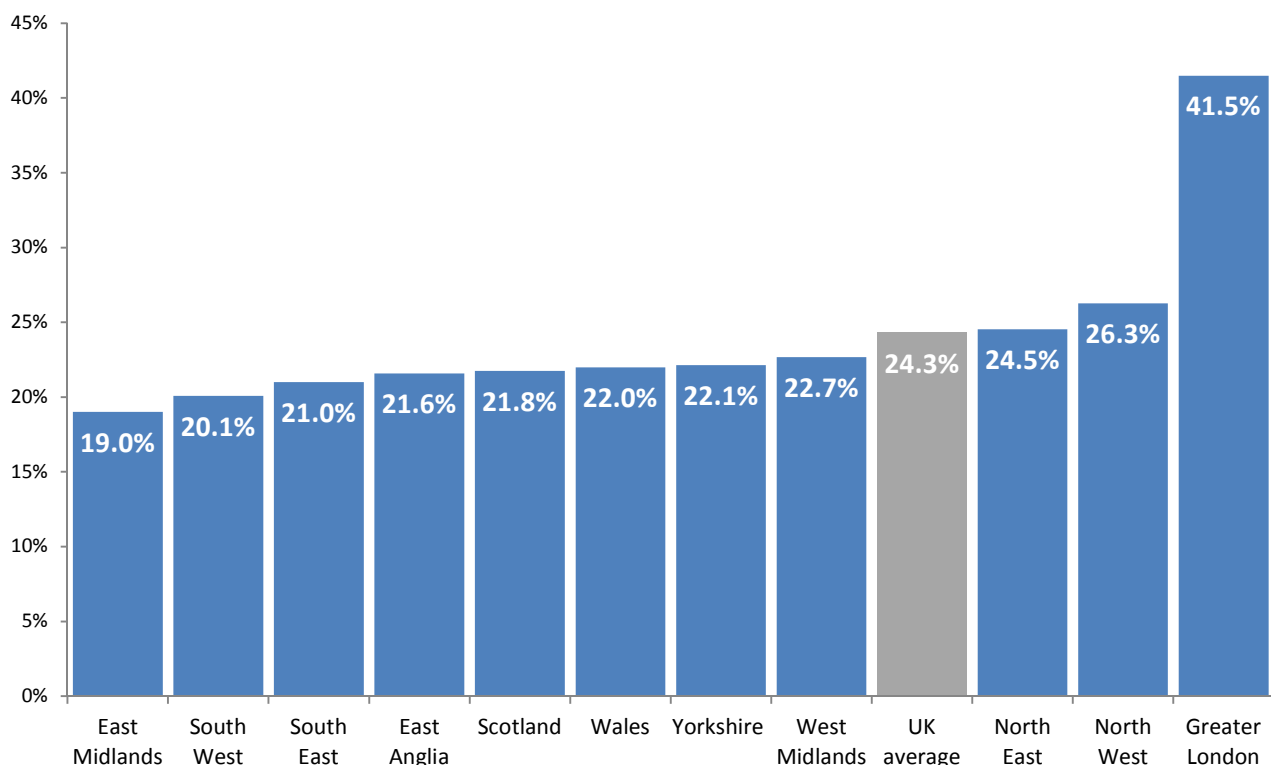
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First-time buyers need 'first-time sellers'

- Around one in four (24.3%) of all likely buyers over the next 12 months will be buying for the first time — up 1.4% on last quarter and 1.5% year-on-year
- A new home-ownership hurdle emerges as just under a third of first-time buyers now cite finding a suitable property to buy as their single biggest concern, a jump of 6% on last quarter
- Concerns over finding a suitable property driven in part by a 'first-time seller' shortage, with the number of terraces and flats fresh to market in Q4 of 2011 31% and 28% down respectively on Q3
- Only one in 12 (8%) concerned about ability to meet monthly repayments highlighting frustrations of 'trapped renters' who have the means to pay a mortgage but not the means to access one
- Regional picture improves as number of first-time buyer 'blackspot' areas – where intending first-time buyers levels are below 20% — goes from seven to one in just six months

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 15,327 potential buyers captured between Monday, 3rd of January and Monday, 16th of January 2012.

Rightmove's latest First-Time Buyer Report forecasts a marginal rise in prospective first-time buyer levels for the year ahead, but also finds evidence of a new hurdle on the path to home-ownership as a lack of choice increases the difficulty in finding a suitable property to buy. The proportion of buyers who intend to purchase their first home over the next year has edged up to 24.3%, up 1.4% on last quarter and 1.5% year-on-year. However, analysis by Rightmove, which advertises around 90% of homes currently for sale in the UK market, also finds that the number of new properties advertised for sale in the final quarter of 2011 was significantly down on the third quarter, with, crucially, flats and terraces in short supply. Around three in 10 respondents (29%) to our survey indicated that 'finding a suitable property to buy' was their single biggest concern around buying.

Miles Shipside, director at Rightmove comments: "First-time buyer levels remain well below historic norm of 40%, but a slight increase of 1.4% on last quarter of those intending to buy for the first time offers some encouragement for the year ahead. The main issues of affordability and mortgage availability that have blighted first-time buyers over the last few years remain. Our research also provides evidence of an emerging new home-ownership challenge in the form of a lack of available properties that would typically be brought to market by first-time sellers."

Each quarter Rightmove reports on first-time buyers' single biggest concern around buying. Raising a deposit emerges as the single biggest concern for four in 10 of our sample (39%) and is again the most common response. However, three in 10 (29%) likely first-time buyers now state that finding a suitable property to buy is their main concern, a jump of six percentage points on last quarter. Rightmove analysis shows that this could be in part the result of fewer new properties being advertised for sale during the final quarter of 2011, especially the typical first-time buyer targets of flats and terraces. In the final quarter of 2011, the numbers of terraces and flats coming to market were down 31% and 28% respectively when compared with the previous quarter. With Rightmove seeing record traffic in January, a typically busy period in the home-moving calendar, there is less new choice to tempt first-time buyers at the start of the year.

Shipside adds: "For first-time buyers who are itching to get on the ladder a lack fresh of choice in apartments and terrace properties must be extremely frustrating. Owners of these property types, typically first-time sellers, are being deterred from bringing their property to market for a number of reasons. A continued policy of forbearance by lenders and low interest rates means that the market is short of forced sellers. In addition, those wishing to trade up are suffering from a lack of equity, lack of confidence to stretch themselves financially and, in certain micro-markets, difficulty in identifying a suitable property that they would like to move to."

Around one in 12 (8%) is concerned about their ability to meet the monthly repayments of a mortgage, a statistic which again highlights the pertinence of the deposit hurdle in front of first-time buyers. Only around one in 14 (7%) identified concerns around fluctuating house prices. That movements in house prices are not seen as a significant barrier is particularly interesting given that 59% of the sample indicated that they believed average asking prices in their area are currently above what they consider to be 'fair and reasonable'.

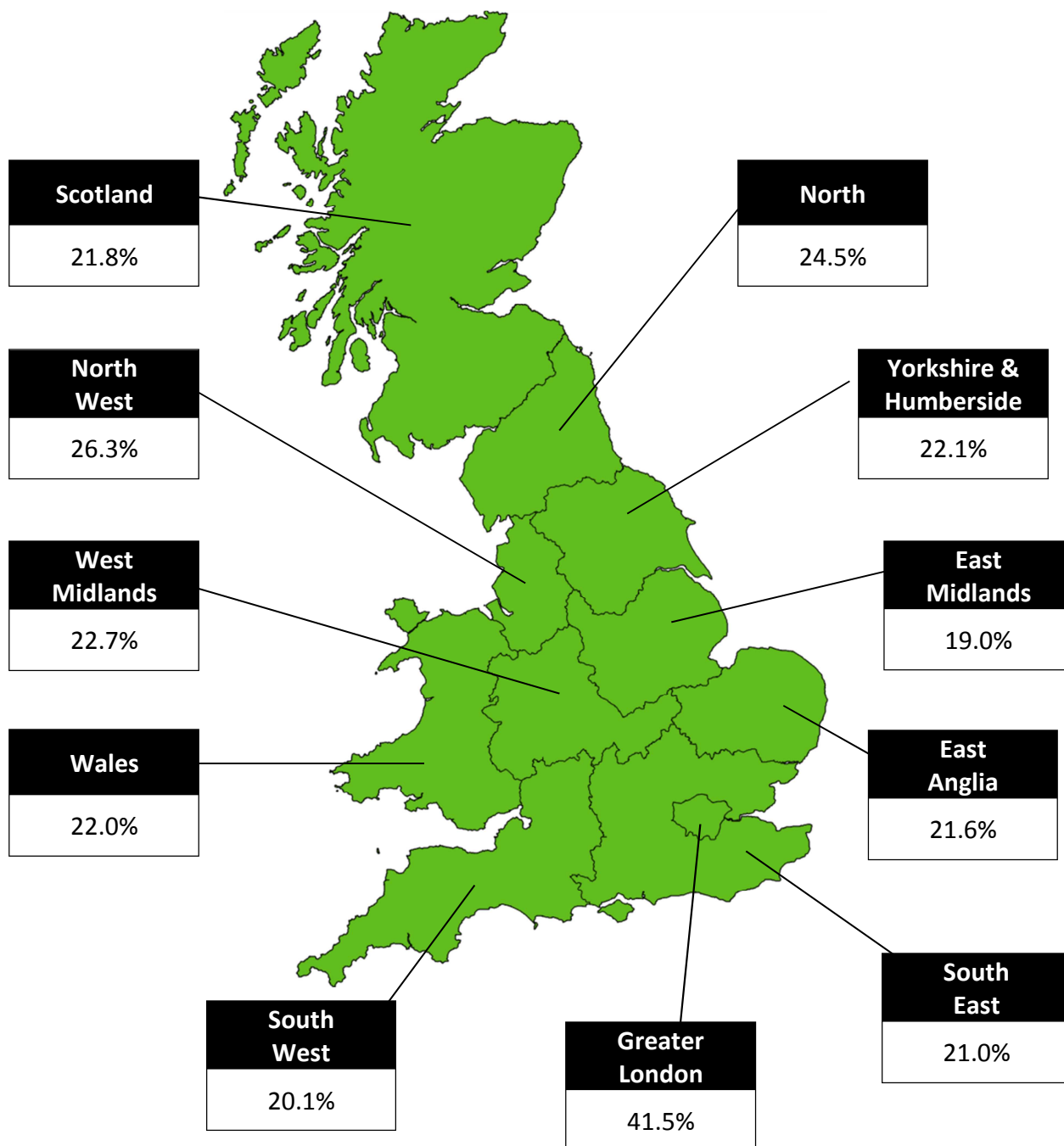
Shipside comments: "Finding somewhere to buy and being able to access the means to actually buy it are the two biggest concerns for first-time buyers. With interest rates keeping monthly mortgage repayments comparatively low and fierce demand in the rental sector keeping the monthly rents high, you can understand the frustration of many 'trapped renters' who would like to buy but simply don't have the means to get over the deposit hurdles put up by lenders."

Analysis of prospective first-time buyer activity at a regional level shows that there has been an encouraging fall in first-time buyer 'blackspot' areas, where the proportion of prospective new

owners was below 20%. Six months ago Rightmove identified that seven of the 11 UK regions fell into this category, however, this quarter just one region (East Midlands) can be classed as a 'first-time buyer blackspot'.

Shipside adds: "First-time buyers play an essential role in regional housing markets by starting off chains that allow other home-movers to trade-up. A number of regions have been able to lift themselves off the first-time buyer blackspot critical list. However, first-time buyer levels across the country remain historically low and way below the 40% level required for a more healthy and active property market."

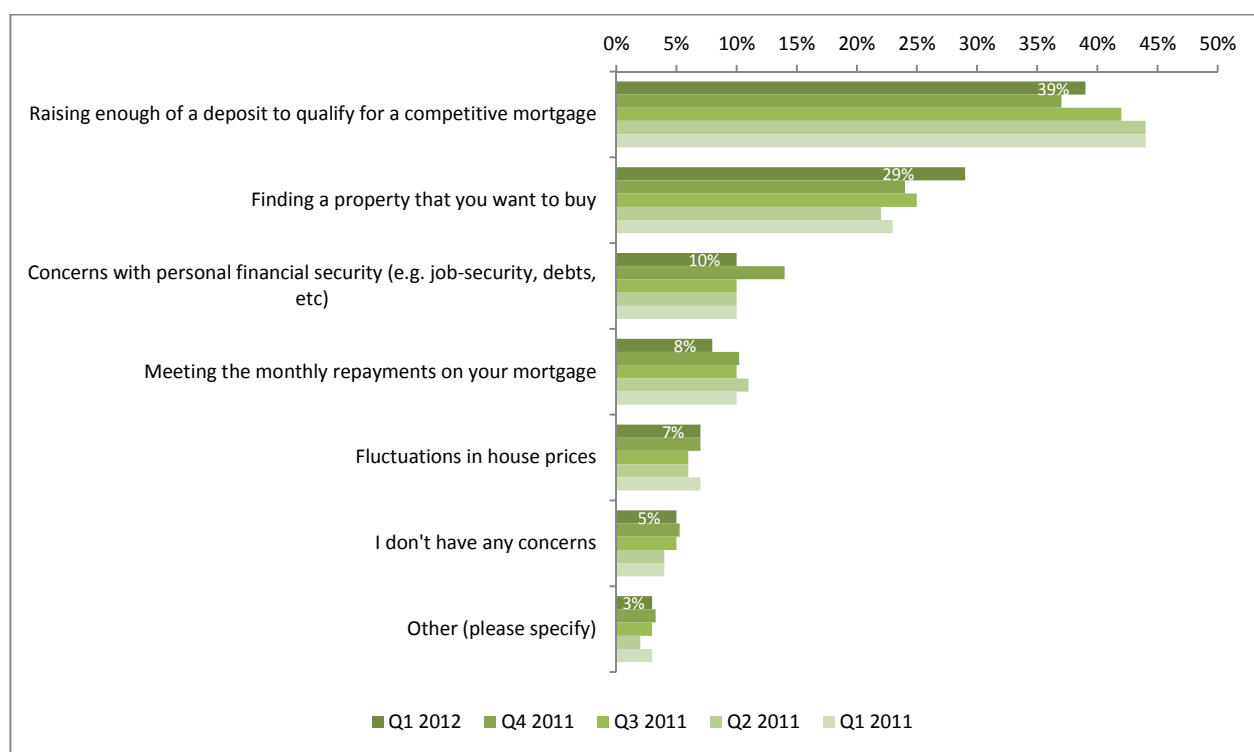
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Quarter 1 2012



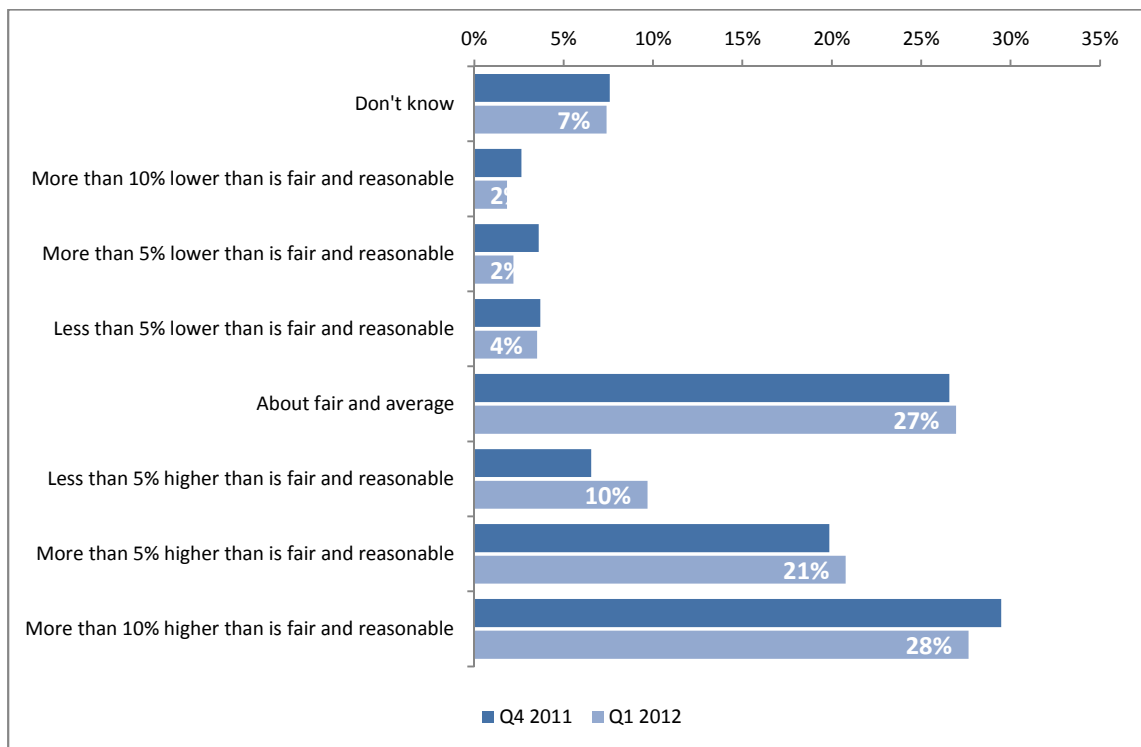
First-time buyers: regional trends

	2012	2011				2010				2009
Quarter	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
UK average	24.3%	22.9%	23.0%	26.2%	22.8%	25.5%	22.2%	26.3%	25.8%	27.6%
East Anglia	21.6%	19.2%	19.1%	23.7%	19.6%	21.0%	21.7%	23.2%	23.8%	25.3%
East Midlands	19.0%	18.4%	19.2%	23.0%	18.7%	22.9%	18.3%	22.7%	21.0%	21.8%
Greater London	41.5%	41.9%	41.2%	42.0%	38.6%	42.4%	38.7%	43.3%	43.3%	43.7%
North of England	24.5%	22.2%	21.7%	25.6%	20.5%	22.5%	20.9%	23.9%	21.8%	25.2%
North West	26.3%	21.2%	23.3%	26.5%	25.8%	26.5%	22.8%	24.9%	26.2%	29.7%
Scotland	21.8%	21.2%	16.8%	23.3%	19.9%	22.5%	20.4%	23.4%	19.3%	24.9%
South East	21.0%	19.7%	19.6%	22.3%	21.6%	21.7%	20.9%	25.0%	23.1%	25.3%
South West	20.1%	17.0%	17.6%	20.5%	18.7%	20.8%	17.8%	20.9%	21.4%	22.9%
Wales	22.0%	19.2%	17.6%	22.3%	18.4%	18.7%	17.4%	22.4%	22.3%	20.8%
West Midlands	22.7%	23.6%	23.4%	23.9%	23.3%	24.2%	22.6%	26.8%	22.9%	26.3%
Yorks & Humber	22.1%	21.7%	19.9%	23.7%	22.2%	21.3%	19.6%	25.6%	22.8%	26.9%

Single biggest concern about buying



Opinion of current house prices



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, 3rd of January and Monday, 16th of January 2012. A total of **15,327** 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	1,269	8.3%
East Midlands	987	6.4%
Greater London	2,285	14.9%
North of England	524	3.4%
North West	1,641	10.7%
Northern Ireland	18	0.1%
Scotland	762	5.0%
South East	3,149	20.5%
South West	1869	12.2%
Wales	537	3.5%
West Midlands	1,162	7.6%
Yorkshire & Humberside	1,124	7.3%
Grand Total	15,327	100%

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