

Rightmove's Rental Market Report – May 2013

Help to Buy 'windfall' offers those trapped in *Generation Rent* **Rent motivation and hope**

- Just two in five (42%) 'trapped renters' – tenants who would like to buy but can't afford to – are currently actively saving for a deposit, with more than half (58%) yet to start
- Only one in twelve (8%) are on course to meet their deposit goal and two in five (39%) are hoping for 'a windfall', highlighting the need for deposit-reducing Help to Buy scheme
- 41% of those who are not currently saving don't even know when they'll start, though with 24% stating that 'holidays' or 'leisure' are their priority, perhaps some lack motivation or hope?
- Rent accounts for 37% of take-home pay on average, and at least 50% for one in four (27%), highlighting challenge for would-be first-time buyers looking to escape 'Generation Rent'

Overview

Latest research from Rightmove shows that only two in five (42%) 'trapped renters' – those who would like to buy but can't afford to – are currently actively saving for the deposit needed to get them onto the housing ladder. Of the half (58%) that have not yet started saving for a deposit, two in five (41%) haven't even set a date to start. Rightmove's in-depth survey of 3,214 current tenants also reveals that whilst 'Generation Rent' faces some once in a lifetime challenges in order to graduate from 'tenant' to 'first-time buyer', some perhaps have given up hope or lack the motivation to make the sacrifices required to satisfy their desire to buy. These findings underscore the need for assistance to overcome lenders' deposit hurdles, something that the Government's new Help to Buy scheme appears to offer.

Miles Shipside, Rightmove director and housing market analyst comments: *"More than half of tenants would like to buy but cannot afford to, yet over half of these have not yet begun their deposit-saving- plan to escape 'Generation Rent'. Home-ownership must seem so far away that many find themselves in a hopeless situation. Tenants have been hit pretty hard in the last few years as a shortage of rental supply has left tenants facing the double-whammy of paying more rent whilst also hampering their ability to save for a deposit. On average, the monthly rent accounts for 37% of*

tenants' take-home pay and even those that are able to save anything at all are only saving 11% of what they bring in each month."

58% of tenants are currently 'trapped' in rented accommodation – up from 56% this time last year – yet only two in five (42%) of these are actively putting money aside to get them onto the housing ladder. Of those who *have* started saving for a deposit, there are significant regional differences. 56% in London and 50% in East Anglia state they are actively saving compared to just 30% in the East Midlands and 28% in Wales.

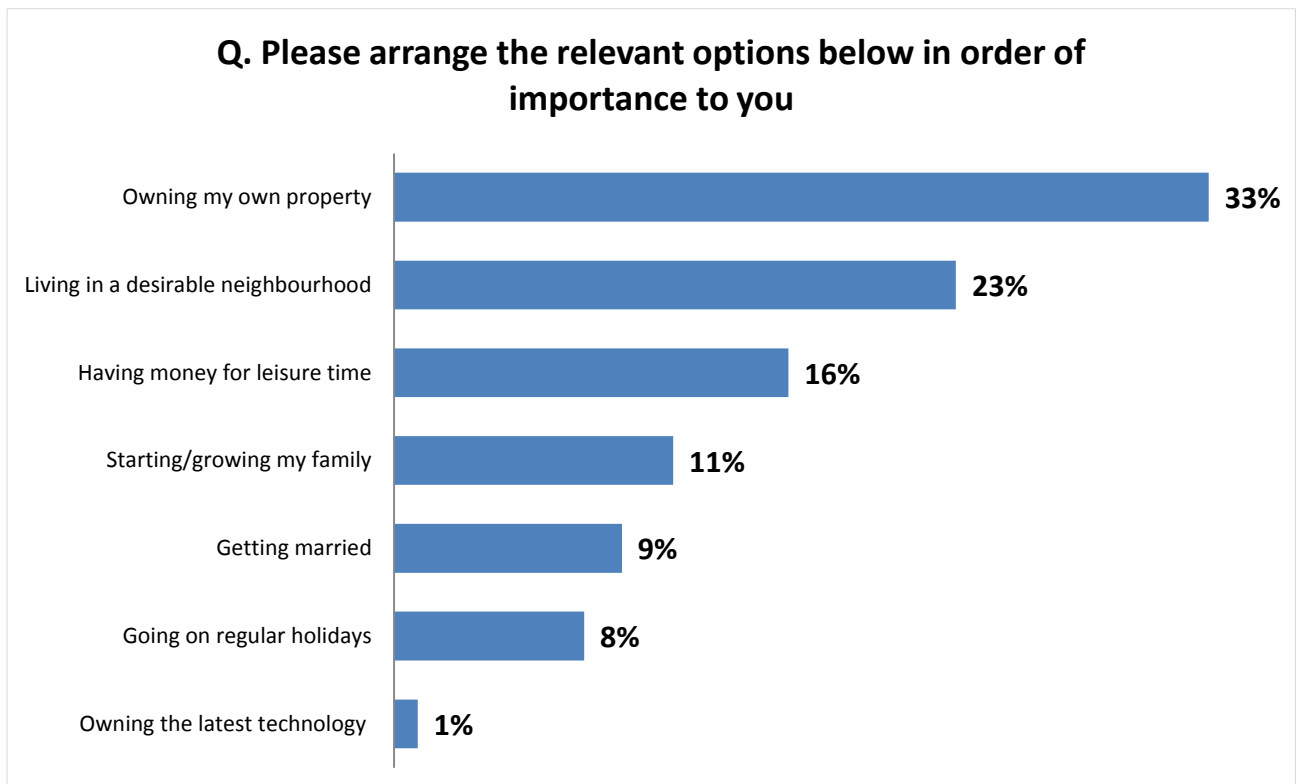
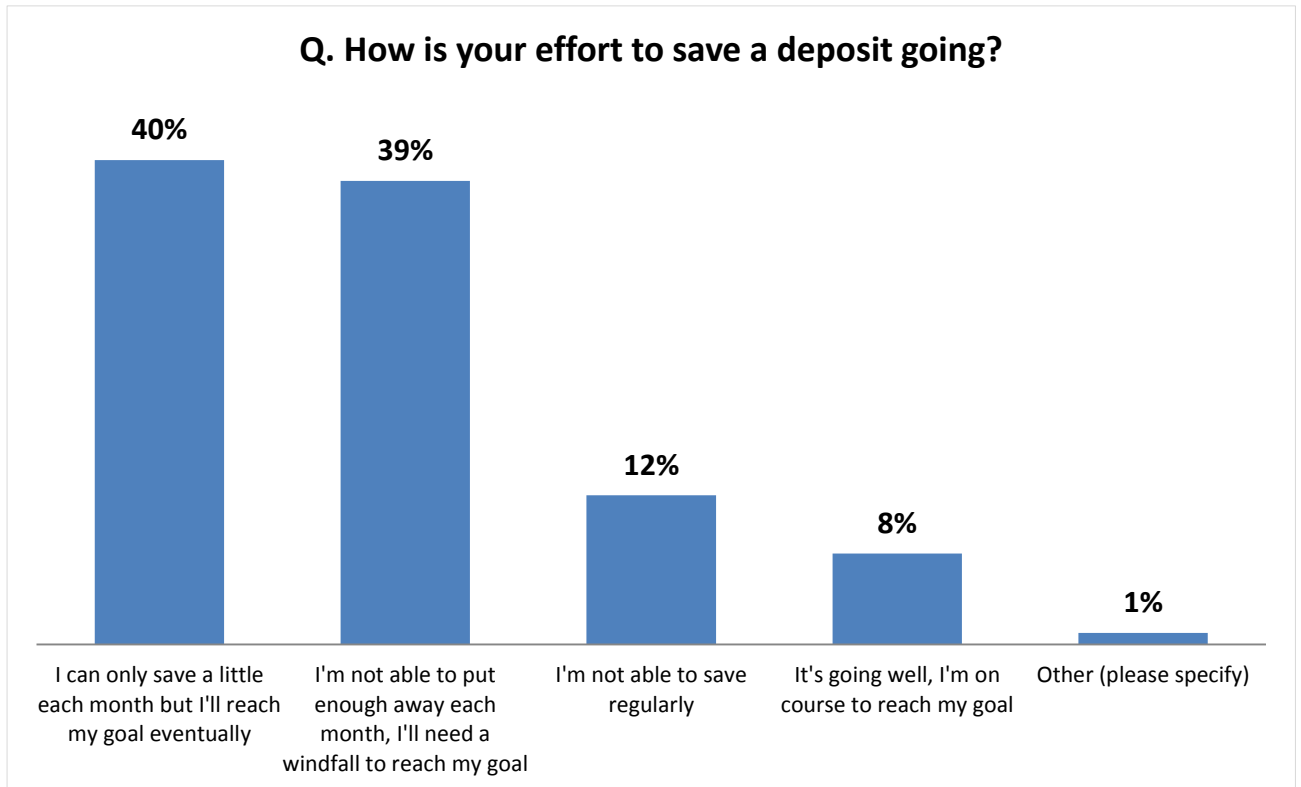
When asked to evaluate how their saving efforts were going, only one in twelve (8%) current savers stated they were 'on course' to meet their target deposit. 40% said that while they could only afford to save a little each month they'd 'get there eventually'. A further 39% said that as they weren't able to put enough away they would 'need a windfall' in order to reach their goal.

Shipside adds: "Demanding deposit hurdles have made the transition from tenant to first-time buyer challenging for many in recent years. Those who expect to make that move this year tell us that they've been working towards a deposit goal of £20,000, rising to £30,000 for those in London, figures that must seem daunting to even the most frugal tenant. Even for those who've been diligently saving, many are still left hoping that their lottery numbers come up or the Bank of Mum and Dad proves less picky with its lending than the High Street banks. However, the Government's proposed new Help to Buy scheme could yet prove to be a 'virtual windfall' by lowering the deposit hurdle to 5%, providing much-needed assistance and motivation for Generation Rent."

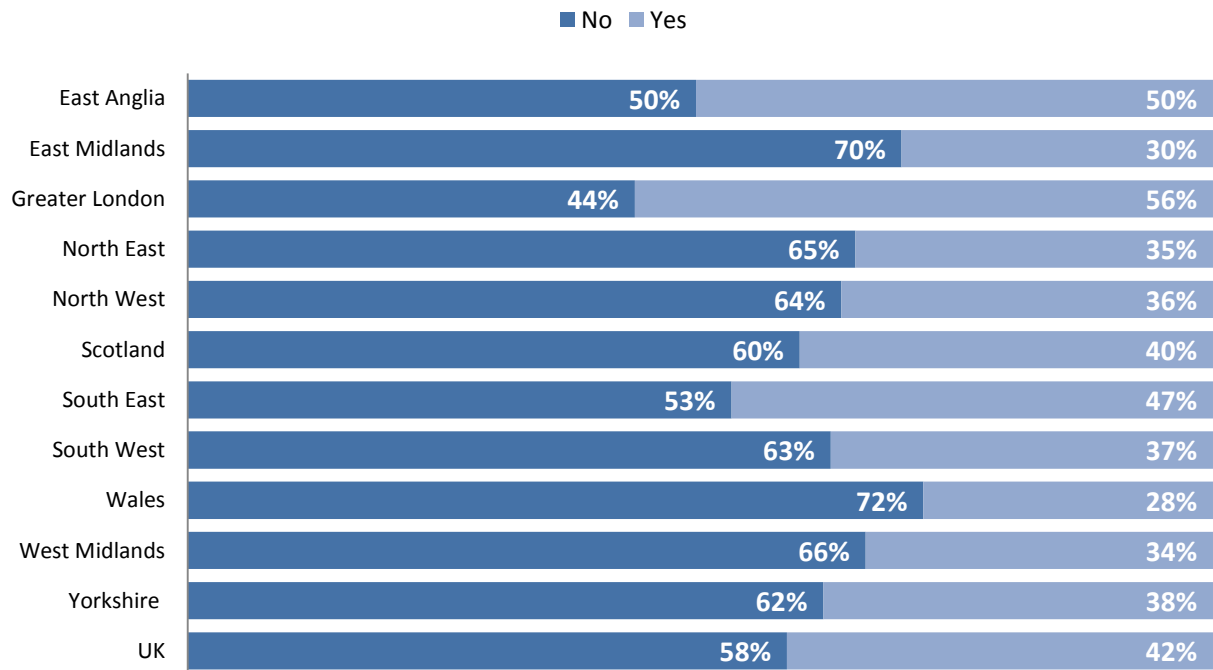
While a third (33%) of trapped renters state that getting on to the property ladder is their number one priority, not all appear quite as committed to this goal. Around one in four (23%) are most concerned with 'living in a desirable area' and, naturally, starting/growing a family (11%) and getting married (9%) take precedence for some. However, 16% say that their priority is ensuring money 'for leisure time' and 8% that they are able to take regular holidays, making up nearly a quarter in all.

Shipside concludes: "It seems some are making big sacrifices and even putting plans of marriage or starting a family on hold in favour of owning a property. However, for one in four, money for leisure and holidays is the number one priority, and one wonders if their wish of owning a property seems so far out of reach that they have given up all hope. Perhaps in George Osborne they have an unlikely Fairy Godmother as the Government's new Help to Buy scheme may prove to be the incentive they need to start saving?"

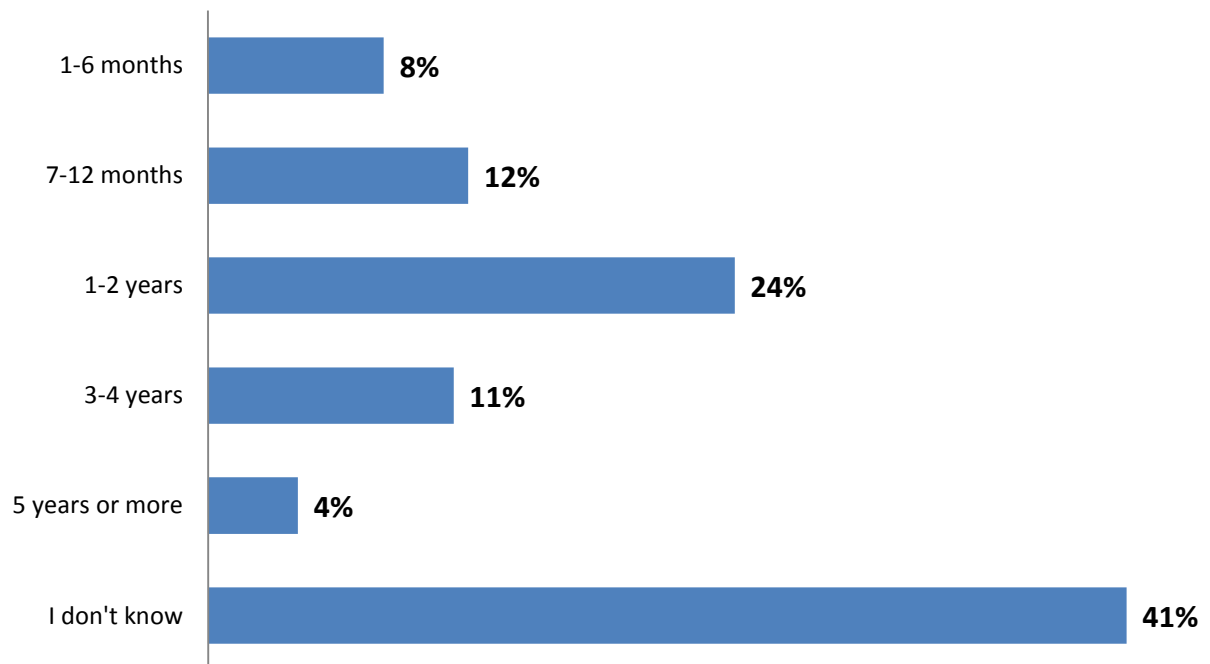
APPENDICES



Q. Are you saving a deposit to buy a house?



Q. When do you think you might start saving?



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 busiest 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 between **Wednesday, 9th of April and Friday, 25th of April 2013**. A total of **3,214** responses were received from tenants.

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.