

## The Rightmove Consumer Confidence Survey

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

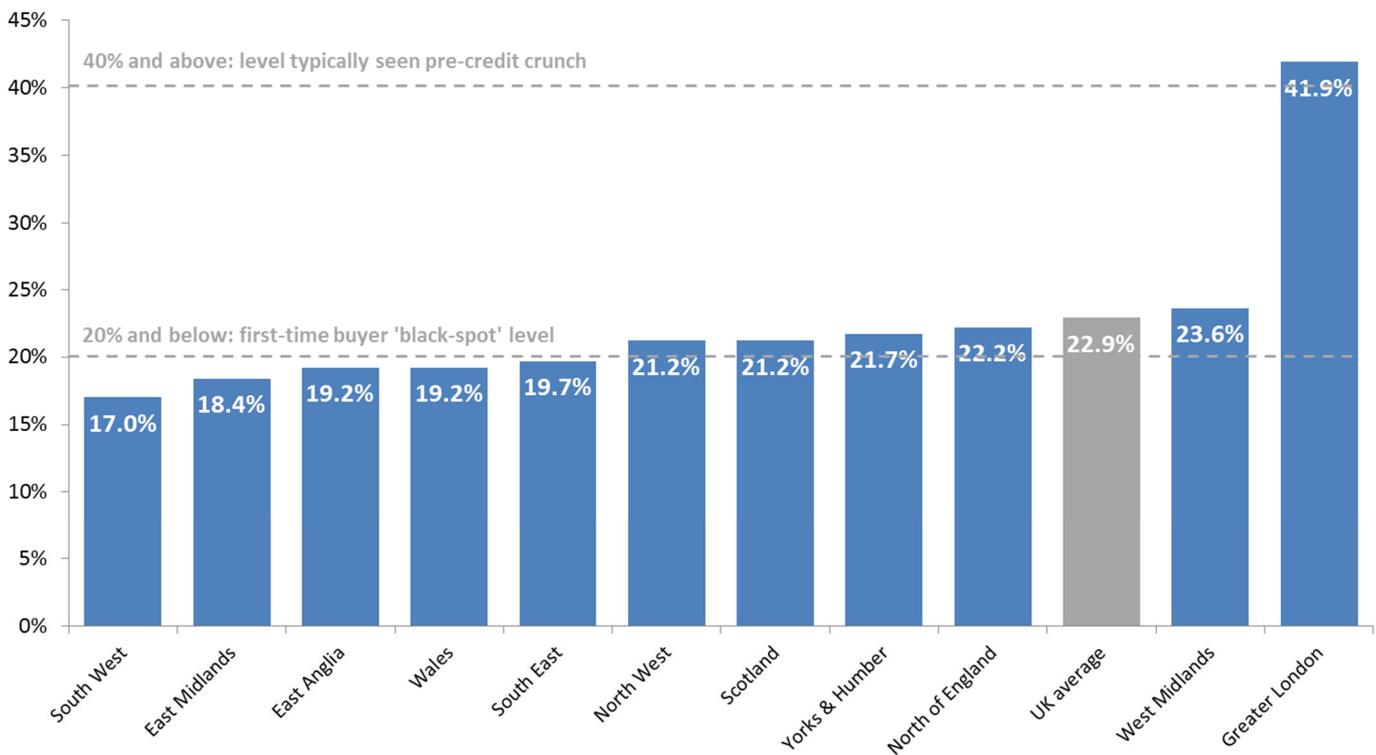
# First-time buyer forecast

## First-time buyers to remain on the 'endangered list' in 2012

- Only 23% of all those intending to buy in the next 12 months will be buying for the first time, down from 26% a year ago, meaning first-time buyers will remain an endangered species in 2012
- How to spot one:
  - Average age of those who expect to buy for the first time is younger than commonly reported at 32, though clock keeps ticking for 'trapped renters' who are 35 and counting
  - More than half of them (56%) are expecting to put down over £20,000 as a deposit for a property, highlighting the saving challenge they face
- How to catch one:
  - They will want a deal as nearly two-thirds (61%) of intending first-time buyers think property prices in their local area are above what they consider to be fair and reasonable

### 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 12,829 potential buyers captured between Monday, 3rd of October and Monday, 17th of October 2011.

Rightmove's latest First-Time Buyer Forecast finds that first-time buyers look set to remain on the property market's endangered list in 2012. Less than a quarter (23%) of those intending to buy over the next 12 months will do so for the first time. Not only is this a deterioration on the 26% recorded going into 2011, but it means an even bigger gap to bridge to the pre-credit crunch 40% levels typically associated with a more active and healthy housing market.

Miles Shipside, director of Rightmove comments: "The first-time buyer remains an endangered species. They perform an essential role at the foot of the property market food chain in allowing sellers on the bottom rung of the housing ladder to trade up, and this makes them highly-prized. With prospective first-time buyers even thinner on the ground than at this stage last year, sellers and their estate agents operating at the lower end of the market will need to fully understand the DNA of this group if they are to capture a sale."

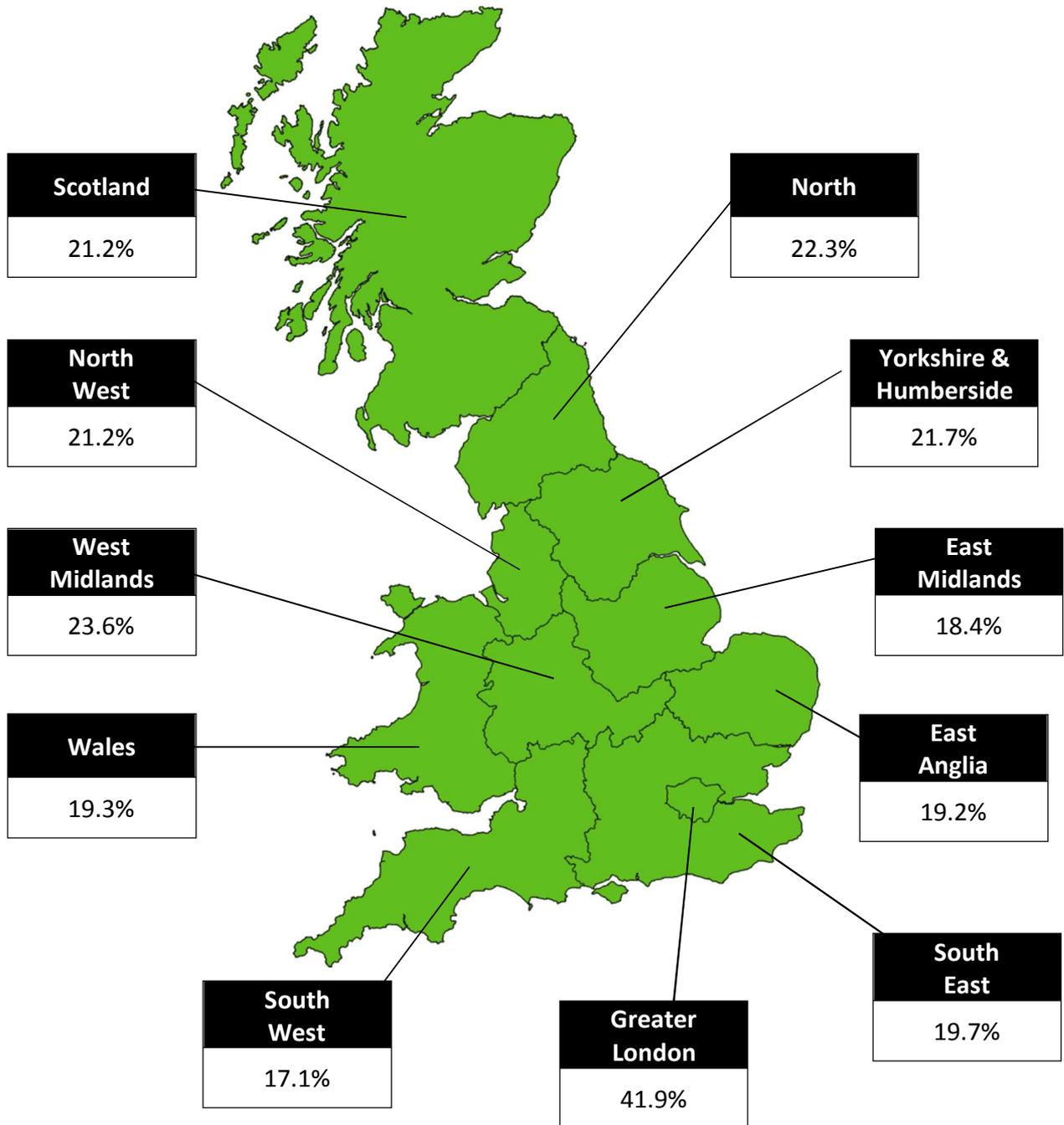
Rightmove's study provides an insight into the make-up of those who will purchase their first home over the next 12 months. The average age of a first-time buyer in 2012 will be 32 years old, a lot younger than commonly reported due to the age difference between those who can afford to buy and those who cannot. 'Trapped renters' – those in the rental market who would like to buy but can't afford to do so – have an average age of 35, and the clock continues to tick for them. The plight of these frustrated would-be first-time buyers underlines the growing length of time many face being trapped in the UK rental market.

Shipside comments: "There has been a lot of speculation about the average age of first-time buyers, and the truth is those who *can* are in their early thirties, while those who *can't* are in their mid-thirties and counting. Those who would like to buy but cannot afford to are watching the grains of sand slip through the hour-glass of life. They try to top up the glass by saving a deposit, but lack of mortgage finance and Father Time are combining to further postpone their prospects of buying. Given the reality of the ongoing economic situation, many trapped renters are having their home-ownership dreams postponed to their forties at best, or permanently shattered at worst".

Those purchasing for the first time expect to put down a very significant deposit in order to do so. More than half (56%) expect to put down £20,000 or more, with the overall average deposit at £22,000. Raising a deposit remains the most commonly expressed concern amongst intending first-time buyers (36%), although there has also been a jump in those citing worries about personal financial security, up to 14% from 10% last quarter. First-time buyers are also significantly more price sensitive, with 61% stating that they feel house prices in their local area are above what is fair and reasonable, compared with an average of 47% amongst existing home-owners.

Shipside adds: "It's been a tough few years for first-time buyers and those in a position to proceed will have saved hard to avoid being 'locked out' of the property market. The hardy few who have successfully navigated the harsh landscape of employment insecurity, savings-eroding inflation and challenging deposit requirements are sure to be price-sensitive and determined to get full value from their first home purchase. They are feeling the pinch in terms of current house prices, and sellers at the foot of the housing ladder will need to understand this stance if they want to snare a first-time buyer and move up the ladder themselves."

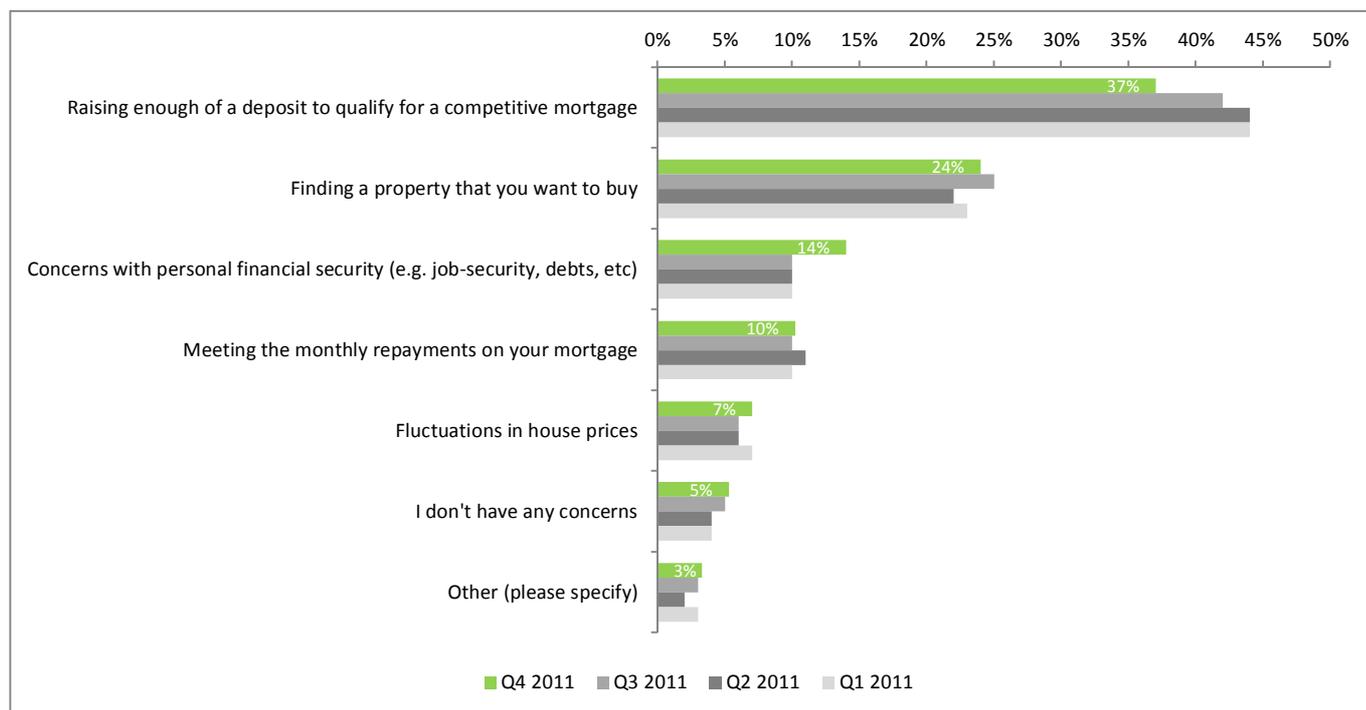
% of those who expect to buy in the next 12 months that will buy for the first-time  
Quarter 4 2011



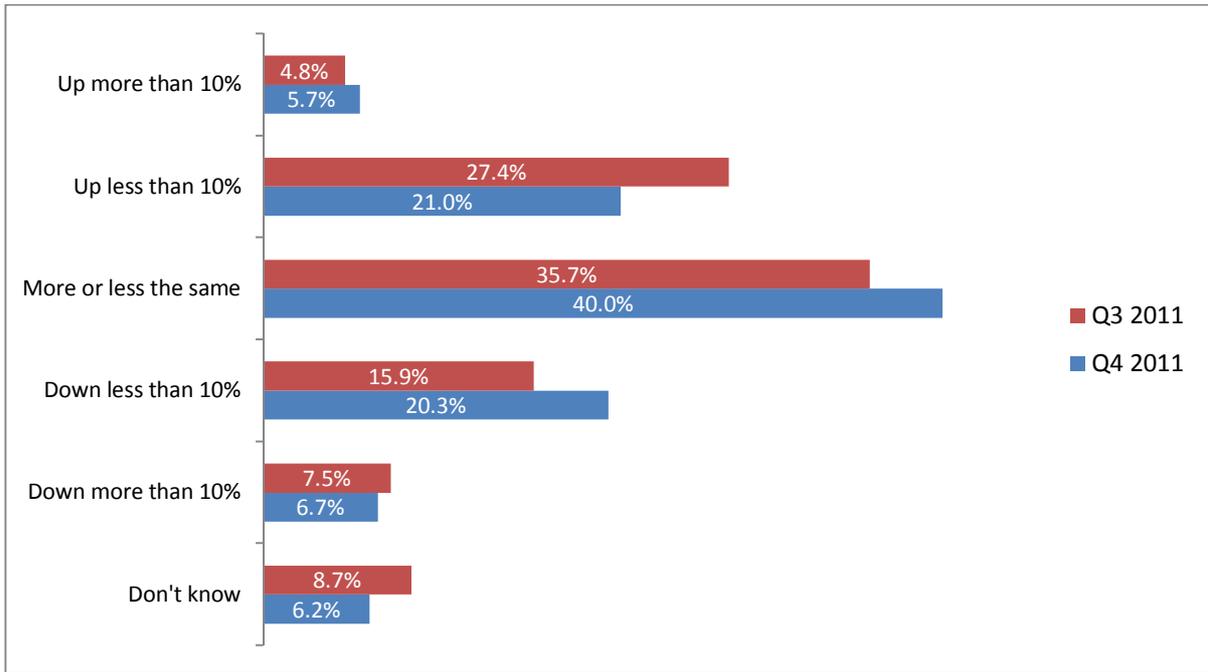
## First-time buyers: regional trends

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

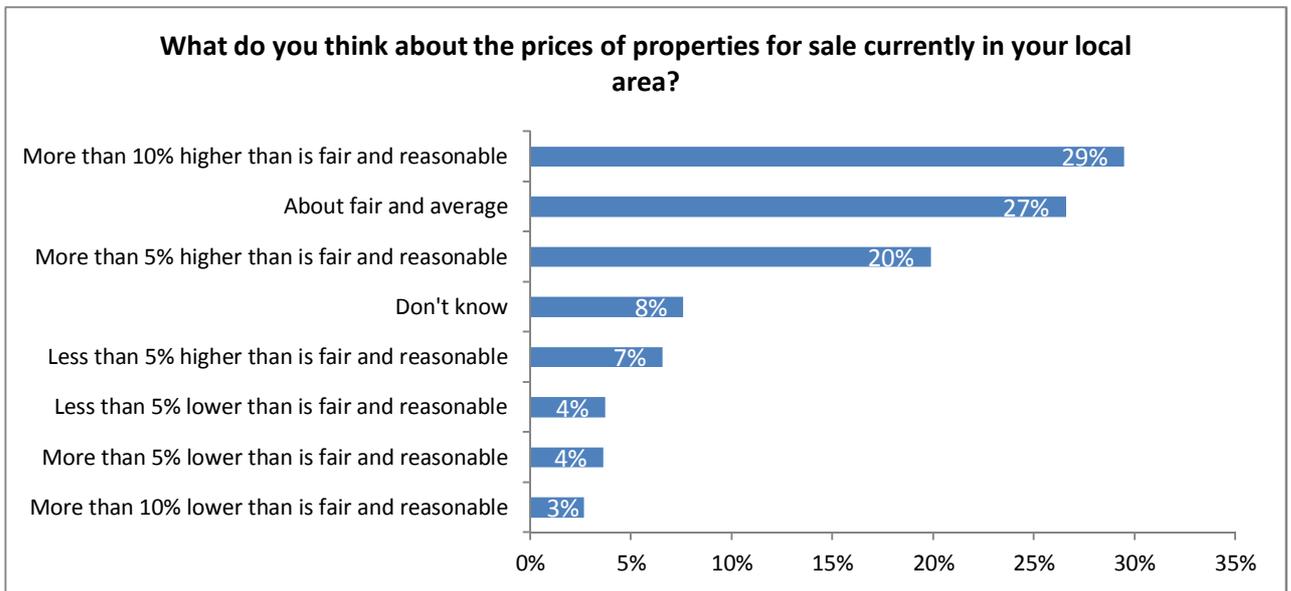
## Single biggest concern about buying



**In your opinion, where do you think average house prices will be one year from now?**



**Opinion of current house prices**



## Trapped renters

### What are your reasons for renting rather than buying?

I am not interested in buying, renting suits me	1%
I would like to buy but can't afford to	62%
I would like to buy eventually, but not at this moment in time	37%
Total	100%

### How long have you been living in your current property?

Less than 6 months	23%
Less than 1 year	17%
Less than 2 years	22%
Less than 3 years	14%
Less than 4 years	8%
Less than 5 years	5%
Less than 10 years	8%
More than 10 years	4%
Total	100%

## 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 October and Monday, 17<sup>th</sup> of October 2011. A total of **12,829** 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.

	<b>N</b>	<b>% of response</b>
East Anglia	1026	8.0%
East Midlands	849	6.6%
Greater London	1701	13.3%
North of England	502	3.9%
North West	1443	11.2%
Northern Ireland	15	0.1%
Scotland	657	5.1%
South East	2696	21.0%
South West	1551	12.1%
Wales	492	3.8%
West Midlands	956	7.5%
Yorkshire & Humberside	941	7.3%
<b>Grand Total</b>	<b>12,829</b>	

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