

European Equity Research | 2014

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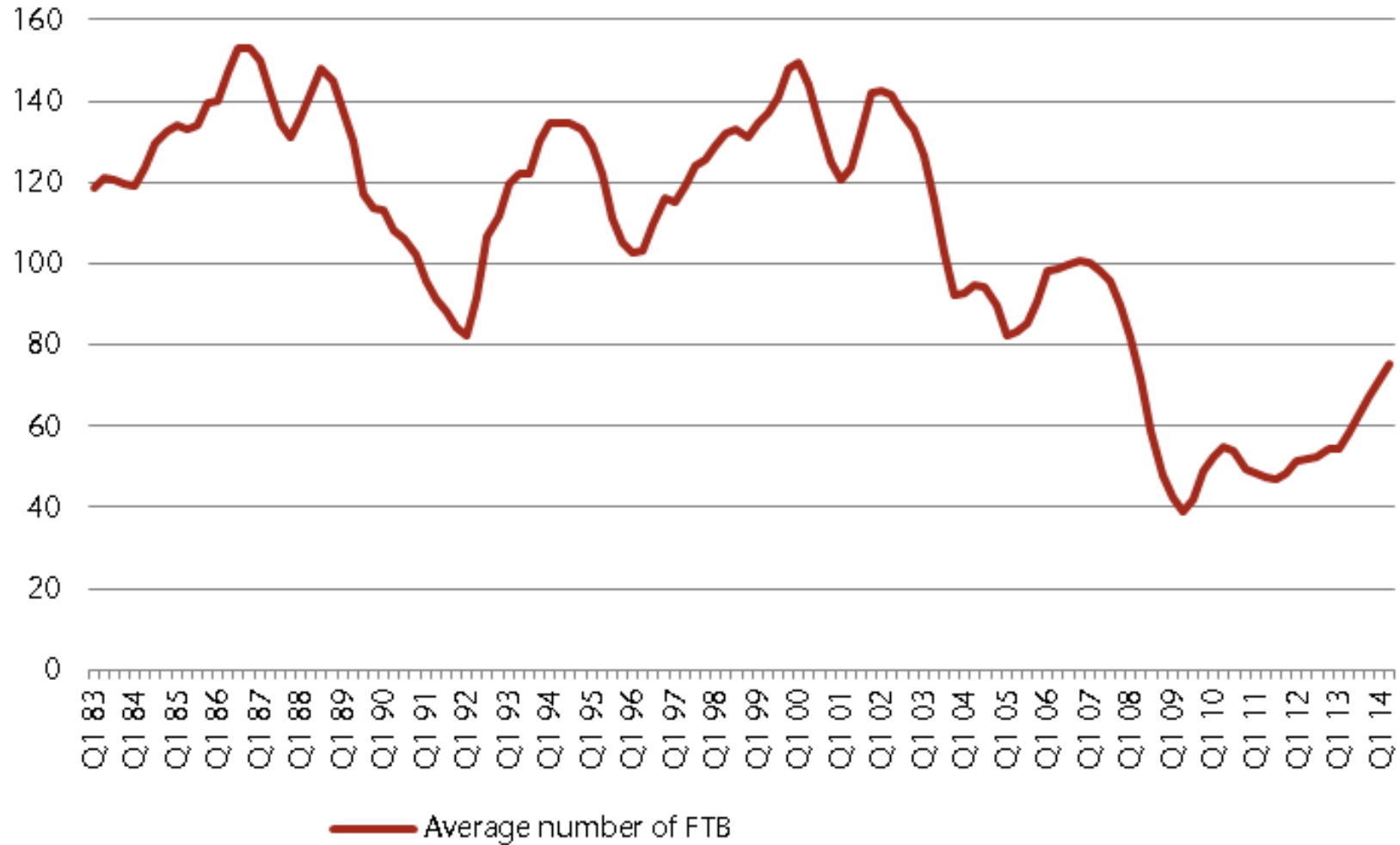
Housing Market Intelligence 2014

Innovative market strategies

Anthony Codling
Email anthony.codling@jefferies.com
+44 (0) 207 029 8677

Rolling average number of First Time Buyers

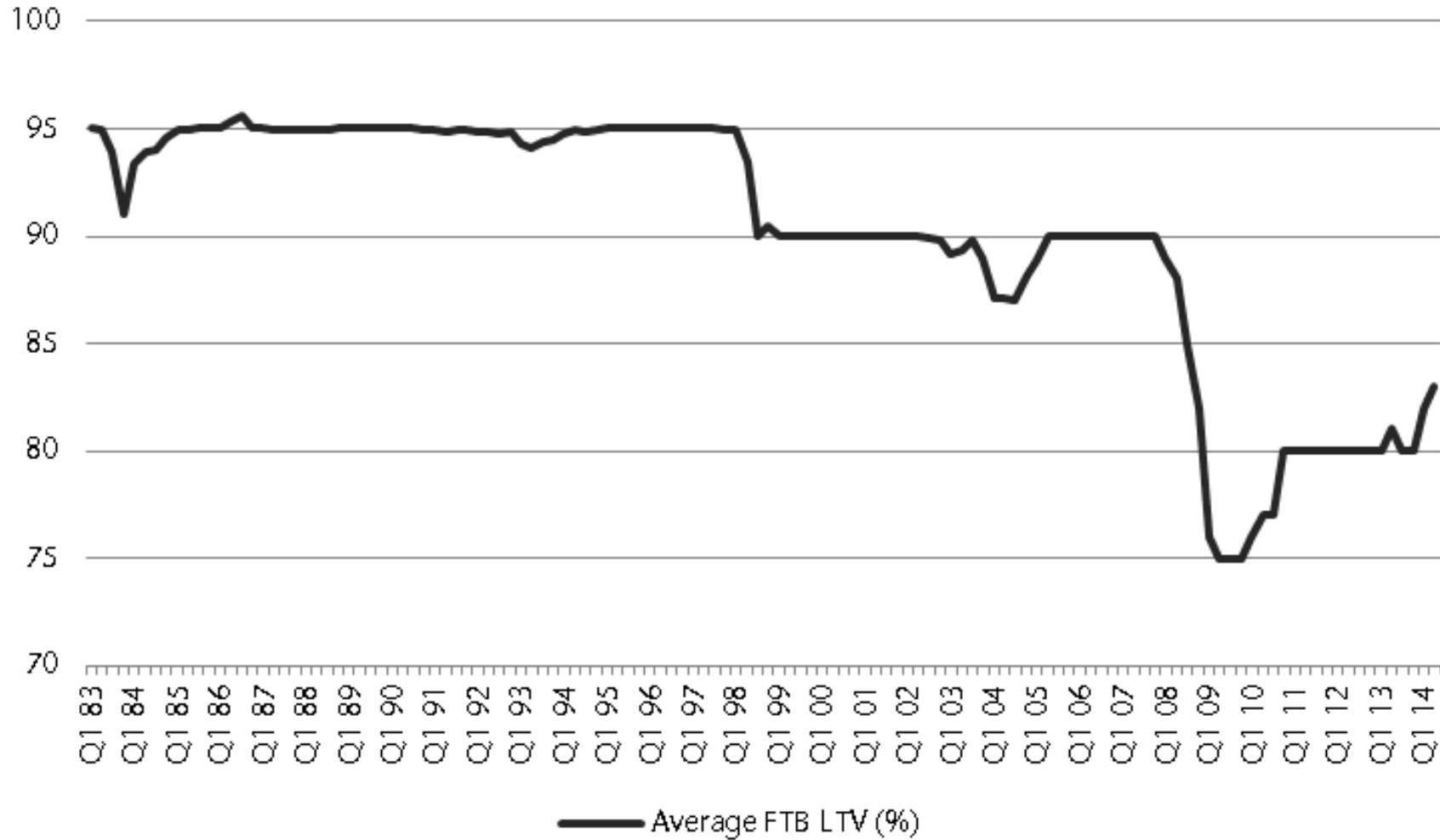
Quarterly 12 month rolling average, thousands



Source: Council of Mortgage Lenders

Average LTV for First Time Buyers

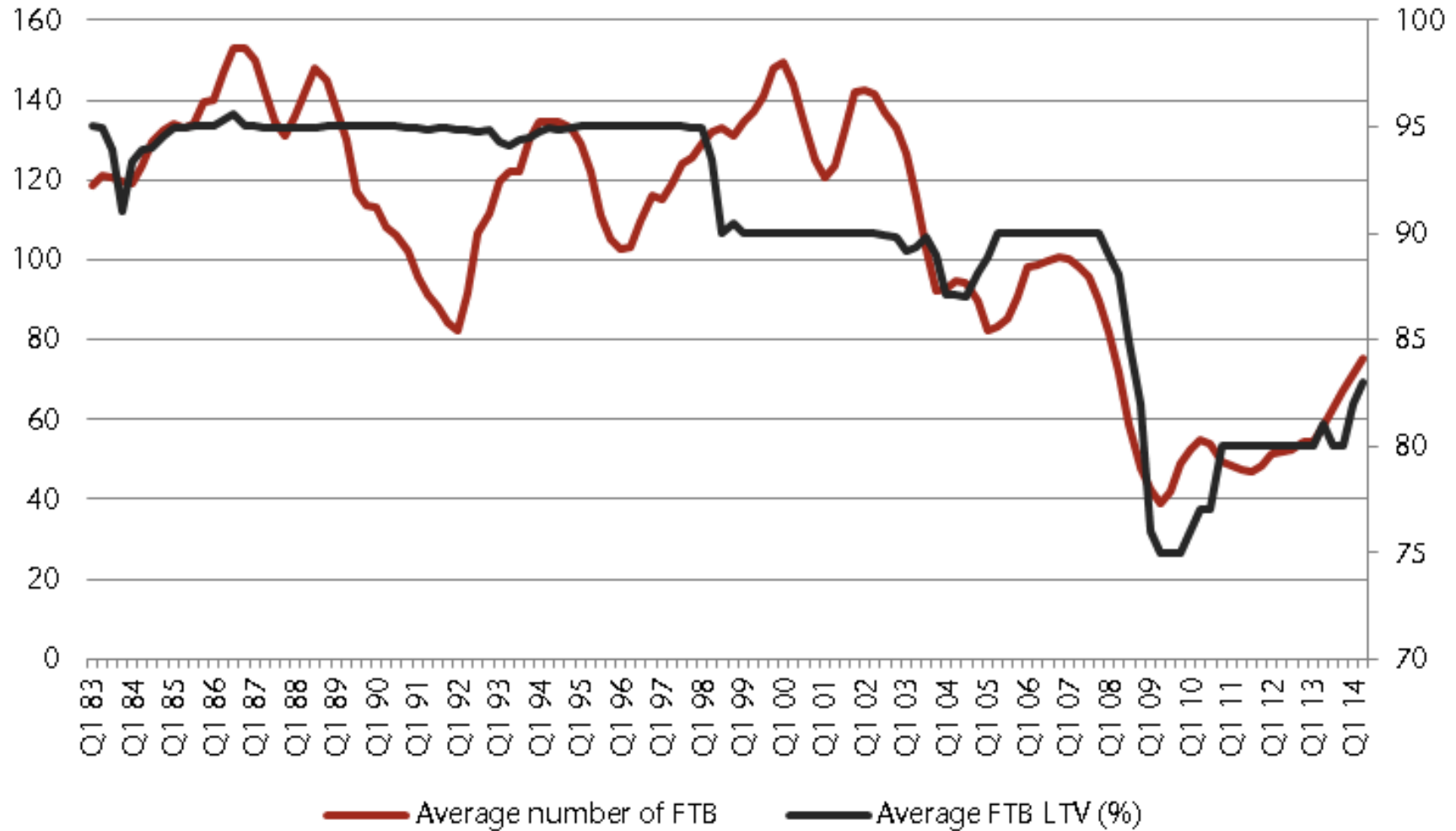
percentage



Source: Council of Mortgage Lenders

Rolling average number of First Time Buyers and average LTV, %

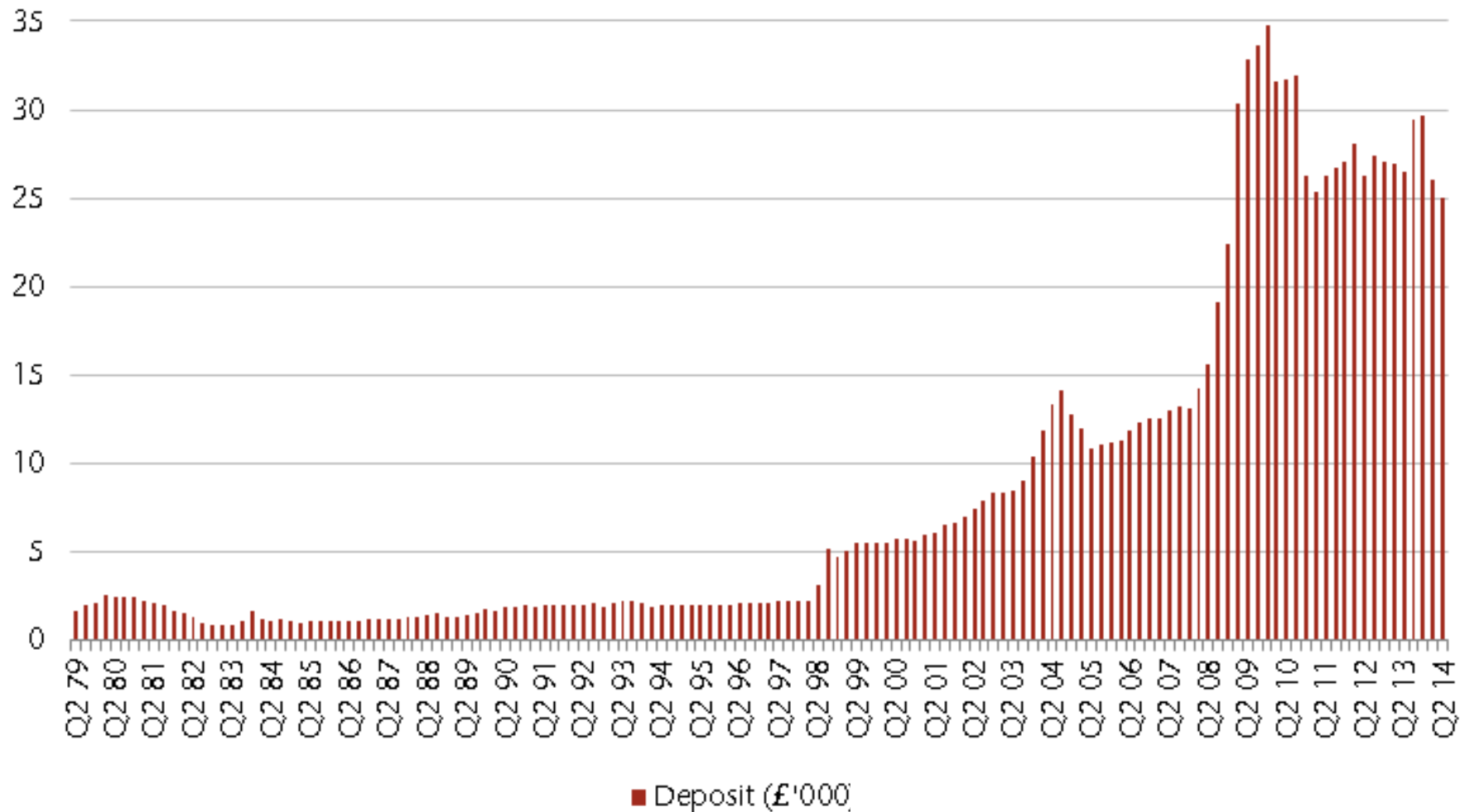
Transactions: Quarterly 12 month rolling average, thousands. LTV percentage



Source: Council of Mortgage Lenders

Average FTB deposit

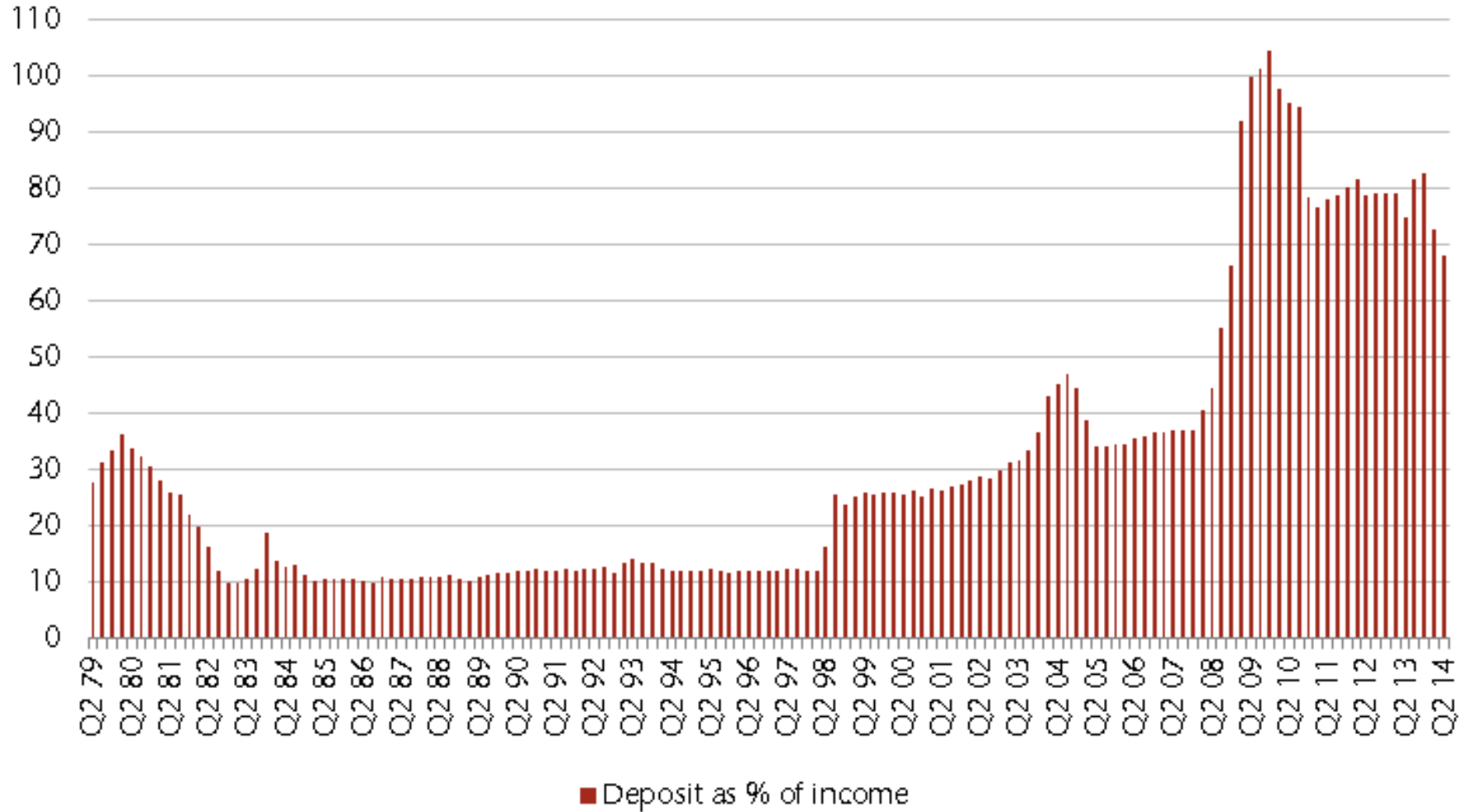
£ thousands



Source: Council of Mortgage Lenders

Average FTB deposit

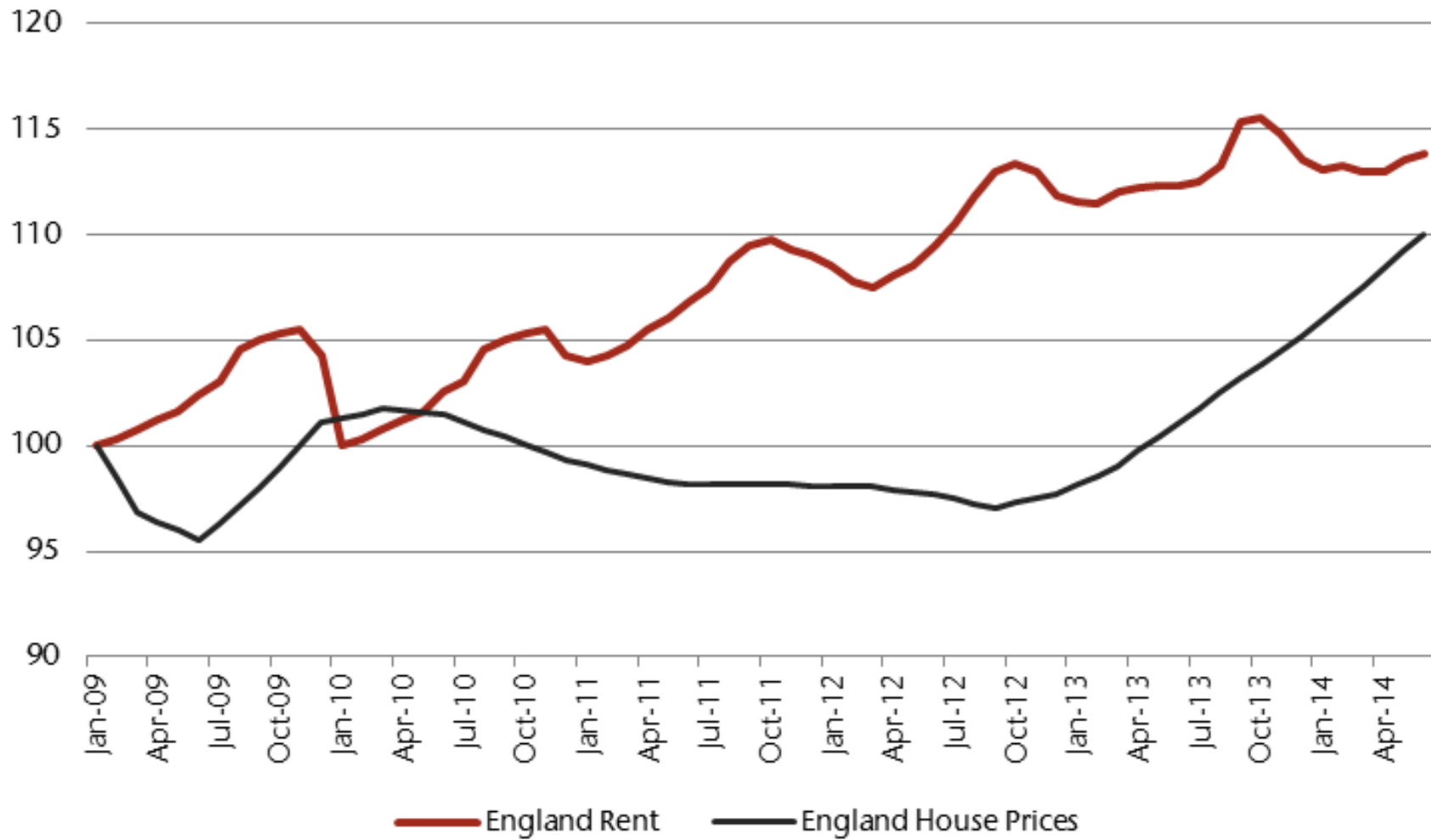
Percentage of income



Source: Council of Mortgage Lenders

Average Rents compared to House Prices

Average rent and average house prices of rented accommodation, rebased, January = 2009



Source: LSL, Jefferies estimates

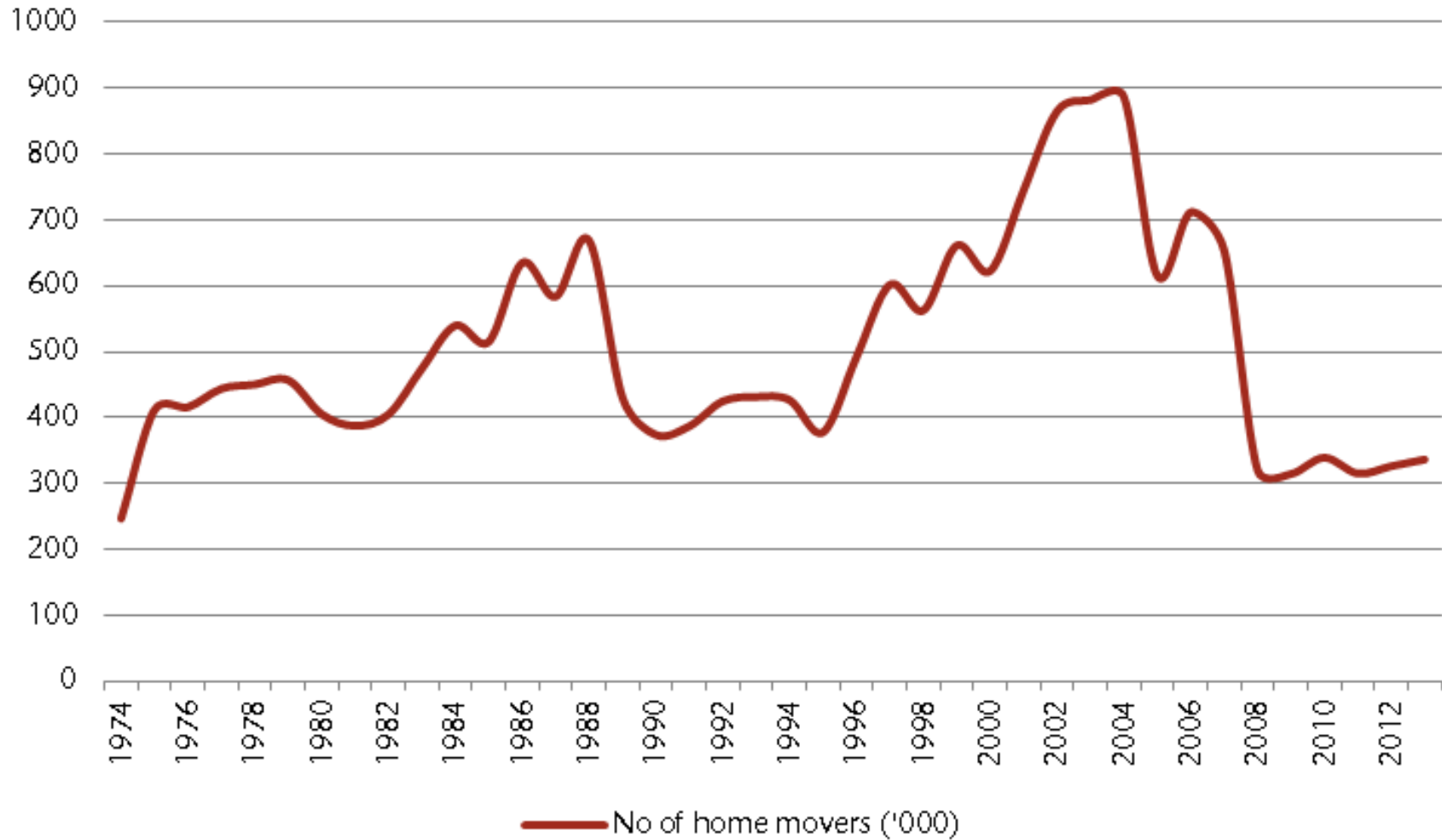


Source: LSL, Jefferies estimates

Anthony Codling, Equity Analyst, +44 20 7029 8677, anthony.codling@jefferies.com

Number of homemover transactions

Thousands of transactions

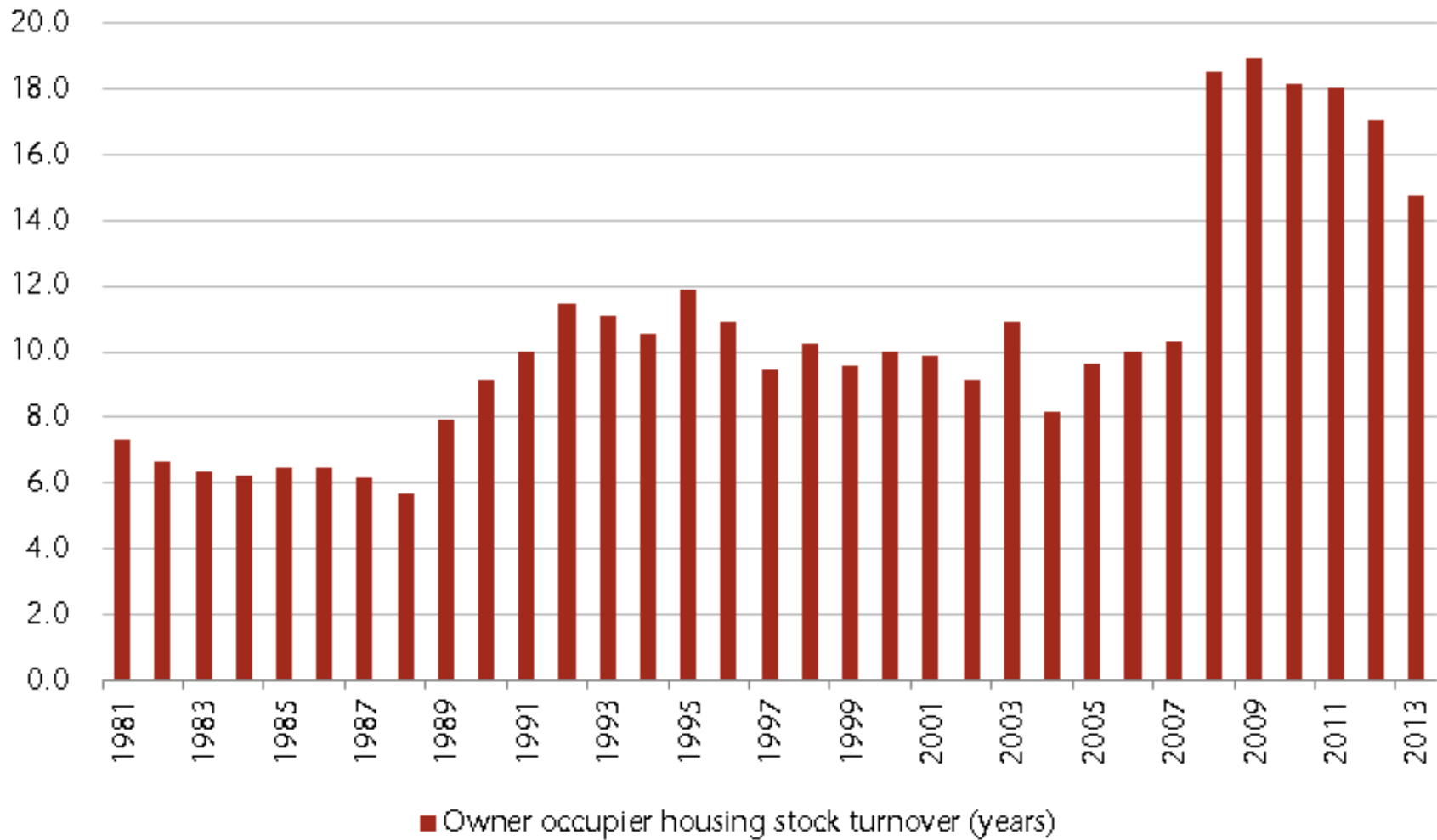


Source: Council of Mortgage Lenders

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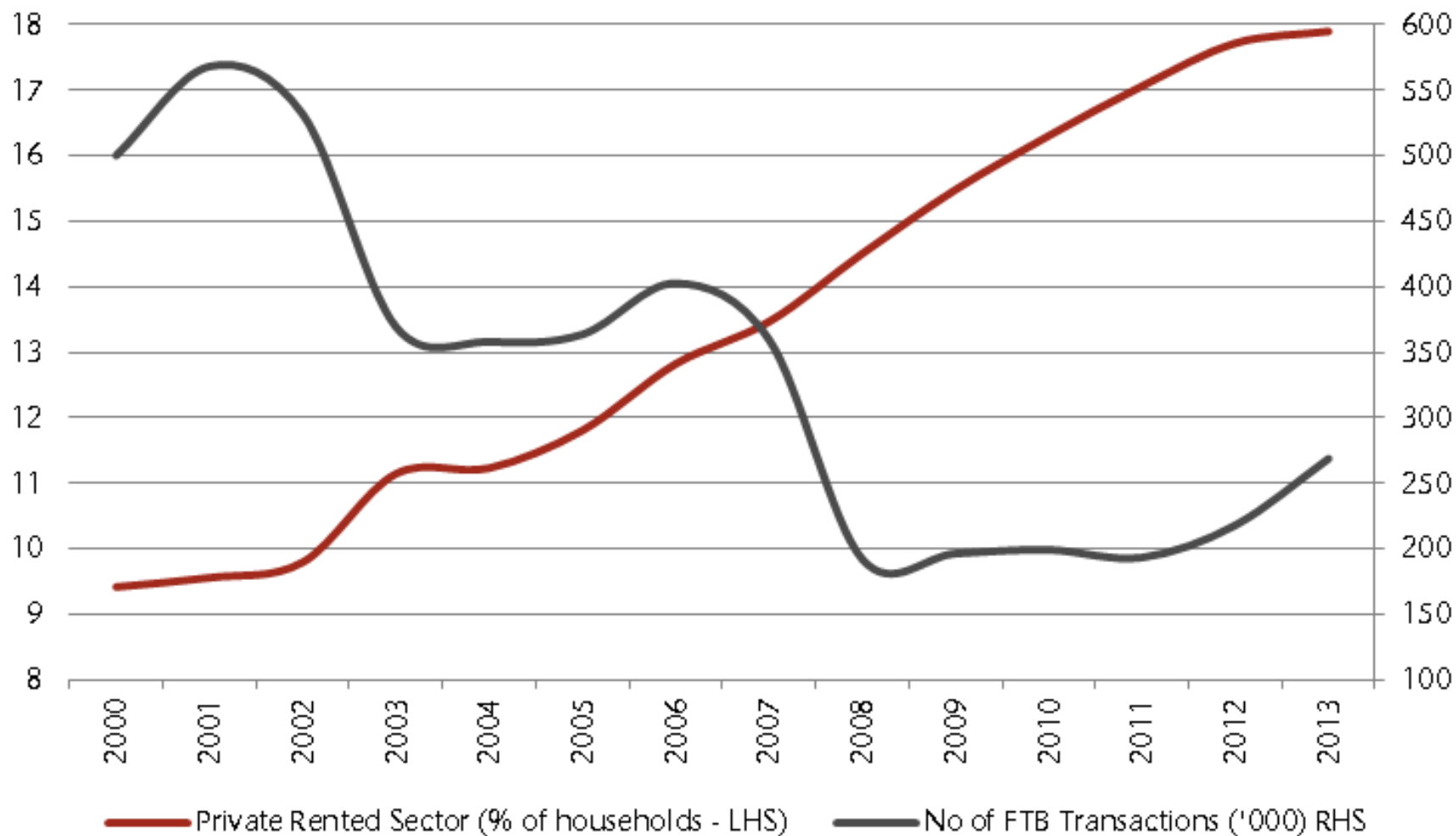
Owner Occupier Housing Stock Turnover

Number of years



Source: Council of Mortgage Lenders, ONS

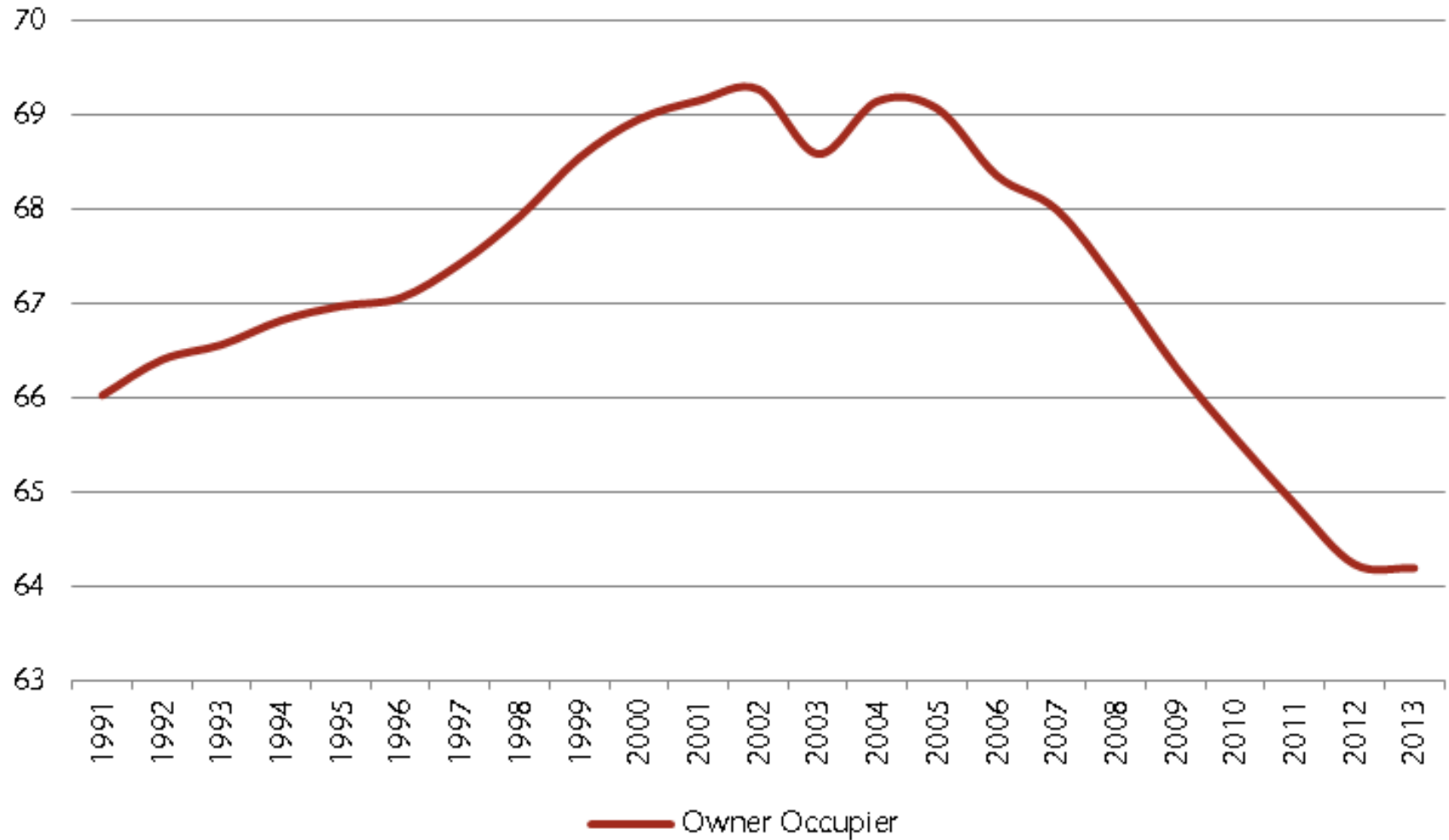
The growth of PRS



Source: ONS

The fall of owner occupation

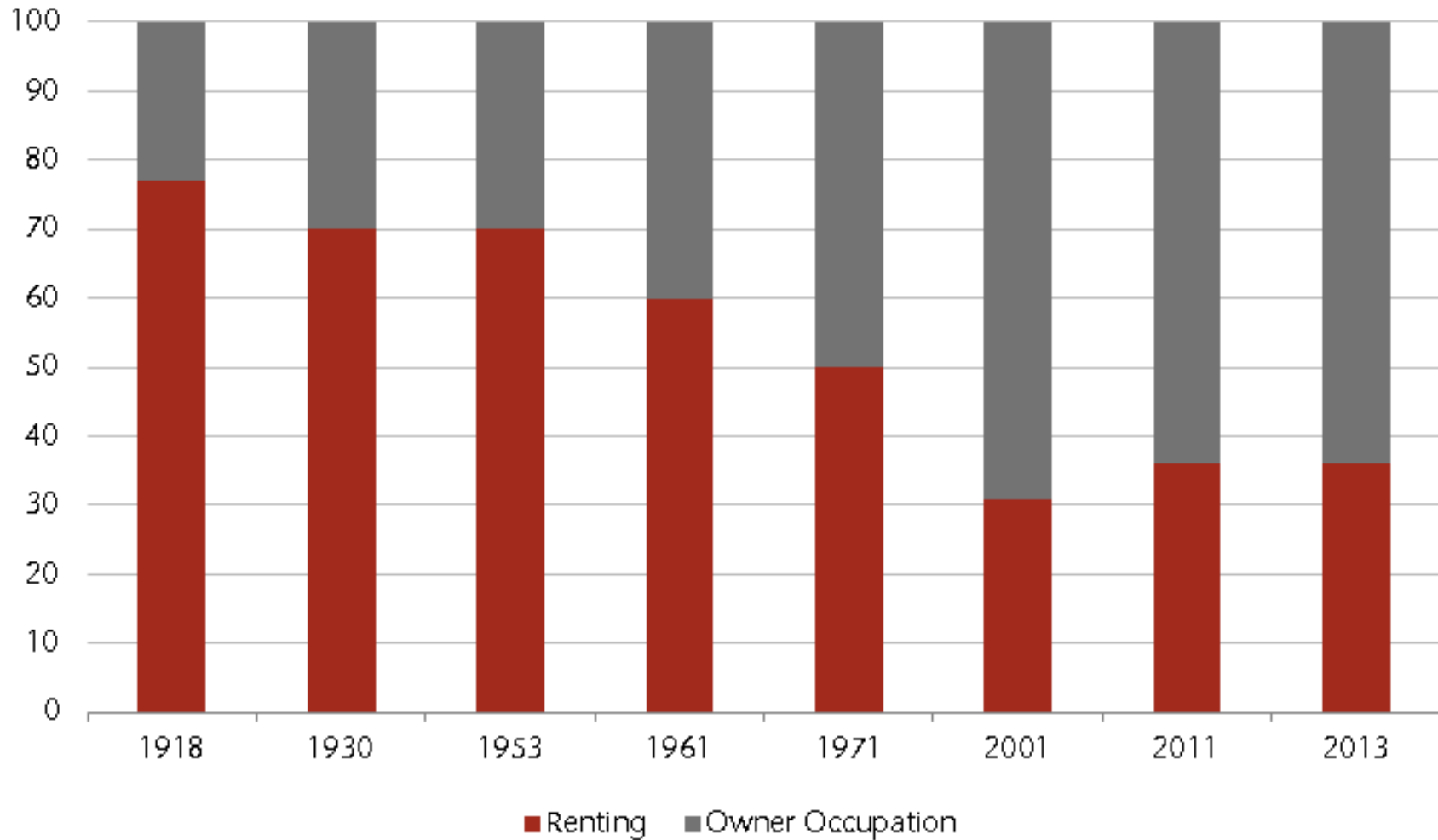
Percentage



Source: ONS

Renting vs Owner Occupation

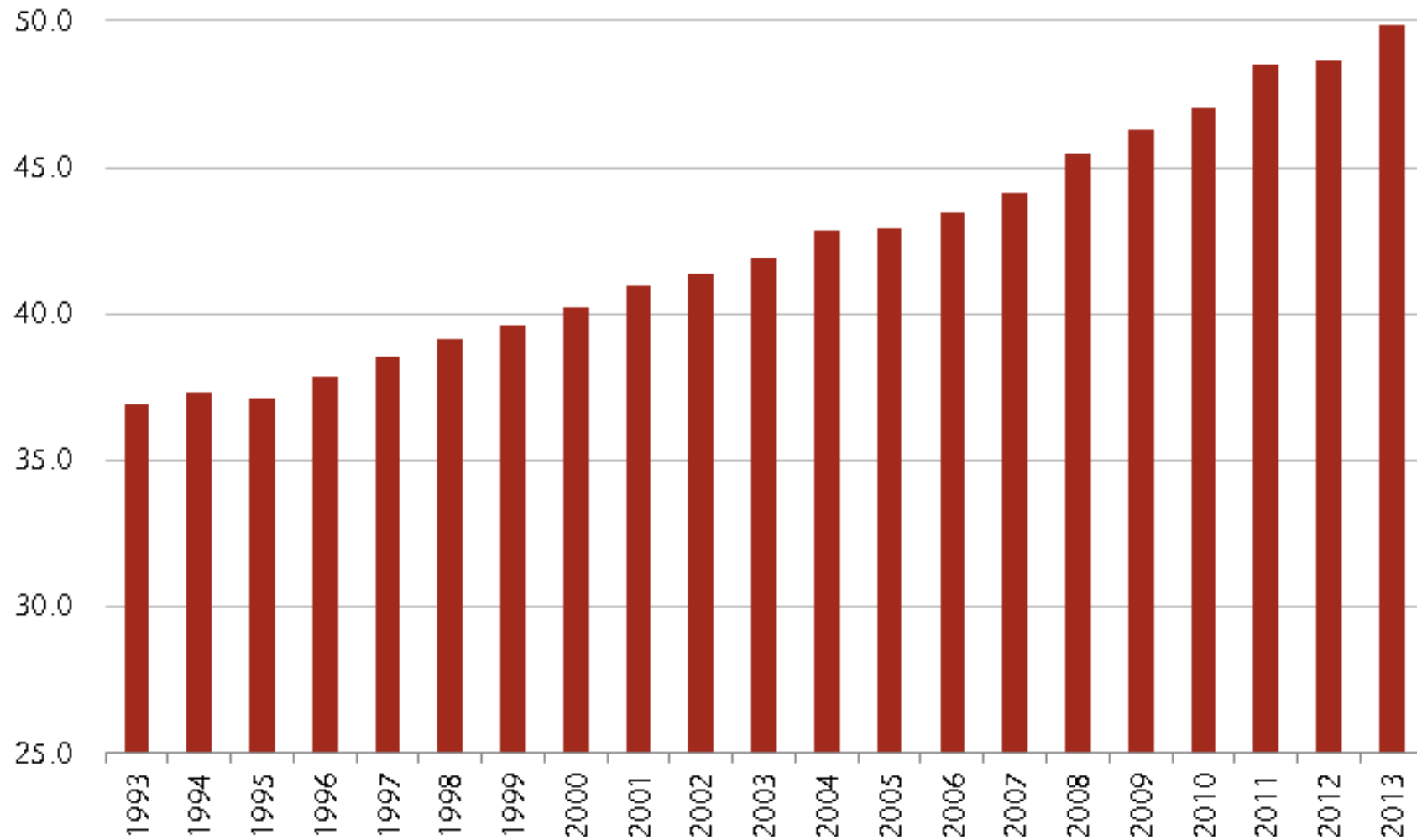
Percentage of households



Source: ONS

Homes owned without a mortgage

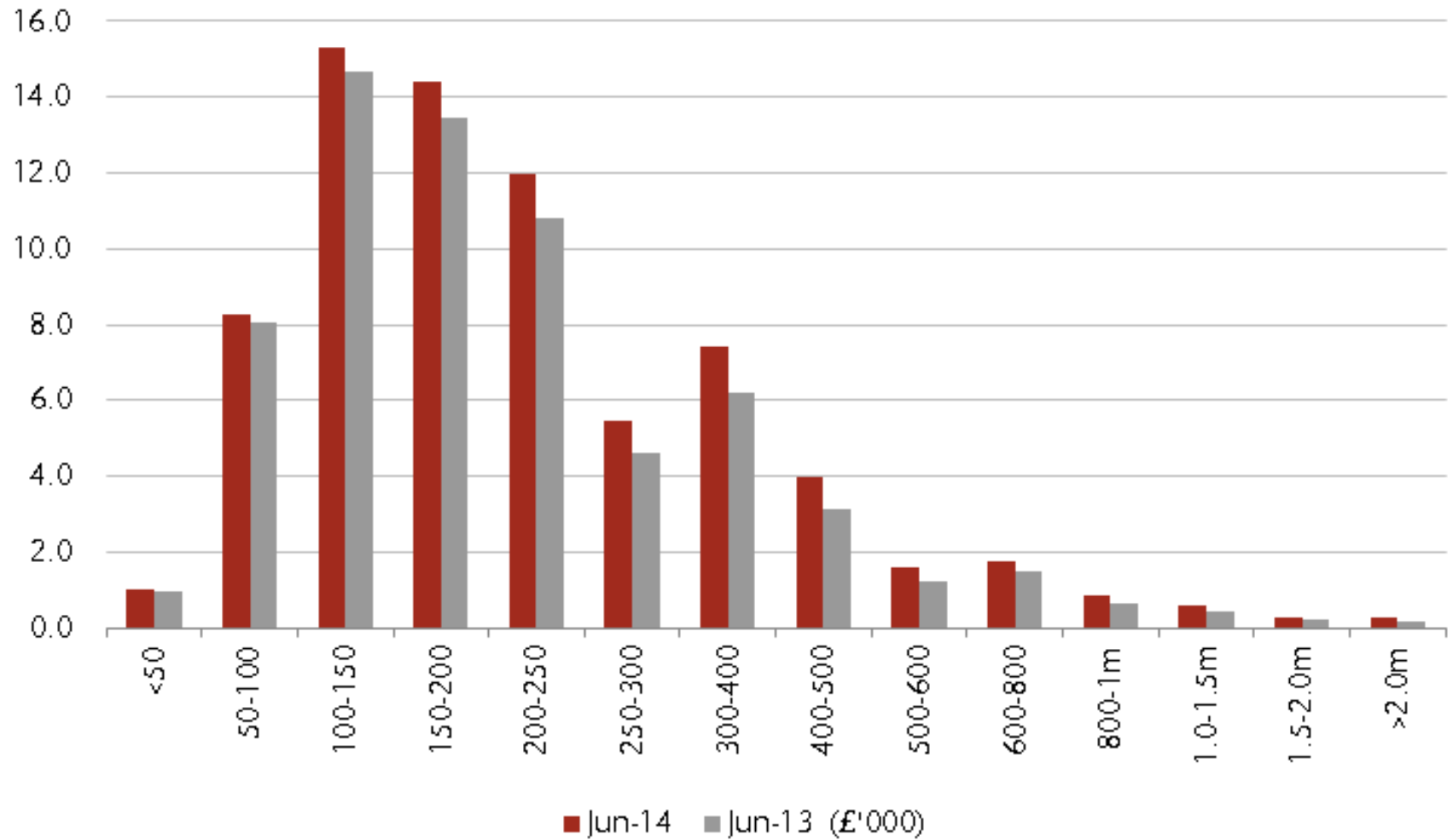
Percentage of households



Source: ONS

Distribution of housing transactions

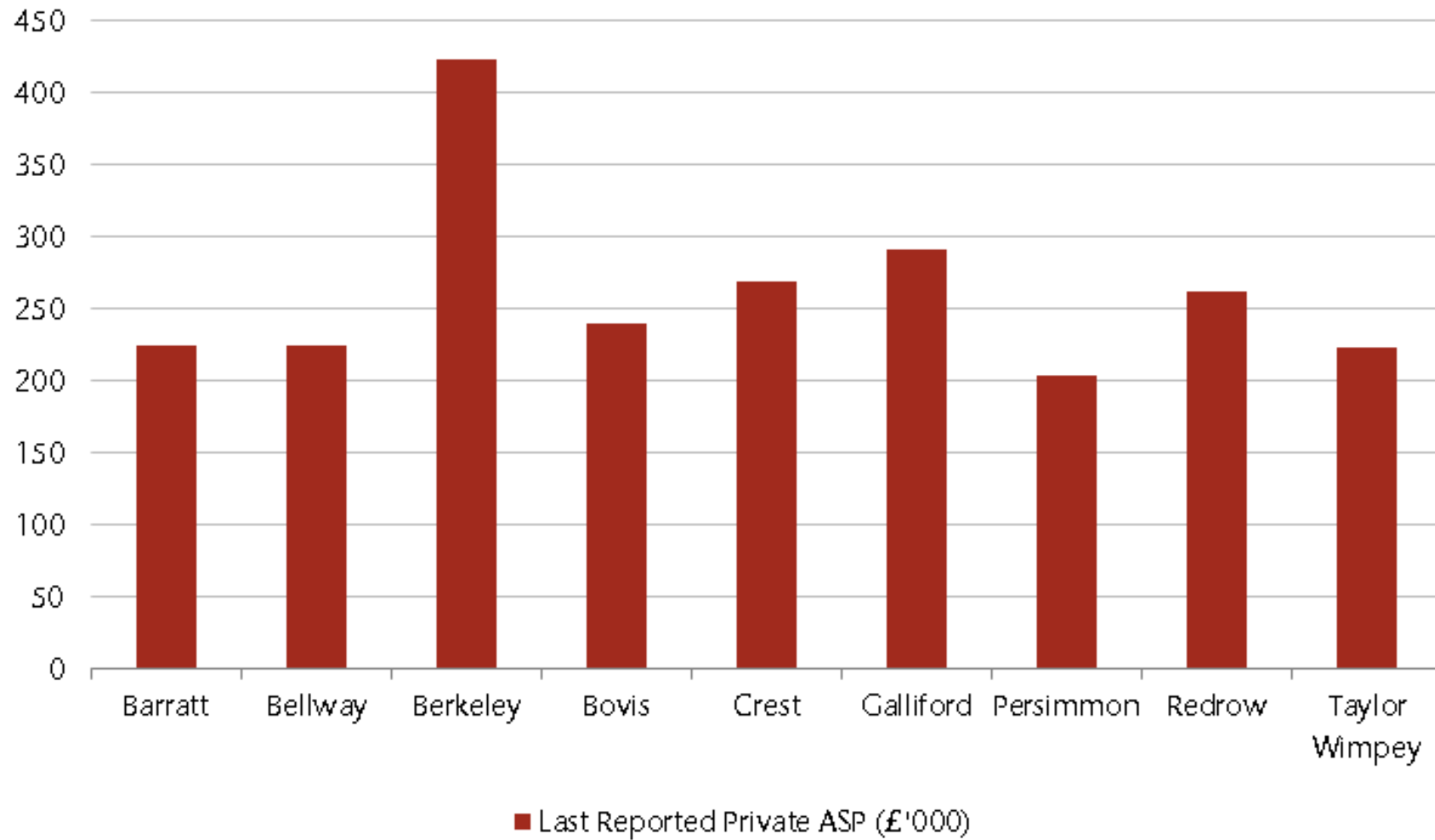
thousand transactions



Source: ONS

Last Reported ASP (private homes)

£ thousands



Source: Company Data

- **PRS may replace the traditional FTB market**
 - New Build can overcome all the logistical PRS hurdles (the right stock, in the right place at the right time)
 - Government can make PRS economics work (release of public sector land)

- **Transactions levels likely to remain at lower levels due to life stage and intergenerational wealth transfers**
 - Fewer rungs on the property ladder, implies fewer house types required
 - Trading down increasing demand for smaller executive homes

- **Polarisation of the housing market**
 - rented vs owned rather than North vs South

Thank you for your time

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