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Second-steppers feel the pressure of 'space-age-kids' dilemma

- Rightmove survey of over 20,000 respondents finds that a significant proportion of 'second-steppers' – those looking to buy a home for the second time – are stuck on the bottom rung of the housing ladder, forced to put their lives on hold:
 - Two in five (40%) 'second-steppers' state their current home is too small for their family
 - 7% state that they have even put-off starting a family as they don't have enough space
 - At 41, the average age for a second purchase highlights housing market's growing trade-up period and the lifecycle urgency to trade-up to a more suitable family home
- Second-time buyers remain active, representing 29% of all purchasers, but this vital link in the housing chain is often neglected and faces significant market challenges:
 - 11% are moving despite their home currently being worth less than they paid for it
 - Supply of first-time buyers – the target audience to sell to for 'second-steppers' – at its lowest proportion for more than two years, with six out of eleven regions set to be first-time buyer 'blackspots' in 2013

Rightmove case studies available. Please contact: press@rightmove.co.uk / 02070870605

Overview

Almost half of the property market's 'second-steppers', those buying for the second time, are struggling to accommodate their family needs while they endure a lengthy period on the bottom rung of the UK housing ladder. Rightmove's latest buyers' survey finds that two in five (40%) second-steppers are concerned that their home is too small for their family, and a further 7% have even put off having children because their property simply isn't big enough. With the average age of prospective first-time buyers and second-time buyers standing at 30 and 41 respectively, late entry onto the housing ladder and longer stays on its bottom rung mean second-steppers, although active, are increasingly becoming the property market's 'squeezed middle', weighed down by worries over space, age and kids.

Miles Shipside, director and housing market analyst at Rightmove comments: "Many second-steppers have had to shelve their family planning and home-moving ambitions since the onset of the credit-crunch over five years ago. Typical first-time buyer properties such as flats and smaller

houses serve a purpose in getting a foot on the housing ladder, but don't tend to be suitable family homes in the long term. This next step up the ladder is proving a difficult one for many to make. Second-steppers are the ugly ducklings of the housing market; overlooked for many government incentives, struggling to protect their equity if they bought near the peak, and now crammed into a home too small for their growing family needs."

Second steppers spooked by 'space-age-kids' dilemma

Rightmove's survey finds that 29% of those who intend to buy in 2013 will be second-time buyers. This is up 3% on last quarter and indicates that second-steppers are active and make up a sizeable proportion of potential buyers. However, with the average age of those purchasing for the second time now in their forties, and ongoing concerns over having enough room to house or even start a family, Rightmove's research indicates that all is not well for this key housing market group.

Just under half of the major issues voiced by second-steppers were family-related, with 'my current home is too small for my family' representing the major concern for 40% of respondents. In addition, 7% stated 'I have put off starting a family because my current home is too small'. The average age of those intending to buy for the first time in 2013 is 30, and 41 for those purchasing for the second time¹. This indicates that as well as first-time buyers purchasing later in life, the traditional trading-up timescale of a move every five-to-seven years is a lot longer at the foot of the housing ladder. This creates less scope for young families to progress to suitable family homes.

Shipside observes: "Not only are first-time buyers getting their foot on the housing ladder later in life, but there seems to be a widening gap between the ladder's bottom two rungs. This space-age-kids dilemma highlights the lifecycle pressures that many young families are now under."

Second-steppers, an important but neglected link in the housing chain, face additional challenges

11% of second-steppers state they are selling to trade-up despite the fact that the current value of their property is less than they paid for it, highlighting their urgency to relocate to a larger home in order to accommodate their family.

Shipside adds: "Diminished equity will seriously affect a second-stepper's ability to raise a deposit that will attract the most competitive mortgage rates, and may even necessitate a second visit to the 'Bank of Mum and Dad' in order to move."

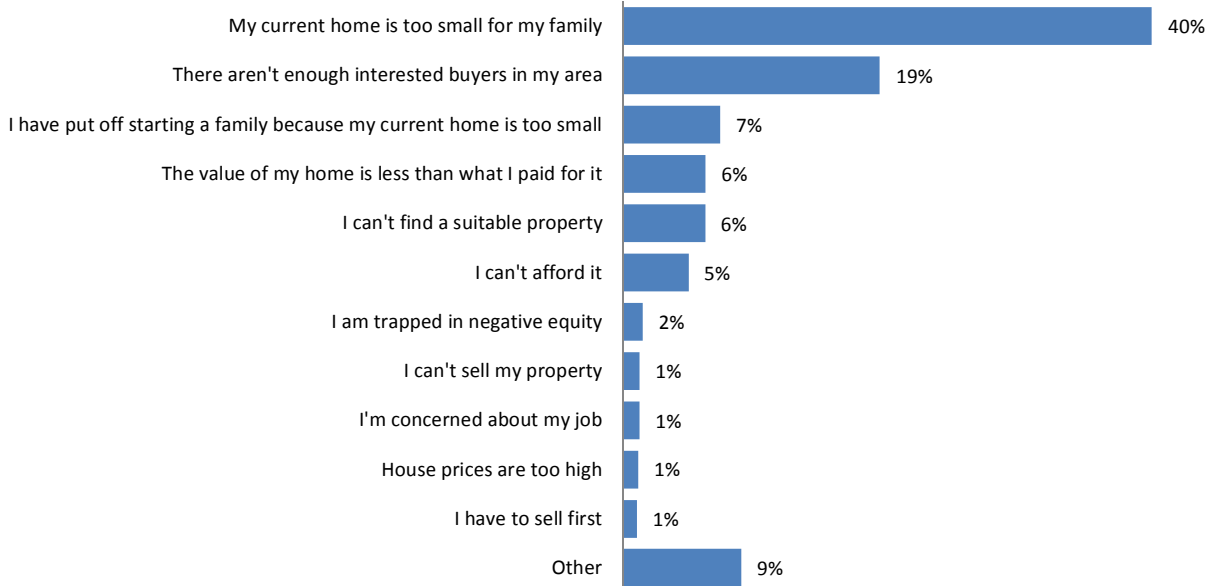
¹ Median age of all intending first-time and second-time buyers

In addition, the main pipeline supply of first-time buyers – the target audience to sell to for those ‘second-steppers’ selling to trade up – is at its lowest proportion since 2010 at 22%. Six out of ten regions are set to be first-time buyer ‘blackspots’ in 2013, so called because the proportion of buyers who are intending to purchase for the first time is below 20%. This is less than half of the 40% levels associated with a healthy and functioning housing market and is a challenge to those second-steppers looking to sell, as they see their main target of likely buyers shrinking.

Shipside adds: “The struggles of first-time buyers also continue, with the proportions in six out of eleven regions being in ‘blackspot’ territory. It is usual to see different speeds of recovery in different sectors of the market after a downturn and the hardest hit groups are often at the foot of the housing ladder. However, should transaction levels pick up this year, as the Funding for Lending Scheme fuels a more competitive lending market, then we’d hope to see an increase in those getting onto the first rung of the housing ladder. This in turn would be a major boost to those second-steppers who urgently need to trade-up.”

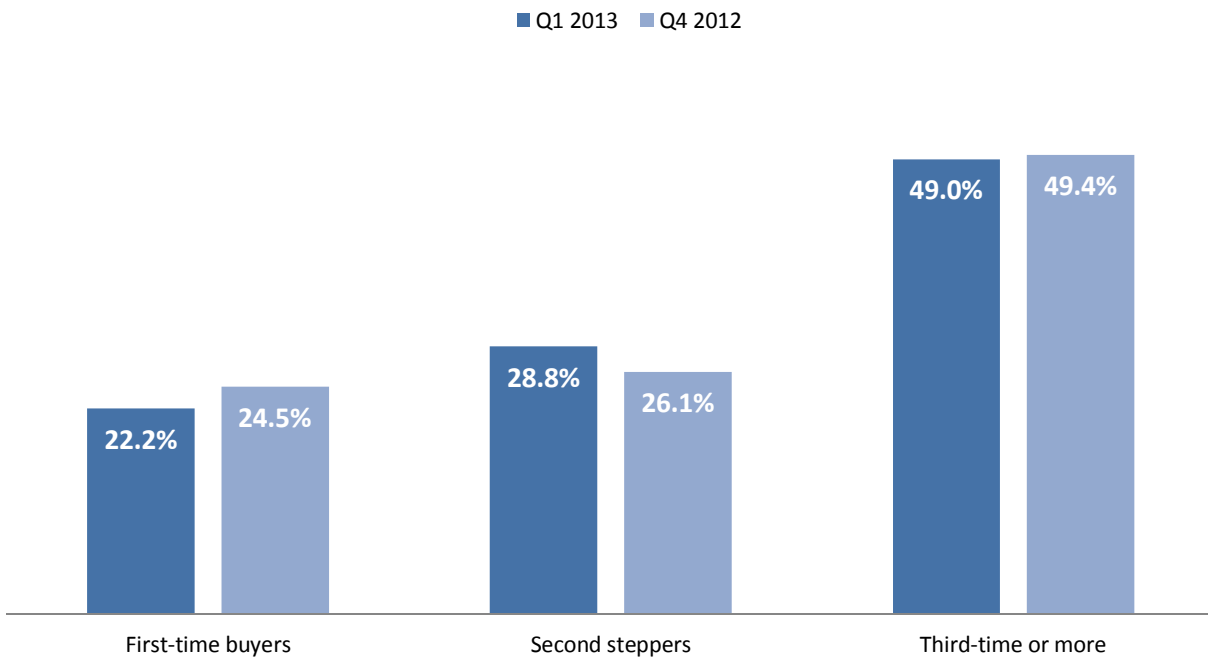
Single biggest concern

What would you say represents your single biggest property market concern?



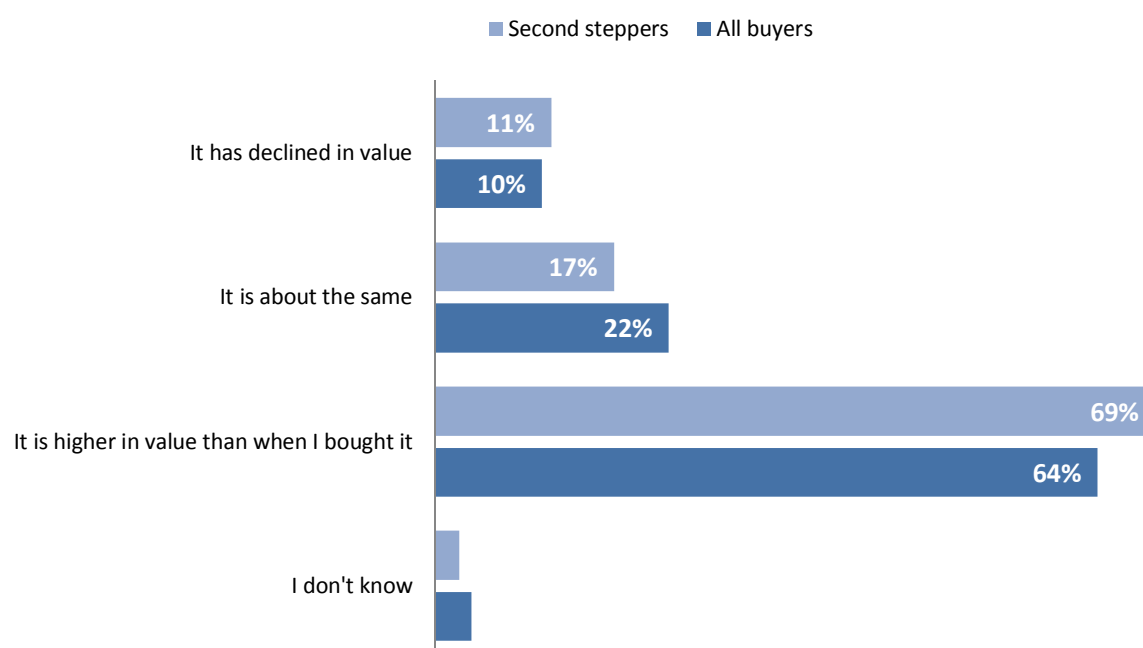
Prospective buyer distribution

Which do you expect to happen to you over the course of the next year?



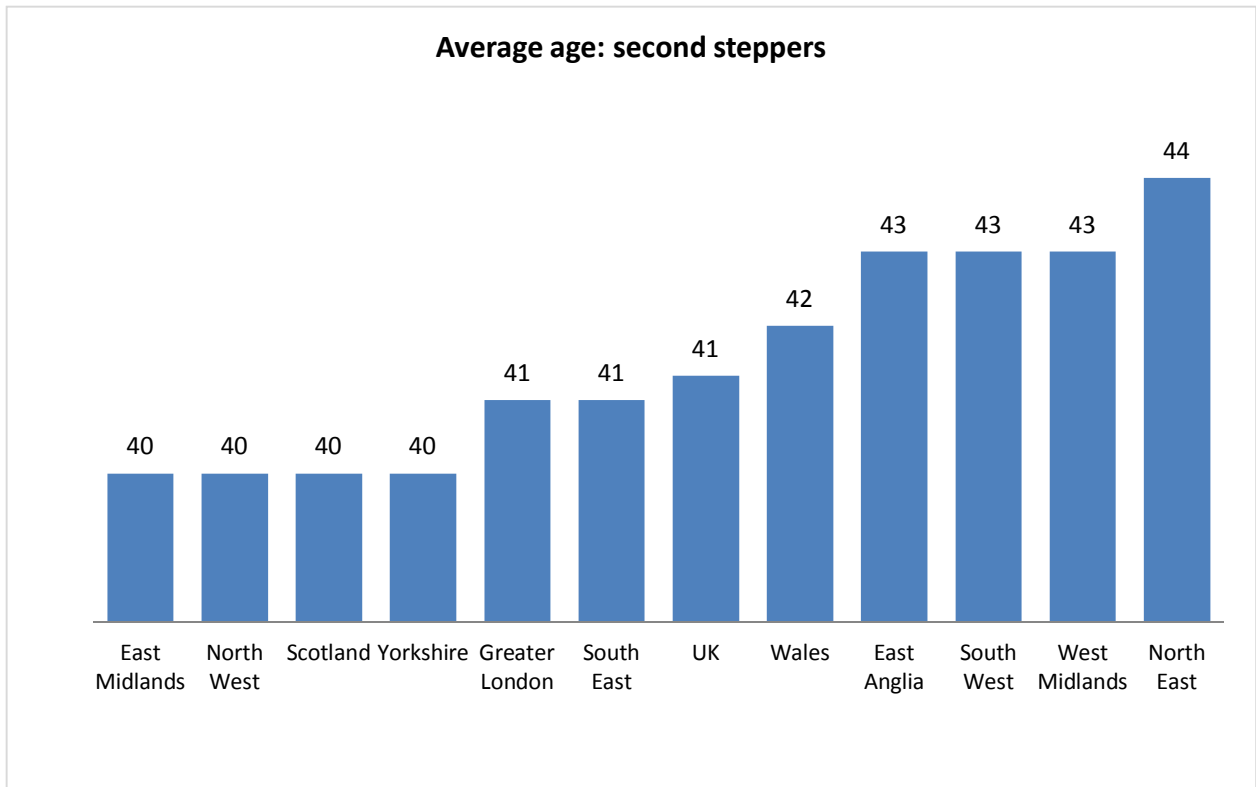
Value of property

How do you think the current value of the property compares with when you acquired it?



% prospective first-time buyers: regional trends

Quarter	2013	2012				2011				2010			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
UK average	22.2%	25.1%	26.7%	27.9%	24.3%	22.9%	23.0%	26.2%	22.8%	25.5%	22.2%	26.3%	25.8%
East Anglia	17.7%	20.2%	22.1%	22.9%	21.6%	19.2%	19.1%	23.7%	19.6%	21.0%	21.7%	23.2%	23.8%
East Midlands	18.5%	20.1%	20.3%	24.0%	19.0%	18.4%	19.2%	23.0%	18.7%	22.9%	18.3%	22.7%	21.0%
Greater London	42.2%	44.7%	43.4%	42.8%	41.5%	41.9%	41.2%	42.0%	38.6%	42.4%	38.7%	43.3%	43.3%
North East	20.9%	25.1%	22.6%	27.3%	24.5%	22.2%	21.7%	25.6%	20.5%	22.5%	20.9%	23.9%	21.8%
North West	21.2%	25.2%	26.8%	27.6%	26.3%	21.2%	23.3%	26.5%	25.8%	26.5%	22.8%	24.9%	26.2%
Scotland	17.1%	21.4%	22.9%	25.4%	21.8%	21.2%	16.8%	23.3%	19.9%	22.5%	20.4%	23.4%	19.3%
South East	20.6%	23.1%	24.5%	26.1%	21.0%	19.7%	19.6%	22.3%	21.6%	21.7%	20.9%	25.0%	23.1%
South West	17.0%	20.3%	20.1%	21.4%	20.1%	17.0%	17.6%	20.5%	18.7%	20.8%	17.8%	20.9%	21.4%
Wales	17.7%	19.9%	23.3%	24.4%	22.0%	19.2%	17.6%	22.3%	18.4%	18.7%	17.4%	22.4%	22.3%
West Midlands	21.9%	22.4%	26.0%	26.7%	22.7%	23.6%	23.4%	23.9%	23.3%	24.2%	22.6%	26.8%	22.9%
Yorks & Humber	19.7%	21.4%	24.7%	26.7%	22.1%	21.7%	19.9%	23.7%	22.2%	21.3%	19.6%	25.6%	22.8%



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 between Wednesday, 2nd of January and Wednesday, 16th of January 2013. A total of **20,347** responses were received from people who would like to buy in the next twelve months 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	1,694	8%
East Midlands	1,348	7%
Greater London	2,815	14%
North East	752	4%
North West	2,212	11%
Scotland	999	5%
South East	4,289	21%
South West	2,452	12%
Wales	762	4%
West Midlands	1,604	8%
Yorkshire	1,396	7%
Grand Total	20,347	100%

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