



24 November 2016

Purplebricks Group plc

Proposed changes to tenant fees

Purplebricks Group plc ('Purplebricks' or 'the Company') – the leading hybrid estate agency providing a new way to sell, buy or let property – confirms that it does not expect the proposed abolition of tenant fees for letting, as set-out in the Autumn Statement of 23 November, will have any meaningful impact on the business.

Tenant fees charged by Purplebricks are modest and highly competitive, when benchmarked against peers. Up-front fees for tenants are currently £175 (inc VAT) outside London and £209 (inc VAT) in London. Purplebricks does not charge renewal fees. Purplebricks anticipates that it can adapt the model swiftly and at minimal cost and when combined with its low fixed overhead model and pricing structure, should prove even more attractive for landlords seeking excellent service and better value.

Purplebricks will provide more detail at its Interim Results on 5 December.

Commenting on the announcement, Michael Bruce, CEO stated:

“Purplebricks was built on the ethos of putting the customer first and delivering, through the combination of people and technology, a superior service for less. The proposed changes to tenant fees represent a significant opportunity to further highlight to landlords the value that Purplebricks is already renowned for offering sellers.”

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Notes to Editors

Purplebricks is the leading next generation estate agency in the UK, combining highly experienced and professional Local Property Experts and an innovative use of technology to help make the process of selling, buying or letting so much more convenient, transparent and cost effective. Purplebricks is transforming the way people perceive estate agents and estate agency.

Unlike traditional agents, where customers only pay upon the sale of the property, which effectively means that those that do sell pay more in order to cover the costs of those that do not sell, Purplebricks believes it is more equitable that everyone should pay, charging a flat fee at instruction. This helps to avoid the industry issue of timewasters and those that are merely 'testing the water' and underpins the low, flat fee model.

Customers can choose to pay at instruction or defer, at no extra cost, to the earlier of ten months from the date of instruction or the date of sale. If a customer wishes to defer payment, they are required to use Purplebricks' conveyancing services for the sale.

Purplebricks charges £849 (inc.VAT) for a sale anywhere in the UK other than in London where there is a charge of £1,198 (inc. VAT). There are additional charges if the customer wants Purplebricks to undertake the viewings on their behalf, if they require an energy performance certificate or a Rightmove premium display, amongst other services that are available.

The business model is low cost, flexible and cash generative, without the need for an expensive leased estate. LPEs are self-employed and receive a flat fee per instruction and can earn additional fees from the sale of ancillary services including but not limited to conveyancing, mortgage referrals and insurance.

Purplebricks launched in Australia in August 2016, a £3.3bn market, with an initial focus on Melbourne and Brisbane, before rolling out its offering to Sydney, Perth and Adelaide later this year. The Group intends to invest £10m in the Australian business over the next two years which will be funded from existing cash resources.

Purplebricks listed on the Alternative Investment Market (AIM) in December 2015, raising £25.0m of growth capital before listing costs at 100p per share.