

What are people looking for from new homes? Has Covid changed perceptions?

The last few months have brought changes to us all, but not least in the housing market.

In April, with the UK in coronavirus lockdown and the property market frozen, estate agent Savills predicted that house prices would fall by 5 to 10 per cent in the short term. The consensus among experts at the time was that the number of house sales would collapse.

And yet, just a few months later, the housing market is booming. House prices in the UK hit a record high in August, according to the building society Nationwide. A total of 84,910 transactions was registered in August, compared to 82,830 in February, the month before lockdown, data from HM Revenue & Customs showed.

There have been a few helpful factors; ultra-low interest rates with the Bank of England cutting its base rate to a record low of 0.1 per cent at the start of the Covid-19 crisis in March. The further changes to stamp duty have also helped fuel the sales for homeowners.

And this interest from purchasers is reflected in new build properties with housebuilders similarly recording record enquiries and reservations. For those in the industry though, the questions are whether Covid has changed what people want from a new home and how can we build those homes that people want?

It is clear that the current crisis has made people think more about the space they live in, the attributes they most value in a home and in some cases, where they want to live, all of which is likely to drive activity as we come out of lockdown.

Research by Savills has shown;

- 62% said the amount of garden or outside space has become more important;
- 56% more inclined to work from home more regularly (compared to 49% in April 2020);
- 57% wanted a separate space to work from home (compared to 44% in April);
- 56% of respondents felt house prices would fall in the next 12 months but 69% thought house prices will rise in the next five years.

It is clear from enquiries that after spending months working from home, the desire for greater space has become a prerequisite for those anticipating increased home working and those with children.

Equally, the amount of outdoor space and access to greater public open space are also likely to be of greater importance to parents looking for a new home.

On average, Catesby schemes provide at least 40% public open space as well as contributions to improve cycling and walking routes. This all goes hand in hand with Government's emerging targets on biodiversity net gain and reducing our impact on the climate.

Rocky Road ahead?

In terms of consumer confidence, there are a number of upcoming factors that could affect people's desire to find a new homes which could include the end in stamp duty relief and the changes to the Help to Buy scheme, both of which come into force in March next year.

The already adverse impact of Covid on the economy is also compounded by the potential impact of Brexit.

Build, Build, Build says Boris

It is clear that Government want to support house building and therefore support the economy. The housebuilding industry generates around £38bn of economic output each year of which around 90% stays in the UK. For every house built, it creates 3.1 jobs. Therefore the importance of the house building industry is firmly in the national policy spotlight.

We have therefore seen statements from Government; radical proposals for the change of the planning system and ambitious new housing targets for authorities. The clear focus being on driving forward the supply of housing, tackling problems of affordability and reversing declining rates of home ownership.

The current interest in housing demonstrates the housing crisis is still felt by a generation who feel squeezed out of the housing market. The significant push from Government for more housing and the very real desire for new homes to be built at a time of great economic uncertainty, presents an opportunity for Catesby to provide housebuilders with 'oven-ready' planning permissions, de-risking the planning process for housebuilders whilst still maximising profit for our landowners.

It is important the industry responds to this call and aids the economic recovery as much as possible.

Could your land have development potential?
Find out more about land promotion:

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