

First-time buyer outlook

Annual survey 2021



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Shared Ownership and Help to Buy are significant in attracting first-time buyers to the market. These initiatives facilitate that first step on the property ladder, at a time when first-time buyer house prices are, on average, 5.2 times individual gross earnings (9.2 times in London)¹, mortgage lending has tightened and new home building continues to fall short of targets.

In this report, we present the key findings of our recent national survey, carried out by independent property consultants Dataloft, of 3,744 first-time buyers actively looking for their first home and who have registered an interest in buying either through property portal Share to Buy, or directly from Peabody.

¹ Nationwide



ANALYSIS BY

dataloftconsult

Buyer motivation and finances

The findings revealed important insights into what is driving decisions to buy. The sample uncovered that two thirds would look to property websites such as Share to Buy for advice on the buying process alongside property professionals.

We found that buyers were 'more keen' to buy after the pandemic and they had managed to save bigger deposits. The primary motivation for buying was to swap rent for mortgage payments, although being able to personalise their homes was important too. If possible within the timescale, more than half would like to take advantage of the stamp duty holiday, which is currently due to end on March 31st 2021.

Respondents in England, excluding London. London figures shown in turquoise.

Since COVID-19 half of buyers are more keen to get on the property ladder

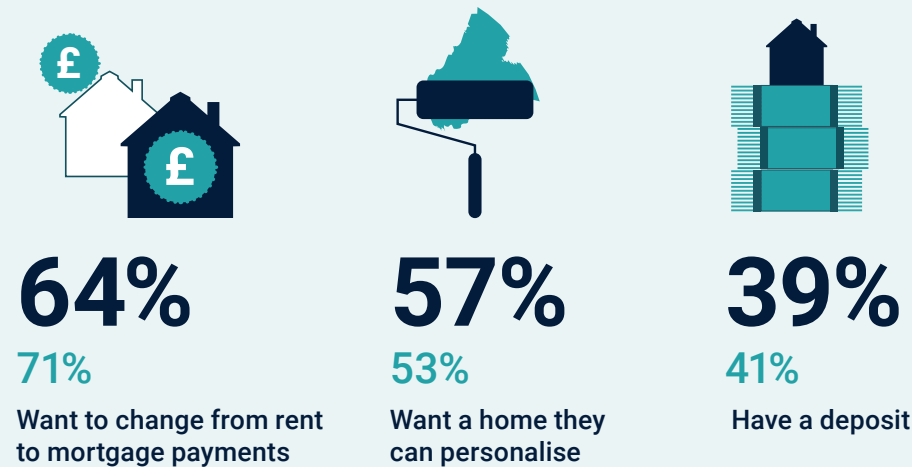


More than half of buyers would like to take advantage of the stamp duty holiday

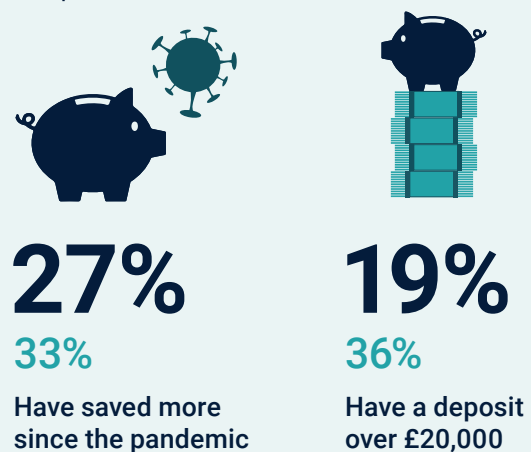


Readiness to buy

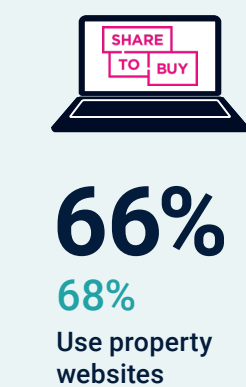
Top motivation to buy*



Deposits saved



Preferred choice for advice*



*Respondents could pick up to three options, the figures show the % of respondents who selected that option.

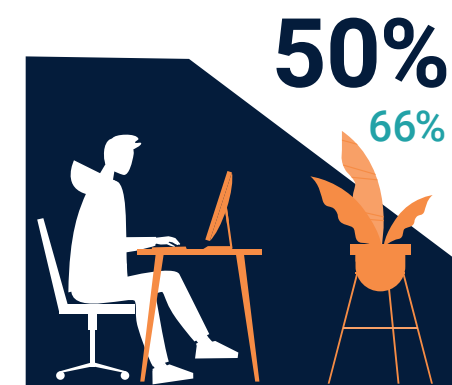
Changing behaviour and priorities

The priorities of first-time buyers have changed in the wake of the pandemic. Half of respondents outside of London expect to work from home for at least one day per week, even after the rollout of a vaccine. In London this rises to two thirds.

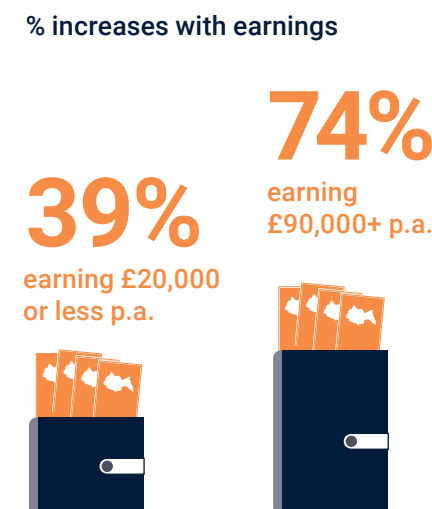
In London, private outside space generally means a balcony or terrace but for the London buyer, proximity to 'local open green spaces' was the most likely factor to have risen in importance since the start of COVID-19. Elsewhere it was the private garden that had been prioritised. Parking (shared or allocated) featured in the top three search criteria outside London, while storage had a higher priority in London.

Respondents in England, excluding London. London figures shown in turquoise.

Half of buyers plan to work from home at least once a week

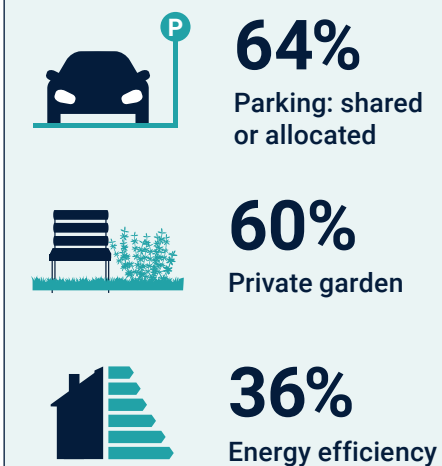


Households planning to work from home at least one day per week

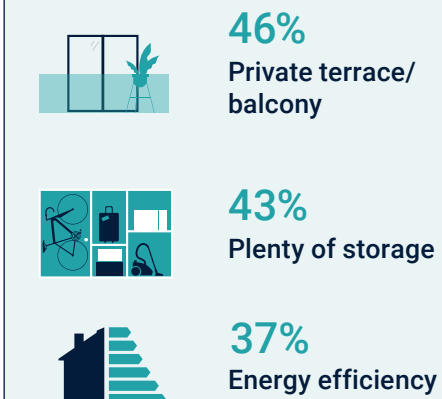


Buyer priorities

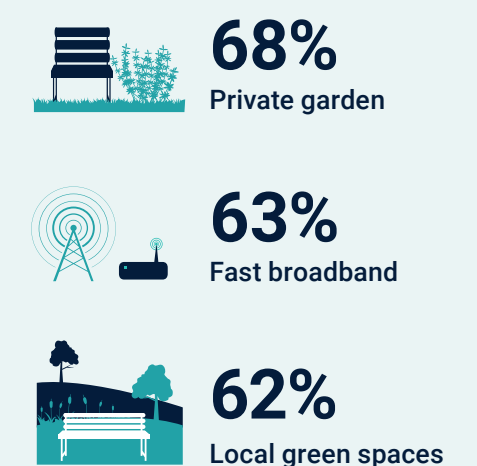
What do buyers search for in a home?*



London only



Has COVID changed buyers' priorities?



London only



*Respondents could pick up to three options, the figures show the % of respondents who selected that option.

New build priorities

We looked at the motivation and preferences specifically given for buying new build and explored these by age. Survey respondents had registered an interest in Shared Ownership and Help to Buy, so it is no surprise that these are the most common reasons for considering a new build home.

Buying a new home opens up opportunities for eligible buyers to access schemes such as Shared Ownership and Help to Buy which are designed to help people onto the property ladder. Almost 30% of prospective buyers in our survey are only considering new build homes, while a further 64% are happy to consider either a new build or second-hand home.

Motivations for choosing new build

Financial help is a big draw across all age brackets*



Under 25s



26 – 54 year olds



Over 55s



Availability of Shared Ownership

74%

70%

74%



Availability of Help to Buy

41%

45%

34%



New fittings & appliances

38%

27%

28%



Style of development

35%

17%

12%



Less maintenance

18%

24%

32%



More energy efficient

15%

25%

33%

What types of homes are popular?



71%

Would be open to new build houses in England



65%

Would be open to new build flats in London



Two-bedroom homes are most popular

53%

45% London

*Respondents could select up to three of ten options. The table shows the % of respondents who selected each of the top six options.

The survey was conducted online between 1-14 December 2020. Percentages have been rounded to whole numbers.



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