

LIFE MOVES

The Next Chapter



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2



Life Moves The Next Chapter

is the 8th edition of Strutt & Parker's annual Housing Futures report. Our latest research looks at what consumers really want from their next home and how they would like to live in the future in light of the events of 2020.

By surveying 2,000 people across the UK and using our findings alongside data from Next X (BNP Paribas Real Estate's location analysis tool), we can clearly

see how people want to live and what their motivations and influences are. These include: the home features that are most important to people now; where people want to live; how they want to commute; and how environmentally friendly or sustainable they want to be.

If you would like to read other editions of the annual Housing Futures report, visit: www.struttandparker.com/housingfutures



Words by Tim Palmer

4





| | |
|---|---|
| 2 | Welcome |
| 4 | What drives decision making when looking for a new home? |
| 6 | Enduring urban appeal |

| | |
|----|---|
| 8 | Can we expect a commuter reboot? |
| 12 | Rise of the conscious community |
| 16 | Building tomorrow |
| 18 | Generations who rent |



WELCOME

Although not a historian, I believe that to know where we are headed, we also need to look to the past. Before 2020, for a great majority of us, we had not experienced a global pandemic of this magnitude in our lifetime.

In fact, the last time such a health event took place was the 1918 influenza pandemic, also known as the Spanish Flu. Over the course of a few years, it infected an estimated 500 million people and killed approximately 50 million worldwide¹ which equated to 1 in 3 people on Earth dying at the time. According to medical experts and historians, over time those who had contracted the virus and survived developed an immunity to the influenza strand and life 'returned to normal' by the early 1920s.

Society moved on. Following the economic contractions of the intra war period, the decade following the Second World War saw prosperity and economic growth sweep many into a new affluence. There were changes in fashion, a rise in city living, new technologies like radios, washing machines, refrigerators and vacuum cleaners entered the home, people went to cinemas for entertainment and automobiles became an affordable luxury.

So when people ask me today, "when will we return to normal?" I think if the past is anything to go by, we won't. But I say that with optimism. Society will move forward as it has in the past and it may even resemble a bit of how we lived 'in the olden days', (to quote a friend's son the other day over Zoom), but it will be different.

Technology is now firmly embedded in our daily lives. A great deal of us now do our weekly grocery shopping online, socialise with our family and friends on digital video platforms, many of us have helped our children with online schooling and working from home (which was once a small subsector of the workforce) has become a typical workday for quite a few more.

Over the course of 2020 people had time to reflect upon their homes and many estate agents, including Strutt & Parker, reported a huge demand for larger family homes with gardens away from the city centres. This was a true response following the initial lockdown as the desire for easy access to safe green spaces, closer proximity to family and friends, and enough rooms to support household activities in the new model took hold.

But you'll find there is still an urban appeal for a great deal of people for a variety of reasons, not just for access to jobs but for convenience, entertainment and community. Access to transport and how we commute also comes into play with our new homes and will impact not just how we travel for work and pleasure, but there is a consideration now of how our travel impacts the environment. Did anyone purchase a new bicycle or running shoes over the last year? There are many different housing needs and aspirations as we see with our annual Housing Futures survey, while work and investors and house builders are offering new types and styles of homes to provide the essentials as well as the desires for our future.

Vanessa Hale
Head of Insights & Residential Research

“ LIFE ISN'T STATIC: LIFE MOVES AND THE NEXT CHAPTER FOR THE HOUSING MARKETS ACROSS THE UK WILL SEE PEOPLE'S CHANGED BEHAVIOURS, HABITS AND LIFESTYLES LEAVE A NEW FOOTPRINT FOR US TO LOOK BACK UPON ”



**What drives
decision
making when
looking for a
new home?**

In relative terms UK home ownership, the topic of the day besides the weather, is a new market but one that has grown and exerts significant influence over the country's economy. But it too is influenced by numerous factors, beyond government policy and planning.

"We know that changing immigration patterns, financial markets performance, transportation and human behaviour all have a part to play in the UK housing market in its broadest sense" says [Vanessa Hale](#), head of insights & residential research for Strutt & Parker.

"Back in 2014, we identified four unique cornerstones that influence the UK housing market: demographics, finance, lifestyle and location. What we realise today is that these four cornerstones, whilst vitally important, have been joined by four new major influences: technology, community, environment, and mobility. We have been monitoring these creeping trends over the past seven years" she says.

" INDIVIDUALS SEEKING HOMES TODAY WILL ENSURE THAT BROADBAND AND MOBILE CONNECTIVITY ARE OF THE HIGHEST AND BEST QUALITY,"



Technology

Individuals seeking homes today will ensure that broadband and mobile connectivity are of the highest and best quality to ensure lifestyle choices around online banking, digital entertainment and social networking don't have disruption. In addition, in the past year, we have also seen the need to be able to work from home or indeed to teach our children. Access to connected technology has become essential for many.



Community

People seek community, and they desire to have the perfect neighbourhood. But how do you find community? If you think of community as being defined as a group of people with diverse characteristics who are linked by social ties, share common perspectives, and engage in joint action in common locations or settings, then community is more than location: it is the sense of belonging, a feeling, and this is typically associated with things like spaces for gathering such as places of worship, libraries, coffeehouses, green spaces, nurseries and schools.



Environment

The rise of natural disasters over the past decade has elevated the awareness of the precariousness of the planet and while our housing choices may be limited, many are striving to find ways to be 'more green'; whether that is recycling above and beyond council provisions, installing ground source heat pumps, or seeking better insulated homes. Ultimately, these measures can also provide reduced running costs for a home.



Mobility

Transportation is fundamental to the decisions we make around the places we live, most specifically concerning access to amenities, work or family and friends. What has changed is how we move from place to place beyond trains and automobiles: it is the increased preference towards mobility by foot (walking or running), jumping on two wheels with bicycles and the rise of electric scooters.



Demographics

People being born and dying, alongside internal migration and immigration patterns, are vital to understanding the housing market. These factors, combined with our society's age breakdown, help determine the type and number of homes required and where they are needed.



Finance

The ability for buyers to access credit to secure mortgages for their home purchases is fundamental to the market. Other financial factors that influence housing decisions include: pensions; the ability, desire or need to support children financially; and stagnant performance of wages alongside elevated house prices resulting in a lack of affordability.



Lifestyle

Each generation behaves differently to those who came before or after. In addition, the prevalence of people remaining single, living longer, and having children shared between multiple homes due to separation or divorce puts greater pressure on housing stock.



Location

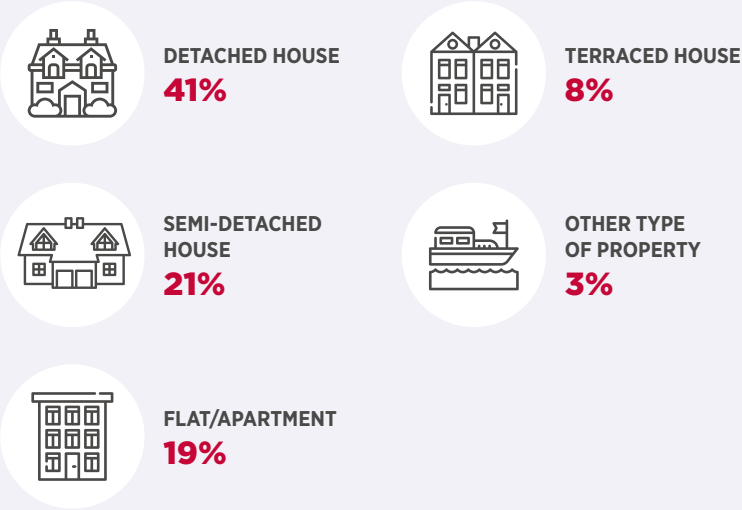
Including our choices between whether we live in towns, cities or rural environments, the location cornerstone incorporates housing type and design – being able to access the appropriate housing stock in a location of choice.

IDEAL HOME

The pandemic has put private outdoor space and extra room at the top of the list desirable features. Our research reveals what people are looking for:

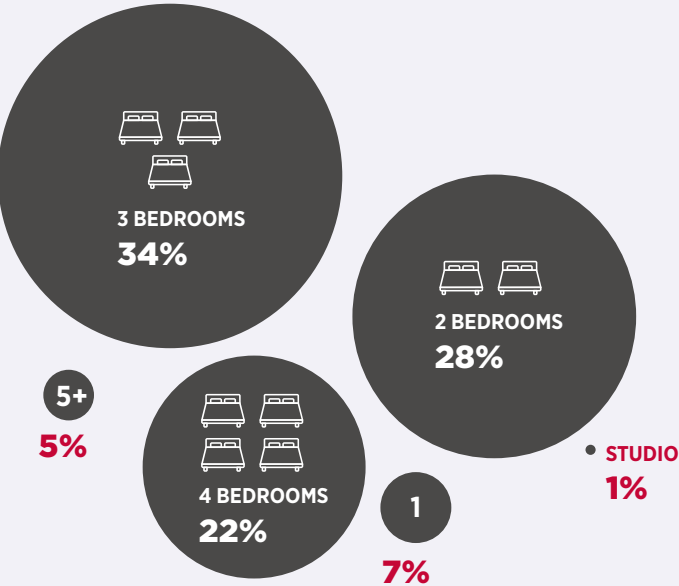
NEW PRIMARY HOME

Type of housing



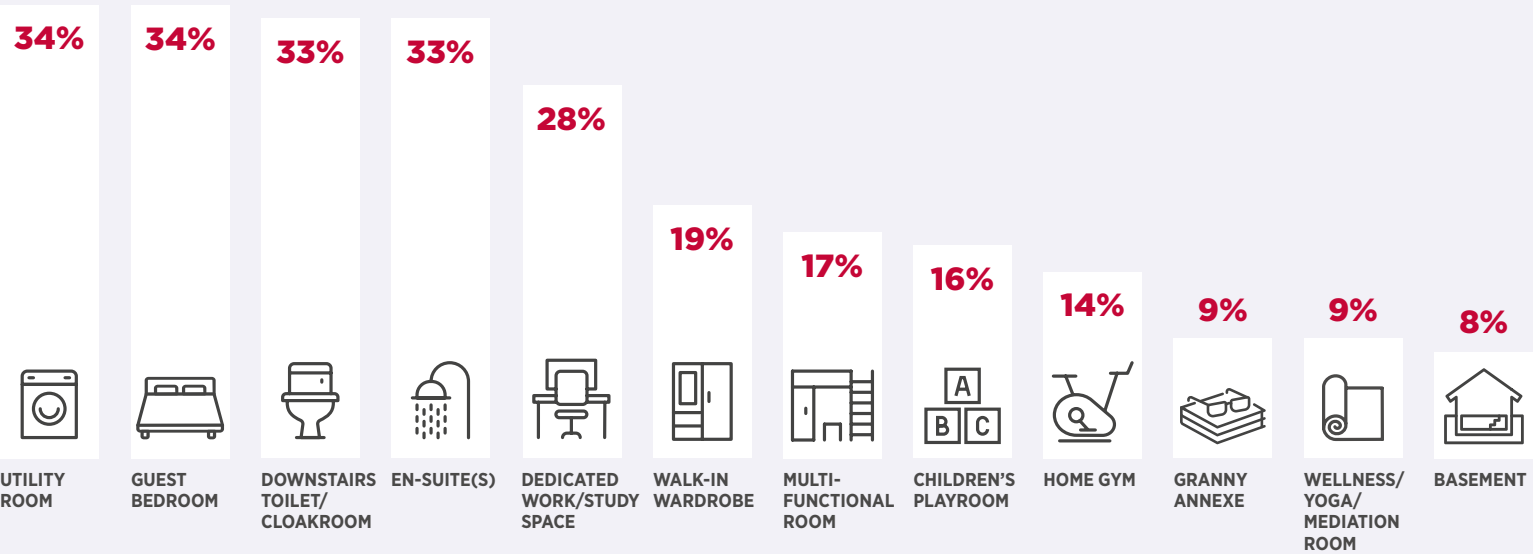
NEW PRIMARY HOME

Number of bedrooms



NEW PRIMARY HOME

Top extra rooms



NEW PRIMARY HOME

Outdoor space

| | | | |
|---|-----|--------------------|-----|
| Small private garden | 38% | Beachfront/seaside | 11% |
| Large private garden/family size garden | 36% | Roof terrace | 10% |
| Balcony | 19% | Communal garden | 9% |
| Conservatory/orangery | 16% | Paddocks/fields | 8% |
| Courtyard/terrace | 14% | Farmland | 7% |
| Woodland | 13% | Lakeside/loch | 7% |
| | | Riverside/canal | 7% |

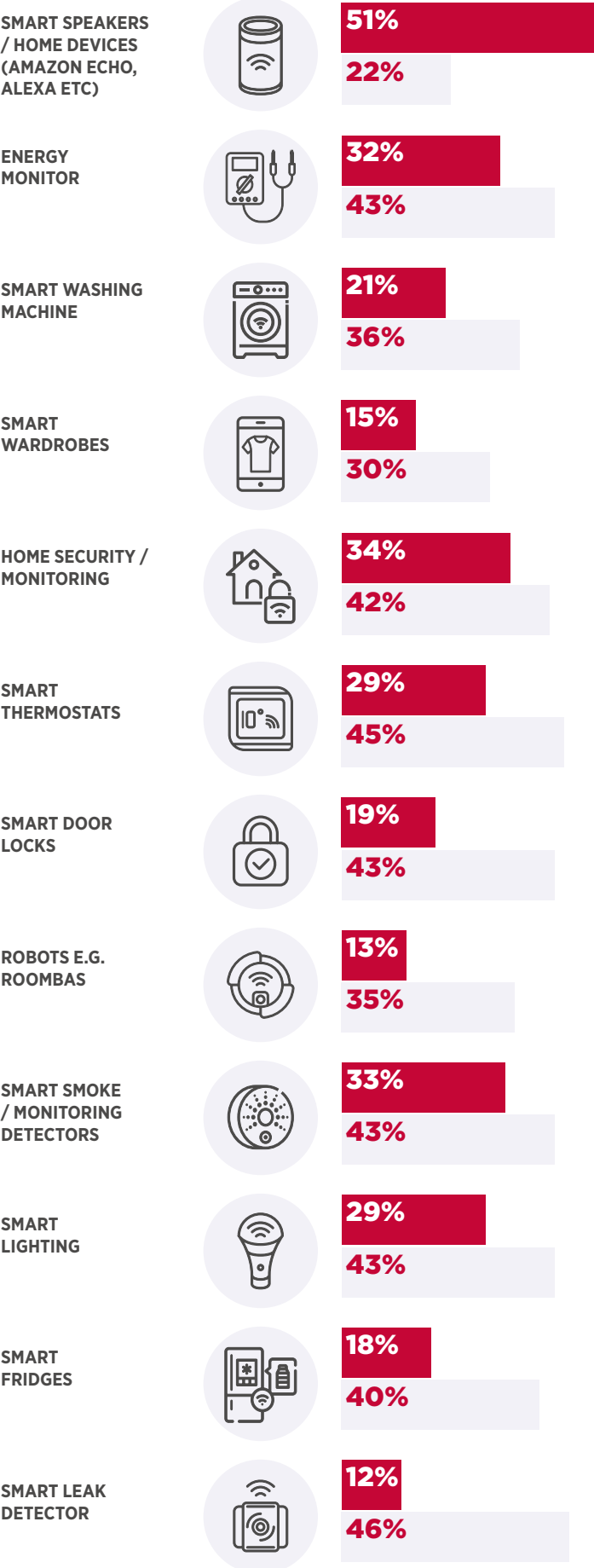


SUSTAINABLE LIVING

Energy saving measures are seen as the key sustainability features. Our research shows that there is a growing uptake and interest in the use of smart technology at home.

Smart technology

WHICH DO YOU EITHER OWN OR DON'T CURRENTLY OWN BUT ARE INTERESTED IN?



KEY: I HAVE THIS I DON'T HAVE THIS BUT I AM INTERESTED



NEW PRIMARY HOME Top sustainable features

| | |
|--------------------------------------|-----|
| Double-glazed windows | 57% |
| High levels of insulation | 47% |
| Smart thermostat | 39% |
| Solar energy | 38% |
| Energy efficient heating materials | 34% |
| Rainwater barrels | 33% |
| Eco-friendly building materials | 25% |
| Electric car charging points | 22% |
| Wind energy | 17% |
| Heat pumps (i.e. air, ground-source) | 16% |
| Natural antimicrobial materials | 15% |
| Low-VOC painted rooms | 13% |
| Geothermal energy | 12% |
| None of these | 6% |



Enduring Urban Appeal

Don't write off the city just yet. The much-hyped Covid-19 induced flight to the country may not have been purely a media invention, but it certainly doesn't tell the whole story. While almost half the people questioned in our survey (45%) said they would move closer to nature to benefit their mental health, it's urban living that holds the greatest appeal.

Almost a third of respondents (29%) said they wanted to live in a big city. A town was the choice of 17%, and 12% said they would prefer a small city. Villages are the biggest loser - favoured by just 10% - suggesting that the past few years have seen a loss of faith in rural life. Their appeal has fallen by more than half since our 2016 survey when they were the most popular choice, picked by 21% of respondents. In the same survey, just 12% said they wanted to live in a big city. It's quite the turnaround, and one that suggests that the Covid-19 pandemic has made us more afraid of isolation than claustrophobia.

For a few affluent people lucky enough to have office jobs they can do remotely, the immediate reaction may have been to abandon the city for the country in search of more space, fresher air and the reassuring sound of birdsong. Figures from a survey from August 2020 by the London Assembly², a governmental body, found that one in seven Londoners, or about 14% of the city's population, said they would like to leave the capital within 12 months as a result of the COVID-19 pandemic.

For the majority, the pandemic seems to have reinforced the desire to be in amenity-rich locations where they can walk to the shops, be part of a community and within easy reach of friends and family.

"The experience of the last year may have sped up some decision making. People who would have been moving out of a big urban area in three or four years may have decided just to get on with it, but there's no sign that it has changed people's attitudes completely. If someone wanted to live in the city before, they're still going to want to live there now," says [Louis Harding](#), head of London residential for Strutt & Parker.

“ THE CULTURE, FASHION AND NIGHTLIFE THAT MAKE LONDON, FOR EXAMPLE, A GREAT CITY AREN'T JUST GOING TO DISAPPEAR ”

"The culture, fashion and nightlife that make London, for example, a great city aren't just going to disappear."

In our survey, 76% of respondents said access to shops and amenities was an important motivation for moving home, citing grocery stores and local shops as the most important amenities to have within walking distance, ahead of schools, restaurants, GPs and pharmacies. This might suggest that instead of a buzzy city centre, it's the surrounding suburbs and urban villages that have the most appeal, which is backed up by the increase in footfall on local high streets during the pandemic.

[Louis Harding](#) thinks that more suburban areas could receive a bit of a boost. "We have seen people moving out of prime central London to areas such as Chiswick, Wandsworth and Richmond to get a bit more space and be closer to parks," he says.

For [Jason Beedell](#), research director at Strutt & Parker, whichever part you go for, the key attraction of a city is the combination of convenience and community. "In a city, you're guaranteed culture, good transport and somewhere to go out after 8 o'clock in the evening. Rural living can be expensive - you'll need to have a car, and probably

use it a lot. Some villages are fantastic, with a thriving pub and a shop, but many aren't. And while living in the countryside is fantastic in spring when the sun's out, it may not be for everyone when the weather is a little less inviting," he says.

[Kate Eales](#), head of regional agency at Strutt & Parker, says our growing need to feel part of a community is one of the most obvious effects of Covid-19 and it's one she expects to continue into the future.

"Instead of wanting to go and live off-grid, people want to feel part of a community. When everyone went out clapping on a Thursday during the first lockdown, they weren't just supporting the NHS, they were also saying hello to the neighbours, checking they were alright and providing help where it was needed.

"People think cities can be unfriendly, but it can be easier to create that community spirit in an urban environment, rather than a village. You're more likely to meet like-minded people where there's a bigger population. And thanks to technology, there are so many more ways to stay connected digitally and organise activities, whether it's through apps or social media. It gives you a lot more choice than the local pub or village hall," she says.

Desired new primary home location

| | | | |
|--------------------------|-----|------------------|----|
| London | 20% | Scotland | 6% |
| South East | 11% | East Anglia | 6% |
| South West | 9% | North East | 5% |
| North West | 9% | Wales | 4% |
| Yorkshire and the Humber | 9% | I don't know | 4% |
| West Midlands | 7% | Outside the UK | 3% |
| East Midlands | 7% | Northern Ireland | 1% |



Can we expect a commuter reboot?



Remember when working from home was a guilty pleasure and Zoom was just an ice lolly? The pandemic has changed our working lives beyond recognition - or at least put turbochargers under trends that were already under way.

If digital meetings and remote working are here to stay, is this the end of the traditional commute? If you're one of those predicting a grand exodus from cities and suburbs, prepare for disappointment. Our research suggests that workers won't be rushing to swap the standard 60-minute maximum daily commute for a longer journey once or twice a week - even if it means they can afford a bigger house or a more lavish lifestyle.

A home close to both work and transport remains a key priority for a majority of the home-movers we surveyed. Almost two thirds (64%) said that access to public transport was important, and 55% wanted to live close to work. Almost half (49%) said they want to live within 10 miles of work.

At the other end of the journey, the largest proportion of respondents (26%) said they wanted to be no more than two miles from the nearest transport hub.

"The new commuter science will look very much like the old commuter science," says [Stephanie McMahon](#), head of research at BNP Paribas Real Estate.

“ THE PANDEMIC HAS SPEEDED UP THE TREND TOWARDS PART-TIME WORKING FROM HOME, BUT WORKERS WILL STILL BE MAKING REGULAR TRIPS TO THE OFFICE ”

And where those workers live and where those offices are isn't likely going to change for the majority. Big employers still need to be close to public-transport hubs and commuters will still want their journey to be as short and simple as possible.

"After what we've been through who wouldn't want a bit more space? But with the vaccinations continuing to be rolled out on a mass scale, and bars, restaurants and theatres re-opening, big cities such as London, Leeds



and Edinburgh will continue to exert a strong gravitational pull, especially for younger buyers and renters. And that's even before factoring in the high cost of a longer train journey, even if it's not every day," she says.

What the pandemic has changed - for now at least - is how we make those journeys. Our survey shows that we have never been more reliant on the car. It is the primary mode of travel for 57% of respondents. Just 16% cited walking/running, 11% public transport and 5% cycling.

If this trend continues, it could have serious implications both for the environment, thanks to increased pollution and carbon emissions, and for the future of our cities. Will buses, local trains and tubes remain a last resort used only by those who can't avoid it - usually those on the lowest incomes? If so, the long-term effect will be increased congestion on the roads and financial crises for providers of public transport.

Happily, [Stephanie McMahon](#) predicts a gradual return to public transport over the course of this year. "Traffic jams are a hassle, parking is difficult and expensive and the cost of driving in cities is rising, so I expect a slow return to buses and trains once we start to feel safe. Some habits may remain - we'll still see masks and there will probably be some degree of social distancing, which may actually make us healthier overall," she says.

What will be your primary form of travel?

| | |
|-----------------------------|-----|
| Car | 57% |
| By Foot (Walk/Run) | 16% |
| Bus/Train | 11% |
| Bicycle/Electric Bicycle | 5% |
| Car share (Car with others) | 5% |
| Motorbike/Scooter | 3% |

The long-term effect of the pandemic on commuting is unlikely to be any greater in Europe than it is in Britain, according to [Benoit Lefebvre](#), Economist Europe at BNP Paribas Real Estate.

"In France, Paris will still be the most attractive place to live. The best jobs are there, but it's not just work: Paris also has the best schools, the best transport and the best culture, so even if there is an increase in the number of days working at home, everybody will want to remain close to all that," he says. The next decade's Grand Paris transport project - improving links between outer districts - and the 2024 Olympics will only add to its dominance.

Commuter life in Germany is unlikely to change much, either - though for different reasons. "Commuting in Germany has never been that difficult. The cities are smaller - Berlin has a population of just 3.5 million, compared with the 12 million who live in the Paris region - so journeys are shorter. Public transport is very efficient and traffic congestion is less of a problem," says [Benoit Lefebvre](#). In addition, he says, German corporations would be reluctant to encourage working from home after the pandemic, partly because the country never experienced a total lockdown.





Rise of the conscious community

Health and wellbeing are playing an ever-increasing part in our choice of where to live.

By far the fastest-growing of the property tribes we identified in 2015 is the “Mecos”. These are people who make health and wellbeing a priority, and want their home to reflect that, whether by architecture, design or technology.

In 2015, 20% of respondents to our survey identified as Mecos. By 2020, that figure had almost doubled to 39%.

Five years ago, this meant spa bathrooms and yoga studios. Today, however, their idea of health and wellbeing in the home is more about community and sustainability: two thirds of them said they would move house for greener and more sustainable living. Only 3% said they weren’t interested in finding out how to make their homes greener.

“ WE HAVE DEFINITELY SEEN AN INCREASE IN THE NUMBER OF PEOPLE LOOKING FOR ECO HOMES AND WAYS TO BE MORE CARBON NEUTRAL ”

Many are also looking to become a bit more self-sufficient, perhaps seeking extra space to grow their own vegetables,” says [Kate Eales](#), head of regional residential at Strutt & Parker.

Our survey backs this up, with respondents saying they were looking for ways to live a greener life. Many cited home improvements such as double glazing (57%), high levels of insulation (47%), solar panels or solar energy (38%). Others said they wanted to buy direct from farmers (48%), grow vegetables (44%), or get milk delivered in reusable glass bottles to reduce single-use plastic (42%).

What is more striking is that these good intentions are not being turned into action. In terms of sustainable living, the top two things respondents said they actually do is use a green energy provider such as Octopus or Bulb (44%) and recycled over and above local collections (54%).



An occasional trip to the dump and switching utility company aren’t going to save the world from climate change. But rather than blame these would-be do-gooders for failing to do any good, the real lesson should be how difficult it actually is to take significant steps to reducing your carbon footprint, without committing to a dramatic life change.

“If you really want to take sustainable living seriously, you’ll probably have to move into an eco-home. We’re seeing a lot of demand for them, but while new builds are becoming more environmentally friendly, there’s very little guidance on offer for people living in older homes,” says [Kate Eales](#).

Lack of guidance is one of the biggest issues. Does any householder have any idea of the best way to insulate a draughty Victorian house? They can be forgiven for being cautious after a widespread, heavily subsidised scheme started in the 1990s to install cavity-wall insulation left many homes with damp and mouldy walls.

“There are very few planning regulations on sustainability, precious little guidance and the rules change frequently. There isn’t even any formal advice on how to cut carbon emissions when houses are being built,” says [Charlotte Moxon](#), head of regional new homes at Strutt & Parker.

This is a particular problem with new technology, such as heat pumps. More than 600,000 of these will have to be installed every year by 2028 if the Government is to achieve its target of phasing out gas boilers by 2035³. At the moment, fewer than 30,000 are being installed.

“The challenge to anyone wanting to add environmental improvements to their home is finding reliable, qualified installers you can trust. And there doesn’t seem to be a plan for training them,” says [Jason Beedell](#), research director at Strutt & Parker.

This is a problem that has already derailed the Government’s Green Homes Grant initiative, offering £5,000 grants towards carbon-friendly home improvements. Following an extension, with reports of widespread difficulties finding registered contractors, as well as confusion over exactly what measures were covered by the scheme the government cancelled the initiative this spring.

In our survey, almost half the respondents (46%) said they would like to drive an electric car - though the cost of new vehicles and the lack of charging points can make this a challenge, too. Happily, some locations are beginning to tackle it.

In London, four local authorities - Kensington & Chelsea, Hammersmith & Fulham, Westminster and Richmond - have more than 70 rapid charging points per 100,000 population. Elsewhere in the UK, Dundee and Milton Keynes are way ahead of the pack, with more than 70 rapid charging points per 100,000. Oxford, with 42, is the only other location with more than 40.

Some parts of the country are doing better than others when it comes to increasing the number of ultra-low emission vehicles on the roads. The outer London boroughs of Barking and Bexley top the list with five-year growth of 877% and 820% respectively. Outside the capital, Exeter leads the way with 809% growth, followed by Bristol (715%), Leeds (567%) and Glasgow (512%).

Recharging a nation

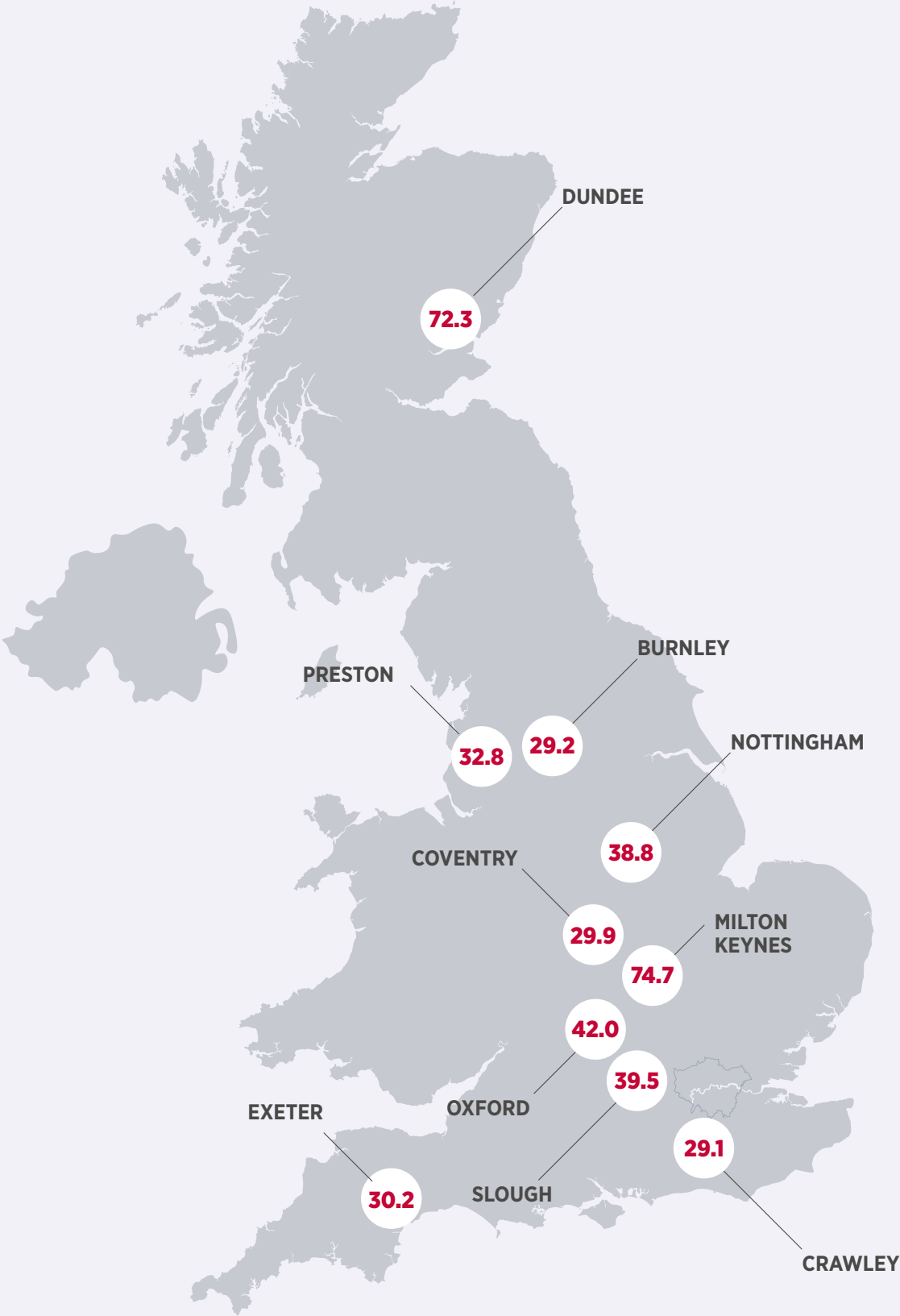
With the UK Government committed to its Net Zero objectives, and usage of electric vehicles rising exponentially, the drive towards new transport solutions for the green economy is gathering pace. Last year, the Government announced £500m of investment into the roll out of new rapid vehicle charging hubs. The aim: to ensure no driver is ever more than 30 miles away from a charging device.

This programme is just one part of an ambitious plan to build a fit-for-purpose green transport infrastructure ahead of the ban on sales of new petrol and diesel cars in 2030. Local authorities are already introducing clean air zones that penalise high-polluting vehicles, while grants to encourage consumers to switch to electric cars are now widely available. The challenge will be ensuring that the rollout of green transport infrastructure keeps pace with demand.

“We’ve seen a five-fold rise in ultra-low-emission vehicle usage in the UK since 2015. This will drive huge demand for car charging infrastructure going forward. As we approach 2030, local decision-makers will have to come to terms with an increasingly eco-conscious population unwilling to compromise on the ability to get around easily,” says Charlie Tattersall, Senior Research Analyst at BNP Paribas Real Estate.

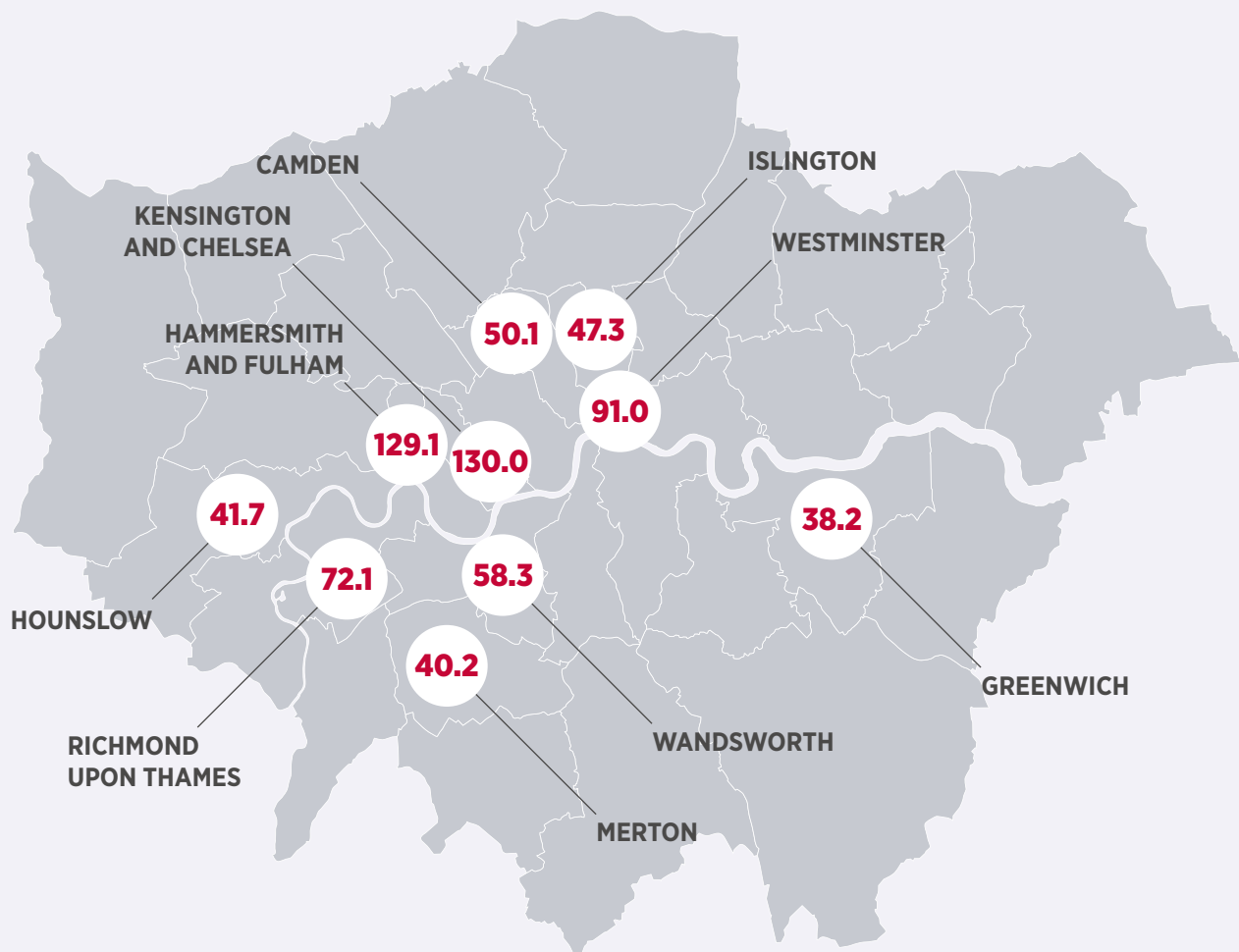
UK LOCATIONS

Number of public rapid charging points per 100,000 population⁴





LONDON LOCATIONS



Building tomorrow



Is the British love affair with period homes fizzling out? One of the most striking results of this year's survey was a surge in demand for new build homes. Out go cornices, shabby-chic floorboards and draughty fireplaces, in come panelling, insulation and, if you can afford it, maybe even a concierge. Almost half the people we surveyed said they would rather move into a new build house than an existing home.

It's a change that seems to be driven by younger, metropolitan movers: 72% of 30-34-year-olds said they wanted to live in a new build, compared with just 19% of those aged over 66. And 69% of Londoners of all ages expressed a preference for a new home, much higher than the national average of 48%.

Charlotte Moxon, head of regional new homes at Strutt & Parker, thinks our newfound love of a new build is down to the confidence that comes from moving into a brand-new, clean, low-maintenance home, especially if it comes with a 10-year guarantee.

Increasingly important, too, is the perception that a new build will be cheaper to run – especially when so many people have been working from home as a result of the pandemic. One estimate suggests that working from home over winter could increase energy bills by over £100⁵.

Charlotte Moxon also says that eye-catching incentives from developers, the option to choose kitchen and bathroom fittings and create your own “dream home” are other factors in the growing attraction of new homes.

But are the mass-market houses being built by the big house builders fit to be anyone's dream home?

“What people want are houses with no secret small print that have been designed rather than thrown up by developers, box after box. We need homes that they want because they are desirable rather than just affordable or practical. We'd love to see the Grand-Designs style features that attract people to new builds trickle down into the mass market,” she says.

“But these things cost money, and when there's no incentive for the big developers to do anything different or interesting, why would they bother?”

Strutt & Parker's new homes team is already working with developers at an early stage in the building process to find ways to improve the quality and design of new homes, without incurring a huge cost.

But do we also need government to play a stronger role? Charlotte Moxon thinks so. “We need more planning regulations covering areas such as sustainability and guides to best practice. But we also need to educate the public to increase demand for features such as ground- and air-source heat pumps. These will be a cornerstone of our housing in future, but at the moment, people just don't understand the benefits,” she says.

Happily, James Firth, head of national planning at Strutt & Parker, thinks the Covid-19 crisis has provided an opportunity for a reset of the planning system that could help us produce more and better examples of the type of housing we need.

“ THE LAST YEAR HAS BROUGHT TO THE FOREFRONT JUST HOW IMPORTANT IT IS THAT EVERYONE HAS A HOME THAT WORKS FOR THEM, AND THIS IS BEING RECOGNISED IN THE PLANNING SYSTEM ”

“Changes in the role of high streets and city centres will allow us to think about how residential development works best in those areas. We're working with council leaders who are keen to recognise the renewed focus on working from home and the importance of sustainability,” he says.

The provision of digital alternatives to the traditional “village hall” planning consultation has also widened participation in the process, which, he says, will help potential homeowners exert more influence on the design and quality of what actually gets built.

“A large part of this will be consumer driven,” says James Firth. “There's much better recognition of the type of homes that people want, and I think the industry will respond to that,” he says.



Generations who rent



Renting is growing and changing. Partly by accident, partly by design, being a tenant is becoming a mainstream choice for people at all stages of life. The design is the increase in the number of rental homes tailor-made for people of all types and ages, offering real alternatives for those forced to delay or even abandon the cherished British dream of home ownership.

In 2001, an estimated one in ten households rented privately. Today, the figure is around one in five⁶. Affordability is the main reason. In our survey, 56% of respondents said that housing was too expensive, and a third (33%) said that their budget had fallen as a result of lockdown. An average first home in Britain now costs £249,633⁷ (considerably more in London and the Southeast) requiring an average deposit of £30,000. It's no wonder the average age of the first-time UK buyer is now 34, up 21% since 2007⁸. This is a lot of years to acquire the rental habit, and it's having an effect on the type and quality of rental accommodation available: by the time they reach 34, most people will hope to have progressed beyond a flat share or bedsit.

As well as affordability, flexibility has been the other big attraction of the rental market - as exemplified by the GloMads. This is the key rental tribe we identified in our 2015 survey. Generally young, these are footloose individuals who own few possessions and relish the freedom to flit from place to place in pursuit of work or pleasure.

Along with flexibility, this group is also looking for quality. In this year's survey, 36% of this group said they expected their next home to be a rental property, and more than 80% were looking for a better quality home.

The build-to-rent sector (BTR) is increasingly meeting that challenge, as well as offering tenants the security and professionalism they won't always get from a private landlord.

GLOMADS TRIBE

Global nomads are our rental tribe. Its members are mostly young people open to travelling for work and range from those with financial constraints (such as student debt) to those whose skills are in demand and travel to access the best salaries. Their requirements are for housing that is fully furnished or 'menu furnished' to their needs and offers short-term occupancy. They will usually seek vibrant communities to experience local culture and lifestyle.

TOP 3 MOTIVATIONS FOR MOVING

BETTER QUALITY HOME

84%

PRIVACY

80%

LIFESTYLE CHANGE

66%

24%

of GloMads said they were willing to travel up to 20 miles to commute to work, far higher than any other tribe group

The growth of BTR has been dramatic. There are more than 90,800 build-to-rent units with over 75 projects either complete or near completion in the UK, and another 89,000 units in the pipeline⁹. Despite the pandemic, this has been a record year for investment in the sector, with an estimated £4bn pumped into BTR developments¹⁰.

And this is no longer just about luxury big-city flats for young professionals. BTR developers are now setting their sights on smaller, less obvious locations such as Bolton, Doncaster, High Wycombe and Milton Keynes.

Happily, they have also finally recognised the need to provide houses in the suburbs for families to rent. Legal & General has promised to build 1,000 suburban family homes a year, while Packaged Living plans to create a further 5,000 units across the country in schemes of 50-200 houses.

"As a result of these innovations, it's becoming possible to imagine today's young people living in specialist, high-quality rental accommodation for the rest of their lives, and never having to think about mortgages or buildings insurance," says Rebecca Shafran, Associate Research Director with BNP Paribas Real Estate UK.

Teenagers can leave the family home and move straight into a shiny new student flat. Purpose-built student accommodation (PBSA) has improved immeasurably. There are now 650,000 beds, with another 25,000 to come next year¹¹. It is expensive - so often aimed at international students - with tenants paying 55% more than those living in traditional student HMOs¹². In return, they get better fittings, an ensuite bathroom and social spaces. Onyx, in Birmingham, for example, boasts of a multimedia lounge, cinema room, gym, private dining room, study rooms, "sky lounge and sky terrace".

After university, 20-somethings might start their career in a sociable co-living space, where the bedrooms may be small but the networking opportunities enormous. The next step is into a traditional BTR for a bit more space and maybe even a gym and a concierge.

Then one of Legal & General's new family houses (with a garden) will be ready when you need a bit of space for the kids to run around in. Finally, the rapidly expanding retirement sector can meet the lifestyle and healthcare needs of downsizers and beyond - making it possible to go through life without ever calling a plumber.

“ IT’S BECOMING POSSIBLE TO IMAGINE TODAY’S YOUNG PEOPLE LIVING IN SPECIALIST, HIGH-QUALITY RENTAL ACCOMMODATION FOR THE REST OF THEIR LIVES „

IMPORTANT AMENITIES WHEN CONSIDERING YOUR NEW PRIMARY HOME

| | |
|-------------------------------|------------|
| Local shops | 26% |
| Supermarket/Grocery store | 21% |
| Restaurants/cafes/bars/pubs | 12% |
| Convenience store/corner shop | 12% |
| Nurseries/Schools | 10% |
| GP | 9% |
| Library | 7% |
| Pharmacy | 3% |

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Data Details:

Strutt & Parker; Housing Futures survey was conducted from 22nd August 2020 to 28th August 2020. The sample of 2,022 respondents is a combination of Strutt & Parker registered buyers, sellers, tenants and lettings applicants and a balanced general UK population sample conducted by Atomik Research. All were planning to move home within the next 5 years. Due to rounding, not all figures may add up to 100%.

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