

**STRUTT
& PARKER**

BNP PARIBAS GROUP



Life Moves Reimagining Our Homes





*Life Moves:
Reimagining Our Homes*
is the 9th edition of Strutt
& Parker's annual Housing
Futures publication.

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 2021.

By surveying just over 2,100 people across the UK 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

Contents

2	Rental arithmetic
4	Environmental health check
6	WFH is going on?
8	Being connected in the modern world
10	Shore things
14	Can Richard Osman unlock the housing supply crisis?
16	The outside edge



Welcome

Life Moves: *Reimagining our Homes* is the 9th edition in Strutt & Parker's series focusing on emerging housing trends, incorporating findings from our annual Housing Futures survey. Our survey of over 2,100 people from across the UK provides insight into what consumers really want from their next home and how they would like to live in the future.

Reflecting on my optimistic meanderings of when will we 'return to normal' from the last edition, I think it is fair to say that we are still unclear as to when that might appear. However, we do know that home ownership continues to be the preferred tenure, although age can be a factor in those decisions. This, in turn, is driving a relatively new housing type in the specialist retirement communities coming to the market, offering rental and for sale opportunities.

For many, the implications of the pandemic continue to influence what people want in their future homes; access to outdoor space for example and, for some, a more life-changing move to the coast. Others want or need to be more technologically connected and the health of the planet has risen to the top as people seek more sustainable features in their new homes.

Finally, many intend to move further away from their office workplace in anticipation of regular working weeks shifting to a hybrid model. This lasting trend determines how our homes will play a pivotal part in our working lives.

The findings continue to raise questions for me (and hopefully the entire housing industry): are we building in the right areas and for our evolving housing needs? Will new build homes meet the demand from our changing society and desire for good-quality space? Can we learn how to retrofit and refurbish existing homes to handle the environmental impacts we are experiencing? Do we need entirely new housing models to make a dent in the lack of housing supply? The following pages are broad in scope and have relevance to all those engaged in the housing market, whether buyers and sellers, renters, investors, developers or local authorities.

I hope that you enjoy reading about our findings and welcome any thoughts that you might have.

Vanessa Hale
Head of Research & Insights

A woman with long brown hair, wearing a bright red, sleeveless, wrap-style dress, stands with her hands on her hips. To her left, a black and white dog sits on a dark blue tufted sofa. The room has pink walls, a large ornate grey door in the background, and various decorative items like a pink flower arrangement and a plant. A large, shaggy, light-colored rug is in the foreground.

Rental arithmetic

Read the headlines and you might think there are tough times ahead in the rental market. Higher taxation and changes in regulation have sent many private landlords scurrying for cover. Home ownership remains most people's overwhelming ambition – in our survey, 75% said they would rather buy than rent their next home.

But look a little deeper, and there is every indication that the private rental sector remains a good investment opportunity.

"The private rented housing market is huge, accommodating 4.4m households, and it's undersupplied," says Rebecca Shafran, Senior Associate Director, Alternative Markets Research, at BNP Paribas Real Estate. "There will always be people looking to rent. Increases in house prices and rising interest rates mean that home ownership is likely to remain out of reach for even more people."

The supply shortage is particularly acute in the short term, she says. "We estimate that 300,000 households have been taken out of the private rental market in the past four years. And although there are around 230,000 new Build To Rent (BTR) units, owned and operated by big corporations, in the planning and construction pipeline, only 73,000 of these have so far been built.

"For the last two years, a vast number of private landlords have been selling up – but this is a market correction rather than an industry meltdown. There's a decrease in buy-to-let transactions, largely because of the lack of stock available," says Sarah Emmerson, National Head of Lettings Operations at Strutt & Parker.

She says that many of those leaving the market are "accidental landlords", who took advantage of rising house prices and are now seeing an increase in the five-year fixed-rate mortgages they secured in 2017.

"Long-term investment landlords understand that the market goes through waves and are unlikely to be deterred by changing regulations. Seasoned, not accidental, landlords with long-term tenants understand the wider market and the need for investment and regulation to ensure safe and compliant housing," says Sarah.

She also says that the market favours landlords willing to pick their location carefully and embrace economies of scale, and maybe use of a property management company.

In the longer term, however, Rebecca expects BTR developments to dominate the rental sector, because of the facilities and security they offer tenants. This housing solution is growing fast, led by companies such as Realstar, Apache, Quintain Living and Greystar. "They offer greater security of tenure and peace of mind because these are big companies eager to maintain a good reputation. The best developments aren't just about building flats but communities. They are using technology in interesting ways – for example you can report maintenance issues via an app and know they will be fixed promptly, and there can be lots of extra facilities – although this means that rents are usually higher than the local market."

For the time being, however, supply is limited and concentrated mostly in big cities such as London, Birmingham and Manchester. In the latter you'll find particularly ambitious examples such as Apache Capital's Angel Gardens, operated by Moda Living, complete with rooftop football pitch, and Capital & Centric's Kampus, which has created a new canalside neighbourhood.

The sector is now expanding into suburbs and smaller cities such as Derby, Milton Keynes, Leicester, Peterborough and Coventry. Developers are also starting to look beyond luxury flats towards single-family homes, which have long been in short supply on the rental market. Recently Goldman Sachs has made large investment into developing this sector further to meet consumer appetite.

Short-term thinking

A proposed government review into holiday lets has focused attention on a sector of the market that has expanded dramatically. The number of short-term rental properties rose by around 40% between 2018 and 2021¹, significantly reducing the number of long-term rentals on the market in holiday hotspots such as Cornwall, Brighton and central Edinburgh.

The government is considering new restrictions, such as increased taxes – already introduced in Wales – or surprise inspections. Kate Eales thinks further regulation is inevitable. "Short-term letting isn't without risks and fees and cleaning costs can be high. It's been driven by the demand for UK holidays, though that may drop now we have started travelling abroad again. However, it has disrupted the market and can be damaging for communities. Hopefully any regulations will restore some balance and bring properties back onto the long-term rental market," she says.

54%

stated that the main barrier to buying their next home, rather than renting is a financial one.



Environmental health check

With energy bills rising, green home improvements can be good-value investments.

But is there enough help and information for consumers?

There's good news and bad when it comes to the fight against climate change. Most people (67%) in our survey think it's important that their home should be environmentally friendly, a figure that rises to 75% among 18-34-year-olds. Half of respondents said that greener, more sustainable living would be an important motivation for moving - and that was before the worst of the energy price rises had taken hold.

The bad news is that most of us have little idea how to go about making our homes greener. Only 28% said they had more than a loose idea of how to do this.

As much as 40% of the UK's carbon emissions come from households, and heating alone accounts for around 15%². The main sustainable features people in our survey are looking for are double glazing (62%), high levels of insulation (53%) and energy-efficient heating materials (40%). And with COP27 approaching and the petrol predicament of 2021 still fresh in our minds, three quarters of people say they would like an electric vehicle charging point in their new home.

Leaving responsibility for cutting domestic carbon emissions to businesses and consumers will make the necessary changes to achieve Net Zero by 2050 hard to achieve, says Donna Rourke, director of ESG (environmental, social and governance) at Strutt & Parker.

She says there is legislation in the pipeline that will help. The government is currently under consultation regarding the energy efficiency of homes and is likely to require all owner-occupied homes to have an EPC rating of C by 2035³. In order to achieve this, consideration is being given to potential stamp duty and council tax exemptions for energy efficient homes. She'd like to see further initiatives, such as decoupling of renewable energy from the fossil fuel pricing system and more investment and ease in supporting homes to insulate and change heating systems.

The biggest thing, though, Donna says, is to provide more and better information to help households and developers understand the best ways to make homes more sustainable and the benefits of taking action. There's evidence that implementing energy saving methods can result in both reduced household bills and homes that have these features can also achieve premiums at the point of sale. "We know that this has been a trend that's been growing over time, it's something we've been monitoring and will continue to do so" she says.

Charlotte Moxon, head of regional new homes at Strutt & Parker, comments. "It's very difficult for developers to incorporate the latest energy-saving features when it's not economically viable. There just aren't enough government incentives. Buyers say they want their homes to be sustainable, but in this sector of the market it can be more challenging for buyers to pay this premium."

The information on offer to homeowners is improving. PassivHaus, which enforces the most rigorous environmental standards for new homes, has produced an "EnerPHit" certificate for retrofitting old homes - particularly useful in the UK, as we have some of Europe's leakiest housing stock.

PassivHaus main recommendation is that you need to make your house as airtight as possible, through insulation and high-quality doors and windows, before worrying about new technologies such as solar panels or heat pumps.

Charlotte hopes that the current energy-price crisis will persuade people to look on green features as an investment that will give significant savings on the rapidly rising costs of running a home, but says that there is still not enough information available. "EPC certificates are a good idea, but how much the different ratings will affect your energy bills isn't clear enough. And there is a vacuum of information about things like solar power and heat pumps, which we're going to have to install when the ban on new gas boilers comes into force in 2035⁴. There are so many different systems, and people really don't know how they work."

"We need to be involved in giving people the information they require to make the right decisions about improving their homes," she says. "As professionals in the property industry, it's imperative we are not only part of the conversation but key actors in making change."

The main sustainable features people are looking for in their new primary home are:

Double-glazed windows	62%
High levels of insulation	53%
Energy efficient heating materials	40%
Smart thermostat	38%
Solar energy	35%
Rainwater barrels	31%
Eco-friendly building materials	25%
Electric car charging points	24%
Heat pumps	21%
Permeable driveway	18%

Eco economies

Not all sustainability solutions are fiendishly complicated. Here are five things we can all do now to reduce running costs and make our homes more sustainable.

Sheep's wool insulation

It's natural, cheaper, more effective and more readily available than the artificial version.

Grey water recycling

Water is becoming an increasingly valuable commodity. This is a simple, good-value way to cut bills.

Water softeners

In a hard-water area, these will make your pipes and appliances last longer.

Hot-water taps

Increasingly prevalent in well designed newbuilds, and they guarantee you only heat the water you use.

Chimney balloons

An easy but effective way to preserve the surprising amount of heat that escapes through the fireplace.

A person with short reddish hair, wearing glasses, a plaid shirt, and large white headphones, is sitting in a teal armchair at a desk. They are typing on a keyboard. A desk lamp is on the desk, and a computer monitor is visible on the right. The background is a large window showing a city skyline at night. The text "WFH is going on?" is overlaid in the center.

WFH is going on?

It's hard to overstate the impact the Covid-inspired work-from-home revolution has had on how many of us live. Where we move to, what we look for in a property and how we live in our homes all depends on how much time we spend there.

Although it's still too early to predict what pattern the world of work will settle into, our survey shows that many people aren't anticipating a rapid return to the old Monday-to-Friday, nine-to-five office normal. 38% of people see themselves working from home for three days a week or more. As a consequence, 57% said they would be willing to travel further to work than before the pandemic. More than 81% said they would commute up to 20 miles to work, compared with 68% in 2020. There was also a slight drop in the desire to be closer to transport hubs – 60% wanted to be two miles or less from their nearest transport hub. Last year the figure was 64%.

It's too soon to draw sweeping conclusions, but there are some things we can predict with confidence.

Not everyone can work at home...

Different jobs and sectors have different working arrangements. Teachers, doctors and anyone in a client-facing job don't get to choose. Likewise, if you work in finance you're likely to spend most of your time in the office. In the tech sector, you can typically work where you want, while professional services seem ideally suited to hybrid working.

... and not everyone wants to

"I think we've overestimated the desire to not be in the office," says Keir Waddell, head of Strutt & Parker's London new homes sales team. "People have missed the buzz, the company of colleagues and the chance to broaden horizons."



Is it a question of age?

Our survey shows that almost one in four 18-34 year olds anticipates working from home at least three days a week. Victoria Goodings, head of workplace strategy at BNP Paribas Real Estate identifies this as just one of the challenges facing businesses adapting their workplaces to hybrid working patterns. "Cost of travel to the office and the spend once there is a common reason," she says, "as businesses factor in their talent retention and the seemingly individual requirements of staff when it comes to days spent in the office."

The office will be getting a makeover...

Hybrid working is still an experiment, says Victoria, and for now, the priority for employers is understanding what working practices will help them retain and attract the talent they need. "The pandemic has accelerated the adoption of digital tools to connect employees, and increased autonomy and flexibility for many employees. What is important now is for every business to understand the physical office as a tool; the volume of space required and what activities need to be supported there. This enables companies to establish a property strategy that is fit for purpose for both their organisation and employees," she says.

... and so will your home

With a full return to the old nine-to-five unlikely, it pays to be ready for anything. Equipping your home with an office – or at least ensuring there's space to build one – will be a good investment. Garden rooms are one obvious solution, but expect to also to see ingenious ways to fit a desk area into a spare room, loft conversion or living area – perhaps with a dividing wall.

And this doesn't mean writing off the city

While many people fled to the country in search of extra space and the comforts of nature, a significant number are already regretting their rashness, and are returning to cities or suburbs. And with rental demand increasing, Louis Harding, Strutt & Parker's head of London residential agency, says there's no sign that city living is losing its appeal. "There are so many reasons to live in prime central London. People like the culture and the lifestyle, and at the top end of the market, anyone who can afford to live there is more likely also to be able to afford a second home," he says. He does think that there may be some impact away from city centres. "The biggest question will be around areas where you still have to sit on the underground for an hour to get to work, especially among people with young children, who probably can't enjoy everything that the city has to offer anyway. Some will think it might be worth gaining extra space and access to countryside in return for an extra 20 minutes on the commute."

47%

say they wouldn't consider moving home without fast broadband.

If you are planning to work from home, check the internet speed and mobile availability before purchasing.
<https://checker.ofcom.org.uk/>

Digital connectivity

38%

of people now work from home three or more days a week

As we spend more time in our homes, digital tech becomes an ever increasing part of our lives and a home's digital connectivity becomes integral to its desirability

The rise of smart homes

Matt Henderson, Associate Director Residential Research says: "From playing the song that's been in your head all day on voice command to switching the lights on from a central control system, tech is infiltrating all facets of our lives.

Our research indicates that it's still security equipment that tops the list when it comes to the most desirable pieces of tech. Alongside this though is the increasing adoption of sustainable gadgets to improve our home's efficiency.

Smart lighting and heating systems, and connected appliances are creating a wave of so-called 'smart' homes as people strive for more environmentally and economically friendly living. Just as people wear smart watches to monitor their health, activity and performance, households are doing the same with their homes."



Delivery Services

Deliveries bridge the gap between digital and physical connectivity. Here are some of the most sought-after delivery services according to our survey.

FOOD DELIVERY SERVICES



38%

FRESH PRODUCE



34%

DELIVERY DROP-OFF BOXES



26%

RAPID GROCERY DELIVERY



21%

LIFESTYLE SUBSCRIPTION PACKAGES



16%

NEWSPAPER DELIVERY



16%

Mobile Phone Service & Broadband

Over the last eight years, broadband has grown to being 'very important' for 62% of households (up from 48% in 2013).



14%

In 2013, just 40% of people said having good mobile phone connectivity indoors was important. Today, 65% of people said that it was important their indoor mobile connectivity was good.



22%

Physical connectivity

Transport

The number of households who feel they need to be within 10 miles of transport has fallen.



Very interestingly the number of people who said that the distance to transport was not applicable to them rose by 4 percentage points. This shows that a number of people are only using other methods of transport, or are spending the vast amount of their time locally.

The 15 minute city

is the idea that every home should have all day-to-day requirements within 15 minutes travel.

Since the pandemic, our immediate environment has become a much greater priority, and with this the relevance the 15 minute city.

Local shops & supermarkets remain buyers' top local amenities with over

40%

ranking them in the top two most important

Green Space

Natural green space is more desired as a local fitness facility than man-made facilities, such as gyms and leisure centres



Amenities

Very important amenities motivating people to move:

Access to shops/amenities	75%
Access to GP and pharmacy	71%
Access to public transport	63%
Close to work	45%
Better schools	36%

Shore things



The coast will be at the top of our property shopping list in the next five years. Our survey shows that 18% of us dream of living by the sea - more than any other location - with a seaside retreat also one of our top five home types. Big cities (15%), rural areas and villages (both 13%) were also popular, but beach life now has the biggest appeal. Richard Speedy, head of Strutt & Parker's waterside department, says the race to the sea is a prime example of the shift in our property priorities since the pandemic.

“People have changed lifestyles completely. What used to be regarded as a second location offers a much nicer way of living full time, especially for outdoor people who want to make the most of all the activities that the water offers, whether that’s sailing, paddleboarding or swimming in the sea. It’s perhaps a sign that people are becoming less money-oriented, prioritising lifestyle over career,” he says.

The types of people attracted to life by the coast have changed, too. It’s no longer just for people with one or both eyes on retirement. A growing number of 20-somethings have taken the chance to open seaside businesses, such as paddleboard or surf-hire shops. Young families are looking for fresh air and an outdoor lifestyle, while the more traditional downsizers or early retirees are even more keen to spend time on their boat or holiday home.

Demand has cooled slightly since the initial flight from the city at the start of the pandemic and one or two of the early buyers have already sold up and moved back to the city after realising that life by the sea is not for them. Homes now have to be priced sensibly to sell, he says.

Finding the right location where you can live the seaside dream is tricky. The well-known hot spots are already eye-wateringly expensive and properties are hard to find. Pick the wrong area, and the lifestyle may not be what you expect.

There are a few Goldilocks locations that offer opportunities for the canny coast-hunter. In the South West, Richard suggests Brixham, the picturesque fishing port that’s a good-value alternative to Dartmouth. “It has had some of the fastest house-price rises in the region, but the price per square foot is still half as much as in Salcombe or Dartmouth.” He also suggests Plymouth, a seaside city with plenty of potential despite decades of underinvestment, or Exmouth, easily commutable to Exeter and making the most of its reputation as one of the best spots in the UK for kitesurfing. On the Kent coast, culture-led regeneration has made Folkestone a fun alternative to established spots such as Whitstable or Deal, and families priced out of Brighton or Chichester are finding comfortable berths in Worthing or Shoreham.

Richard thinks the increased demand for homes will be good for towns such as these. “If more people are living by the sea full time, it will make the economies less seasonal and offer business opportunities for local people.”

Ideal future area

Coastal	18%
Big City	15%
Town	14%
Rural	13%
Village	13%
Small City	11%
Suburb	8%
I don't know	5%
Hamlet	3%

Coastal house price data

COSTAL TOWNS	AVERAGE PROPERTY PRICE 2022	3.5 YEARS OF GROWTH FROM 2018 TO 2022
Dartmouth	£536,016	33%
Brixham	£320,002	28%
Shoreham-by-Sea	£349,893	24%
Worthing	£383,155	22%
Folkestone	£278,620	16%
Exmouth	£334,776	11%
Plymouth	£213,810	1%

Source: Land Registry, average sale value year to May 2022

Plain sailing

Blair Stewart and his family moved from Edinburgh to Kingsbridge, in Devon, in 2016, to set up a Strutt & Parker satellite office. The big pull for him was spending as much time as possible on the water. “This stretch of the coast, from Noss Mayo to Dartmouth, is an absolute boating mecca. It’s as close as you can get to living abroad.

“My boys love it. They can come home from school and go paddleboarding or take friends out in the RIB, dropping anchor at some remote cove.

“The key with boating in Britain is to live close enough to the sea so you can get on the water whenever the weather’s OK, because it’s not reliable enough to be able to plan your outings.

“At the end of a busy day, there’s nothing more relaxing than jumping in a boat and chucking a fishing rod over the side. And with mobile phones, you can keep in contact with your clients. It’s a lifestyle that gets in your blood,” Blair says.

Maritime magic

For some, just being by the sea brings something special to daily life that you can’t get elsewhere. Gill MacLeod and Paul Bowes bought a Georgian house in Deal, on the Kent coast in 2016. Originally it was a practical decision, “It was a holiday home investment based on my belief in a resurgence of the British seaside and an increase in interest in holidaying in the UK,” says Gill. However, they fell in love with Deal and made the town their main home, keeping a small flat in London

They’re now building a contemporary, sustainable house by the cliffs at Kingsdown. “This coastline is stunning. The reflected natural light from the water is mood-enhancing, and we regularly see grey seals. The air is clean here. The sheer beauty of the landscape and the sea is difficult to describe. We naturally walk more and spend more time outdoors. We watched a blood red moon rise over the sea earlier this year which was one of the loveliest sights I have ever seen.”

“It’s close enough to feel connected to London but far away enough to be separate and has retained a genuine sense of community. People are friendly – perhaps living in such a beautiful environment helps peoples’ mood,” Gill says.

Winds of change

In 2021, one of the most photographed and recognised structures on the UK coast changed hands. The lucky buyers? The Bush family, headed up by husband and wife team Natalie and Varian. They purchased the B&B business as a going concern, having already got to grips with the UK holiday industry through their holiday lets in Burnham Market.

“Cley Windmill is one of the most iconic buildings on the Norfolk coast in a magical setting, very close to where my husband and I owned our first house together, and where he grew up, so to have the opportunity to own it was hugely appealing,” Natalie explains. “After the last couple of years we have all endured, to have the privilege to work in such a beautiful place and shape its future is wonderfully exciting.

Their first year at the Mill was incredibly busy while the pair made delicate changes to the existing set-up, including expanding the wedding venue and opening up the garden café during the spring and summer months. They’ve also brought in a local chef to re-open the restaurant. “Future plans include the creation of a more eclectic wine menu to take advantage of our lovely new bar and restaurant opening. We even plan on having a telescope to further enjoy the fantastic stars at night. Ultimately and of most importance, is not to lose the essence of what makes Cley Windmill such a special place, in an area of truly outstanding natural beauty” Natalie says.

Natalie and Varian Bush with their children





Can Richard Osman unlock
the housing supply crisis?

Only 1%

of those in the UK aged over 65 currently live in Integrated Retirement Communities

Increasing demand for specialist retirement accommodation is an easy way to free up unused bedrooms.

One of the most persistent criticisms of the older generation is that they occupy large houses that could be better used by families, contributing to the shortage of supply that is the biggest problem in the current housing market, according to Guy Robinson, head of residential agency at Strutt & Parker.

A survey last year showed that 60% of the UK's 15 million surplus bedrooms were in homes owned by the over-65s⁵ and our survey bears this out. More than 60% of over-70s live in a property with three or more bedrooms, the vast majority on their own or with a partner. And 40% of over-65s said that a smaller plot would be an important or very important motivation for moving.

One of the main reasons so many stay put in the family home is a lack of desirable properties for downsizers to move into. Almost half the over-65s in our survey said their ideal next home would be a bungalow, however developers aren't building bungalows, preferring instead to maximise the number of bedrooms. There's also a limited number of smaller homes with proportions to match those of these owners' larger homes.

"Just because you haven't got children living at home doesn't mean you are going to want to sacrifice high ceilings or a good-size sitting room," says Guy.

One obvious solution is to increase the uptake of specialist housing for retirees among the financially fortunate downsizers who occupy the largest homes. According to the trade body ARCO, about 85,000 people currently live in integrated retirement communities (IRC). It hopes to get that figure up to 250,000 by 2030, saving £5.6bn on the UK's health and social care budget and releasing 562,000 bedrooms onto the housing market in the process. Only 1.0% of those in the UK aged over 65 currently live in Integrated Retirement Communities (otherwise known as 'housing with care'), compared to 6.5% in the USA and 5.5% in the US and Australia, respectively.⁶

But our survey shows that appetite for this kind of accommodation is limited - only 13% of over-65s said that their ideal new home would be in a retirement community. What we've seen, to date, is that such a move more typically takes place in the mid-70s as the retirement age gets higher.

Samantha Rowland, head of healthcare and senior living at BNP Paribas Real Estate, says the main reason people are reluctant to consider the retirement sector is that they aren't aware of what's on offer.

She says it's a problem that can be solved with education - which is where Richard Osman comes in. His all-conquering *Thursday Murder Club* novels have shown just how appealing life can be in a retirement community that combines self-contained homes with all kinds of facilities, from restaurants serving good food to swimming pools, gyms and classes of all kinds. The homes are built to a high standard, and while there might be help available with cleaning or shopping, the focus is on independent living.

"People don't always appreciate what it involves. They expect it to be like a care home, or just a small flat with an alarm cord and a residents' lounge, but the reality couldn't be more different. It's not institutional or depressing. People need to understand that it's a step forward rather than a step backwards. The one thing you always hear from people who have made the move is that they wish they had done it sooner," Samantha says.

She thinks that word of mouth will encourage greater uptake in future generations, but says that retirement developers do need to be clear about things like service charges, which can seem off-puttingly expensive until it's explained how much they cover. She says the growth of rental options is also likely to improve interest - whether on a long-term or a try-before-you-buy basis.

That's not to underestimate just how difficult and painful a process downsizing can be - the other reason older people can appear reluctant to leave the family home behind. "Downsizing is one of the most difficult moves for any homeowner. It can involve saying goodbye to treasured possessions and memories because there won't be as much space in their new homes. From our perspective, it's important for an agent to have the empathy and the people skills to help them through this potentially difficult time," says Guy.

Other people may need the extra bedrooms to welcome friends and family, or even have space for the growing number of "boomerang kids". More than 20% of the 21-35-year-olds we surveyed still live rent-free at home, often the only way they can afford to save for a mortgage deposit.

The outside edge



The pursuit of outdoor space is now one of the biggest motivations for moving, and our love of grounds and gardens is here to stay.

If the pandemic has changed one thing in the property market, it's our reasons for moving house. Our survey shows that being in a preferred area is still the biggest motivation, with 79% of respondents citing it as important. But three new drivers in the top ten show how much what we want from a home has changed since the pandemic. The new must have is outdoor space, second on the list and cited as important by 77% of respondents. A quieter location (67%) and mobile phone connectivity indoors (65%) were not far behind, indicating that we're thinking harder about what we need from a house that we're likely to be spending more time in. In contrast, old favourites such as financial support for children/relatives (37%), better schools (36%) and career change (34%) have fallen out of favour since 2020.

Our new love affair with private outdoor space has been the most significant feature of the housing market since the start of the pandemic, says Kate Eales, head of regional residential agency at Strutt & Parker.

"While most of the market has been rampant, selling flats with no outside space in city centres has been difficult," she says. "A well designed garden will add a lot more to the value of a house than it would have done before, and Build To Rent developers, who once prioritised shared libraries and workspaces are now seeing the importance of communal gardens that can be used for entertaining or pets, and some are even adding allotments on roofs."

Part of the reason, Kate says, is the memory of the first lockdown, when we were only allowed outside once a day to exercise, and the parks and commons that used to count as outdoor space for the one in eight UK households without a garden⁷ were declared out of bounds.

"More important - and more significant in the long term - is the fact that we're spending more time in our homes, thanks to flexible working and the increasing cost of going out, so we're looking for ways to make the most of every aspect of them," she says.

Kate believes it's likely to remain that way, thanks to the growing popularity of alfresco entertaining – check out the barbecues, pizza ovens and outdoor kitchens on Instagram – as well as gardening and vegetable patches, which have proven benefits for mental health.

However for most residential properties, it's the quality, rather than the quantity, of space that's important. "Too big a garden can put people off, and even a tiny space can be a sanctuary as long as it's nicely designed" Kate says.

At the very top end of the market, though, it's the more space the merrier, with country house buyers seeking as much land as they can get their hands on, according to Oliver Custance Baker, head of Strutt & Parker's country house department.

Oliver has seen increasing numbers of buyers moving out of the city and looking for space to own. "They want gardens, they want grounds and they also look at the landscapes around them. Bridleways, walking routes and village greens add value to houses," he says.

But it's not just about appreciating nature. Those who can afford to own the land around them have a degree of security not available to the rest of us.

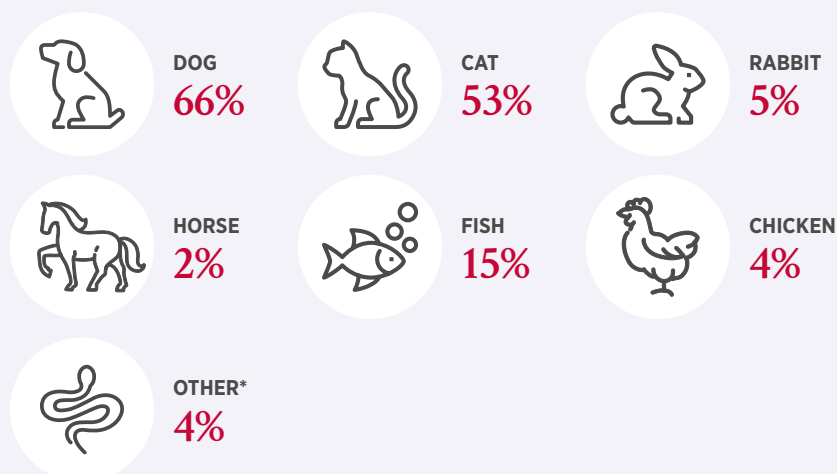
"If there is the opportunity to buy a bit more, most people will, so they can control what goes on around them. If they own the land, they can get a tenant farmer to graze it, they can protect the view and capture that quieter location."

And the change in working patterns since the pandemic makes that outdoor space all the more important. "The way we use our houses has changed. Where people used to have a house in the country for weekends, the family now lives there all the time, perhaps keeping a base in London that might be used for two or three days a week. Because people are spending more time in their country houses, those homes become more important to them - they're now there all day, every day and can spend more time enjoying the garden and the grounds.

"I hate the phrase 'race for space', but that's definitely something we've seen over the past couple of years," Oliver says.

Another reason outdoor space is in such demand can be explained by the rise in the number of pets. More than 3 million UK households have taken advantage of extra time at home to acquire one since the start of the pandemic, according to the Pet Food Manufacturers' Association.

Type of pet(s) living with survey respondents in 2021

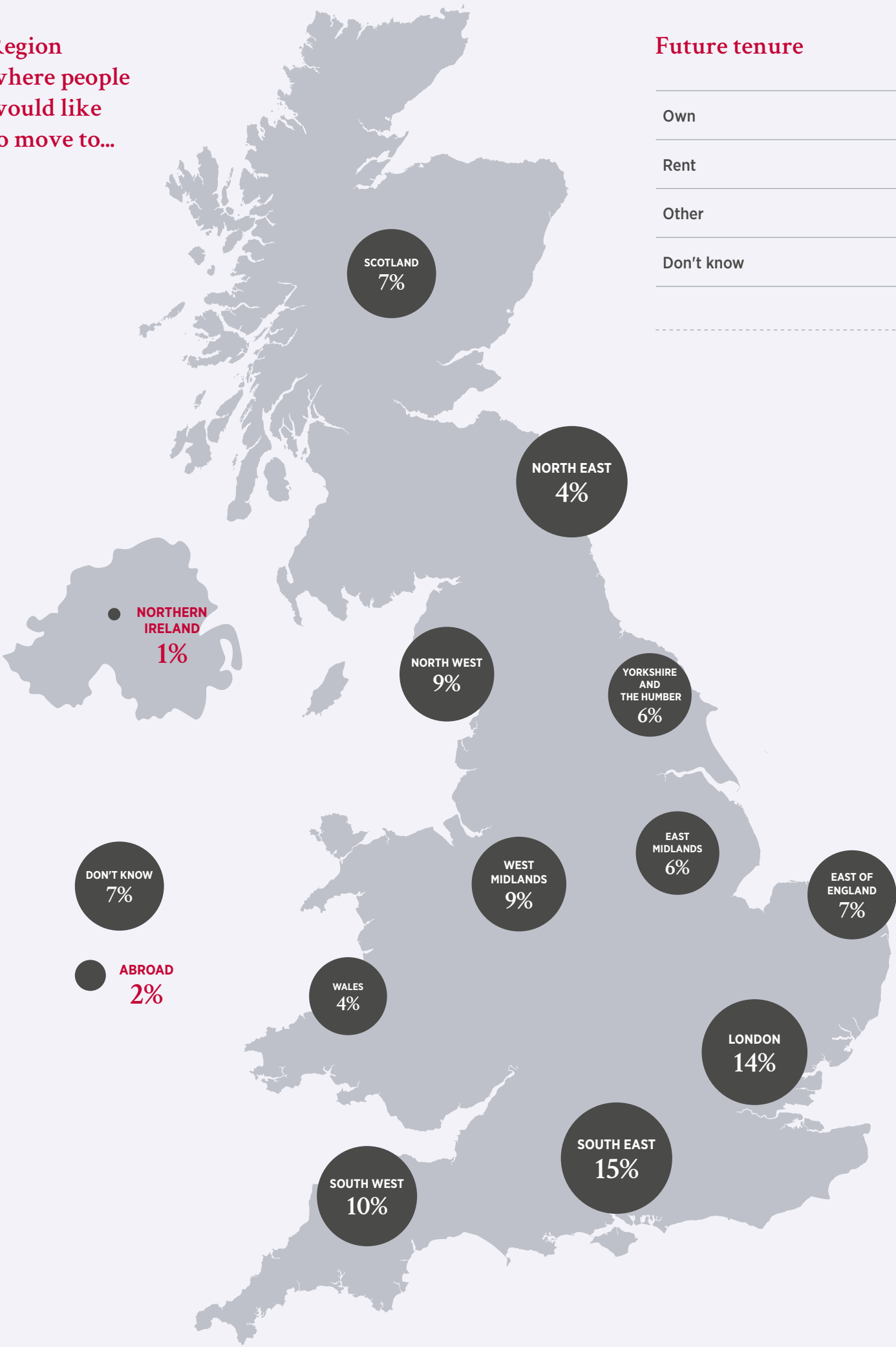


*includes: Bird, Insects, Snake, Lizard, Mouse, Rat, Hamster, Gerbil

Ideal home

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

Region
where people
would like
to move to...

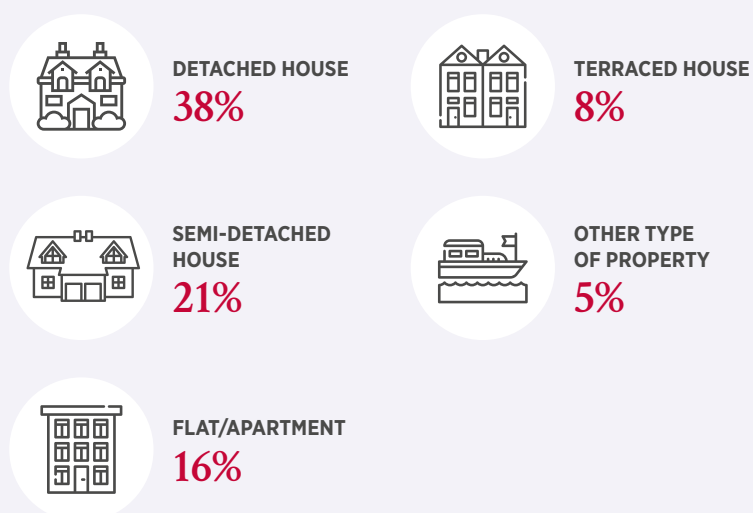


Future tenure

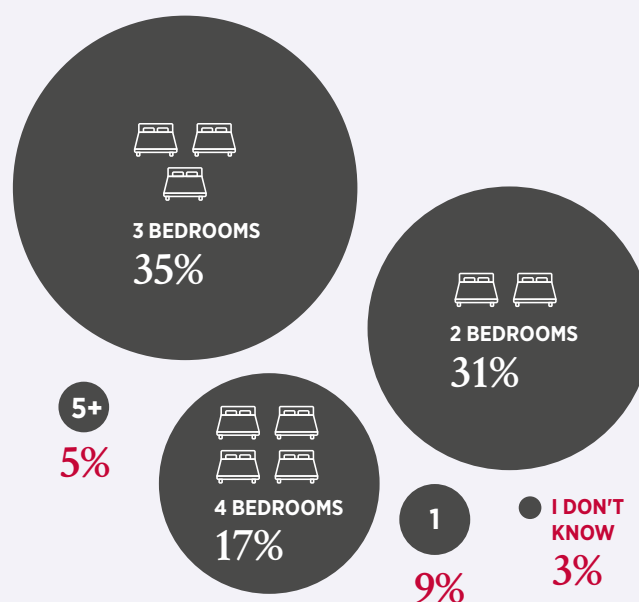
Own	67%
Rent	24%
Other	5%
Don't know	5%



Housing type



Number of bedrooms



Housing styles

Bungalow	22%
New build	18%
Cottage	16%
Seaside retreat	15%
Farmhouse	12%
Modern	11%

House layout

Conventional (Individual rooms)	36%
Open plan	35%
Broken plan	16%
I don't know	13%

Top five most needed storage

Garage	29%
Utility room	20%
Shed	10%
Loft/Attic	8%
Outbuilding(s)	7%

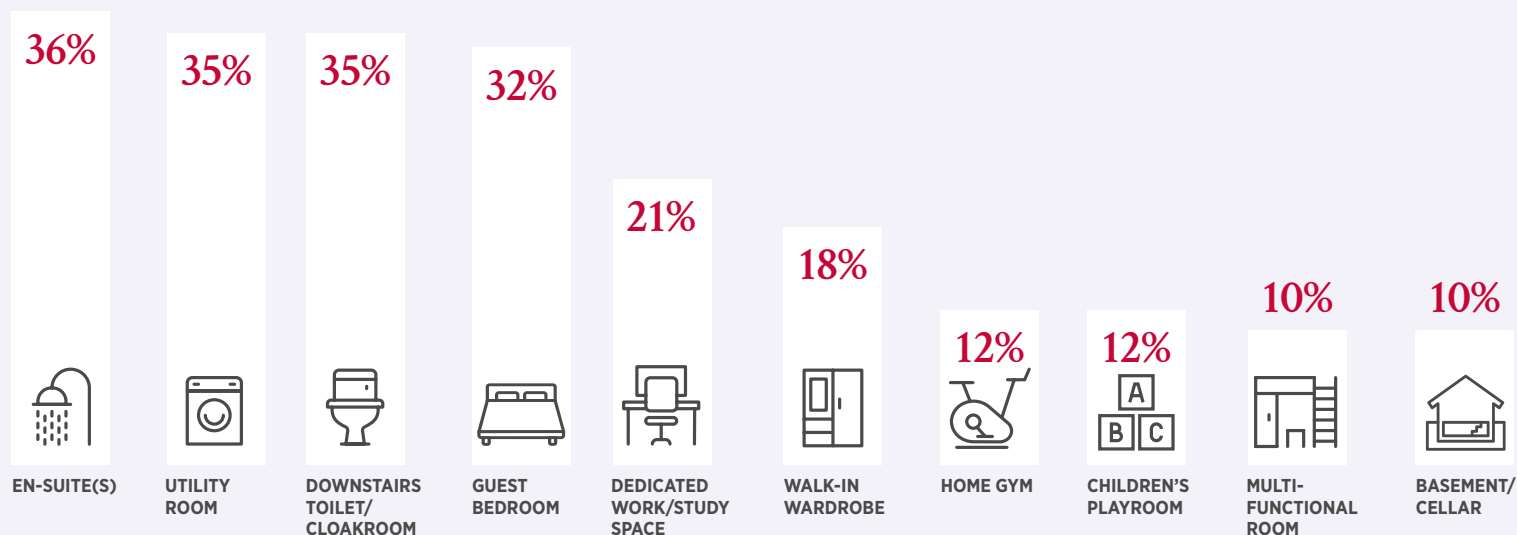
Dream kitchen Item



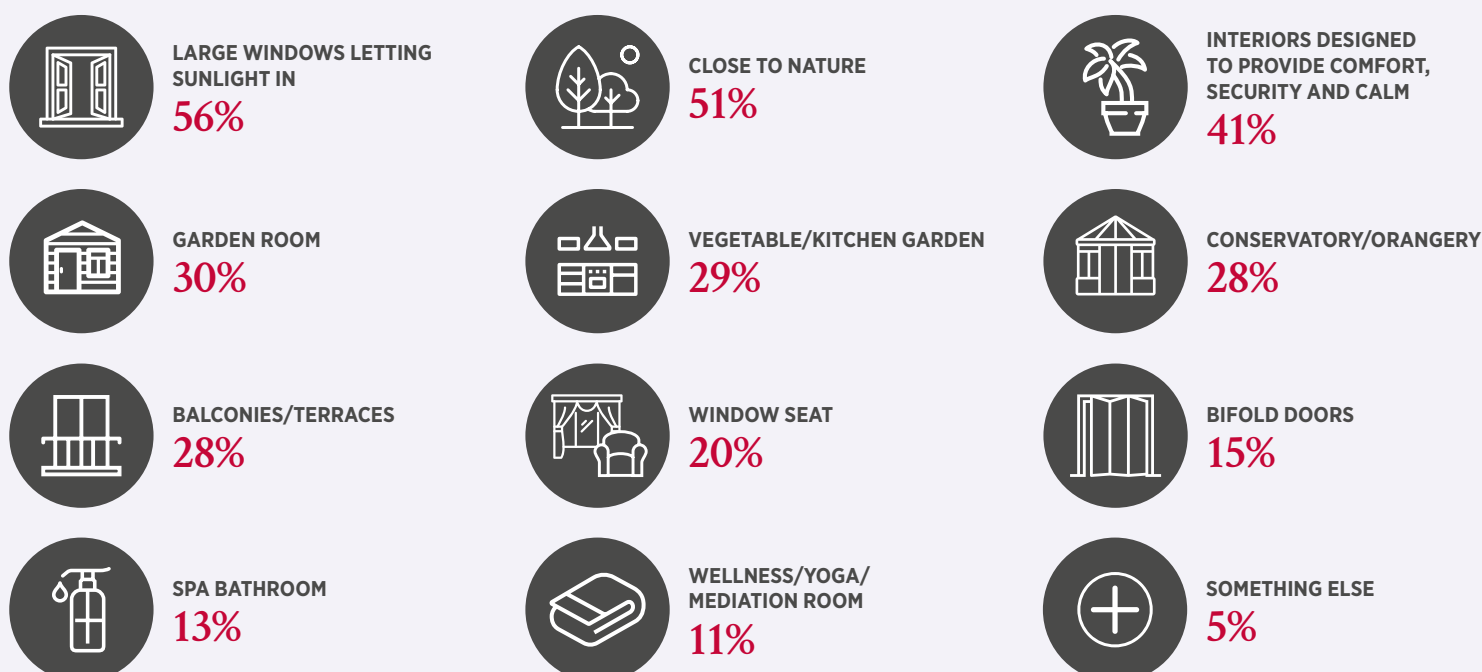
Dream bathroom Item



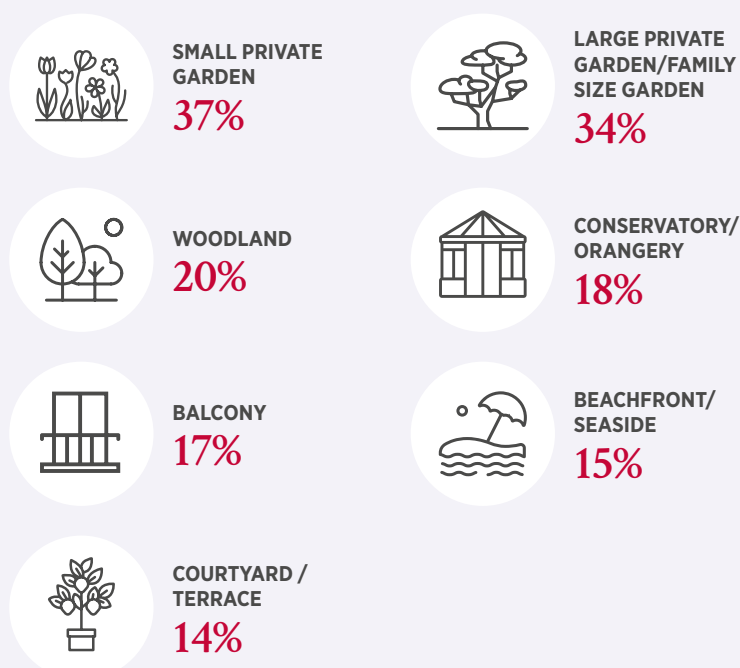
Top extra rooms desired



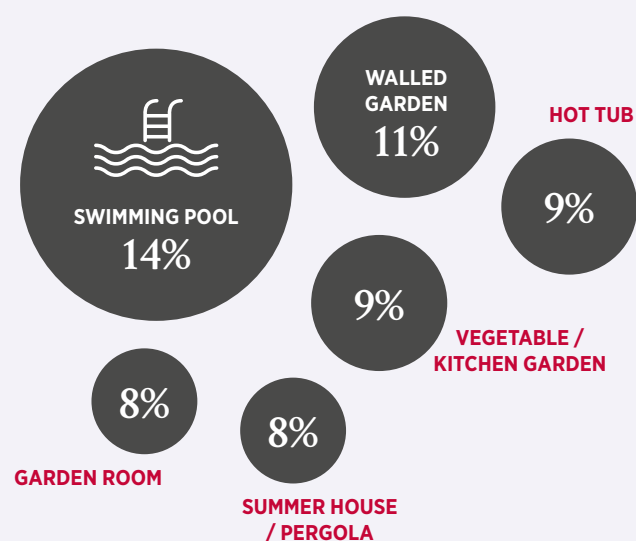
Items to benefit mental health & wellness



Outside space



Dream outside item



CONTACT US



Vanessa Hale
Head of Research & Insights

vanessa.hale@realestate.bnpparibas
+44 (0) 7557 912 782



Matt Henderson
Associate Director, Residential Research

matt.henderson@realestate.bnpparibas
+44 (0) 7818 254 017



Guy Robinson
Head of Residential

guy.robinson@struttandparker.com
+44 (0) 7967 555 754

Words by Tim Palmer

Data Details:

Strutt & Parker; Housing Futures survey was conducted from 26th November to the 13th December 2021. The sample of 2,128 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%.

References

1. Source: Number of holiday-let homes in England up 40% in three years - BBC News
2. Source: <https://www.theccc.org.uk/wp-content/uploads/2016/07/5CB-Infographic-FINAL-.pdf>
3. Source: Minimum Energy Performance of Buildings (No. 2) Bill (parliament.uk)
4. Source: <https://www.gov.uk/government/publications/heat-and-buildings-strategy>
5. Source: Too little too late__FINAL - June 2020.pdf (arcouk.org)
6. Source: uk-senior-living---the-inflection-point.pdf (savills.co.uk)
7. One in eight British households has no garden - Office for National Statistics (ons.gov.uk)

© BNP PARIBAS REAL ESTATE ADVISORY & PROPERTY MANAGEMENT UK LIMITED. ALL RIGHTS RESERVED. No part of this publication may be reproduced or transmitted in any form without prior written consent by Strutt & Parker. The information contained herein is general in nature and is not intended, and should not be construed, as professional advice or opinion provided to the user, nor as a recommendation of any particular approach. It is based on material that we believe to be reliable. While every effort has been made to ensure its accuracy, we cannot offer any warranty that it contains no factual errors. The information contained herein should therefore not be relied upon for any purpose unless otherwise agreed with Strutt & Parker and Strutt & Parker shall have no liability in respect of the same. Strutt & Parker is a trading style of BNP Paribas Real Estate Advisory & Property Management UK Limited, a private limited company registered in England and Wales (with registered number 4176965) and whose registered office address is at 5 Aldermanbury Square, London EC2V 7BP.





For the finer things in property.

