



SEAMLESS TRANSITIONS

*Consumer insights on housing,
home transitions and wellbeing*



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Foreword

Housing costs, the pace of modern life, and the cost-of-living crisis all have an impact on individuals' wellbeing and levels of stress.

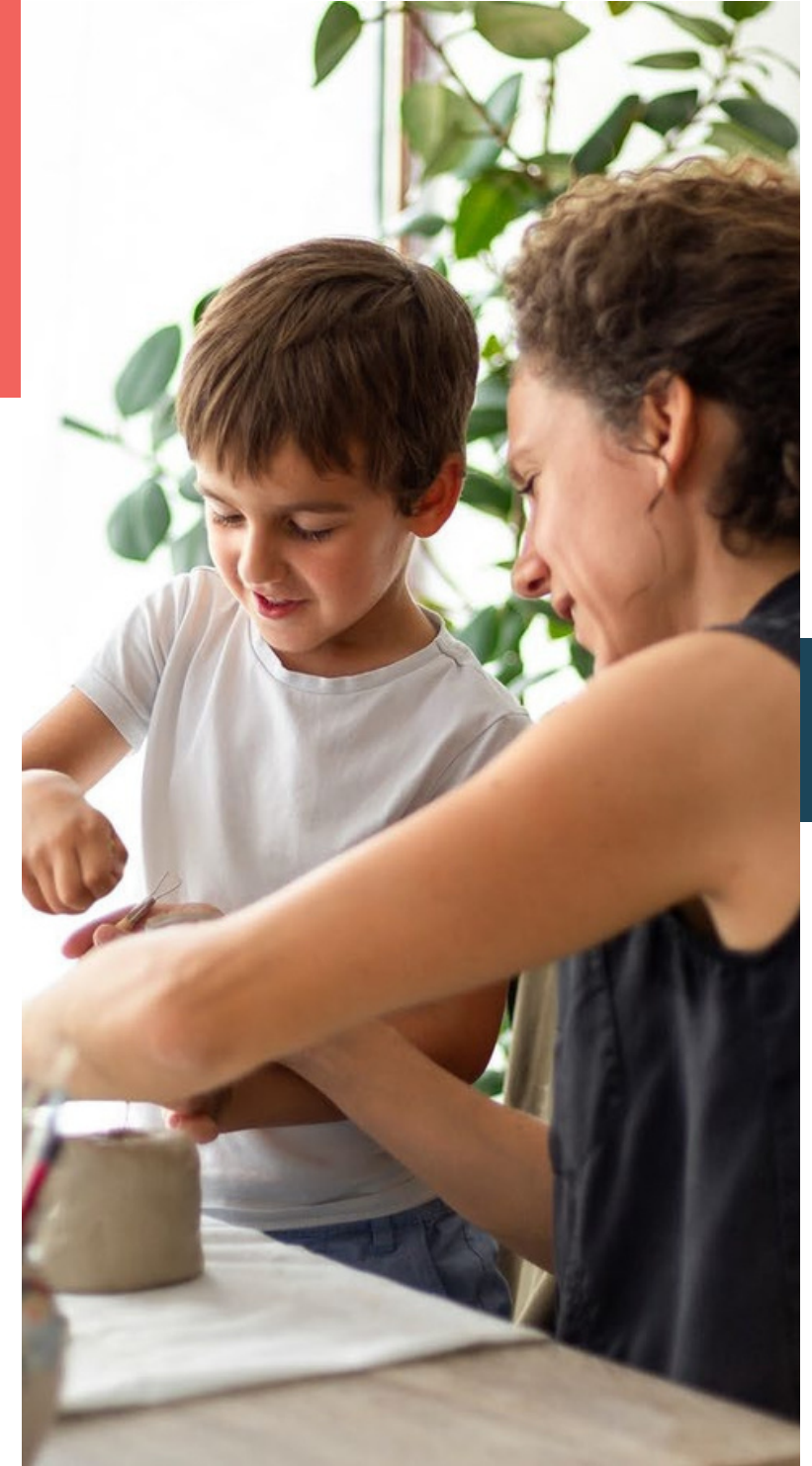
Previous research and available data show that housing costs in particular are a significant contributor to the stress felt by younger generations and first-time buyers - with 81% of prospective home buyers anxious that they will not be able to make it onto the housing ladder^[1].

Those in the private rented sector who have not yet bought a home also experience lower levels of life satisfaction, and higher levels of anxiety, compared to owner-occupiers^[2].

Drawing on a survey of more than 2,000 individuals, this report provides evidence of the increasing stress caused by the cost-of-living and housing costs, with 86% agreeing life has become more stressful in the past two decades – primarily due to rising costs.

Younger generations in particular are concerned over rising costs and getting onto the property ladder.

There is a need for Government action to alleviate these challenges and tackle the housing crisis - thereby reviving the dream of homeownership for younger generations.



[1] Wayhome, Mental Health Awareness Week Survey, 2023. [2] DLUHC, English Housing Survey 2022-23.

Alleviating the stresses of moving

The survey also shows that moving home can be daunting for many. Buying a new build can help to alleviate many of the stresses that come with moving home by providing a simpler process; reducing the risk of unexpected setbacks in the chain; limiting moving costs; offering peace of mind of warranties; and ensuring a home free from unexpected horrible histories and extra expense.



There is a need for Government action to revive the dream of homeownership for younger generations.

Methodology

The research is based on a consumer research survey conducted on behalf of the Home Builders Federation (HBF) in December 2023. 2,090 individuals aged 18+ were surveyed in total.

Stress and wellbeing

The survey suggests that life has become more stressful for the vast majority of people over the past two decades:

- Overall, 86% of respondents feel life has become more stressful in the last 20 years.
- 35-to 44-year-olds were most likely to say life has become significantly more stressful (94%).
- 46% of respondents struggle to find ways to make their life easier, rising to 57% among 18 to 24s.

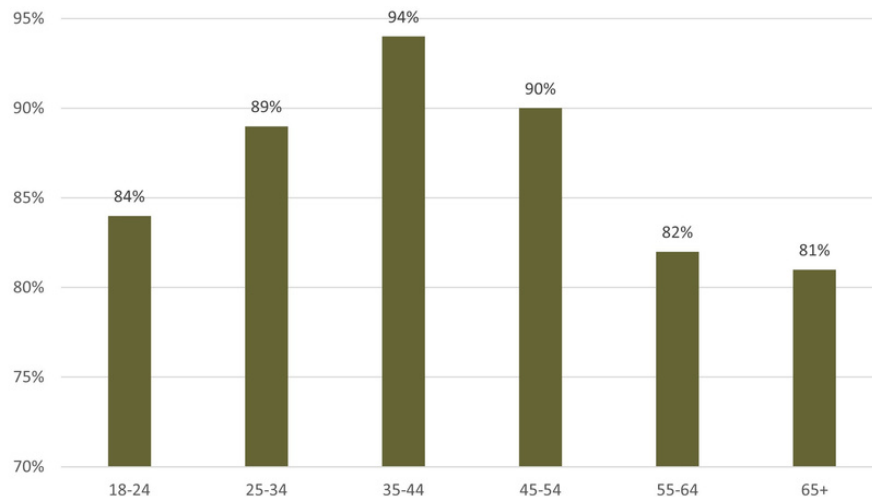
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The primary cause of high levels of stress is rising costs, including housing costs such as rent and household maintenance:

- 85% of those who said life has become more stressful agreed that rising costs (such as rent, home maintenance and food costs) are a significant factor.
- This proportion rises to 90% among 25- to 34-year-olds, who are worst affected by high rents and housing costs.
- 75% of people feel that lower household costs would make life easier, rising to 83% among 25- to 44-year-olds – the group most impacted by cost-of-living pressures.

In your opinion, has life become more stressful in the last 20 years? (by age)



75% of people feel that lower household costs would make life easier

The survey findings come within the context of ongoing high inflation and interest rates, limited mortgage availability, and the lack of a Government support scheme for first-time buyers for the first time in over 20 years (following the closure of Help to Buy in England in 2023). Perhaps reflective of this, 50% of respondents admitted feeling thrown off guard by an unexpected life event in the last year – increasing to around 60% of 18 to 34s.

With rising costs – including rent costs – leading to increased stress, it is unsurprising that 40% of people now believe getting on the property ladder to be a difficult task, increasing to 56% among 18- to 34-year-olds. This proportion was highest in London, where 47% of all respondents agreed getting onto the property ladder would be difficult.



The proportion of households owning their own home has fallen to 64.8%

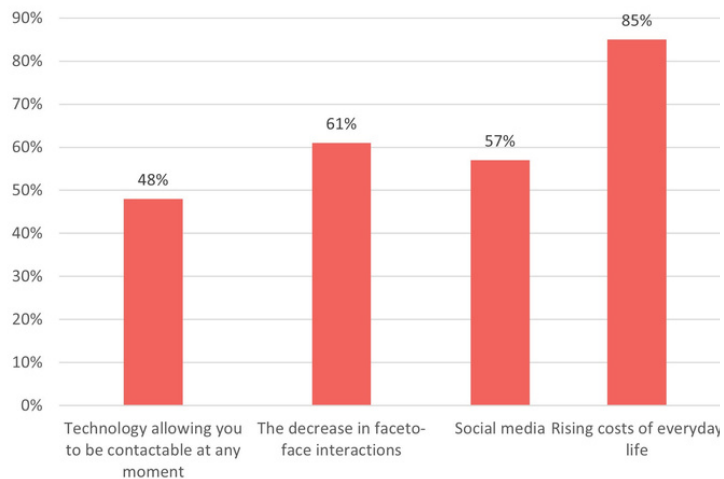
Indeed, the rise in housing costs during the recent cost-of-living crisis has worsened a decades-long trend of increasing housing unaffordability, with homeownership becoming progressively more difficult to attain:

- The ratio of median house prices to median earnings has increased from 5.1 in 2002 to 8.3 in 2022^[3].
- The proportion of households owning their own home has now fallen to 64.8%, from a peak of 70.9% in 2003^[4].
- The proportion of 25- to 34-year-olds owning their own home has fallen from 58.6% in 2003-4 to 44.7% in 2022-3^[5].
- Mean weekly rents have risen to £231 in England, up from £163 10 years ago^[6].

However, it is worth noting that rising costs are not the only contributors to increased stress. The pace and nature of modern life, including technology, are also contributing factors that increase stress.

57% say the rise of social media has made life more stressful

Why do you think life has become more stressful in the last 20 years?



Among those who thought life had become more stressful:

- 61% think increased stress is due to the decrease in face-to-face interactions, such as automated helplines.
- 57% say the rise of social media has made life more stressful.
- 48% feel greater stress is due to technology allowing you to be contactable at any point in the day.

Solutions that respondents said would help to make their lives easier included making more time for themselves (38%), seeing a GP in person (37%), or having a stronger social network (22%). 17% of respondents also said they need routine. Therefore, it is clear that many households and individuals are looking for ways to make their lives simpler, easier and less costly.



Moving to a new home

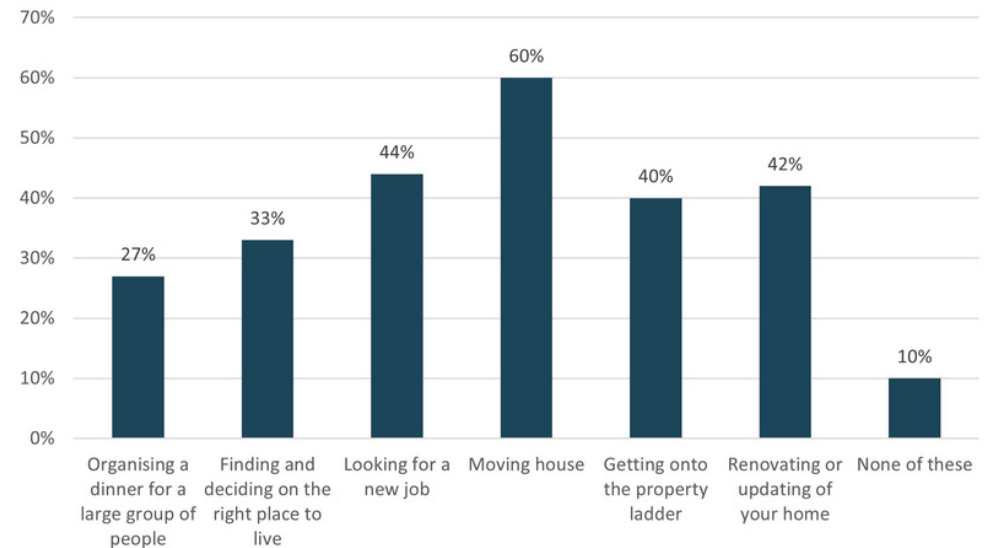
With many people experiencing increased stress and anxiety, moving home and getting onto the property ladder are considered to be daunting tasks by many respondents.

Overall, 60% of people consider moving house to be a difficult task and the majority of 18- to 34-year-olds believe getting on the property ladder will be difficult.

The survey results also show that:

- 42% believe renovating or updating a home to be difficult.
- 33% think finding and deciding where to live is difficult – rising to 43% among 18- to 34-year-olds.
- After moving house, the next most difficult task was looking for a new job (44%).
- Just 10% found none of the suggested tasks difficult.

Which of the following would you consider to be a difficult task?

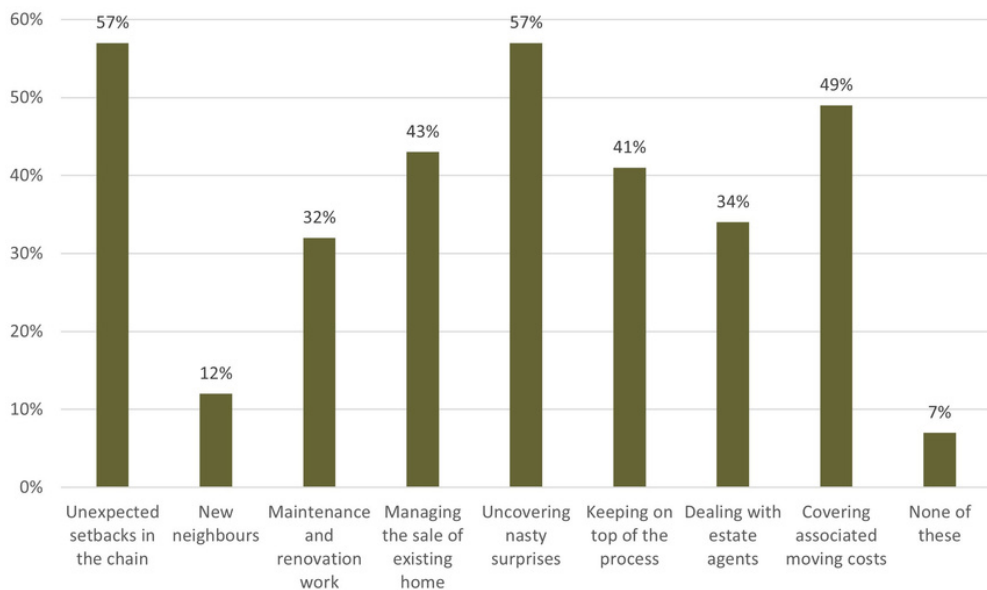




Overall, respondents found setbacks in the chain and uncovering nasty surprises – like faulty heating – the most challenging aspects of moving.

However, new build homes have many benefits that can help to alleviate the stress and costs that come with high housing costs and moving home.

What do you perceive to be the most stressful part of moving home?



41% believe keeping on top of the process to be the most stressful part of moving



54% say peace of mind cover if things go wrong would make moving home easier

Cover and warranties

There are many consumer protections for new build buyers, including 10-year structural warranties, cover for snags and defects, consumer codes of practice and an independent ombudsman.

Nasty surprises and making good

Older properties often come with unforeseen costs, including make-good and necessary repairs, and it can cost more than £70,000^[7] to get homes to the same standard as a new build. Therefore, buying a new build can save time and money spent on maintenance.

- 57% say uncovering nasty surprises can add to the stress of a home move.
- 47% say moving into a new build home that doesn't need any work done would make moving easier.
- 32% find managing maintenance and/or renovation work stressful.

Costs of moving

Stamp duty is sometimes covered when buying a new build, and many schemes are in place to make new build ownership more affordable and attainable.

For instance, the Deposit Unlock scheme gives buyers the chance to buy a new build with a 5% deposit and a 95% mortgage, with a guarantee from lenders including Nationwide, Accord and Newcastle Building Society. This initiative was developed by the Home Builders Federation (HBF) in conjunction with industry and lenders and has been extremely successful, with more than 80 developers offering the scheme. Other schemes such as Own New are also in place for all buyers.

- 49% find covering associated moving costs such as estate agent fees and stamp duty stressful.
- 38% say getting financial help to move/buy a home makes a house move easier.

42% say lower energy bills would make moving home easier

Energy efficiency

An analysis of energy performance data for new and older properties finds energy bills for new homes are on average 55% cheaper, saving households up to £184 on monthly running costs. New housing uses 55% less energy and emits 60% less carbon than existing properties.

The process of moving

Many new build developers offer schemes to support a smooth and easy selling and buying process, like Assisted Move, Help to Sell or Part Exchange. As part of this, the developer will either market your existing home for you and cover the costs of marketing your home, or be the guaranteed buyer of your property.

- Keeping on top of the process is a stressful element of moving home for 41% of people.
- 49% say not having to manage estate agents, solicitors and surveyors makes a move easier.

40% of 18 to 24s agree that new build homes are better value

Value for money

In light of the benefits new build homes offer, 40% of respondents agreed that buying a new build home seems less stressful because it is chain-free, while around 40% of 18 to 24s agree that new build homes are better value due to energy efficiency benefits and warranties.

Setbacks in the chain

New builds offer chain-free buying – with no seller, there's no onward chain, removing the risk of a sale falling through because of a link further up the buying chain.

- 57% find unexpected setbacks in the chain stressful.
- 43% see managing the sale of an existing home as stressful.

Industry asks

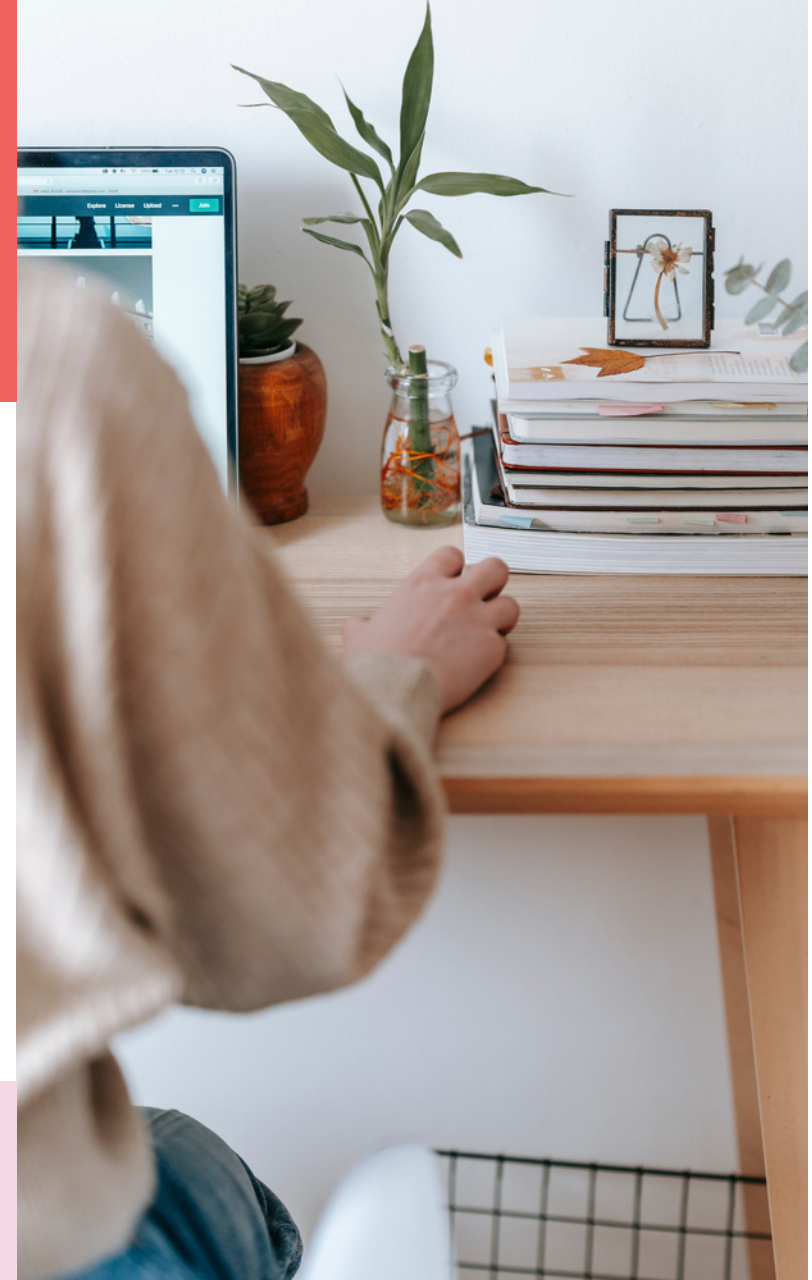
This survey reveals that younger generations experience higher levels of stress, greater concern over rising living costs including rent, and are concerned about getting onto the property ladder.

New build homes have many benefits that can alleviate the stress of moving, and the industry has done much to support first-time buyers to experience these benefits, including the Deposit Unlock scheme outlined previously.

However, the survey ultimately reaffirms the need for more Government support for first-time buyers and those looking to move into a new, energy-efficient home.

Without Government action, the concerns younger generations feel about rent costs and getting onto the property ladder will not be fully alleviated.

Government action is needed to alleviate the concerns of younger generations



Practical interventions

There are a number of short-term interventions that the Government can make to support those seeking to get onto the property ladder, and to help households buy a more energy-efficient and sustainable new build home.

A new, targeted home ownership scheme for first-time buyers that significantly reduces deposit requirements for those who want to buy a new, energy-efficient property.

A first-time buyer scheme could help to boost first-time buyer's deposits, giving them access to new build mortgages which are priced more affordably. This is much needed, as the average deposit of a first-time buyer in 2022-23 was £50,051 – which is out of reach for many^[8]. Consideration could also be given to making it a requirement for all properties purchased under the scheme to be A/B EPC rated.

Abolishing stamp duty for purchases of all homes with an Energy Performance Certificate (EPC) rating of B or above, and raising stamp duty thresholds for other purchases.

Another pathway to helping consumers make energy efficient choices when purchasing a home is to remove Stamp Duty Land Tax (SDLT) for those buying homes rated EPC B or above, thereby helping consumers to buy a new build home and save hundreds on their energy bills.

Furthermore, with the average price of a home in England now approximately £302,000^[9] – but stamp duty kicking in at purchases of over £250,000 – all of the SDLT thresholds need to be revised upwards to take account of house prices today and encourage moves across the market.

Homebuyers should be incentivised to prioritise energy efficiency

A roundtable between Government, industry and lenders to explore the possible expansion of green, energy efficient mortgages.

Despite the considerable differentials in the cost of heating new build homes compared with older properties, most mortgage affordability calculations include a single national average energy bill across all types of home regardless of the property's efficiency.

Customers should instead be assessed against the **actual** expected running costs of the property they will be purchasing rather than a national average energy bill. This would incentivise homebuyers to make eco-conscious decisions and ultimately lead to energy efficiency becoming a more important factor in determining a property's value.



Conclusions

Consumers are now searching for simplicity and a stress-free experience when buying a new home, particularly in the context of the cost-of-living crisis and the pace of modern life. New build homes have many benefits that can help to alleviate the hassle of moving home and housing costs – such as reduced energy costs, chain-free buying, and increased consumer protection.

However, without Government intervention to support first-time buyers and consumers locked out of homeownership or moving to a new home, many households will be unable to experience the benefits that home ownership and energy-efficient new builds can provide.

Ultimately, therefore, the findings of this survey are a call for action to make buying a home easier and more attainable for consumers and households across the country.



For more information and insights from the home building industry, visit [HBF.co.uk](https://www.hbf.co.uk)



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