Santander

About the research

Almost everyone moves home at some point, and this can signify an important transition to a new phase of life, from the sense of independence experienced by first-time buyers, to the planning for later years involved in a decision to downsize. It also often involves coping with a range of obstacles. To understand these challenges, potential solutions, and the general state of the housing market, Santander worked with Global Counsel to carry out qualitative and quantitative research among the UK public.

The large sample size for the survey allows us to look at key segments in the housing chain, which is important given the interactions between them. For example, the easier it is for downsizers to find a property, the more homes become available for larger families. We surveyed those who foresee making a move or who have done so within a two- to three-year period, capturing the experience of those at all stages of the moving process from starting to plan, through to having completed the move.

Here we focus on three key segments:

First-time buyers

Buying their first home

521 Surveyed

First-to-second movers

Selling their first home / buying their second

612 Surveyed

Downsizers

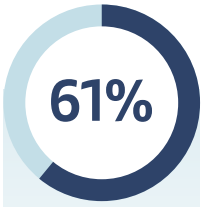
Aged 50-75. Selling their home / buying a smaller property

458 Surveyed

A challenging market for all, from first-time buyers to downsizers

The policy debate on home ownership is often focused on young people's experience of getting onto the housing ladder. This makes sense. It is this group who are most likely to be paid less and to be financially squeezed by higher rents.

However, in focusing on first-time buyers, an important segment of the market can be overlooked – those looking to downsize. As shown by our research, it is this group that finds it most difficult to move home. This not only creates personal challenges for this group but also reduces the supply of family homes available for younger aspiring homeowners. Factoring the needs of downsizers into planning and policy will have knock-on benefits throughout the housing chain.



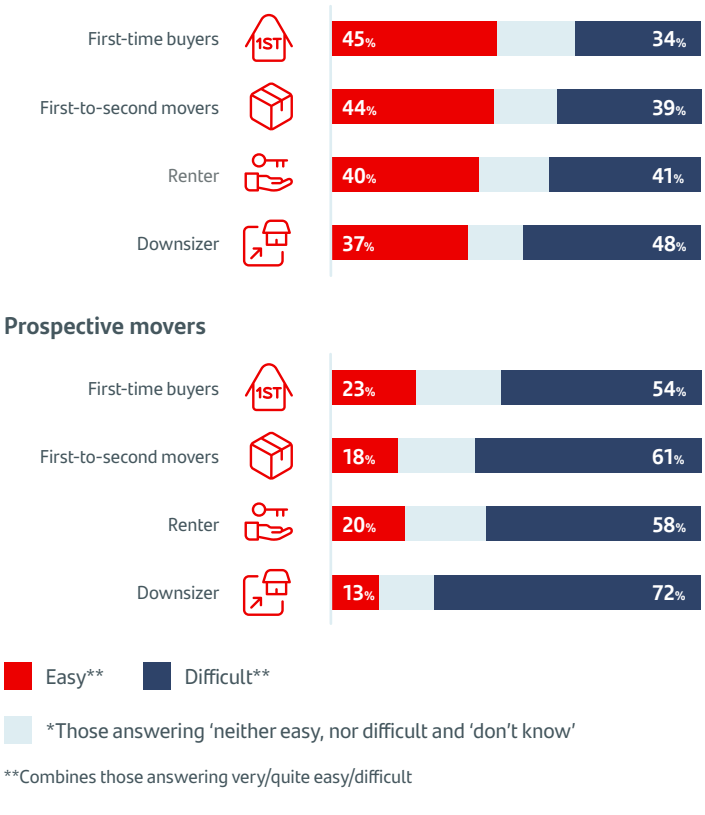
of prospective movers expect the process to be diffcult

Key survey findings

- A large proportion of movers find the process difficult – even among those who have successfully managed to move in recent years, less than half describe doing so as 'easy'.
- Downsizers experience particular difficulty moving home. Over 7 in 10 of those in the process of downsizing, or who think they are likely to downsize in the next two years, describe the process as difficult.

Ease/difficulty experienced moving by segment

% selecting each answer*, recent and prospective movers



**Combines those answering very/quite easy/difficult

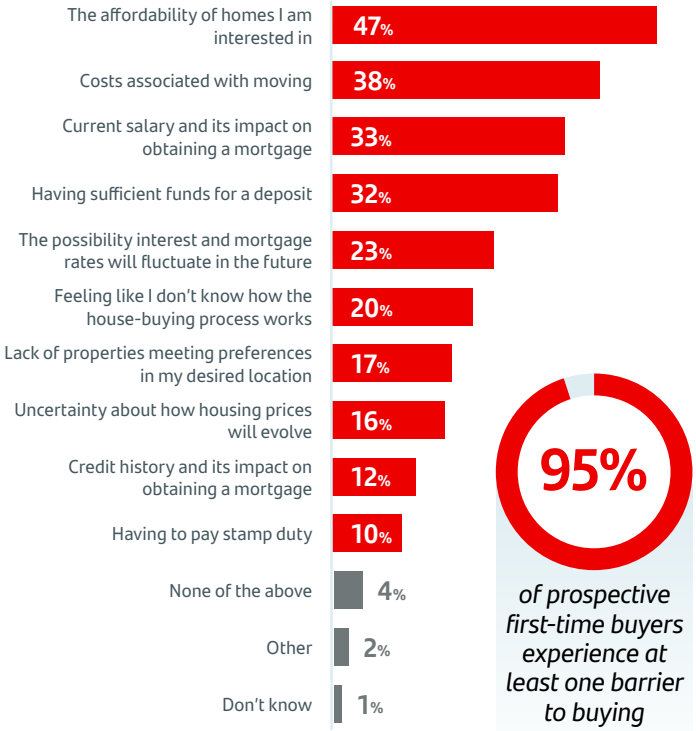
Affordability is the biggest barrier for first-time buyers; A lack of suitable properties is problematic for downsizers

Our research underscores what have long been understood as the major challenges for first-time buyers: affordability, costs and the ability to obtain a mortgage. While a perceived lack of properties meeting preferences comes lower down the list of barriers, a general expansion of supply, through home building and freeing up existing properties, would help address the affordability issue.

With a perceived lack of preferable properties ranking high among the concerns of downsizers, there is a case for encouraging developers to consider the needs of this segment. This relates not only to property features; our focus groups highlighted a desire to remain close to existing social connections and leisure opportunities, challenging commonplace stereotypes about this group.

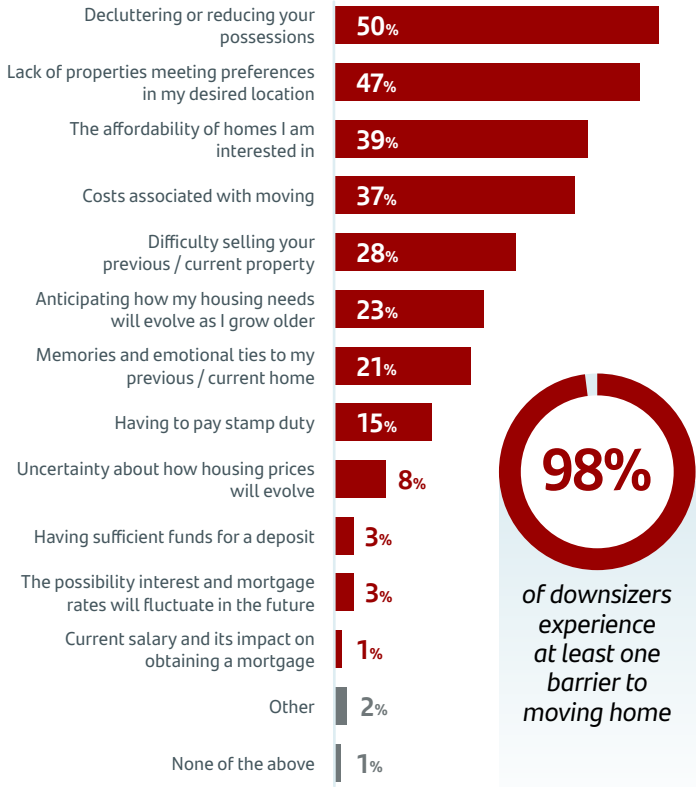
Most significant barriers to moving home for first-time buyers

% of prospective first-time buyers selecting each barrier as one of the three most significant



Most significant barriers to moving home for downsizers

% of prospective downsizers selecting each barrier as one of the three most significant



Key survey findings

- For those looking to buy for the first time, affordability of preferred homes, costs associated with moving, the impact of current salary on obtaining a mortgage and having sufficient funds for a deposit are cited as the top barriers to moving. Lack of properties meeting preferences comes lower in the list of barriers.
- For downsizers, availability of properties meeting preferences is among the most frequently cited barriers.

"There just doesn't seem to be anything available for what we actually want at the moment. We're struggling to find something we would quite like to move to. [The current house] is too big, and it's a big upkeep, a lot of cleaning for just two people."

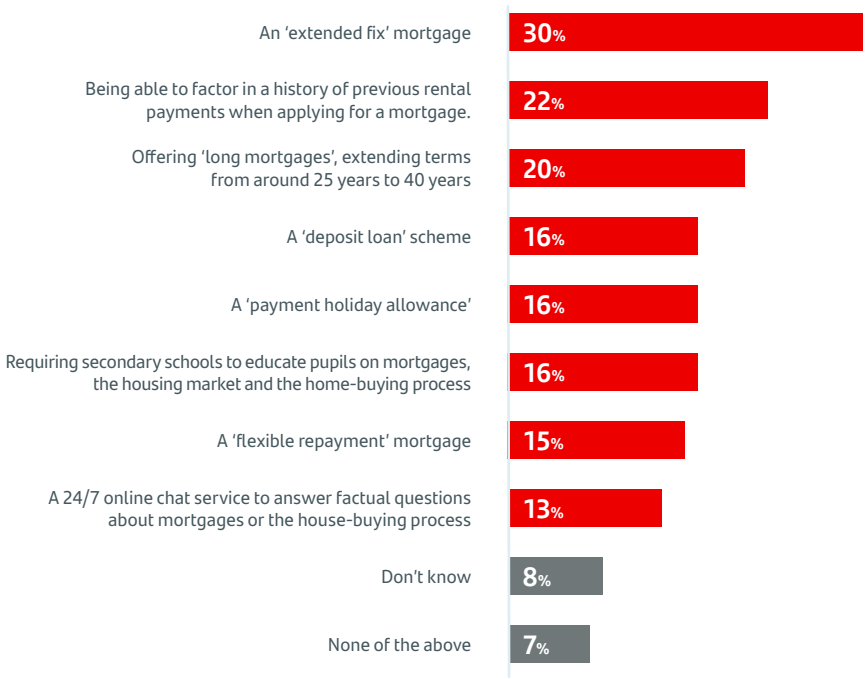
Downsizer

Affordability interventions would help first-time buyers; Developer incentives offer a potential solution for downsizer difficulties

How best to address the affordability concerns held by first-time buyers has dominated much recent thinking on housing, with a particular focus on struggles to raise a deposit. Our findings show that there is merit in government and regulators exploring wider affordability interventions, understanding the real demand for extended fix mortgages, and considering how a history of previous rental payments can be appropriately factored into affordability assessments.

Most useful initiatives for first-time buyers

% of recent and prospective first-time buyers selecting as on of top three initiatives



Key survey findings

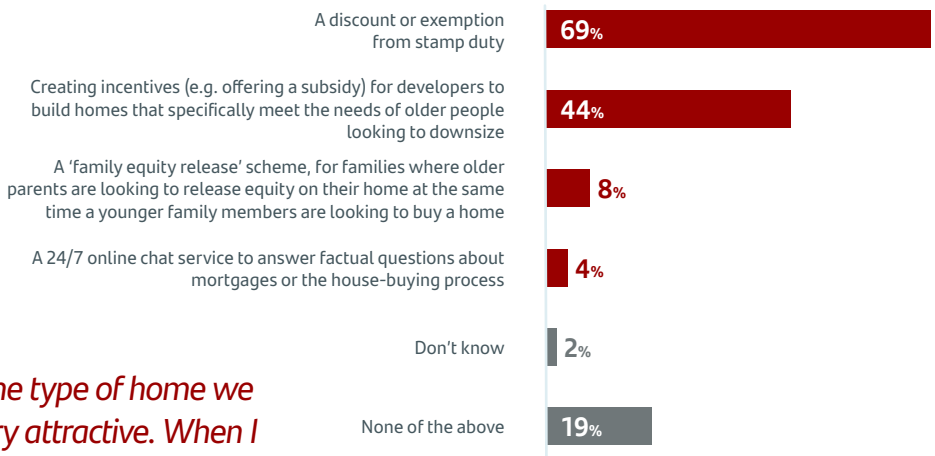
- 'Extended fix' mortgages and factoring a history of rental payments into assessing mortgage applications are seen by the highest proportion of first-time buyers as helpful solutions.
- A substantial share of downsizers feel that incentivising developers to build homes meeting their specific needs would support them in moving home.

As the government continues to prioritise incentivising new housing, our findings indicate that specific incentives encouraging developers to consider downsizers would be well received by this segment of the market, thereby unlocking an additional supply of larger homes.

While results show support for a stamp duty cut for downsizers, it should be noted that existing stamp duty levels were not identified as a major barrier to moving by this segment.

Most useful initiatives for downsizers

% of recent and prospective downsizers selecting as one of top two initiatives



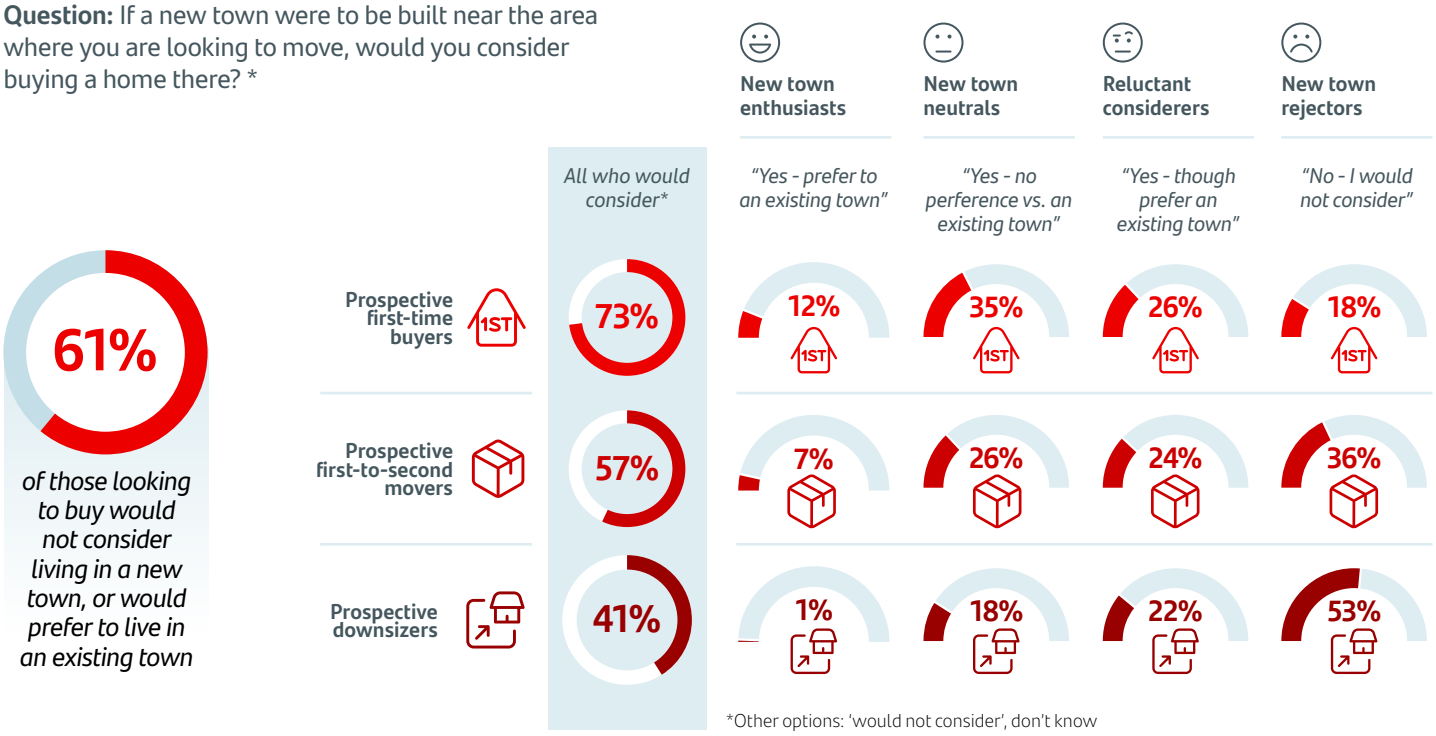
"Incentives for developers to create the type of home we might actually want to live in are very attractive. When I was looking for houses, I couldn't find what I wanted – it seems like places are built for families, not old people ."

Downsizer

New town appeal is limited, but access to health facilities and greenery may strengthen it

New towns are a central part of the government's plans for delivering the goal of 1.5 million homes over the next five years. On the supply side, this requires moving with speed to identify where they will be built, who will build them and how they will be funded. For new towns to be a success, people will also have to want to live in them. Our survey indicates that people tend to have negative associations with the term "new town" compared to alternatives such as "garden city". This suggests the need for a clear articulation of the benefits of new towns to those looking to move. The results show that easy access to healthcare and green space are particularly enticing for movers.

Question: If a new town were to be built near the area where you are looking to move, would you consider buying a home there? *



*Other options: 'would not consider', don't know

Associations with 'garden cities' are much more positive than those with new towns.*

- Garden cities evoke green space, parks and peacefulness.
- 'New towns' bring to mind a lack of personality, low standards and concrete.

*Source: open-ended association questions on survey.

Methodology

Qualitative: online one-on-one interviews and focus groups (x4) with downsizers and first-time buyers to understand barriers experienced by these segments, and reaction to potential solutions.

Quantitative: online survey among a nationally representative sample of 4,011 respondents, allowing for analysis among key subgroups. Fieldwork conducted online between 6 and 11 September 2024.

For more details about this research, contact PublicPolicy@santander.co.uk

Key survey findings

- Nearly 4 in 10 (38%) of those looking to buy in the next two years would not consider moving to a new town, and close to a quarter (23%) would prefer not to.
- Issues with preference increase among older segments; for example, over half of those looking to downsize reject a new town.
- Among potential benefits, the availability of healthcare facilities and access to green spaces are most likely to persuade new-town rejectors to reconsider.