



New Homes Index

London rebounds as UK new build home searches surge during Q1

£347,908

Average new home asking price

94,874

New home buyer enquiries

Executive Summary

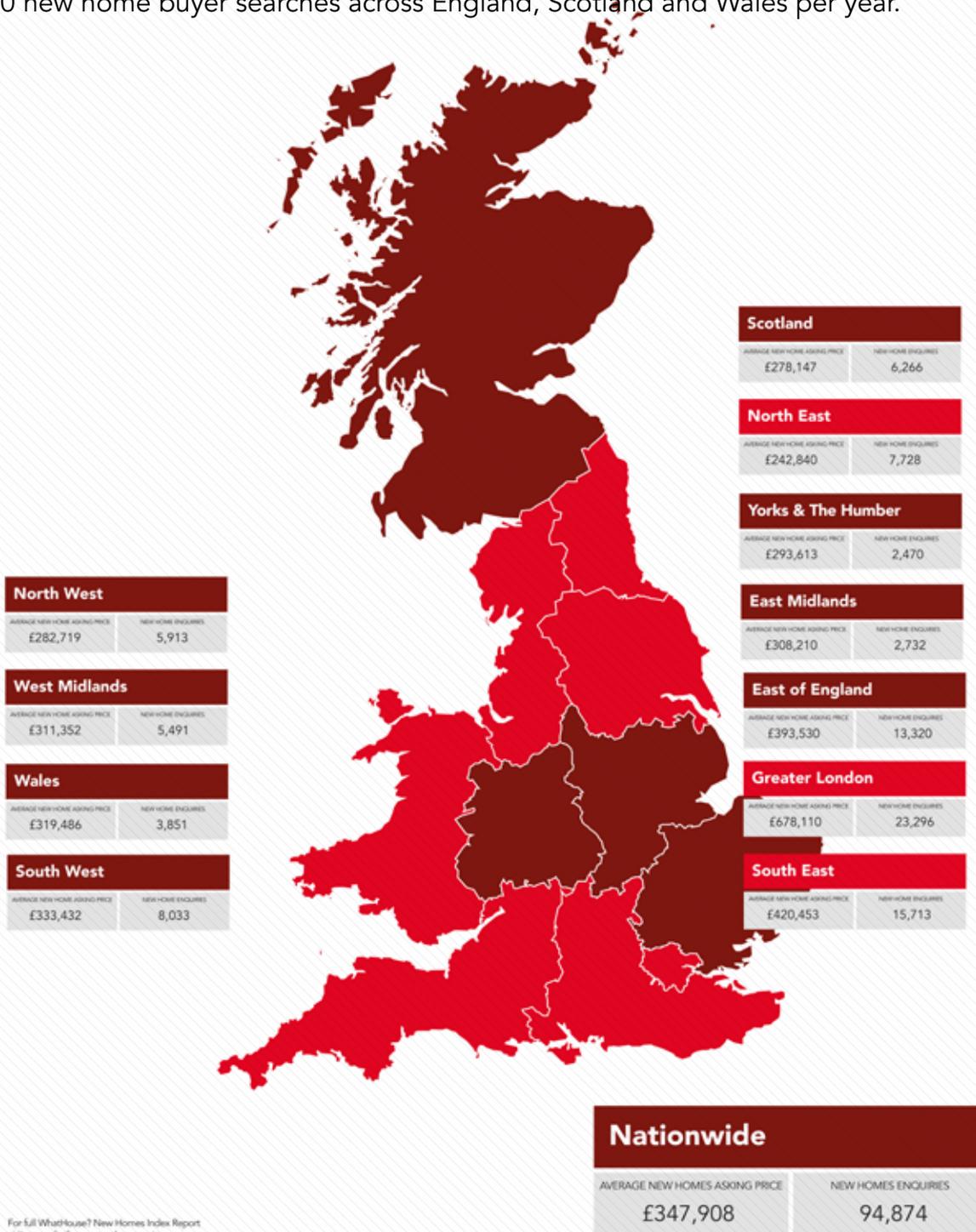
- National average price of new home property coming to market is £347,908.
- Encouragingly, new home search data shows a month on month increase in demand. However, the data does not wholly support the anticipated 'metropolis exodus' as London tops the demand search growth league table, followed by Scotland and North West of England.
- London demonstrates the greatest increase in demand through the first three months of 2021 (January 6,905 / February 7,013 / March 9,378).
- Scotland also demonstrates an increase in demand during this time increasing from 1,856 to 2,541 new home enquires.
- North West of England saw new home demand increase from 1,822 to 2,367.
- WhatHouse? new home buyer search data indicates that 25% of national demand for new homes is now in London. 5% of national new homes available are in London. This biggest demonstration of demand outstripping supply across all regions.
- South West of England new home demand stayed steady through the first three months of 2021 (January 2,698 / February 2,532 / March 2,803). When we consider the volume of holiday makers heading to this region, we may see this monthly average increase through Q2 and Q3 of the year.
- The government's Help to Buy scheme in England started on 1 April 2021. Reassuringly for the first-time buyers now able to benefit from the scheme concerns relating to the new regional value caps are not playing out, as the average price of Help to Buy new home properties coming to market is below the ceiling price set from region to region.

"Buyer enquiries and viewings are at an all-time high. The signs all point to a positive spring and summer new home surge".

Daniel Hill, Managing Director,
WhatHouse?

New Homes Index – Regional summary

Note: The WhatHouse? New Homes Index is based on data sourced from the WhatHouse? New Homes audience platform. The Index uses data from approx. 400,000 new home buyer searches across England, Scotland and Wales per year.



For full WhatHouse? New Homes Index Report visit www.whathouse.com/newscentre



Overview

Urban living is still aspirational as London new home searches surge on Whathouse.com during Q1 2021. Considering this data against a significant uplift in new home searches in North West England and Scotland, signalling that buyers are emerging from the pandemic with an appetite to reevaluate lifestyle and working requirements, and make far reaching decisions based on changing desires.

With the new version of the government's Help to Buy scheme only having come into place on 1 April it is too early to tell whether regional price caps will lead to a drop off in demand for Help to Buy new homes.

We will be monitoring WhatHouse? data closely over the coming months for signs that concerns over 'value cap cliff edges' in areas near regional borders (as argued in a report by property advisers Cushman & Wakefield) are founded.

Encouragingly, as our data shows, Help to Buy new home property prices do not currently exceed regional value caps. If this balance is lost the equity loan scheme will become unavailable to many buyers and we'd predict a shift of buyer demand to Shared Ownership for those first-time buyers hoping to get onto the property ladder.

Top 3 Enquiry Growth Regions - Q1 2021

London	Scotland	North West England
23,296 New home buyer enquiries	6,266 New home buyer enquiries	5,913 New home buyer enquiries

Daniel Hill, Managing Director,
WhatHouse? comments:



"From the search behaviour experienced on Whathouse.com, we have found 25% of demand for new homes is now in London, so it's a big jump, especially when we consider predictions surrounding an anticipated mass escape to the country. The growth in demand for new homes in the North West of England and Scotland point to people leaving cities behind post-pandemic in favour of lakes, mountains and villages but, as our data shows, for many the perceived shortcomings of urban life may not be a game-changer after all.

The new home property market has remained fully open and home builders have embraced innovations in virtual viewing to such an extent that buyer enquiries and viewings are at an all-time high. The signs all point to a positive spring and summer new home surge, with some time left for buyers to benefit from stamp duty holidays in England and Wales, the 95% mortgage guarantee scheme, successful vaccination roll-out, increased sense of national optimism, and changing space requirements driving momentum".



Home Builders Federation View

Stewart Baseley,
Executive chairman of HBF said;



The new homes market continues to perform very strongly. Site visitor levels, demand and sales rates have been at a high level since the market reopened last May underlining consumer confidence in new homes.

Demand for new homes through the Help to Buy scheme continues to be strong, despite the introduction of the regional price caps. We will continue to monitor the impact of changes to the scheme. Ensuring high LTV mortgage products

are available on new build homes is key to future levels of demand and supply.

Demand for affordable housing in London continues to be acute, emphasising the need for the Mayor to agree a realistic, deliverable plan that prioritises housing delivery and supports his social and economic ambitions. Similarly, now the elections are out of the way, the other Metro Mayors need to use the powers devolved to them to ensure their housing and planning policies address the supply shortfalls and affordability issues their areas face.

Housebuilder's View

Hazel Davies,
Sales and Marketing Director, Cruden said:



"At Cruden, our Q1 sales support the What House? data findings, with a buoyant start to the year in spite of strict lockdown restrictions. Enquiry levels and reservations for our developments have significantly

risen year on year as demand is fuelled by a lack of availability and buyers re-evaluating their lifestyle and working arrangements.

We are seeing an increased number of buyers relocating from the south of the border - regarding the Scottish housing market as offering value for money, good quality of life and access to lots of outdoor space. The unprecedented levels of demand for rural living continues and our coastal developments are now forward sold to Q2

2022. Urban flatted dwellings also remain in high demand under £350k, with young professionals and downsizers favouring proximity to amenities and city culture. Although prime city centre dwellings have been slower to pick up, enquiries are now increasing as shops, bars, restaurants begin to re-open.

Despite the rapid expiry of the Scottish First Home Fund, the withdrawal of the mainstream Help to Buy fund for 21/22 and the end of LBTT relief, the market has shown no signs of slowing. However, lack of availability means it may be too soon to evaluate the true impact on first time buyers".

Housebuilder's View

Benjamin Ashcroft,
Head of Marketing, Salbo said:



"We've continued to see high levels of interest in our North-West developments. In particular, our flagship housing development in Salford has seen the first two plots sell out within weeks of launching. Without showrooms, purely off-plan on the phone. Changes to Help to Buy have meant there is demand for homes at the upper price limit. So much so, we have substantial waiting lists for our most popular house types. In the last few weeks, we've seen a significant increase in enquiries about our city centre stock. As lockdown has relaxed and the cities are opening up".

Victoria Creber,
Sales & Marketing Director, Galion said:



"Q1 has been an incredibly busy time for new homes sales. The figures from WhatHouse? speak for themselves and sit hand in glove with that of other house sales platforms. The South West has proved immensely popular

during the pandemic; helped by the Stamp Duty Holiday obviously but there are no signs of any slow-down. From Galion's perspective, the rush to leave London, the Home Counties and other highly dense cities for Somerset has been evident for us and our model of building traditional family homes with large, family sized gardens, well separated and within rural locations has proved incredibly popular.

Enquiries in March went through the roof with only one home (priced at >£1m) remaining available and a queue of people waiting for news of planning decisions having already picked out their plot. New Homes are becoming ever more popular to those who would, historically, always have gone for a period home. Low maintenance and high standards of build quality and design make for a good decision when choosing your next move! We believe demand for new homes in the South West will remain strong during the next quarter and with supply slowing down due to planning delays and policy uncertainty, pricing will remain bullish over the coming months".

Markus Kendall-Young,
Director of Sales and Marketing, Catalyst said:



"This new data from WhatHouse? shows an encouraging start for 2021 as demand for new homes continues to grow month on month.

As lockdown eases, demand for homes in the capital is clearly on the up, with these figures showing interest in London rising at a higher rate than anywhere else in the UK. It would seem the connectivity and convenience of

city living is becoming a top priority for buyers once again, and indeed a bounce-back from the country to city might be on the cards. At Catalyst – we have seen equally high demand for homes both inside and outside of London – as some buyers elect to leave London for the countryside. The anticipated changing working patterns post-pandemic mean that buyers have the power to choose whether a city or country location is right for them".

Housebuilder's View

Scott Black,
Developments Executive Director, Places for People said:



"The WhatHouse? New Homes Index is a clear indicator of the underlying desire that UK residents have for home ownership. With just under 100,000 enquiries reported in a single quarter it is clear that as an

industry we need to continue to find ways to keep building good quality new homes at scale to meet

this demand and to ensure we provide homes for all sectors of society.

"Demand in housing has been aided by low interest rates, changing demographics and lifestyles, and has been further fuelled by the Government's Stamp Duty holiday, and Help to Buy. At Places for People we have seen high demand across all of our tenures as a result."

Jo McDonagh,
Sales and Marketing Director, London Square said:



"The capital is bouncing back. The Index findings back what we are seeing from customers. As people return to their offices in London, even if only for part of the week, the energy, creativity, and buzz are returning.

We can see it all around our London Square Bermondsey development, with an uplift in interest from buyers in the amazing apartments on offer, who want to be part of the fashionable SE1 lifestyle. People are out eating al fresco in the independent restaurants and cafes, enjoying a glass of wine or beer in the sunshine, and flocking back to the amazing independent shops in Bermondsey Street, the food markets, and the riverside walks.

Our sites in commuter Surrey at Tadworth Gardens, Staines-upon-Thames and Walton-on-Thames are also performing well. Some people may have moved out for a larger home, more green space, and a different lifestyle but for most people, the link to the capital remains strong.

They may be dividing their week between working from home and going into the office in London, which is why a home in a well-connected location is so important. London Square is backing the capital all the way. We have sites all over Greater London representing significant investment and our commitment to London's status as a leading global city".



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The WhatHouse? New Homes Index is based on data sourced from the WhatHouse? New Homes audience platform. The Index is compiled using a sample representing approx. 400,000 new home buyer searches across England, Scotland and Wales per year and its findings are reflective of WhatHouse? user experiences and geographic market share.

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