

POST-PANDEMIC EMERGING TRENDS

HOW HAS THE PANDEMIC
SHIFTED BRITONS' PERSPECTIVES
ON THEIR HOMES?





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The UK's residential property market has for decades been a wellspring of dependability. House prices have risen consistently, and transactional volume has maintained healthy levels regardless of the wider economic context in Britain.

However, the last two years have represented something of an upheaval in the market, with numerous forces conspiring to subvert one of the most reliable pillars of UK residential property – buyer preference.

There are countless factors underpinning this, but the change can largely be credited to the impact of the Covid-19 pandemic and the consequences which followed. For instance, the toll of an initially depressed market following the first national lockdown, and the revitalisation following the stamp duty holiday saw significant upward shifts in demand, prices and transactions.

More than that, though, the pandemic has transformed the way in which Britons think about their homes; the properties themselves and the places they live.

The rise of remote working has, for example, led to questions around space for homeworking arrangements. As social lives have been put on hold, outdoor space – either as part of the dwelling or nearby – has been at a premium. The desire for different local amenities has changed, as has the reliance people placed on their neighbours.

These are interesting trends, and ones that will have ramifications on the property market in the coming months and years. In light of this, it is important for investors to keep their finger on the pulse where buyers' preferences are considered. Accordingly, FJP Investment commissioned an independent piece of research among more than 1,100 UK adults to establish how homeowners and homebuyers' preferences have evolved as we begin to emerge from the pandemic.

HOW HAVE THE PREFERENCES OF HOMEOWNERS AND HOMEBUYERS CHANGED?

Between 5th and 10th November 2021, an independent survey was carried out among a nationally representative sample of 1,125 UK adults, all of whom own homes or intend to buy one in the coming 12 months. The research sought to establish how their property wants and needs had changed as a result of Covid-19.

This is what we found out:

Importance since start of pandemic

1. Having a garden or outdoor space

44%
MORE

4%
LESS



2. The proximity to green spaces

38%
MORE

4%
LESS



3. The energy efficiency of the property

33%
MORE

3%
LESS



4. The proximity to friends and family

33%
MORE

3%
LESS



5. The speed of the broadband connectivity

33%
MORE

4%
LESS



6. The type of property (flat / detached / semi-detached / terrace)

30%
MORE

2%
LESS



7. The proximity to local high streets

27%
MORE

5%
LESS



8. Have the space for dedicated office, or a homeworking area

27%
MORE

6%
LESS



9. The property's square footage

26%
MORE

4%
LESS



10. Transport links

26%
MORE

4%
LESS



11. The proximity to a nearby city / town

23%
MORE

5%
LESS



12. The proximity to my office

16%
MORE

11%
LESS



CLEAR INFLUENCE OF THE PANDEMIC

The results outlined overleaf demonstrate a significant change in how people view their property, and what they would value in a future investment. These insights are complemented by some further questions that were put to UK homeowners and homebuyers.

We found that nearly one quarter (24%) of homeowners and homebuyers believe the pandemic has fundamentally changed what they look for in a home. Among the youngest respondents (18-34), almost double (44%) reported having altered their perspective on property appeal.

One in five (19%) respondents said the impact of the pandemic had made them feel dissatisfied with their current home, with younger cohorts supporting this view more strongly – conversely, only 9% of respondents aged over 55 agreed.

As many as 17% of homeowners reported a newfound desire to live in a different region in the UK, including nearly one third (31%) of those surveyed aged between 18 and 34.

Of course, many of these shifting priorities are continuations of long-term trends that cannot be

solely attributed to the pandemic. For instance, the energy efficiency of a property has become more important during the pandemic to 33% of homebuyers, reflecting an acceleration of a trend observed increasingly in the past decade. A mere 3% of respondents said the energy consumption of their property has become less important to them over the past two years.

There is little doubt that the rise of remote and hybrid working arrangements among professionals has accelerated interest in certain amenities and property types. Among all respondents, nearly one quarter (23%) said that remote working had changed their priorities for future property purchases, including more than four in ten (44%) of the youngest cohort. Tellingly, among those closer to retirement age (55+), only 5% felt changing working structures would matter to their investment decisions.



DEMAND FOR URBAN LIVING REMAINS

Our research reveals that urban property investments are largely still in-demand; more so than some commentators have suggested. According to the survey, the pandemic diminished the appeal of living in an urban area for around a quarter of respondents (26%), with the vast majority still seeing value in being in towns or cities.

That said, more than four in ten (44%) reported the pandemic had made having a garden or outdoor space close at hand more important in their property, while 38% said that being close to rural areas of green spaces was now of heightened importance.

Almost two fifths of respondents (39%) felt greater affinity to living in an area with a strong sense of community following the pandemic.



THE THOUGHTS OF FJP INVESTMENT

"This research points to a clear shift in priorities among many British homeowners when it comes to what they value most from a home. Increasingly, it appears that it is not only the qualities of the property itself, but the local area and access to amenities that have helped encourage the surge in demand for new types of property set forward largely by social and professional priorities changing substantially in the past two years.

"Even as much of the workforce returns to the office, it is interesting to observe the 'race for space' phenomenon continuing to influence property purchasing decisions going forward, and the ways in which that may reshape the market in the coming months and years.

"Many, however, have settled into hybrid or fully-remote working patterns, which indicates a more permanent restructuring of value in the UK property market. We should expect to see emergent demand areas prove sustainable as the market adjusts to life after the frenetic stamp duty holiday period, and the cooling influence of the pandemic at large.

"Accordingly, it is no surprise to see that buyers are increasingly favouring property with adjacent or adjoining green spaces, and consideration to the square footage on offer catching up to the typically highly prized access to infrastructure usually found in urban areas. In light of this, we are likely to see previously overlooked urban areas in the suburbs become objects of appeal for those seeking to strike a balance between the convenience of urban living and the need for space and flexibility in property, as well as new provincial post codes alluring a wider demographic of homebuyer on an ongoing basis."



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