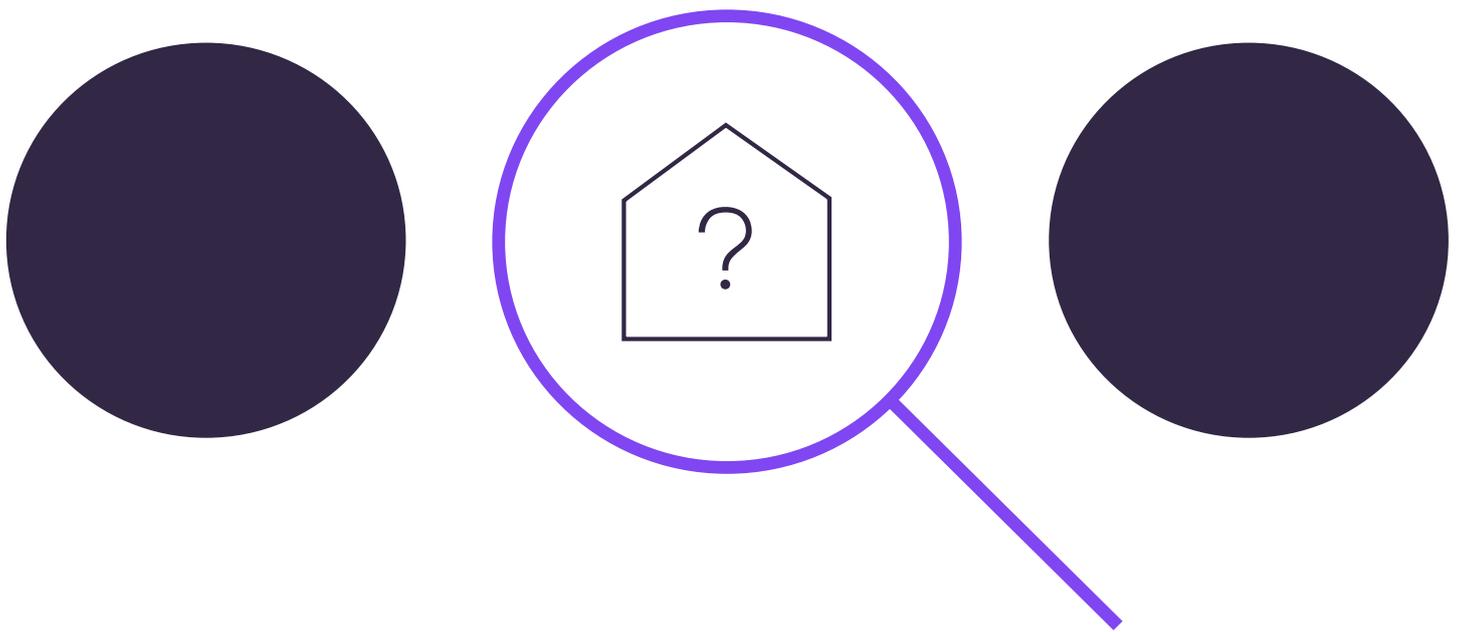


Searching questions:

What do buyers look for when searching for a new home?



Executive summary

- Zoopla analysis shows that across the new homes market detached homes are the most searched-for type of property, and off-road parking is the most popular property attribute among those looking for a property across the UK.
 - Over the last two years, these have been constant themes among potential home buyers but have been boosted by the pandemic and are unlikely to change once COVID ends. These are also the most searched-for terms in the wider resales market.
 - In London around a fifth of buyers using keyword search look for 'Help to Buy' - the government's equity loan scheme. However, we have seen a drift downwards since 2019 as changes to the scheme introduced earlier this year have impacted demand.
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Introduction

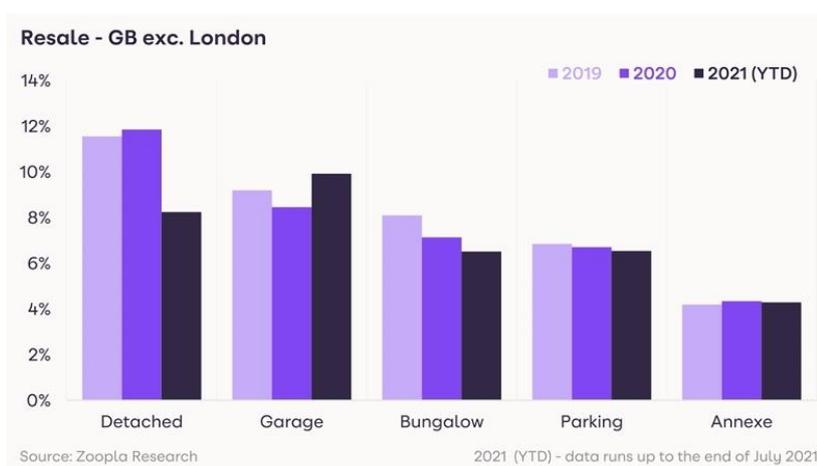
Engagement with property portals provides unique insight into what consumers are looking for from their next home. Potential homebuyers can refine their search by typing in search terms to reflect their priorities. These search terms include specific property types, property size, location and local amenities. In addition, potential buyers also search for property-specific features such as exterior and interior design and layout, including parking, open-plan kitchens, extras/incentives (such as help to pay stamp duty), and additional costs (service charges and ground rents).

Our analysis examines the most common keyword searches before, during and after the pandemic by collating buyer search data since 2019. While the number of searches using keywords in this way is relatively modest, analysis shows buyers who refine their searches with additional terms typically show higher intent to post a lead than those using more basic search criteria.

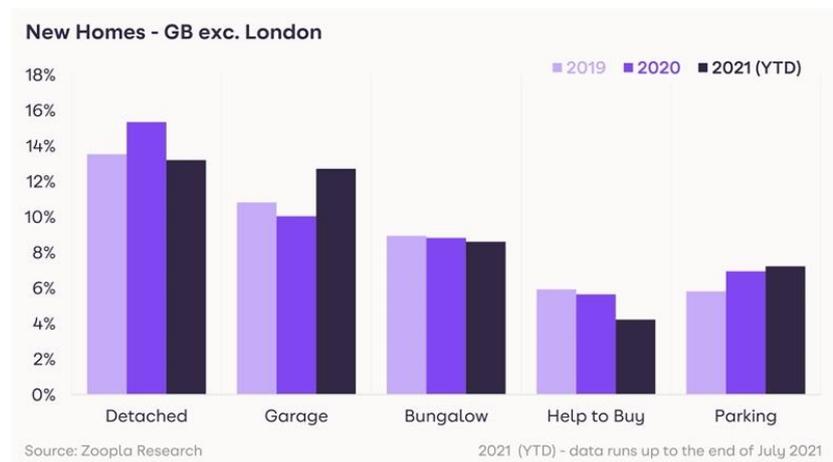
A deeper understanding of buyers' priorities enables housebuilders to adapt marketing approaches to align with consumers' expectations and gives an insight into consumer demand as they consider product mix for the future.

What do buyers look for?

The charts below show the top 5 search terms by share of all searches for resale and new homes annually from 2019 for Great Britain excluding London.



New homes and resale searches closely resemble each other in the regions outside of London; detached houses and off-road parking, such as garages and driveways, are the most common features, with new homes registering slightly higher shares than their resale counterparts.



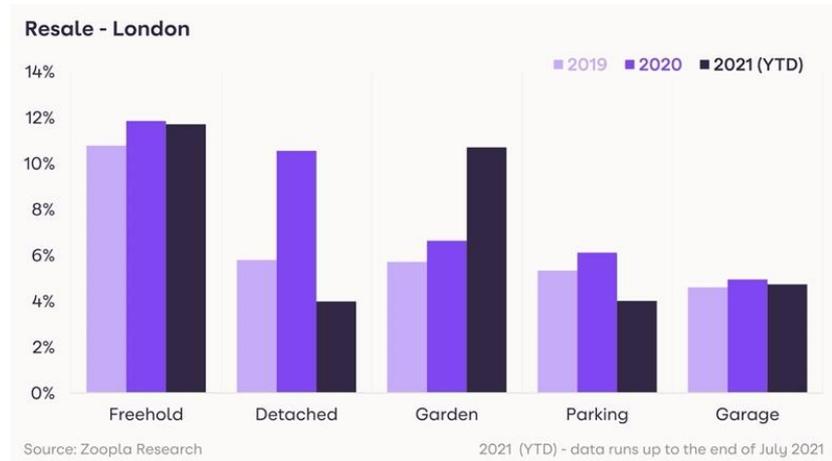
Bungalows are the second most searched-for property type across both the new homes and resale market, likely driven by older homeowners looking to downsize or find a more manageable single-storey living space.

Help to Buy remains a modest proportion of searches outside London, due to homeownership being less constrained by affordability pressures, especially in the Midlands and the North of England. The slight decrease in searches over the last two years can be attributed to the scaling back of the scheme in Scotland and price caps applied to the English scheme, and the shift to first-time buyers, from March 2021.

... and how does this change in London?

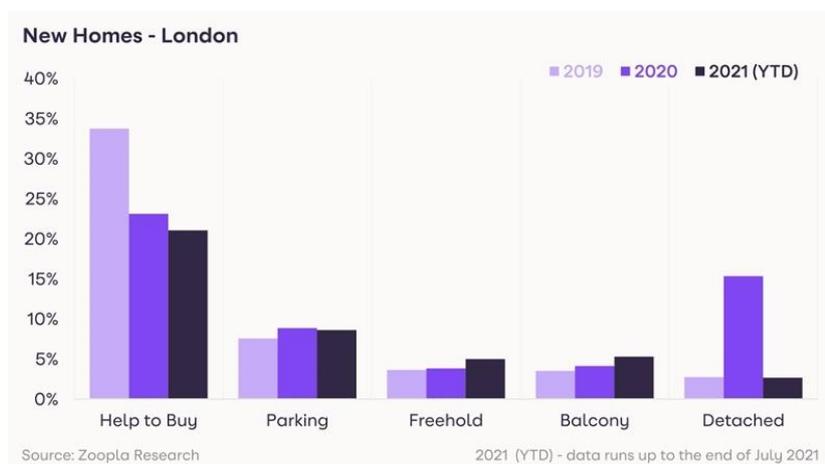
We can see the search for space was more keenly felt in London than in the rest of Britain during the pandemic, especially with the sharp rise in searches for detached new-build homes in the capital. In both the resale and new homes market, searches for detached properties in London have since fallen back to 2019 levels amid limited supply and the premium on price these properties attract.

However, the post-pandemic search for outside space continues. Searches have doubled off a low base for gardens in the resale market rising from 1.4% in 2019 to 3.0% in 2021, whilst balconies have seen a steady rise over the pandemic to just over 5%.



Searches for homes available under the Help to Buy scheme among potential buyers in London have moderated from the 2019 peak, where 1 in 3 searches were for government scheme compared to 1 in 5 searches in the current year to date. This is still significantly higher than the rest of Britain and reinforces the importance of the scheme in London, where affordability is constrained. This may be linked to the fall in first-time buyer mortgage availability over the pandemic and, as such, we would expect to see the share of Help to Buy searches increase over the year as lenders regain confidence.

Searches around freeholds for second-hand property and new homes have increased. This coincides with wider policy changes around leaseholds and ground rents.



An emerging trend?

Buyers looking for new homes are increasingly searching for virtual tours and homes with energy efficient features, the data shows. Although these searches account for a modest proportion of searches, the upwards trajectory suggests that these two features will become increasingly important.

Although searches for energy-efficient measures may fall away as regulation sees features such as air source heat pumps and solar panels become incorporated into the 'standard' new build offering, they offer housebuilders a key point of differentiation over the resale market; new homes are typically more energy-efficient and are also easier/less costly to adapt than second-hand homes.

Virtual tours are a valuable asset as they convey a more tangible understanding of the property, space and features to potential off-plan buyers as opposed to a rendered image. As such, we expect this feature to be an important consideration going forward.

How do new home search terms differ locally?

The map on the next page shows the most popular search terms for those looking for new-build home by postcode across Great Britain from the 12 months to July 2021.

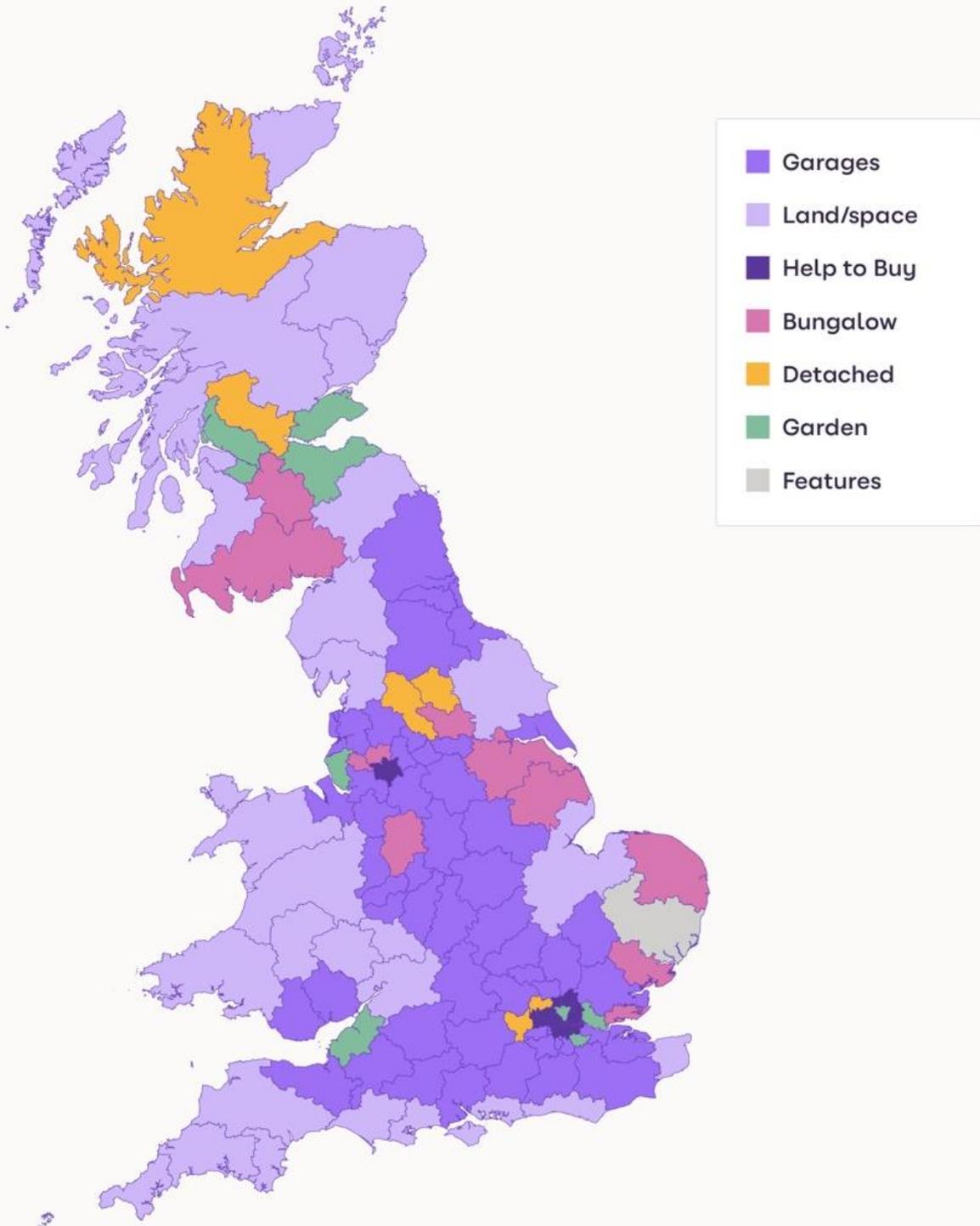
Searches for garages run almost uninterrupted from North to South, yet the nation's coast and more rural areas offer some variance. Searches for bungalows, gardens and open space suggest a strong retiree audience coupled with the rise of flexible working allowing buyers to consider new, more 'pastoral' locations as the daily commute becomes less of a concern for some households in the buying process.

In inner London, Help to Buy dominates buyers' searches, as the government scheme helps unlock affordability pressures for first-time buyers.

Moving to outer London, we can see that gardens are the priority in Bromley and Romford whilst detached homes perform strongly in Slough and Watford.

In Ipswich, searches for property features, such as home offices, modern kitchens and open-plan living areas, see most new home buyers looking for an annex, possibly to repurpose as an office space or to home an elderly relative.

Most popular new homes search terms (July 2020 - 2021)



Source: Zoopla Research

Summary

Although 'the search for space' has risen up the agenda over the last 18 months, the data shows that it has always been a priority when looking at buyers' search preferences across the whole of the market, but now brought more sharply into focus by the frustrations of lockdown and the pull of the stamp duty holiday bringing forward buyers. Our analysis signals that detached homes, gardens and off-road parking - popular features amongst new home buyers since well before the pandemic - will continue to dominate buyer searches.

As ever, the data for the London market paints a slightly different picture to the rest of Britain. Help to Buy searches continue to dominate the region for new homes, but have posted annual falls since 2019, as buyers step up searches for additional features beyond affordability such as balconies and provision for parking.

Lastly, It's notable that both resales and new homes searches share similarities, but the differences can also be instructive, especially for housebuilders keen to attract wider demand from buyers in the resales market.

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