

# Housing & Consumer demand insight

Alex Rose – Director, Corporate Agency & New Homes

**Houseful**

# New business name, a broad range of solutions

Company

## Houseful

The leader in residential property software, data & insight

Business unit

### Software

### Data & risk

### Homes

Solutions

Estate agent software

New homes software

Transaction network

Valuation and risk

Mortgage automation software

Data & analytics

Property marketing

Consumer experiences

Mortgages

Brands

alto

JUPiX

yourkeys

hometrack

CALCASA®

ZOOPLA

PrimeLocation

Mojo

# Industry Headwinds

1.

## **Operational & economic**

Build & operating costs continue to rise but house prices remain flat

Buyer affordability and mortgage interest rates temper demand

Cost of building finance & overall margin squeeze

2.

## **Policy**

Planning system – LPA's not progressing local plans

Nutrient Neutrality locking up an estimated 145,000 plots

Building Safety Act – impact on development viability, urban and SME builders

New Homes Quality Board

3.

H

## **Government**

Upcoming election TBA

No support for housing in Spring Budget

Competition Markets Authority

# Market data

Housing market is resilient with demand metrics moving in the right direction

- Sales agreed up 9% year on year
- 58% (7/12) regions of the UK seeing House price growth
- Supply of homes for sale currently 20% higher than 12 months ago
- Average asking price achieved is 96.1% (up from 95.5% in Q4 2023)

9%

H

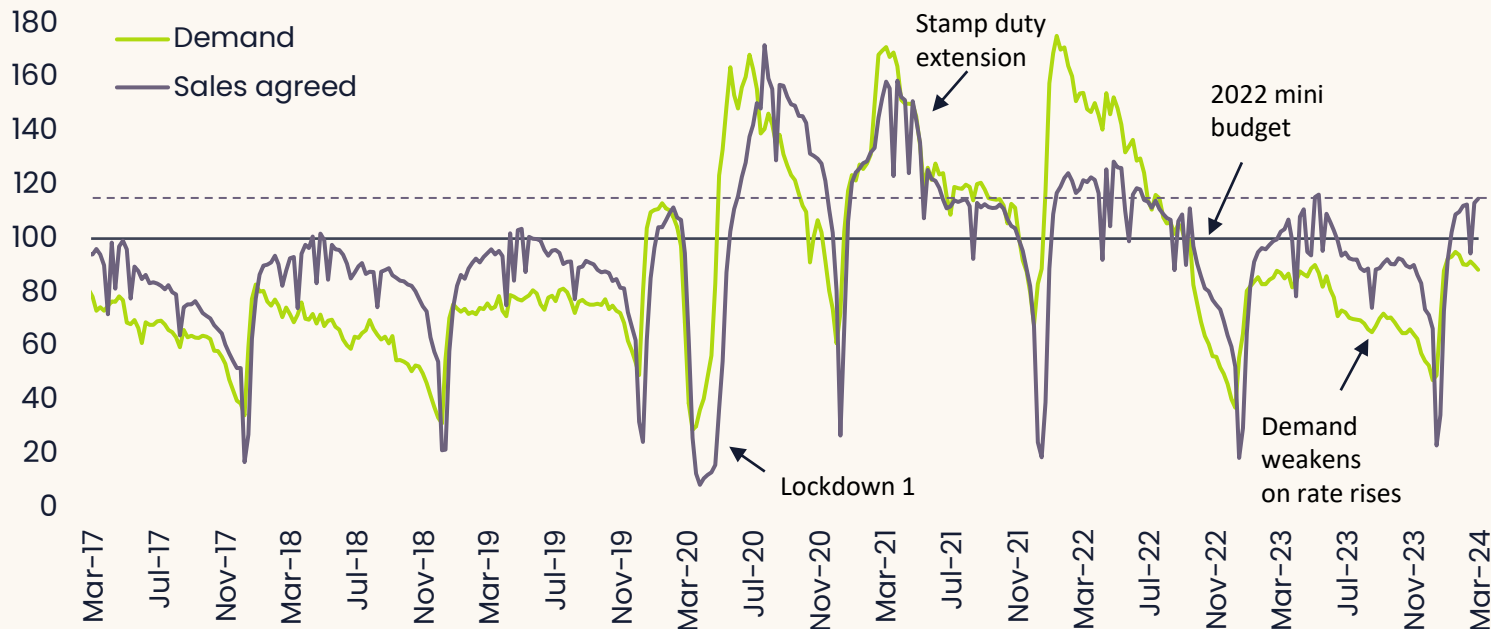
58%

20%

96.1%

# Sales agreed running ahead of March pre-pandemic levels

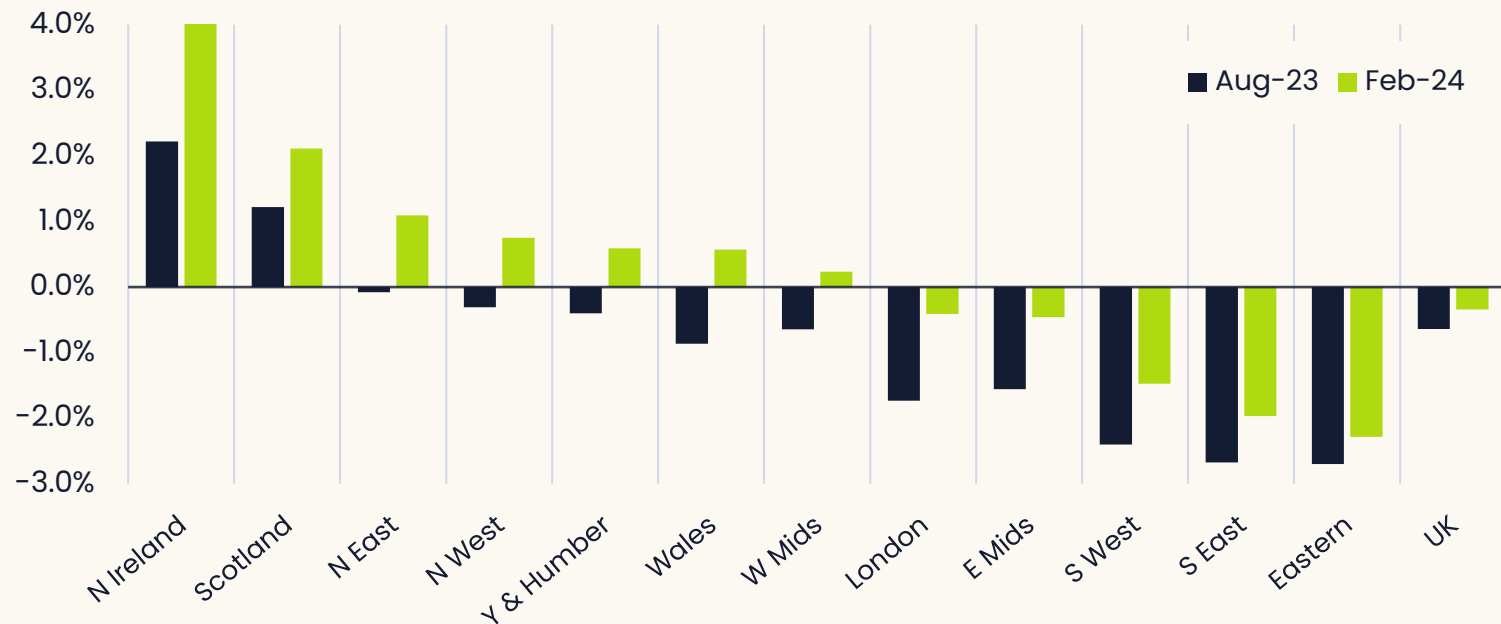
**Sales demand and sales agreed index – rolling monthly – 5yr average = 100**



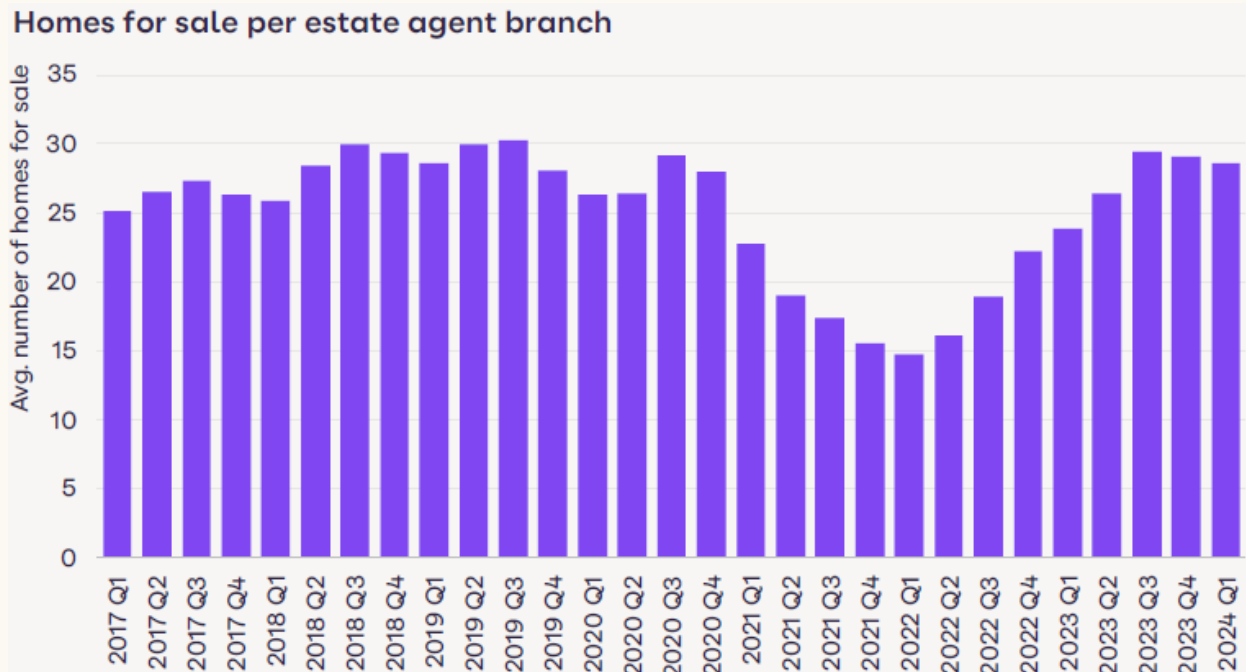
Source: Zoopla Research - Demand is specific, single consumer enquiries regarding homes for sale on Zoopla, sales are homes sold subject to contract - both measures are on a monthly average on a per estate agency branch basis

# House price inflation remains negative in southern England

House price inflation by region and country %yoy

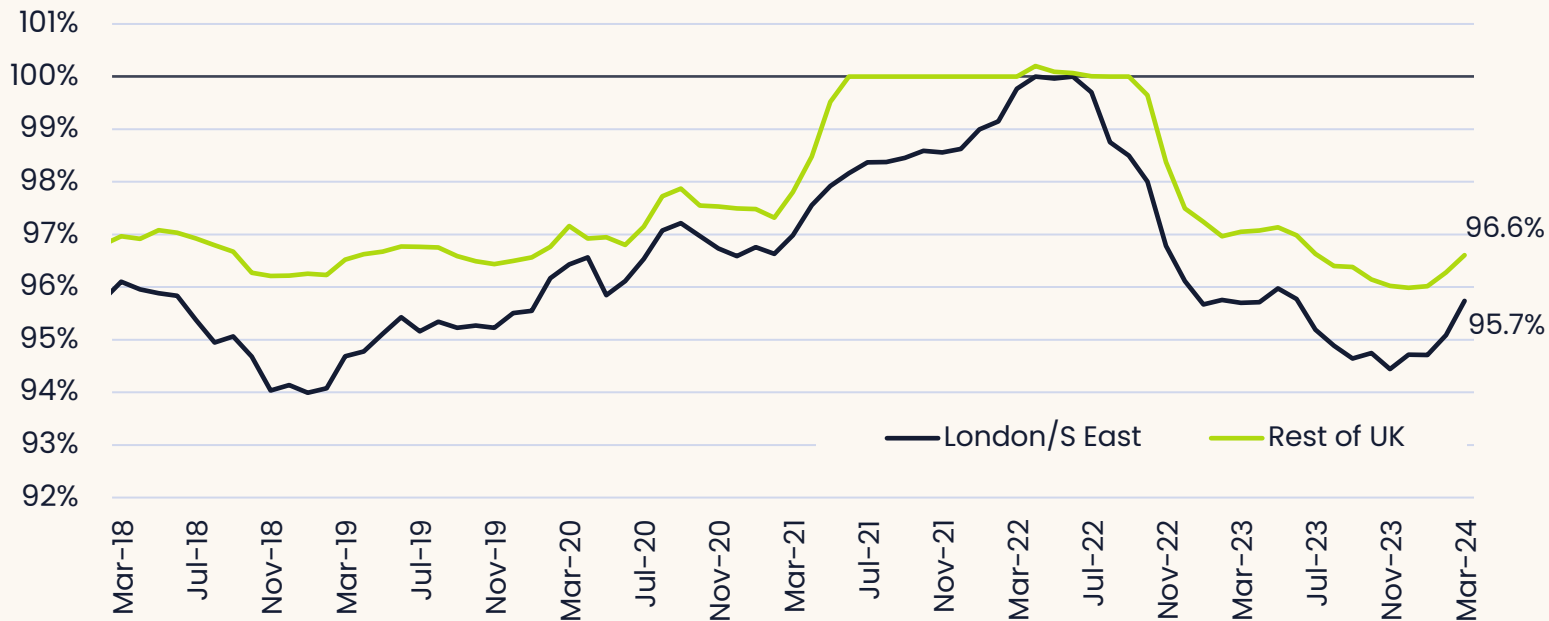


# Greater choice for buyers keeps pricing in check



# Still a buyers' market but sales prices stabilising

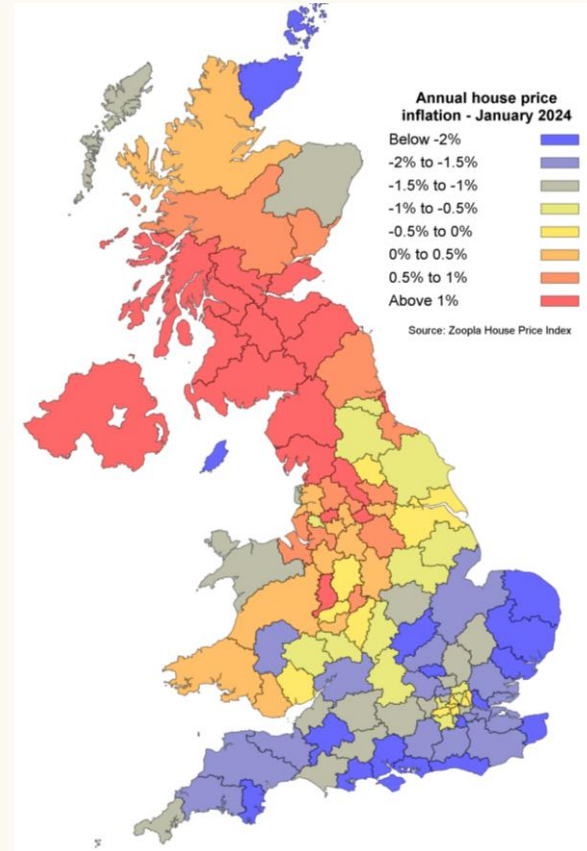
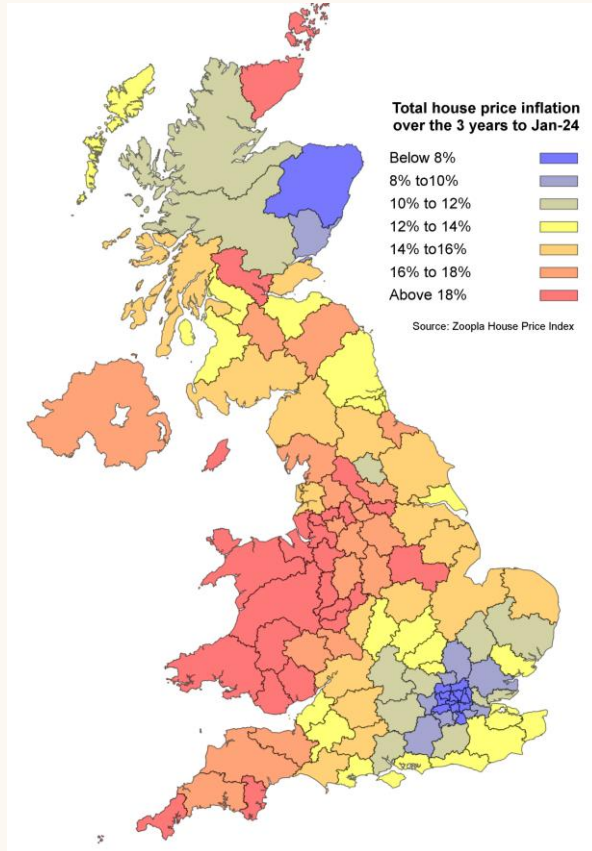
% of asking price achieved



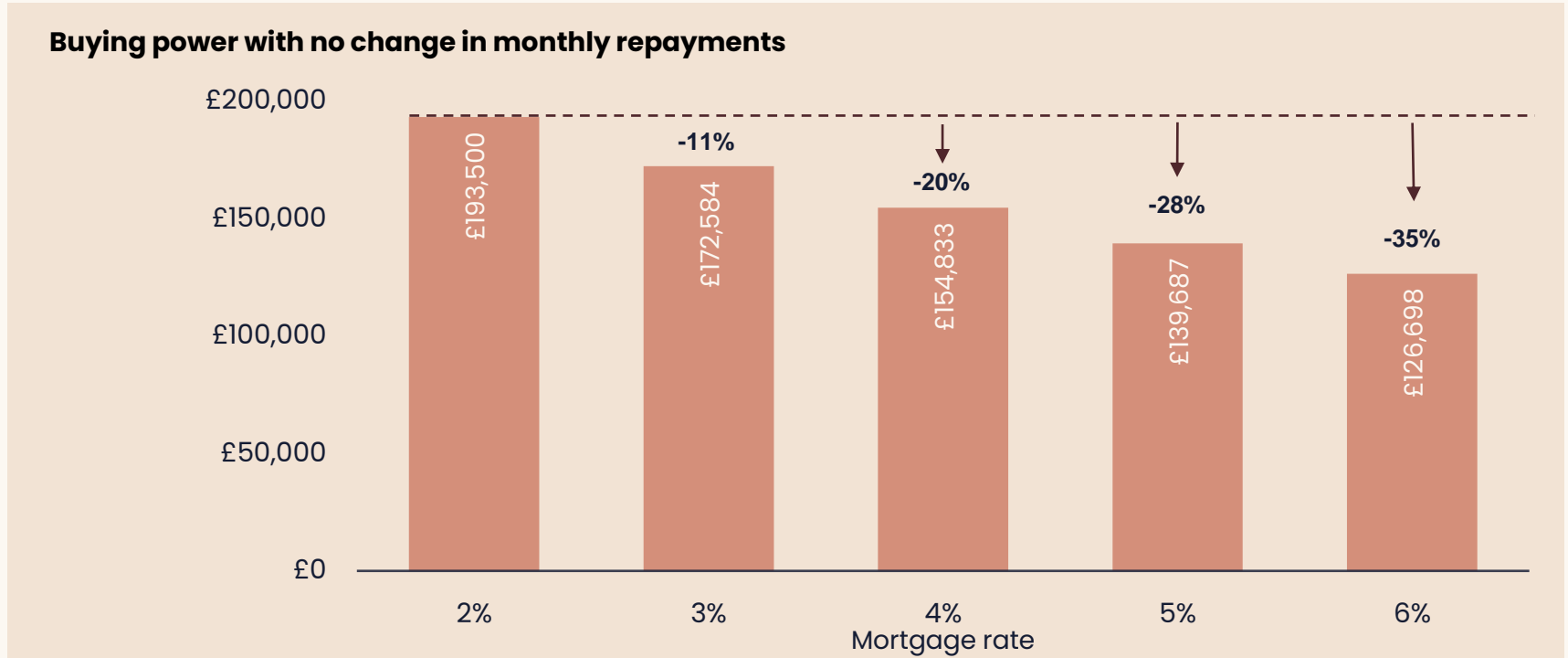
Source: Zoopla Research / Hometrack analytics



# House price inflation over last 3 years and 12 months

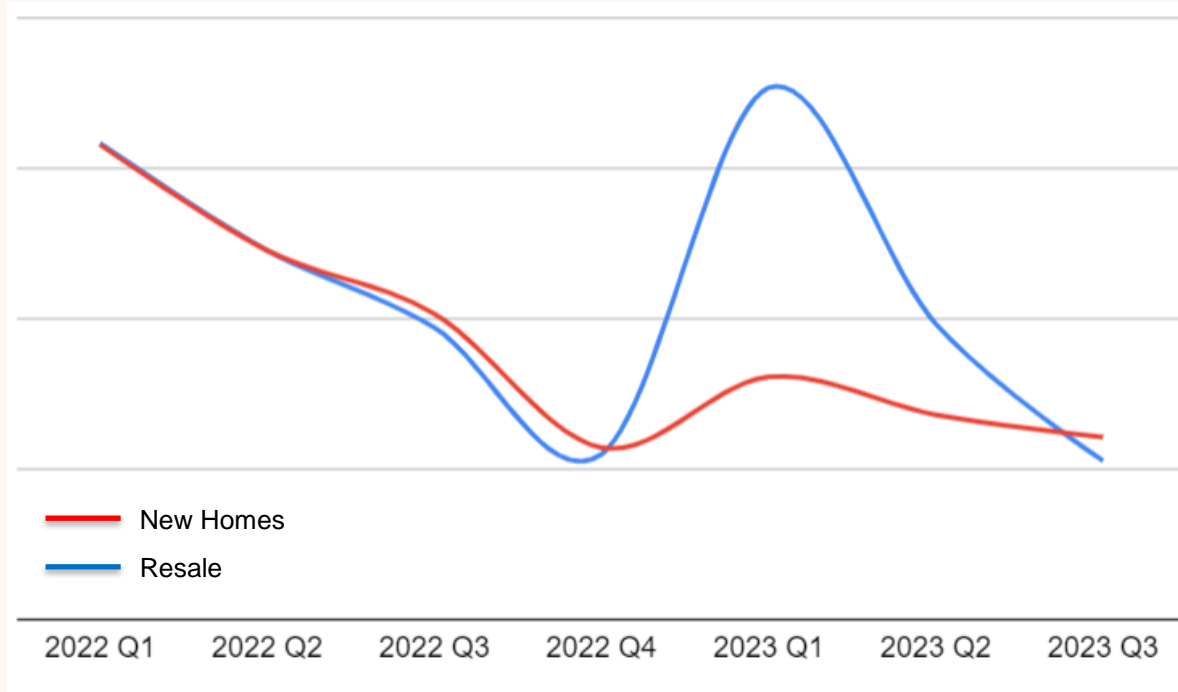


# The impact of higher interest rates



Source: Zoopla Research - resale

# Demand for New Build versus Resale

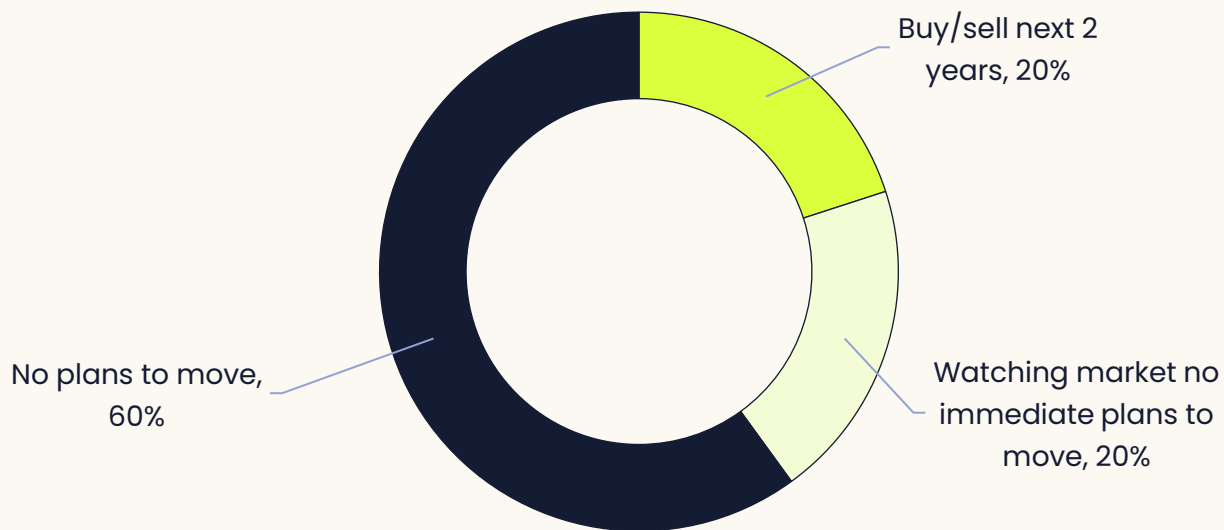


Three factors impacting demand

1. End of Help to Buy
2. Affordability
3. New Build premium

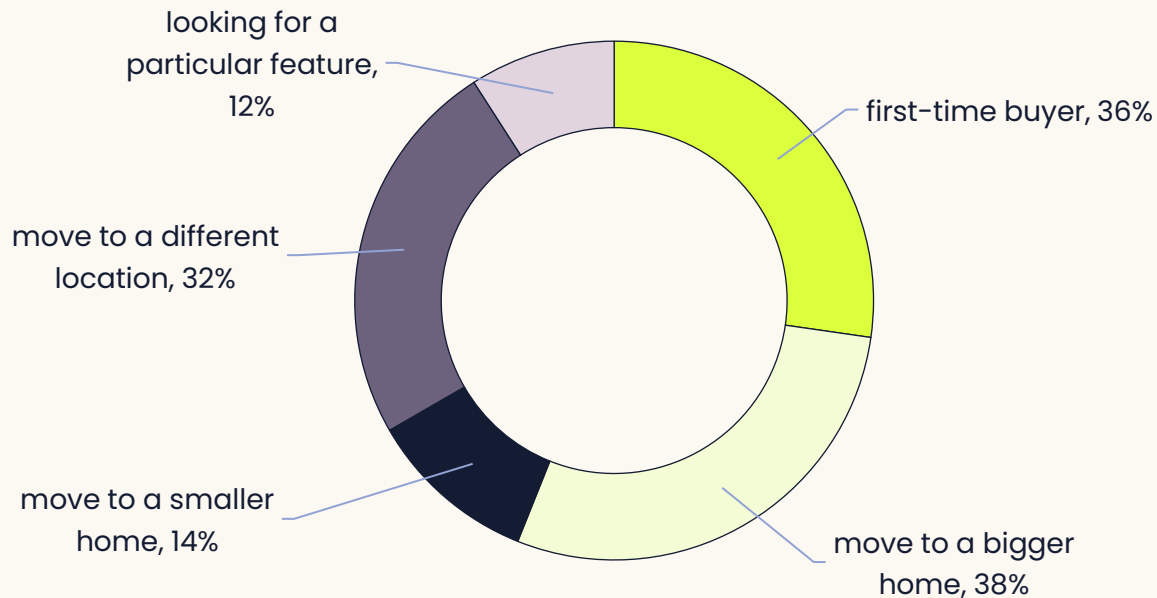
# 20% of population want to buy/sell a home in next 2 years

## Profile of the population by intention to buy/sell in next 2 years



# FTBs and upsizers key buyer groups – what hooks/motivations? H

## How today's would-be buyers (next 2 years) describe their status/requirements



### **'Location seekers'**

Jump in households looking to move to a new area over last year

### **'Upsizers / bigger homes'**

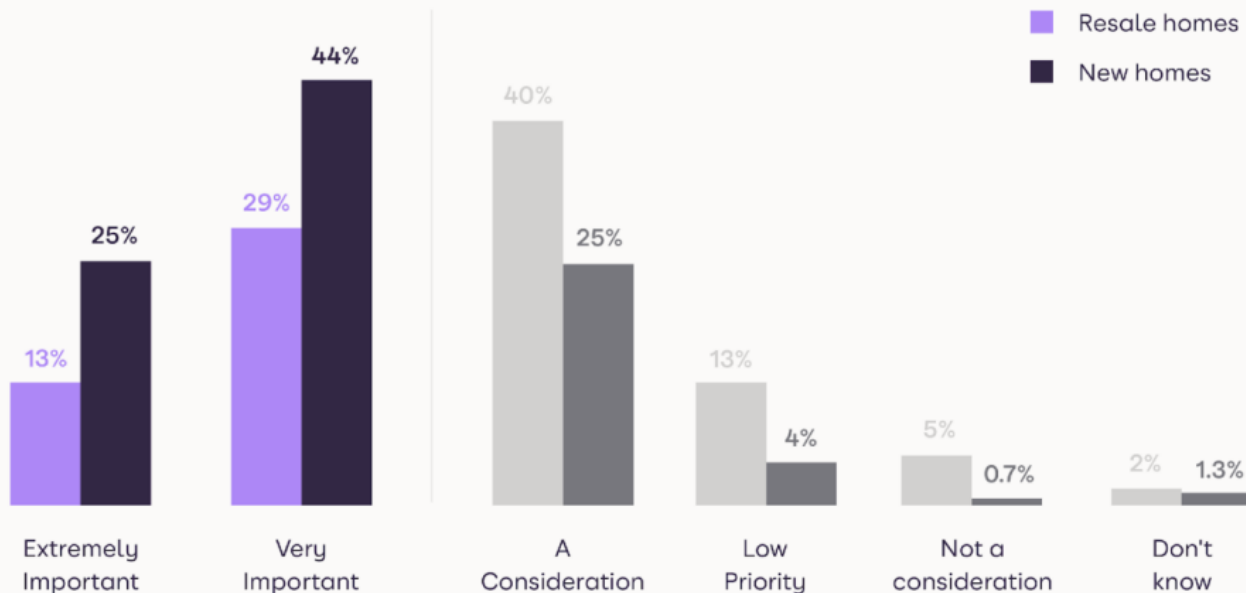
32% want to move location i.e. move out of area

### **'Feature seekers'**

12% want to move to another location to get what they want.

# The value of green credentials of new homes

How important is the energy rating of a property when buying?



Source: Zoopla Research

# Three areas where your sales & marketing teams can<sup>H</sup> have an immediate impact



## **Identify**

How to reach in market buyers?



## **Qualify**

Asking the right questions

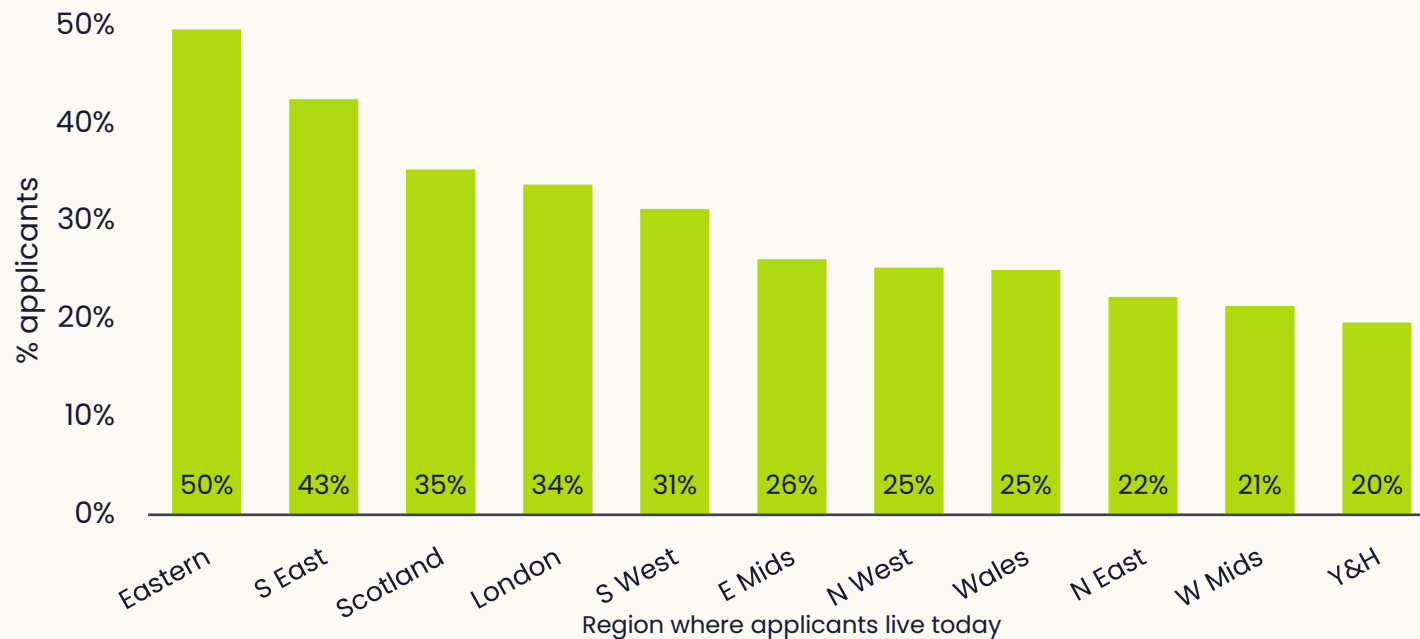


## **Experience**

Stand apart from competition

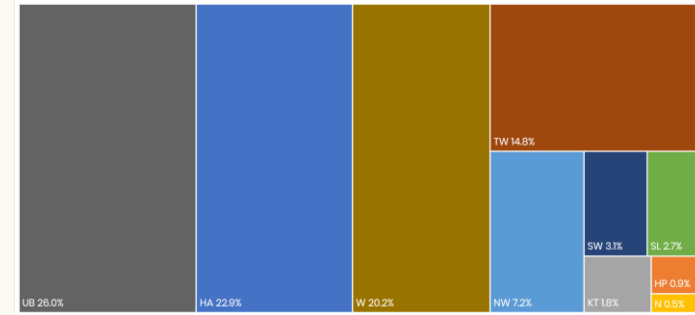
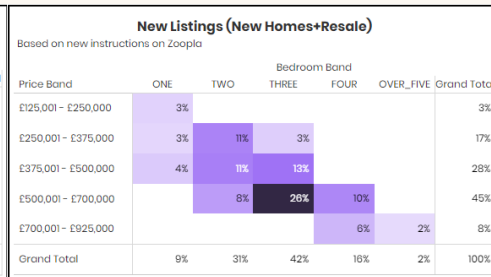
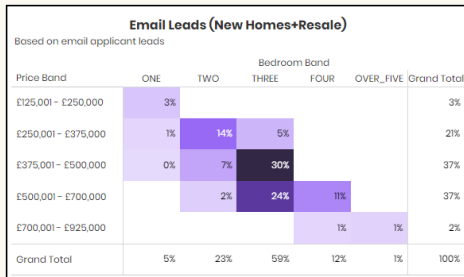
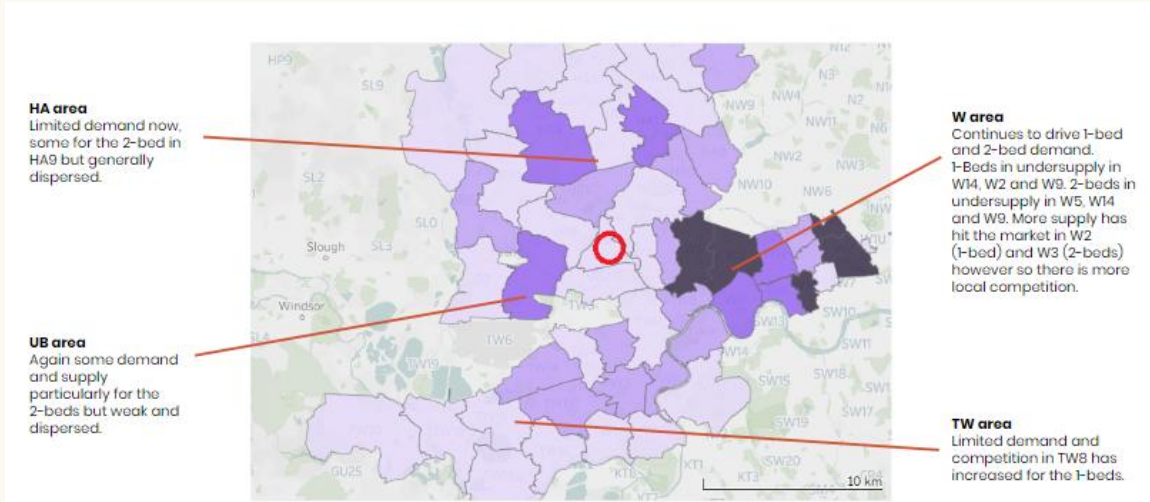
# Buyers looking further afield in face of affordability pressures

## % applicants looking >10 miles from where they live today

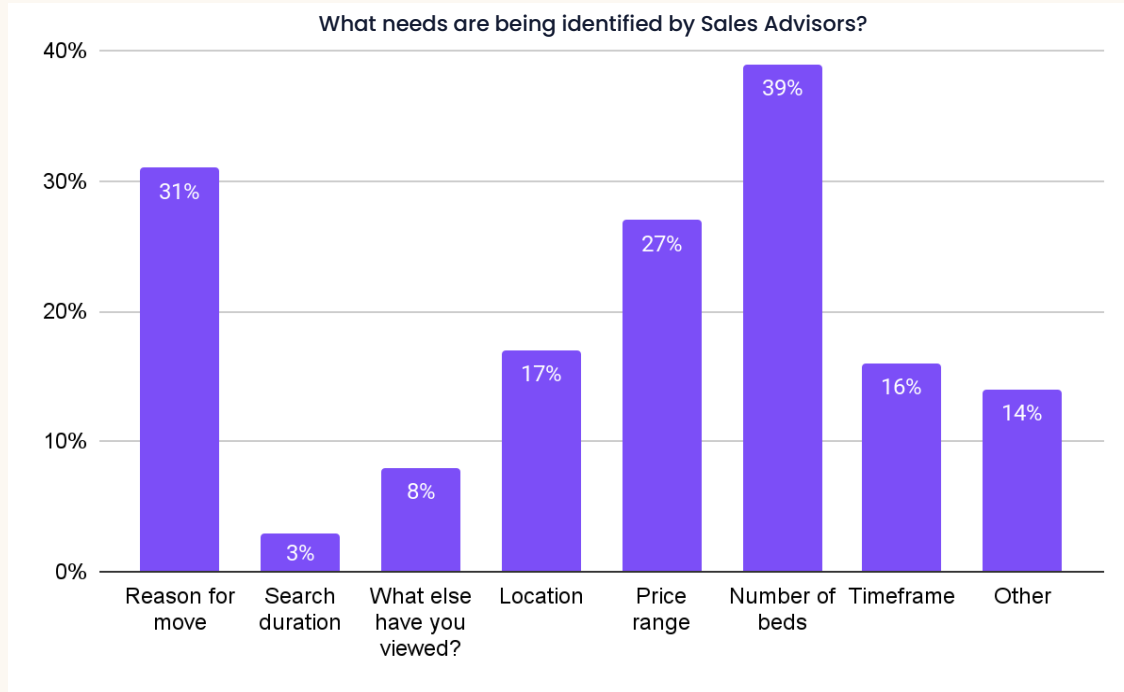




# Identify



# Qualify



## 31%

Of callers were in no chain either FTB's (27%) of Investors (4%)

## 29%

Of callers had an agreement in principle for the purchase value or cash finance in place

# Experience

## Today



## Tomorrow



“the uber map is a psychological moonshot, because it does not reduce the waiting time for a taxi but simply makes waiting 90% less frustrating”

— Rory Sutherland, *Alchemy: The Surprising Power of Ideas That Don't Make*

Sense



# Summary



## Macro challenges remain stable

- High interest rates impact affordability for high LTV borrowers
- Geo-political environment
- Inflationary & Income measures improving

## Housebuilders

- Motivated buyers exist but the industry needs to invest & level up it's experience for buyers
- Aim to reach new cohorts of buyers that are in market today – 44% demand for New Build comes from >10 miles
- Value of green credentials

## Outlook

- 20% of UK population want to move in next 24 months
- Renting more expensive than buying in many markets – Scotland, Wales, Northern England & Midlands
- Buyers unwilling to compromise

The leading software, data & insight business in  
residential property

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