

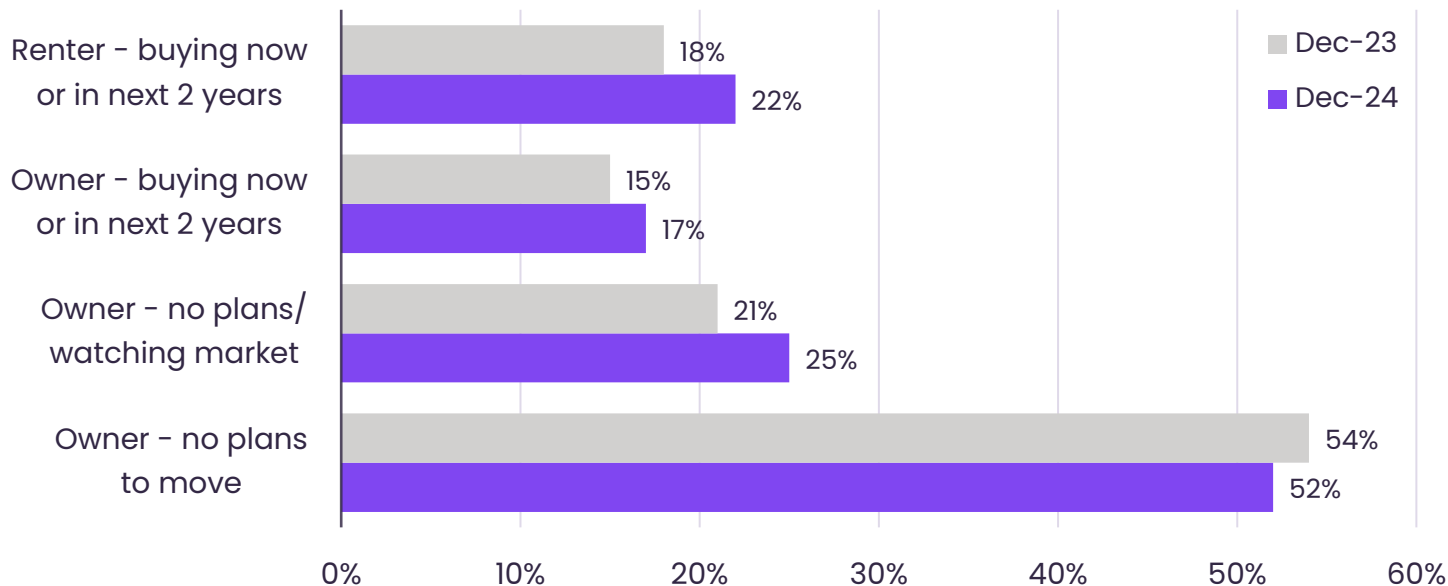
The housing outlook and unlocking greater delivery

Richard Donnell – Executive Director

27 March 2025

More households want to move home in 2025/26

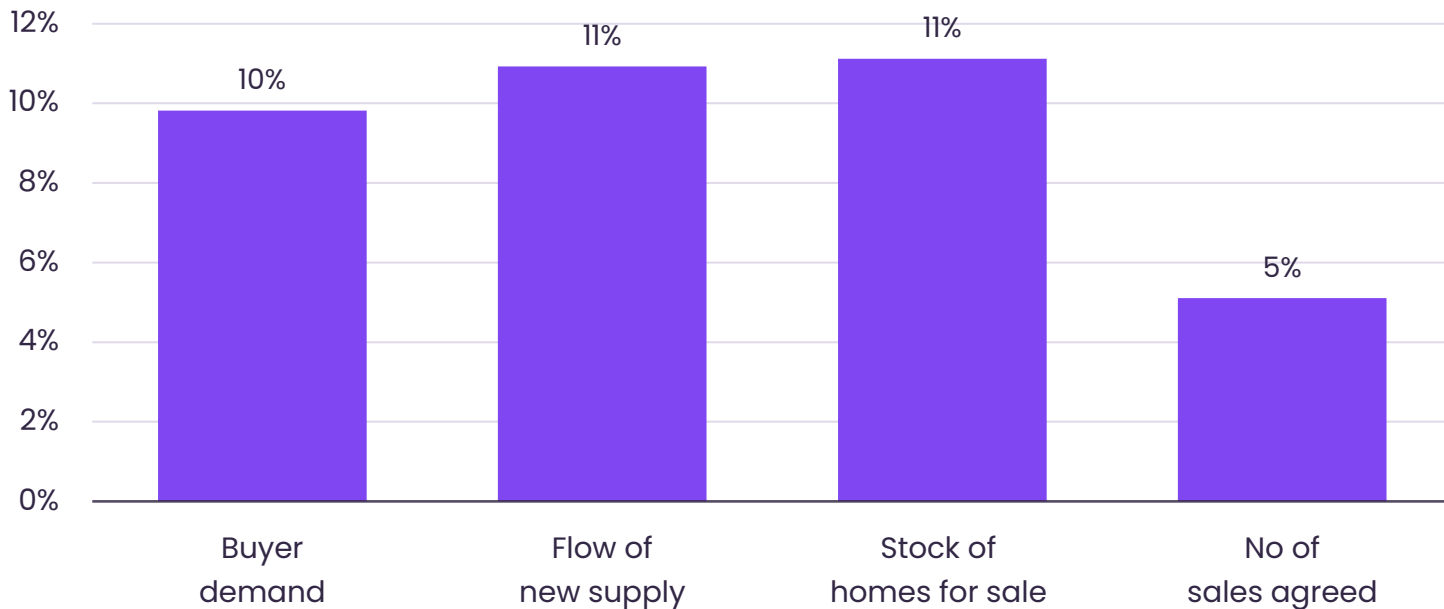
Next 2 year buying intentions by household type



Source: Zoopla Consumer Tracker, December 2023/2024

Market metrics are up across the board on a year ago

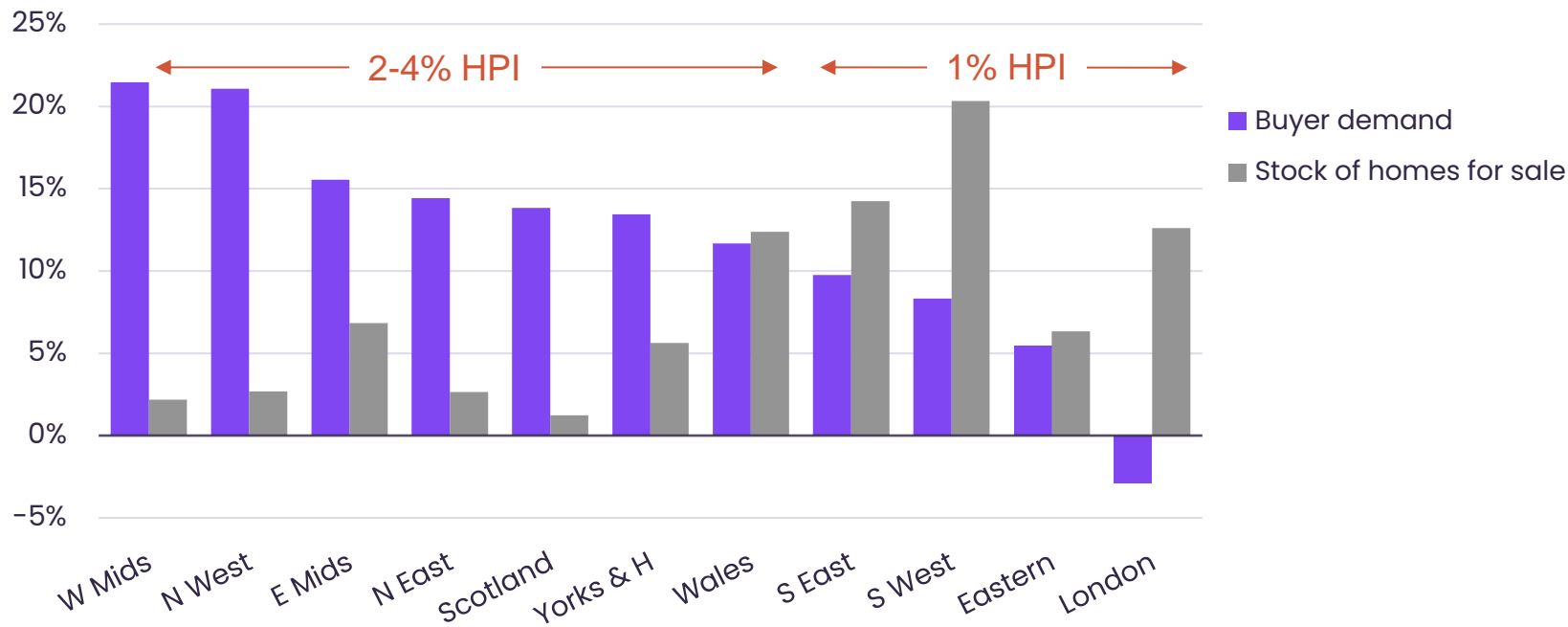
UK housing sales market metrics % year on year



Source: Zoopla Research

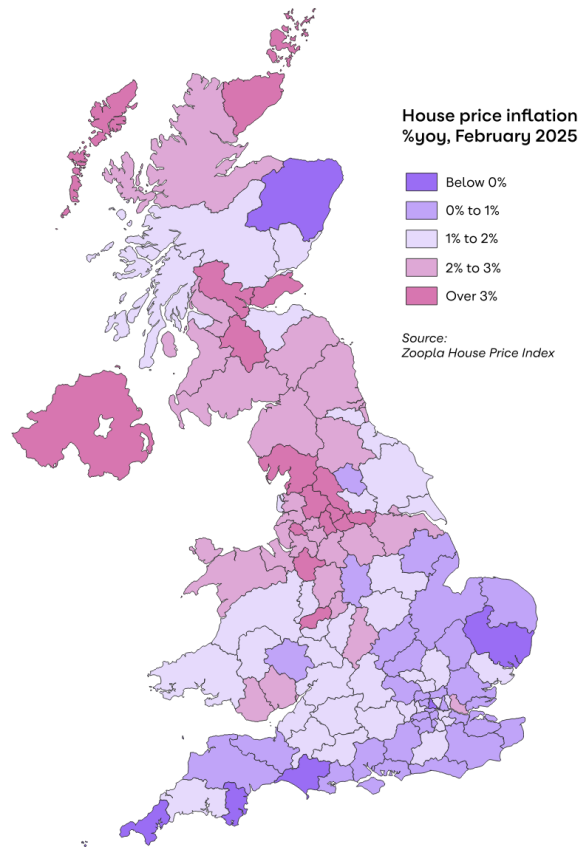
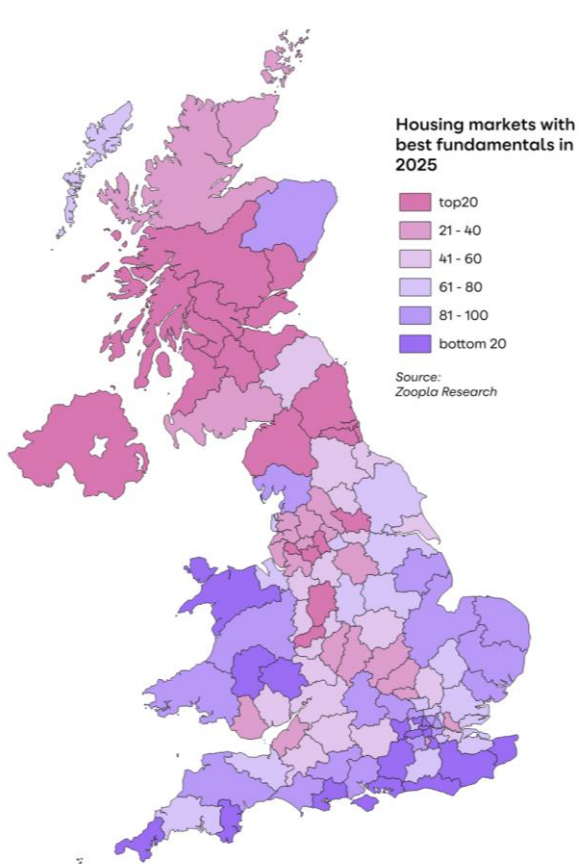
Varying patterns in demand and supply across the country

Changes in demand and stock of homes for sale (% year on year)



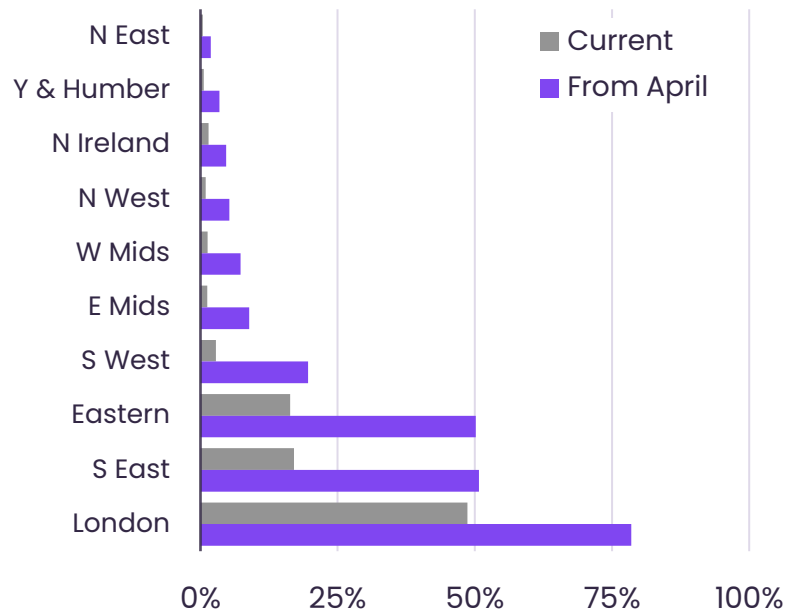
Source: Zoopla Research – 4 weeks to 16 March v same period in 2024

Better prospects (prices & sales) in more affordable markets

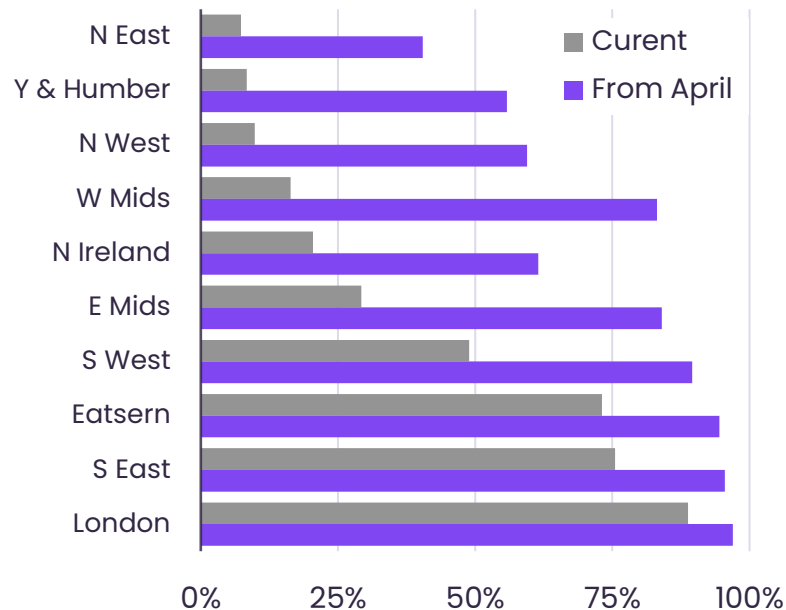


Stamp duty impacts varied by area and buyer type

First time buyers paying stamp duty



Home owners paying stamp duty



Source: Zoopla Research

Affordability a drag on pricing & activity in southern England

ZOOPLA | Powered by Houseful

Research and Insight
Autumn 2024

Can rent; can't buy

The affordability of renting and buying for workers across Great Britain

October 2024

40%

Full time workers unable to afford a 2/3 bed home

27%

Full time workers unable to afford rental costs

147

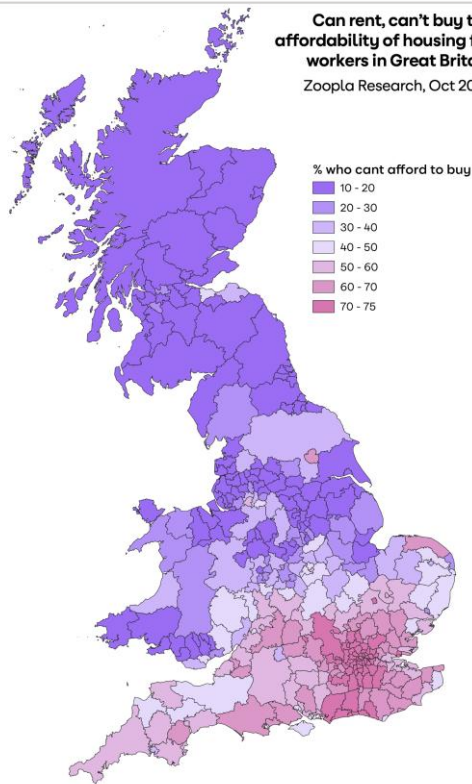
Local authorities where >50% of workers can't afford to buy

Summary

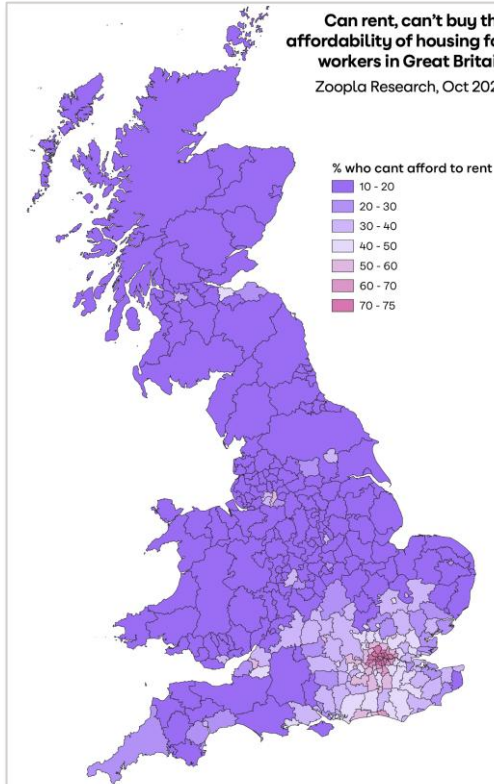
- New, comprehensive assessment of housing affordability to rent and buy for workers in Great Britain
- 40% of full-time workers can't afford to buy an average priced 2 or 3 bed home, 60% can
- 147 local authority areas where >50% of workers can't afford to buy, mostly in southern England
- Lack of smaller 1 and 2 bed homes to buy compounds unaffordability of home ownership
- Renting is more accessible than buying, 73% workers can afford rental costs
- London and its hinterland is the most unaffordable for renting, hitting middle income earners
- Rising rents and house prices in major cities are resulting in a worsening in housing affordability
- Single earners are at a huge disadvantage, with 57% unable to buy and 43% unable to rent
- Options to improve affordability and access to housing are limited and require compromises
- Three focus areas to improve affordability are 1) expand supply of smaller homes to buy, 2) increase rental supply (private and social) and 3) develop a market for long term fixed rate mortgages.
- The narrative on growing housing supply must move on from a numbers game to the types and tenures of homes that will improve access and support economic growth and labour mobility.
- Without action market forces will continue to shape access to housing with the biggest losers being workers on single or low incomes and in housing need.

Richard Donnell – Research Director

Can rent, can't buy the affordability of housing for workers in Great Britain
Zoopla Research, Oct 2024

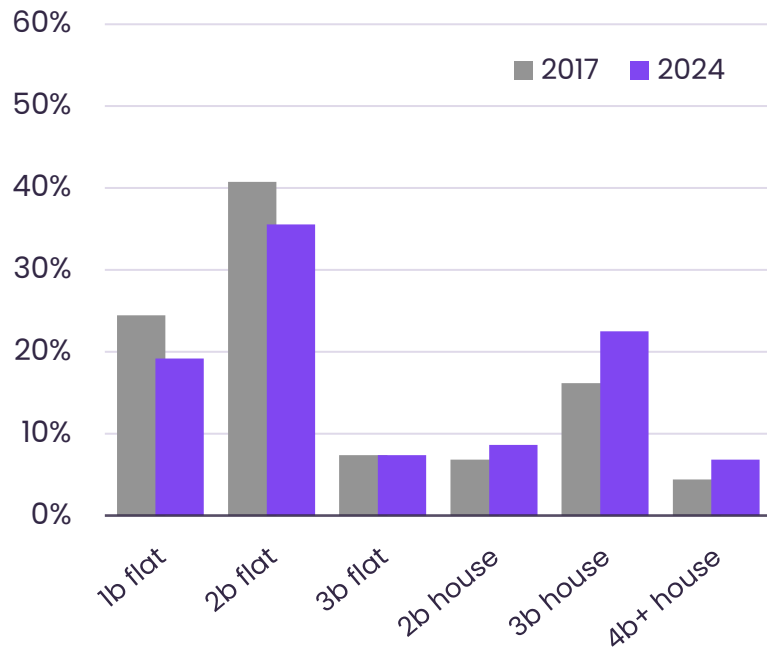


Can rent, can't buy the affordability of housing for workers in Great Britain
Zoopla Research, Oct 2024



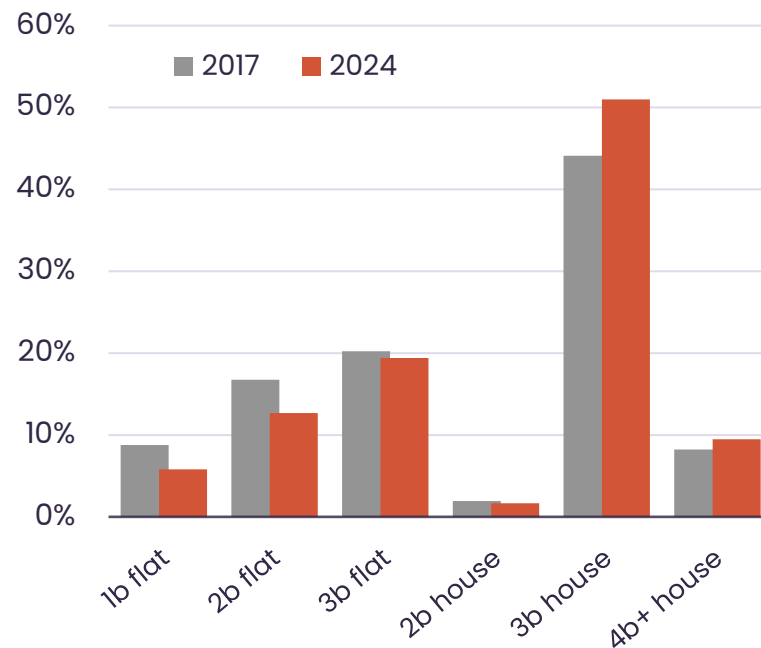
First time buyer demand shifts towards houses

First time buyer demand - London



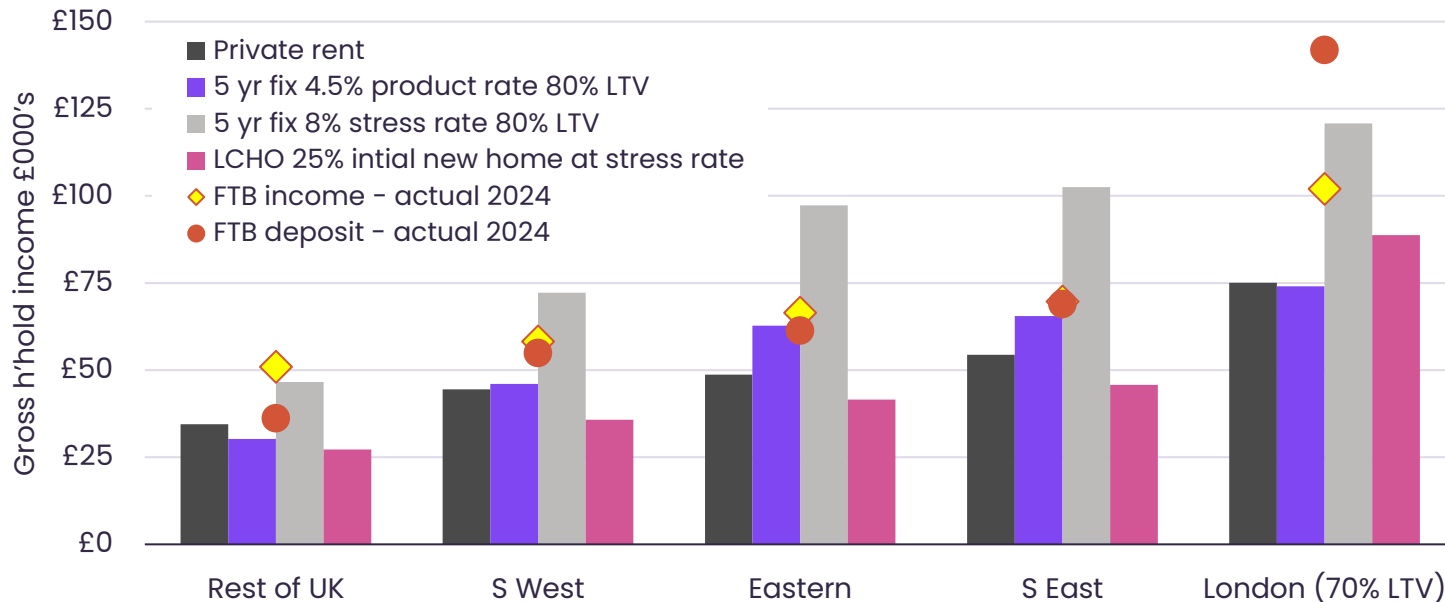
Source: Zoopla Research

First time buyer demand - GB ex London



Affordability – regulatory loosening to support demand?

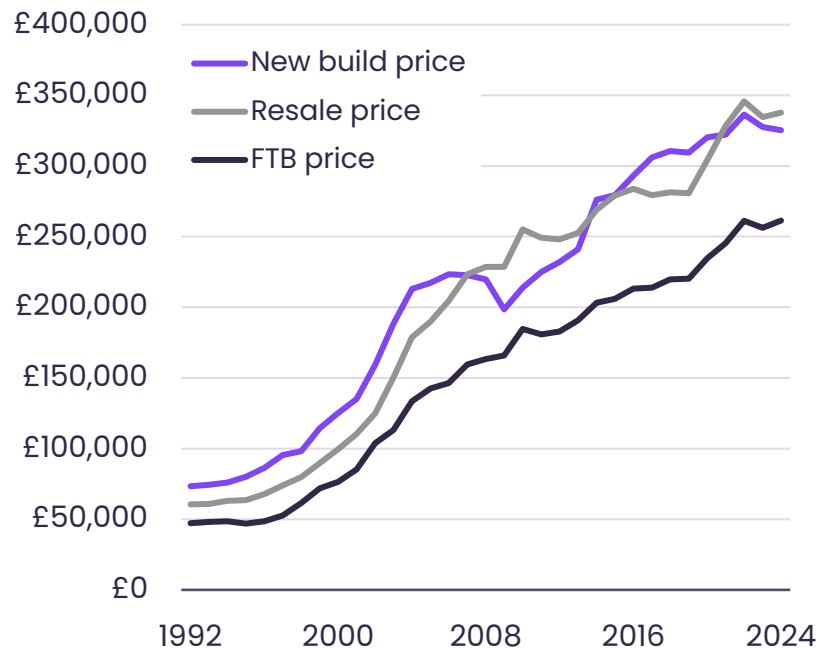
Gross income to rent and buy a typical FTB priced home (80% LTV)



Source: Zoopla Research calculations using actual rents and FTB home prices and average new home values; FTB deposit/income data from ONS

New build values have been adjusting over last 3-4 years

Residential property values (ONS index)



Source: Zoopla Research

2024 relative £ pricing levels

Region	New build v resale pricing	New build v FTB pricing
London	-36%	-15%
S East	-12%	22%
S West	-8%	22%
Eastern	-6%	23%
W Mids	8%	36%
E Mids	8%	36%
N West	13%	43%
Yorks & H	17%	49%
Wales	27%	55%
N East	35%	67%
Scotland	51%	89%
GB	-4%	25%

As sales prices have adjusted ...

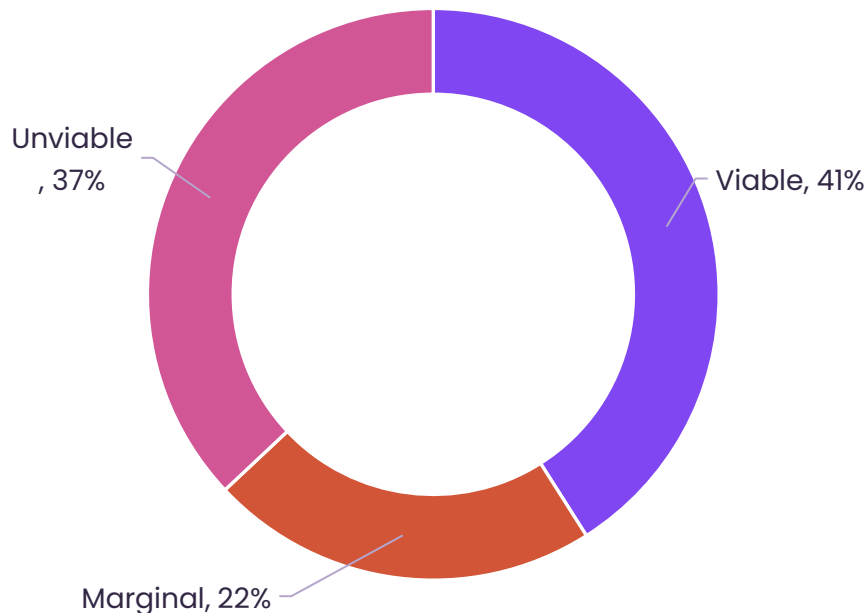
... direct costs have risen fast

... compounded by regulations

Reducing where development is viable

What % of country can sustain viable housing development?

% of English LAs where all in cost of development is below sales values



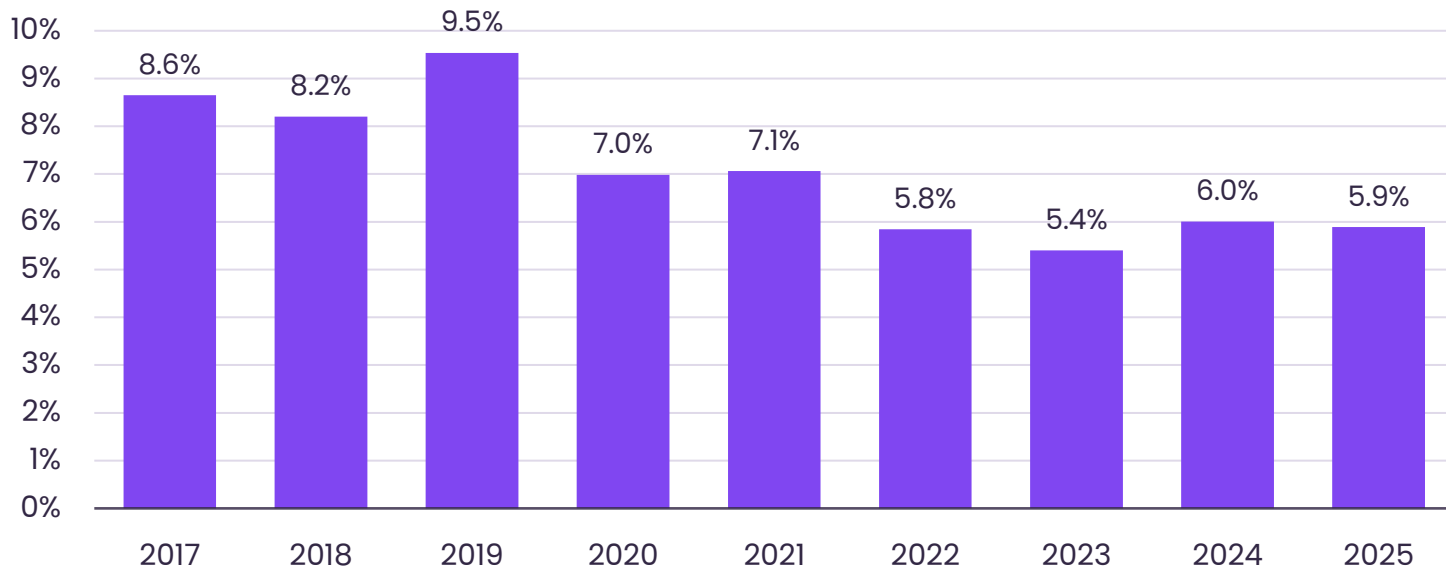
Further variance in profile by

- How far to push sales prices while maintaining volume growth
- Underlying strength of sales market
- Land availability
- Planning constraints

Source: Zoopla Research

Visibility – new homes as % all sales listings

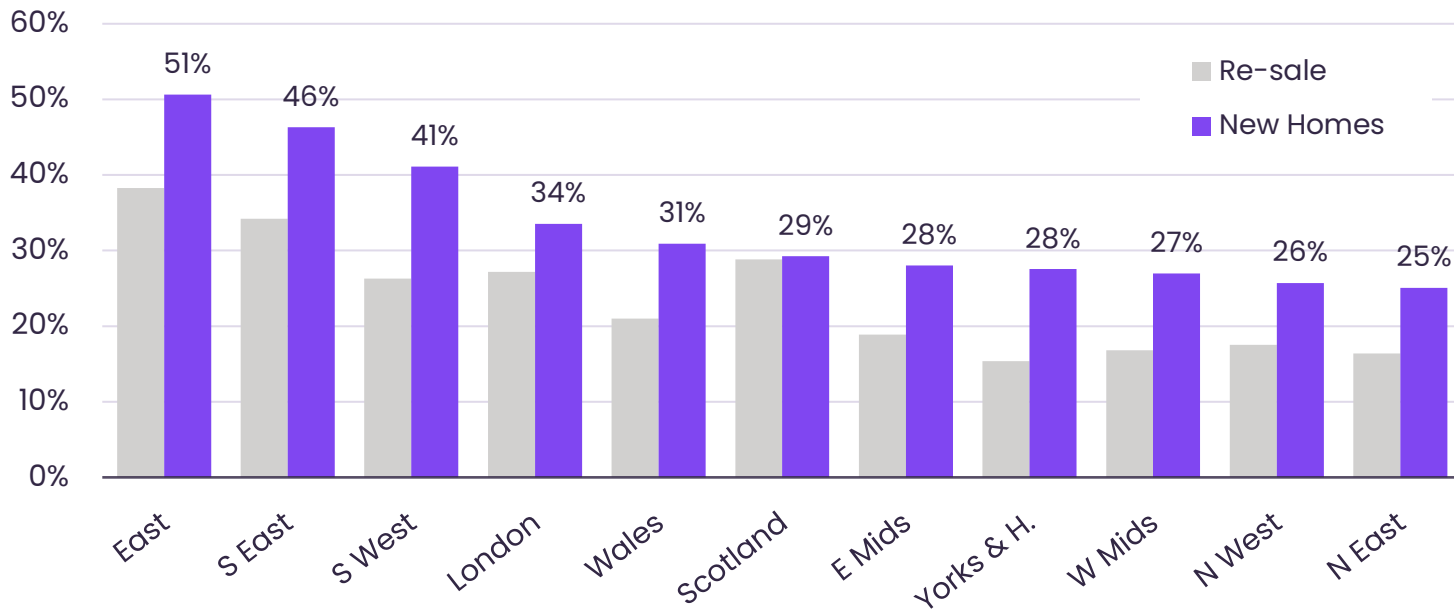
Developer new homes listings as a share of all listings (ex EA new homes)



Source: Zoopla Research

Reach – new homes buyers look further with bigger budgets

% of buyers looking to move >10 miles for their next home – new homes v re-sale



Source: Zoopla Research

Summary

- Plenty of demand for homes limited by need/affordability trade off
- It will take years for viability to improve if left to market forces alone
- Improved mortgage affordability likely in 2026
- Roll back regulatory costs
- case for very targeted demand side support
- Private sale remains most important sales channel – widen reach and visibility