

New Homes Index

Scotland is
the UK's luxury
new home hotspot

£333,831

Average new home
asking price

48,419

New home
buyer searches

Executive Summary

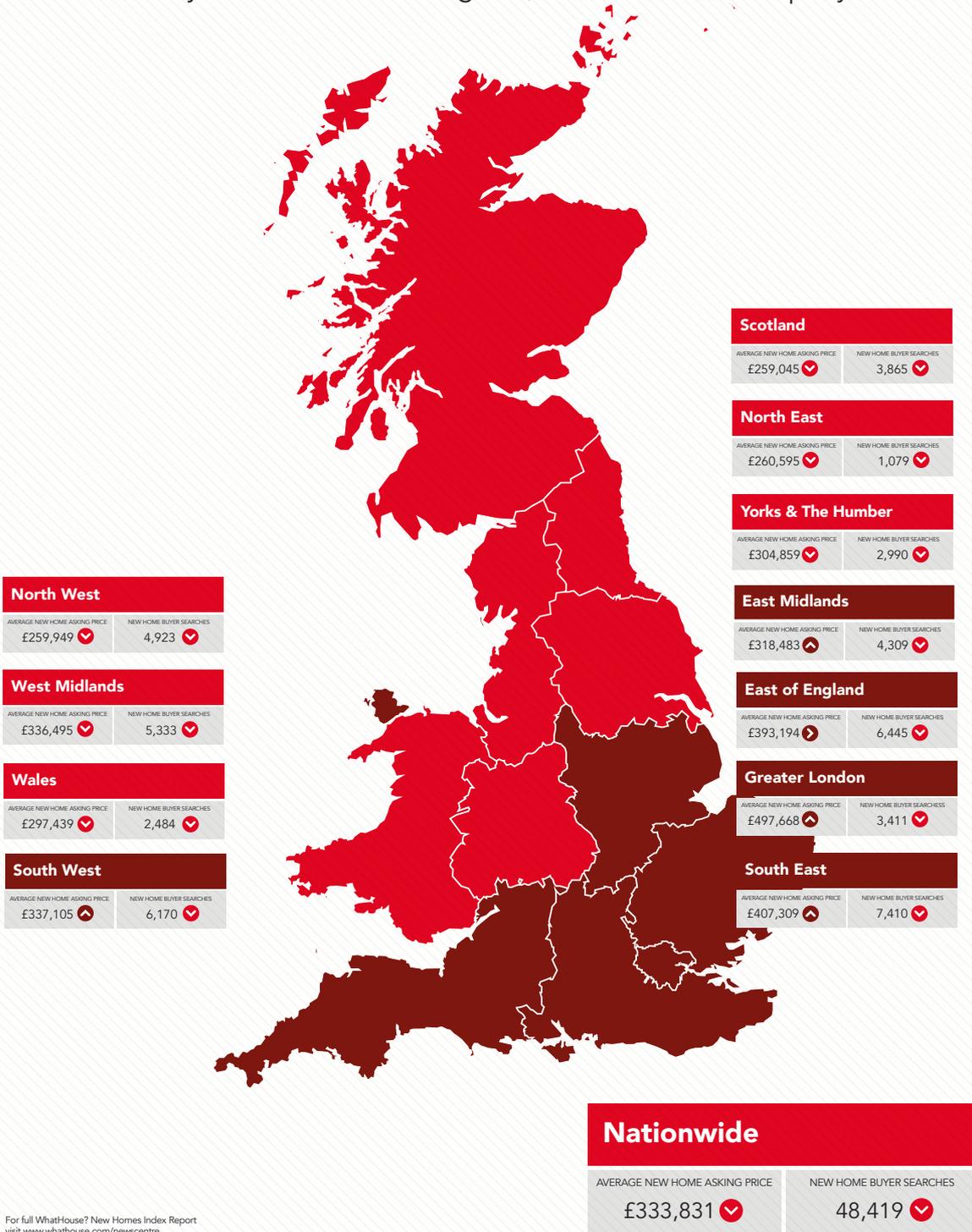
- The national average price of new home property coming to market has decreased slightly this month to £333,831 (down -1% from £336,461 in January). The average price of a new home in the UK is now 4% lower than a year ago.
- More new home hunters are searching for properties in South West of England (+13% search increase) and North West of England (10% increase).
- Top three new home search areas during February 2022:
 1. **South East of England** —
7,410 new home buyer searches.
 2. **East of England** —
6,445 new home buyer searches.
 3. **South West of England** —
6,170 new home buyer searches.
- Buyer interest in luxury homes across Scotland hit a new record after experiencing an up tick in search of 67% during February.
- Buyer interest in Help to Buy properties has faltered, decreasing by 13% across the UK in February.

WhatHouse? Awards 2021 Best House: Hill.



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

February’s data is no surprise, as the second month of the year reveals the early impact of rising interest rates and cost of living. The whathouse.com data suggest that the cost of living is already affecting many people’s finances, especially first-time buyers who may have previously used the Help to Buy scheme as a way to get on the ladder. However, the data right now shows that ‘forever home’ hunters remain confident. It seems that as the final legal restrictions end people are putting into action long-planned lifestyle changes. And, having taken the opportunity to save over the past twenty-four months, are now using their strong position to step-up to a luxury new build home.

The average price of new build property coming to market levels this month (-£2,630) to £333,831. While there remains a mismatch between home hunter search and the supply of available new homes, we are seeing signs of a more balanced market as only the North

West and South West of England report significant deficits. The number of new homes listed by house builders, particularly in London - up by 28% - is providing much-needed fresh property choice at a time when the second-hand homes market is still very short of available stock.

Looking to the usually buoyant spring home-buying season, with borrowing costs rising and mortgage lending becoming tougher, we may see a further decrease in first-time buyers using Help to Buy to enter the market. However, as businesses settle into hybrid working patterns, we expect to see a continued uplift in ‘forever home’ hunters who now feel confident to make permanent changes to lifestyle, within comfortable commuting distance of their workplaces.

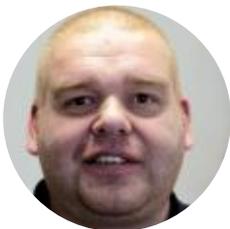
This sets housebuilders up for unique market conditions that look set to continue into the spring/summer peak of 2022.



Top 3 Demand Growth Regions – February 2022

South East of England	East of England	South West of England
7,410	6,445	6,170
New home buyer searches	New home buyer searches	New home buyer searches

Daniel Hill, Managing Director,
whathouse.com comments:



"Britain's more southerly regions are the standout stars of 2022 so far, as the South East, East and South West hold their top three positions for the third month in a row. Aspirational new homes in Scotland are attracting significant interest from new home hunters, with whathouse.com recording an impressive jump of 67% in search for luxury properties. It seems that as we pass the two-year anniversary of the start of the pandemic, people are continuing to re-consider their lifestyle priorities and where and how they want to live.

There are early indications that as the cost of living rises, people are feeling the pinch. Help to Buy figures right now give an early warning sign that first time buyers may be losing confidence and struggling to save up enough for a deposit to get on the ladder. However overall, despite rising interest rates, the data continues to show high demand for new homes across the UK. As we head into spring, we expect to see this interest build momentum as next-steppers and forever home hunters continue their 'race for space' and look to new build homes to improve energy efficiency and lower running costs."

Dave Bexon,
Non-Exec Director, whathouse.com comments:



"The findings of the whathouse.com February 2022 index reinforce the trends that many have been noticing over the last twelve months. There is no surprise that the most buoyant segment is Scotland's luxury new home market. Experiences through the pandemic have shaped people's thinking about life's priorities, and our data suggests many home hunters are taking the opportunity to return to their roots in new build homes that enable a balance of nature and comfortable commuting distance of work.

The drop in home buyer search for Help to Buy is a reflection of lower confidence levels starting to impact those buyers taking the first step onto the property ladder. This is the early fall out of recent economic and geo political events. Generally, the outcome for 2022 spring / summer buying season remains positive, but house builders will be keeping a close eye on the shifting landscape in the short to medium term."



Housebuilder's View

Matt Vincent

Sales Director, Spitfire Homes comments:



"It's clear from the latest whathouse.com Index that there is a demand for quality from home buyers, from the product they want to the destinations they are looking at.

As demand continues to outweigh supply in many areas, a shortage of stock is driving values across the market, despite rising inflation and an uncertain economy. Buyers' requirements have shifted in a post-pandemic landscape, with many spending more time at home than ever – and for those already on the ladder, or looking to move up the ladder, they are now focused on finding a property for the long-term that reflects their evolving lifestyles.

This is something we're seeing across the areas Spitfire operates, with customers willing to pay a premium in exchange for quality high-calibre homes."

Mike Gill,

Regional Managing Director, Lifestory comments:



"It is encouraging to see search levels continue to increase across the country, notably, 10% in the North West, which is home to Pegasus Jesmond Assembly and a 13% increase in the South West, where Pegasus' newest community Winchester Holts is located.

Our unique position in the market means we offer homes to customers at all stages. Through Anthology, we respond to the open market, and with Pegasus and Renaissance we provide for independent, later living. We are able to analyse buying sentiment directly from all customers. With our later living brands, Pegasus and Renaissance, offering downsizers the opportunity to lower living costs, it is promising to see an increase of over 50% in demand since the start of 2022 when comparing year-on-year."

Housebuilder's View

Allison Sutherland,
Regional Sales and Marketing Director for Scotland,
Places for People comments:



"The WhatHouse? New Homes Index is a clear indicator of the underlying desire that customers have for home ownership.

We have received high levels of interest in our developments which is indicative of the range of mixed-tenure homes and locations available offering the best of country and city living from Edinburgh to East Lothian, Aberdeen and Inverness.

In Scotland, Places for People offers affordable homes across all tenures, and with our New Supply Shared Equity Scheme (NSSE) we are able to bridge the gap into home ownership offering something for everyone.

We have seen an increase in demand, which over the last two years of uncertainty has resulted in many people thinking about their next property move – and we have seen people looking for homes which offer flexible living spaces, a good community network and set in a desirable location – whether that be a luxury coastal home or an apartment with views spanning Edinburgh.

In line with our customer research, we have a range of homes designed with customers in mind. People are spending more time at home with a hybrid working pattern, and our internal layouts offer the perfect space to adapt to new ways of living to meet customer demand."

Contact

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please get in touch.**

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About the WhatHouse? New Homes Index

The WhatHouse? New Homes Index is based on data sourced from the whathouse.com 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.com user experiences and geographic market share.

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