



# New Homes Index

**New build property prices  
£26,090 higher than 2021**

**£384,738**

Average new home asking price

**50,398**

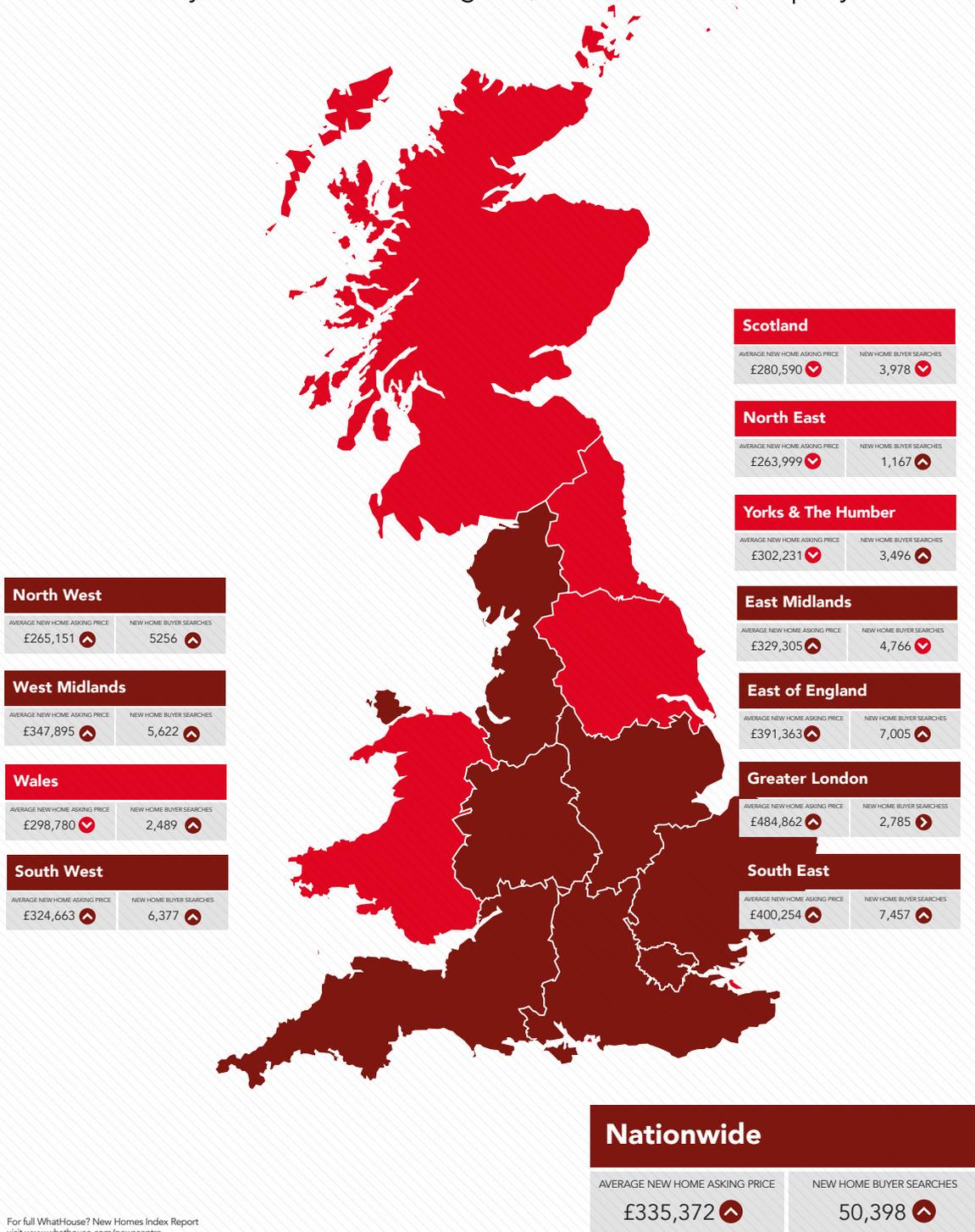
New home buyer searches

## Executive Summary

- Price of new build property coming to market hits a record of £384,738, up by 7.2% from the same period last year (+£26,090).
- Nationwide, the number of people searching for new build properties is 8% higher in May than in April. Overall, search activity levels remain strong and - following a 7% decrease in April as home hunters reassessed affordability – is again significantly higher than pre-pandemic.
- The number of people searching for 'second-stepper' and 'forever' homes is up 14% nationally. Indicating that homeowners already on the property ladder are comfortable with the new 'affordability-normal' and are keen to benefit from the many advantages of a new build property.
- The number of people searching for Help to Buy properties is down 18% nationally potentially indicating that affordability and increased deposit requirements are causing first-time buyers to reconsider plans to purchase a first home.
- New build stock levels have increased nationally by 7%. The numbers are led by an increase in three and four bedroom semi-detached and detached homes, which are most in demand by buyers.
- The price record and search activity uplift comes following four successive interest rate increases, but cost of living concerns do not appear to have dulled plans to move to a new build home that is felt by many. While there are signs that some sections of the market are starting to ease, buyer demand continues to create strong conditions in the new build property market.
- Desirability of the UK's top three new home search areas remains, as the South East of England, East of England and South West of England maintain a four-month leadership streak:
  - 1. South East of England —**  
7,457 new home buyer searches
  - 2. East of England —**  
7,005 new home buyer searches
  - 3. South West of England —**  
6,377 new home buyer searches

# 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](http://www.whathouse.com/newscentre)



## Overview

The number of people searching for new build homes has increased as May data records search levels of 50,398 (+3,534, an 8% increase on April 2022). The North West of England (+18%), Yorkshire and The Humber (+16%) and The West Midlands (+11%) are regions where search for three and four bedroom homes increased most dramatically, indicating that existing homeowners are comfortable with the new 'affordability-normal'.

May's data from the whathouse.com Index shows that 'second-steppers' and 'forever home' hunters who are able to do so continue to put into action long held plans to move. A growing number are opting for a new build property over a second-hand home, taking advantage of the ability to customise the design and finishings, achieve lower maintenance costs, increase energy efficiency, and manage risk thanks to a new home warranty.

In contrast, the number of people searching for Help to Buy properties is down 18% nationally. The East Midlands (-55%), Scotland (-40%), and The North West (-25%) are regions where search for Help to Buy homes decreased most dramatically. This indicates that affordability and increased deposit requirements are making it increasingly difficult for an average first-time buyer to afford a home on their own and a significant number are putting their search on hold.

As a combination of monthly outgoings and ability to borrow affect affordability, the first-time buyer market is extremely difficult to predict. However, with the Government bringing forward the Help to Buy scheme's property reservation deadline by two months to October - ahead of the scheme's conclusion in March 2023 - we anticipate a final flurry as first-time buyers lock in fixed-rate mortgage deals and ensure they've legally exchanged on their home before the cut off.

There are now clear signs that - despite inflationary pressures and higher interest rates - consumer confidence in new build homes remains strong, sustained by the availability of fixed-rate mortgages, desirable detached and semi-detached homes, and energy-efficient designs. We expect demand to continue to rise through the remainder of 2022 before levelling at year end as cost of living hikes and rising interest rates are felt and the end of the Help to Buy scheme takes effect.

### Top 3 Search Growth Regions – May 2022

South East of England	East of England	South West of England
<b>7,457</b> New home buyer searches	<b>7,005</b> New home buyer searches	<b>6,377</b> New home buyer searches



**Daniel Hill,**  
Managing Director, [whatshouse.com](https://www.whatshouse.com) comments:



"The data appears to show that - despite economic uncertainty - new build homes are storming ahead of second-hand properties when it comes to consumer confidence and desirability, and it's no surprise why. The reality is that the pandemic drastically changed what people want from their home and the current economic uncertainty means lower maintenance costs and energy efficiency are now a priority.

The UK's new home developers have responded intelligently, with semi-detached and detached properties conceived with homeworking in mind, boasting energy-efficient designs and sustainable construction techniques. Added to this, homeowners can often customise the design and finishings and negate the risk of anything going wrong thanks to a new home warranty such as National House-Building Council (NHBC)."



**Dave Bexon,**  
Non-Exec Director, [whatshouse.com](https://www.whatshouse.com) comments:



"The [whatshouse.com](https://www.whatshouse.com) New Homes Index reflects some very interesting trends. The cost of living increases are bringing the significant running and maintenance cost advantages of new homes into sharp relief. It's unlikely that fuel and food prices will fall in the short and medium term which means that new homes will continue to enjoy a significant advantage over second hand.

More and more people are also seeing the benefits of a new build home as their forever home, giving access to semi-rural locations and a balance of work and play. This brings many health and wellbeing benefits too. Affordability is still there but pressure will come particularly on first time buyers. It will be very interesting to see how the industry responds when Help to Buy is phased out in 2023, and the following government announcements made on housing in the near future."

## Housebuilder's View



### Julie Johnson

Director of Sales and Marketing, Rippon Homes comments:



Demand for new homes remains strong with some robust prices being achieved in both the new and second-hand market. However, as expected, with the cost-of-living increasing we expect the pace of the market to level out somewhat in the coming months as buyers do their homework before moving forward. But with the help of new schemes like first homes and potentially the bank of mum and dad helping with family gifted deposits this should counteract some of the caution that buyers may have. The demand is still there for good quality sustainable new homes and as a quality local developer we have been able to react to what the market wants and grow our business accordingly."



### Helen Moore

Group Director, Orbit Homes comments:



"The findings of the June whathouse.com New Homes Index show how the UK housing market remains strong. This echoes what we are seeing across all our developments. However, we are conscious that this 'hot market' may start to cool down as the year progresses. With the rising house prices, it is important to ensure sufficient purchasing options for those who may not be able to buy outright, and we are also seeing increased levels of interest in shared ownership from customers who wish to purchase a share in a property with a view to staircasing in the future. This is important to us at Orbit Homes, as one of our core values is to make owning a quality home more affordable. Shared ownership is an important enabler for first-time buyers who would otherwise be stretched on both deposits and affordability."



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ds@whathouse.com or Tel: +44 (0)20 7940 1070

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## Contact

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**If you have any questions about our research  
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**Daniel Hill**  
Managing Director  
dh@globespanmedia.com

**Jill Willis**  
PR & Communications  
jill@attractandengage.co.uk

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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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