



The HomeOwner Survey 7th annual report

6 years of housing concern
trends with spotlight on
leasehold, generation rent,
new homes & home
improvements



2019

Contents

1. Overview
2. **‘Housing Concerns’ trends** – We have been tracking the top housing issues for the past 6 years. This year we see that the quality of Britons’ homes is the fastest rising issue and concerns about the leasehold system reach a 5 year high
3. **Helping ‘Generation Rent’** – Almost 6 in 10 renters who want to own their home are convinced it is just a pipe dream. We look at the current state of renting and review schemes designed to improve rental conditions or help renters along the road to homeownership - Build to Rent, Shared Ownership & Help to Buy
4. **New build satisfaction & support for our Hold Back Cash campaign** We measure new build homeowner satisfaction at every step of the process: sales, completion, handover, snagging and beyond. New build homeowners throw their support behind a new build snagging retention fee
5. **Obstacles to home improvements** A look at the main barriers to carrying out home improvements and highlighting how VAT can be a barrier by encouraging cash in hand transactions
6. **How our homes contribute to our positive mental health** – The role our homes play towards our mental well-being and the aspects of our home that contribute the most

01 Overview



Our Homeowner Survey 2019, now in its seventh year and polled by YouGov, gives a state of the nation report on the biggest concerns and latest trends affecting UK homeowners and those keen to own.

The number one UK housing issue remains the difficulty of getting on the property ladder in the first place.

Consistently the top housing concern, 87% of UK adults and 91% of aspiring first-time buyers say the ability to get on the housing ladder is a serious problem.

Most renters want to own but think it is a pipe dream, so what hope and options are there for 'Generation Rent'? Almost 8 in 10 renters (77%) want to own their home but 6 in 10 (59%) renters wanting to own do not think they ever will.

Rental problems are common with 78% of renters saying they have encountered difficulties.

We look at whether Build to Rent can improve the rental experience and whether Shared Ownership or Help to Buy are helping Generation Rent.

The fastest rising housing issue in 2019 is the quality of Britons' homes. Up 6% from 2018, almost two thirds (63%) cite housing quality as a serious problem.

With new build quality in the spotlight, we find overwhelming support for a snagging retention fee. With snagging the least satisfactory step in the new build buying process, 9 in 10 (87%) new build owners support a system to withhold funds from house builders until they rectify faults.

Concern with the leasehold/ freehold system reaches a 5 year high. 60% of Britons now say the leasehold system is a serious problem, up 18% from 42% five years ago. Cost of works and management fees top the list of leaseholder problems.

Our look at the barriers to home improvements finds 8 out of 10 homeowners hit a brick wall with renovation plans and a third pay cash to avoid VAT. 79% of homeowners have

faced obstacles that delayed home renovations. The main obstacle is difficulty finding a reliable builder (42%).

VAT is a real barrier with almost a quarter (23%) of homeowners deterred from carrying out improvements because of the cost of VAT. Meanwhile, nearly a third (31%) of UK homeowners pay cash to avoid the cost of VAT on home repairs and improvements.

Do our homes play a role in our mental health? The home contributes to the well-being for 9 in 10 people. 87% of UK homeowners and renters say aspects of their home contribute to their positive mental health.

The top aspects of our home that contribute to well-being include an appealing outside space; feeling secure; nice neighbours; good natural light and no night time noise or disturbances.

The HomeOwners Alliance 2019 Homeowner Survey was made possible through sponsorship by BLP Insurance, leading provider of housing warranty insurance and Resi.co.uk, the UK's leading architecture practice for everyday homeowners

The 7th annual Homeowner survey was conducted online by YouGov. This year we interviewed 2195 UK adults of which 1337 were homeowners. Figures have been weighted and are representative of all UK adults (aged 18+). Fieldwork was conducted 14-15th March 2019.

02

Housing concerns trends



Housing concerns trends

Top 2019 housing issues

UK adults saying issue is a serious problem:

- 87% ability to get on housing ladder
- 85% saving for a deposit
- 82% house prices

Regional housing concerns

London and the South-West are 'hot spots' for housing issues, while housing concerns are generally lower in Wales than other parts of the UK.

Rising issues

The fastest rising issue in 2019 is the quality of Britons' homes.

Leasehold/freehold system has risen sharply over the past 5 years.

Concern with stamp duty and gazundering up year on year.

Falling issues

Housing issues declining over time:

- Being able to get a mortgage or remortgage
- Ability to move up the housing ladder
- Although up in 2019, negative equity concerns have fallen sharply since tracking first began in 2014.

Issues among aspiring homeowners

Top & rising housing concerns are echoed by aspiring first-time buyers.

Spotlight on leasehold problems

The majority of leaseholders (54%) encounter difficulties. High cost of works and management fees top the list of leaseholder problems.

Housing concerns 2019 top issues

Top issues relate to difficulties getting on the housing ladder



87% getting on ladder
85% saving a deposit
82% house prices

(% of UK adults saying issue is very/ somewhat serious problem)

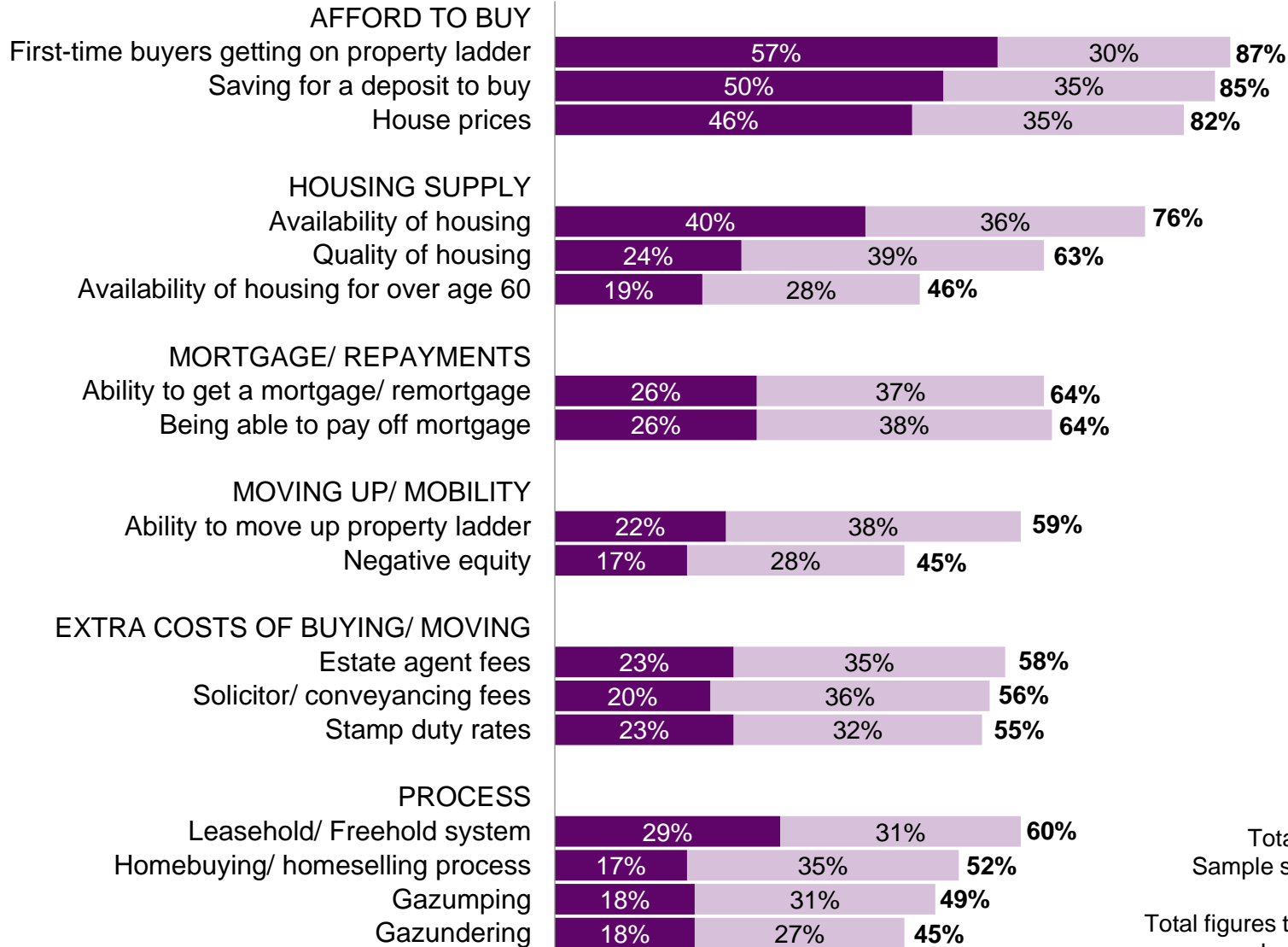
Challenges facing first time buyers top the list of housing concerns. Among UK adults, 87% say the ability to get on the property ladder, 85% say saving for a deposit and 82% say house prices are serious housing problems.

Availability and quality of housing are high on the list of housing problems. Three quarters (76%) of UK adults say the availability of housing is a serious problem and nearly two thirds (63%) are worried about the quality of our homes.

Mortgage issues are among top concerns. The ability to get a mortgage and repay a mortgage are seen as serious problems among nearly two-thirds (64%) of UK adults.

UK housing concerns % who agree that housing issue is...

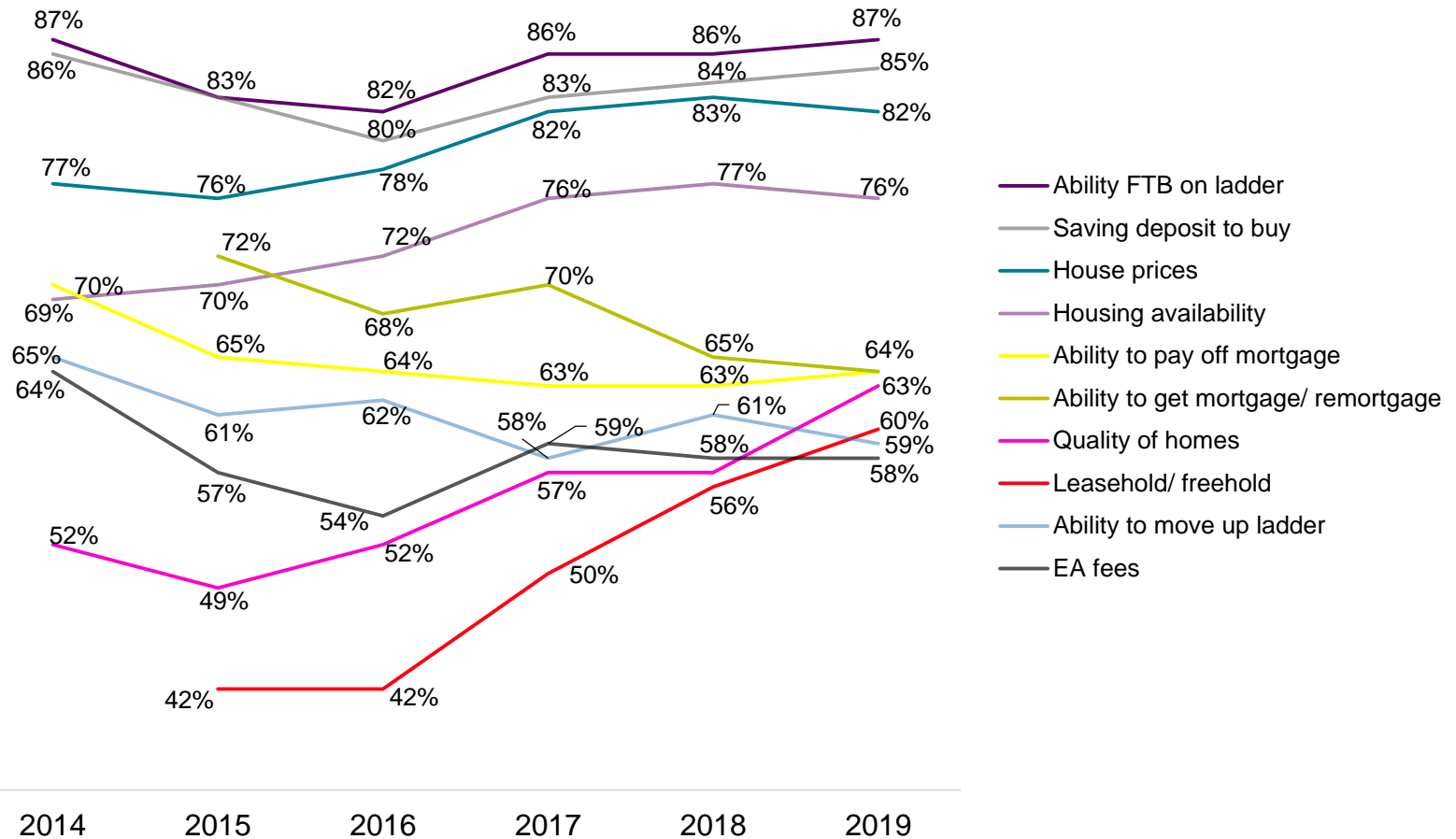
■ Very serious problem ■ Somewhat serious problem



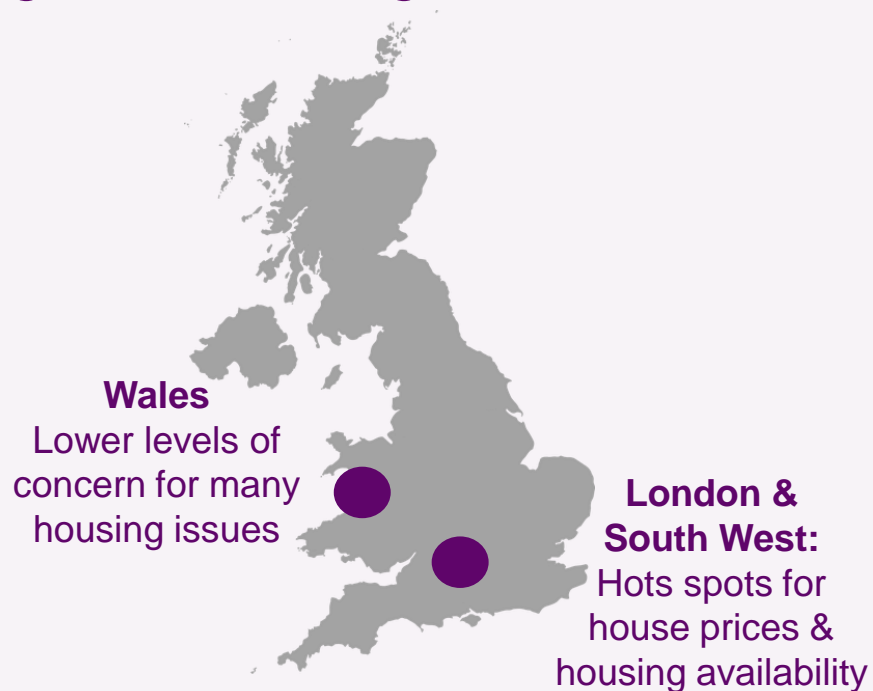
Total UK adults
Sample size: (2195)

Total figures taken to two
decimal places

Top 10 housing concerns trend (among UK adults) % of UK adults very/ somewhat serious problem



Regional housing concerns



Regions with higher/ lower levels of concern with particular housing issues

Northern Ireland: higher concern for negative equity (69% vs 45%) and being able to pay off the mortgage (78% vs 64%)

North East: lower concern than rest of UK with house prices (71% vs 82%) or the availability of homes (67% vs 76%)

Scotland: lower levels of concern than UK generally with stamp duty rates (46% vs 55%), estate agent fees (47% vs 58%) and solicitor fees (49% vs 56%)

Regional housing concerns	% very/ somewhat serious problem												
	Total UK	N. East	N. West	York. /Hum.	E. Midl	W. Midl	E. Engl	Lon-don	S. East	S. West	Wales	Scot-land	N. Irel
House prices	82	71	79	79	88	82	82	87	83	88	78	74	79
Negative equity	49	47	46	46	49	49	39	42	41	45	40	47	69
Availability of housing	76	67	77	73	72	79	76	81	73	80	74	73	76
Quality of housing	63	58	63	61	59	56	65	67	65	67	54	63	68
First-time buyers able to get on property ladder	87	83	85	80	91	87	88	89	87	92	86	83	81
Able to move up property ladder	59	56	56	60	64	55	64	64	57	63	49	59	62
Saving for a deposit	85	83	80	83	85	85	88	87	87	89	78	85	81
Ability to get mortgage/ remortgage	64	60	63	63	63	61	62	65	69	68	58	61	68
Able to pay off mortgage	64	65	61	66	64	65	64	64	63	66	61	63	78
Home buying/ selling process	52	52	49	50	51	49	53	52	59	59	38	46	59
Leasehold/ Freehold system	60	60	59	58	59	64	60	64	63	60	50	51	55
Stamp duty rates	55	53	49	55	52	57	55	59	61	57	46	46	63
Estate agent fees	58	64	55	57	60	62	58	59	61	61	59	47	58
Solicitor/ conveyancing fees	56	59	56	56	63	59	52	52	54	60	48	49	68
Gazumping	49	51	45	41	53	54	46	49	50	52	44	50	60
Availability of housing for over 60s	46	45	45	44	47	47	41	47	40	48	46	56	63
Gazundering	45	40	42	43	44	49	40	49	50	50	39	42	46
Sample size	2195	87	248	192	164	178	193	278	316	201	102	178	58

Housing concerns 2019 rising issues

**Concern over housing
quality hits a 5 year high**



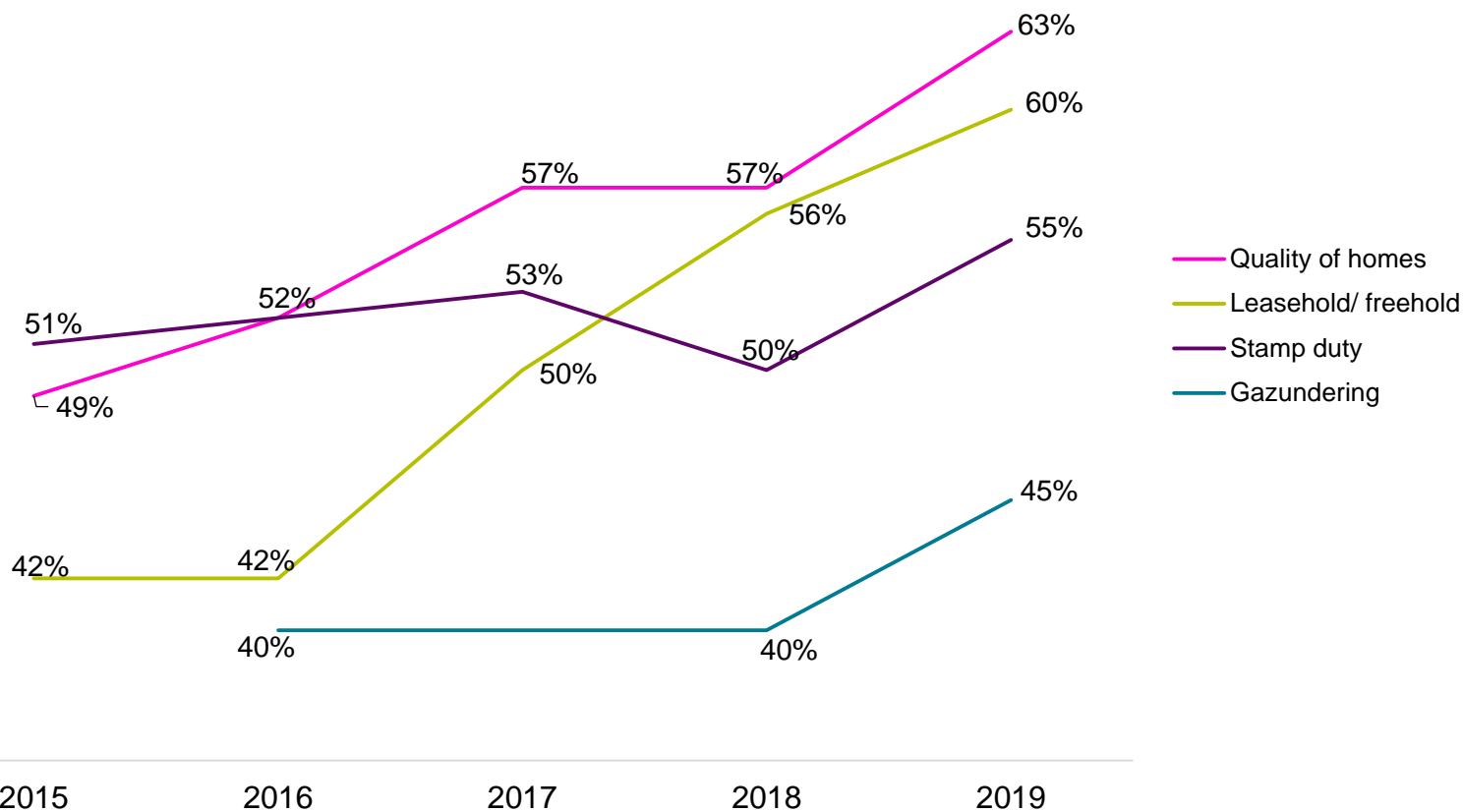
**Leasehold system
continues to be the
fastest rising issue for
the last 5 years**

On the rise: housing quality, leasehold/ freehold system, gazundering and stamp duty

- Up sharply over the past year and at a 5 year high, nearly two thirds (63%) of UK adults say housing quality is a serious problem -- up 6% from 57% in 2018 and up 14% from 49% five years ago.
- The leasehold system has been the fastest rising issue over the past 5 years. The proportion of UK adults saying the leasehold/ freehold system is a serious problem at 60% is up 4% in 2019 and up 18% since 2015 from 42%.
- Gazundering is up year on year. Possibly in response to a more price sensitive selling climate, 45% say gazundering is a problem, up 5% year on year.
- The cost of stamp duty has been described as more of a problem in 2019 with 55% of UK adults saying it is a problem - up from 50% in 2018.

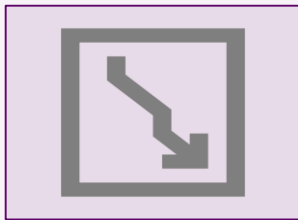
Housing concerns on rise in 2019 (among UK adults)

% of UK adults very/ somewhat serious problem



Housing concerns 2019 falling issues

Negative equity is the issue that has receded the most since tracking began



**64% in 2014
to 45% in 2019**

(% of UK adults saying issue is very/ somewhat serious problem)

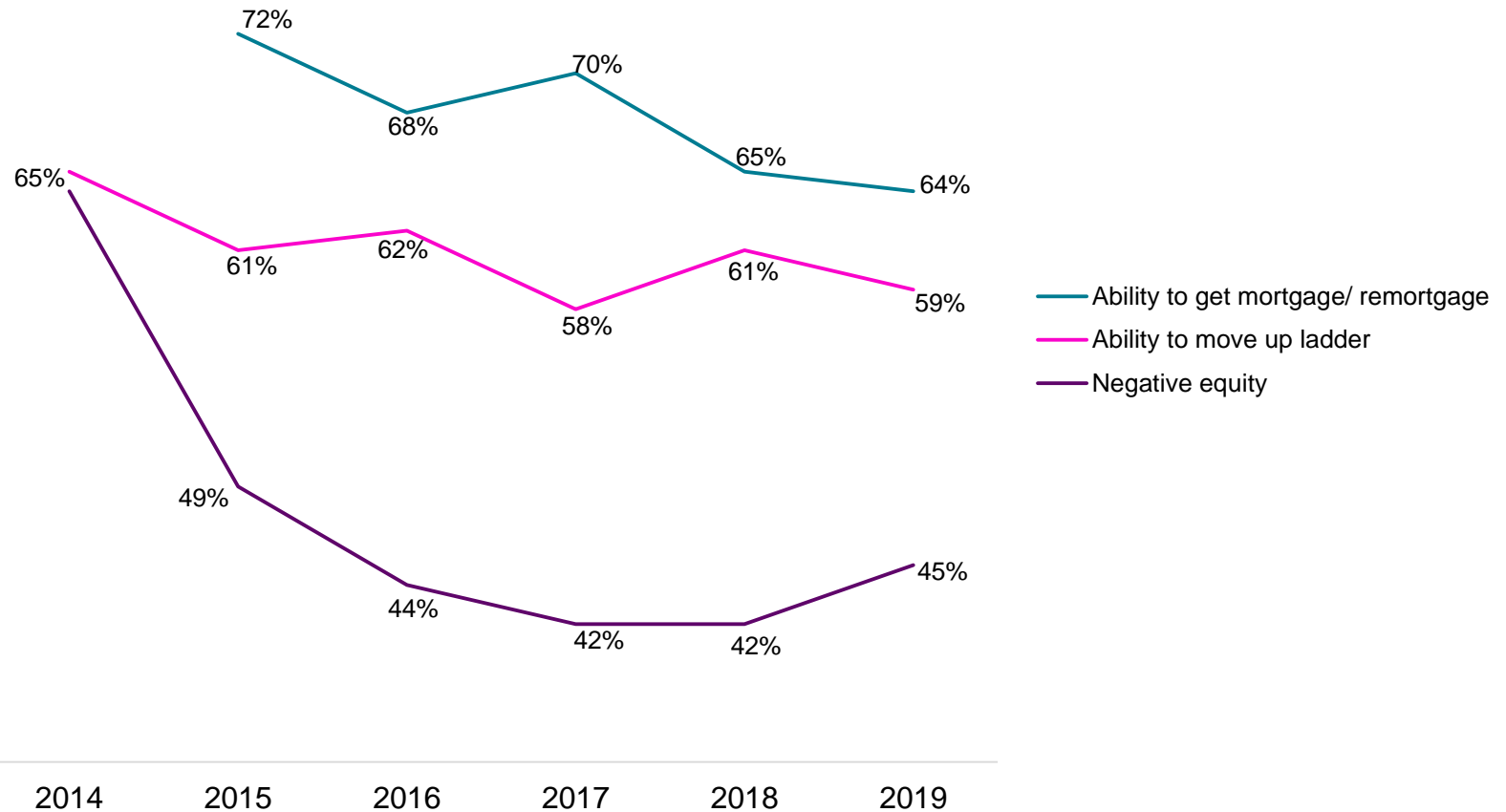
Concerns over negative equity have fallen since we started tracking the issue. Almost two thirds (64%) of UK adults thought negative equity was a problem in 2014. This has been hovering at between 42% and 45% for the last four years (although concern was up 3% over the past year).

Getting a mortgage or remortgaging is declining as an issue over time. While it remains a top housing issue, the proportion of UK adults who say the ability to get a mortgage/ remortgage is a serious problem has fallen over time (down from 72% five years ago to 64% in 2019).

Being able to move up the property ladder has become less of a concern. Almost two thirds - 65% in 2014 vs 59% in 2019 said moving up the ladder was a serious problem.

Housing concerns on decline in 2019 (among UK adults)

% of UK adults very/ somewhat serious problem



Issues for aspiring first-time buyers

Top and rising issues are similar among aspiring homeowners



9 in 10 say the ability to get on the ladder is a serious problem

Among aspiring first-time buyers, the ability to get on the housing ladder is at highest level of concern since tracking began six years ago

91% of aspiring homeowners say the ability to get on the property ladder is a serious problem.

Other top issues for aspiring first-time buyers include house prices (88%) and saving for a deposit (87%).

While difficulty getting on the ladder is seen to be a growing problem, aspiration to own remains high

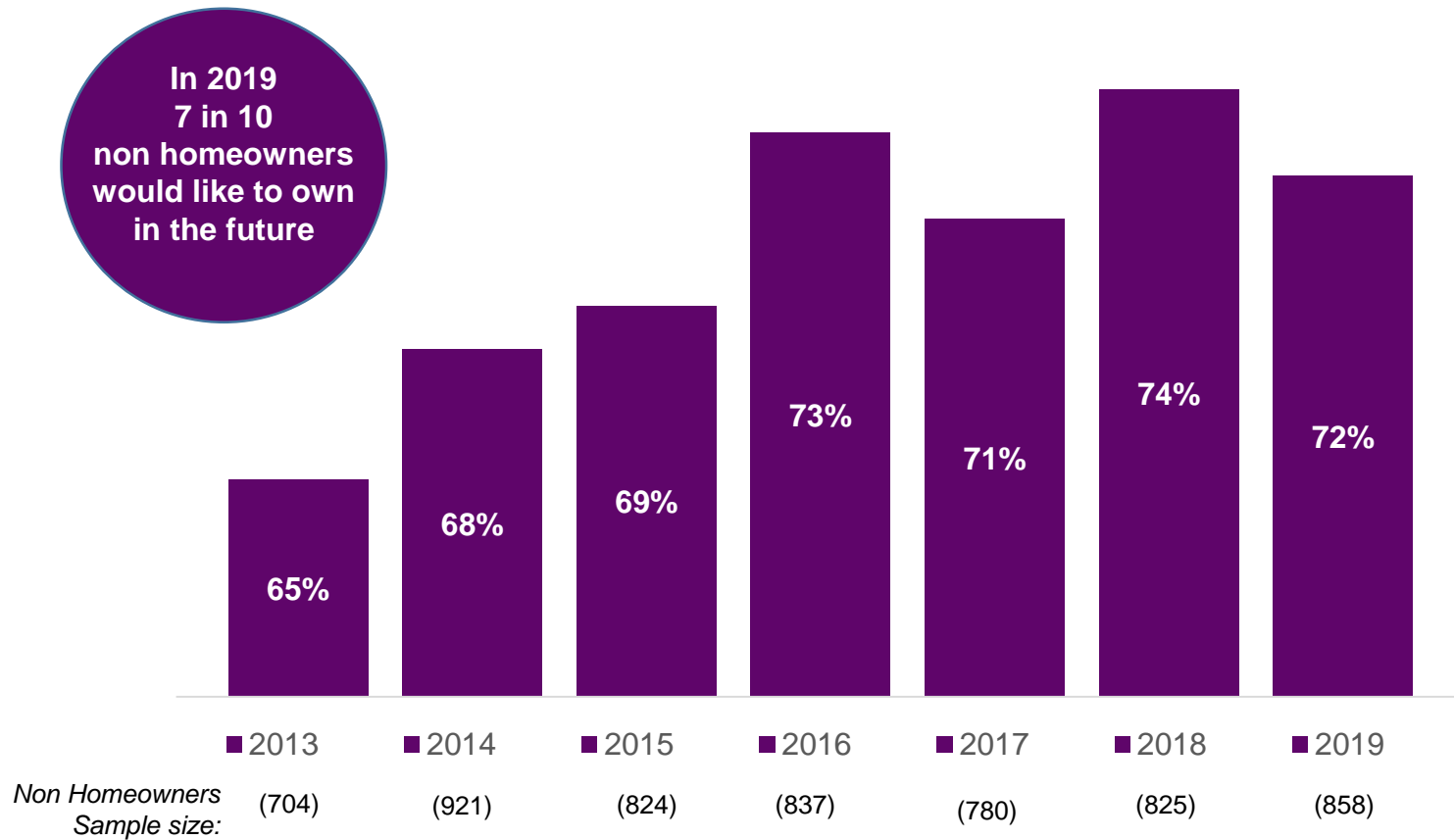
More than seven in ten non-homeowners (72%) would like to own their home one day.

Housing issues on the rise with UK adults generally are also rising concerns for aspiring homeowners – the quality of homes in particular

Up 9% year on year, 72% of aspiring homeowners think housing quality is a serious problem.

Aspiration to own your home (% of non homeowners who would like to own in the future)

In 2019
7 in 10
non homeowners
would like to own
in the future



Housing concerns among aspiring homeowners	% very/ somewhat serious problem among aspiring homeowners						
	2014	2015	2016	2017	2018	2019	2019 vs 2018
Ability for First-time buyers to get on the property ladder	87	85	84	89	89	91	+3
House prices	84	84	83	86	88	88	0
Saving for a deposit to buy	87	86	84	85	87	87	0
Availability of housing	72	72	78	80	81	81	0
Ability to get a mortgage/ remortgage	n/a	78	72	75	71	72	+1
Being able to pay off the mortgage	74	71	72	69	68	72	+4
Quality of housing	59	57	60	64	63	72	+9
Being able to move up property ladder	67	63	65	63	63	63	0
Estate agent fees	63	57	56	61	59	62	+3
Property/ solicitor fees	60	52	51	55	52	57	+5
Homebuying/ homeselling process	58	51	52	54	51	52	+1
Leasehold/ freehold system	n/a	42	45	52	53	55	+2
Gazumping	50	47	41	48	46	42	-4
Availability of housing for over 60s	n/a	n/a	n/a	45	40	44	+4
Stamp duty rates	58	46	44	42	38	44	+6
Negative equity	59	47	42	40	36	40	+4
Gazundering	n/a	n/a	38	n/a	34	38	+4
Sample size (aspiring homeowners):	677	573	573	553	600	610	

Spotlight on leasehold issues

**Sharp rise in concern
about the leasehold/
freehold system**



**The majority
of leaseholders
experience problems**

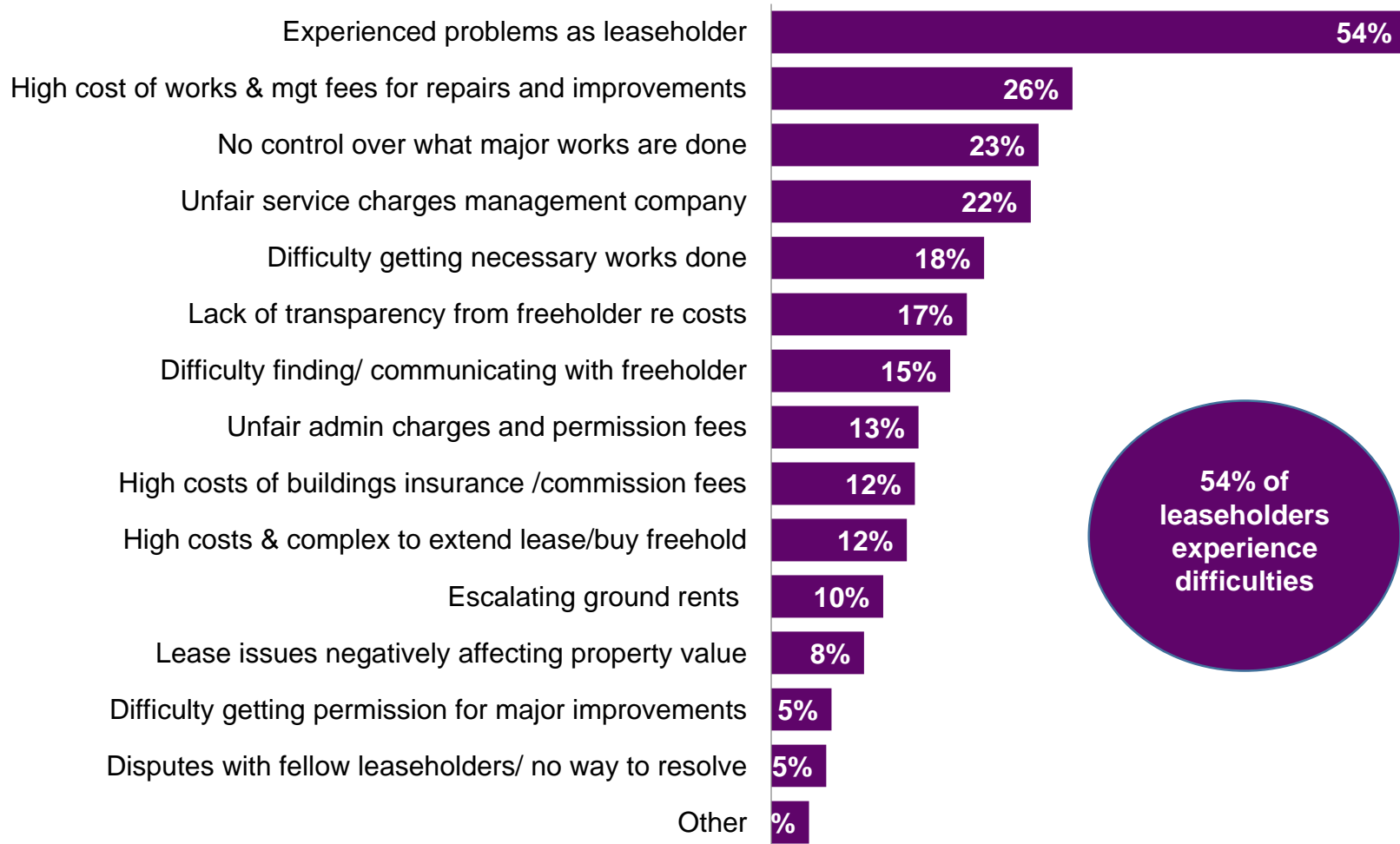
The much-criticised leasehold system has been the fastest rising housing issue over the past five years

- 60% of UK adults now say the leasehold/ freehold system - including service charges, ground rent and other fees - is a serious problem. This is up from 42% in 2015. The issue registers similar levels of concern across all regions in England.

The most common leaseholder problems relate to high costs and a lack of control, communication and transparency

- 54% of leaseholders, themselves, say they have encountered problems.
- More than a quarter (26%) of leaseholders complained about **high cost of works and management fees** while just under a quarter objected to **unfair service charges** (22%) and a lack of control over which major works are done (23%).
- Nearly one in five leaseholders (18%) report **difficulty getting necessary works done**. Others find a **lack of transparency about costs** (17%) or **difficulty finding or communicating with their freeholder** (15%).

Leasehold problems % of leaseholders with problem...



03 Helping 'Generation Rent'



Most renters want to own a home but many think it is a pipe dream

8 in 10
renters want to own

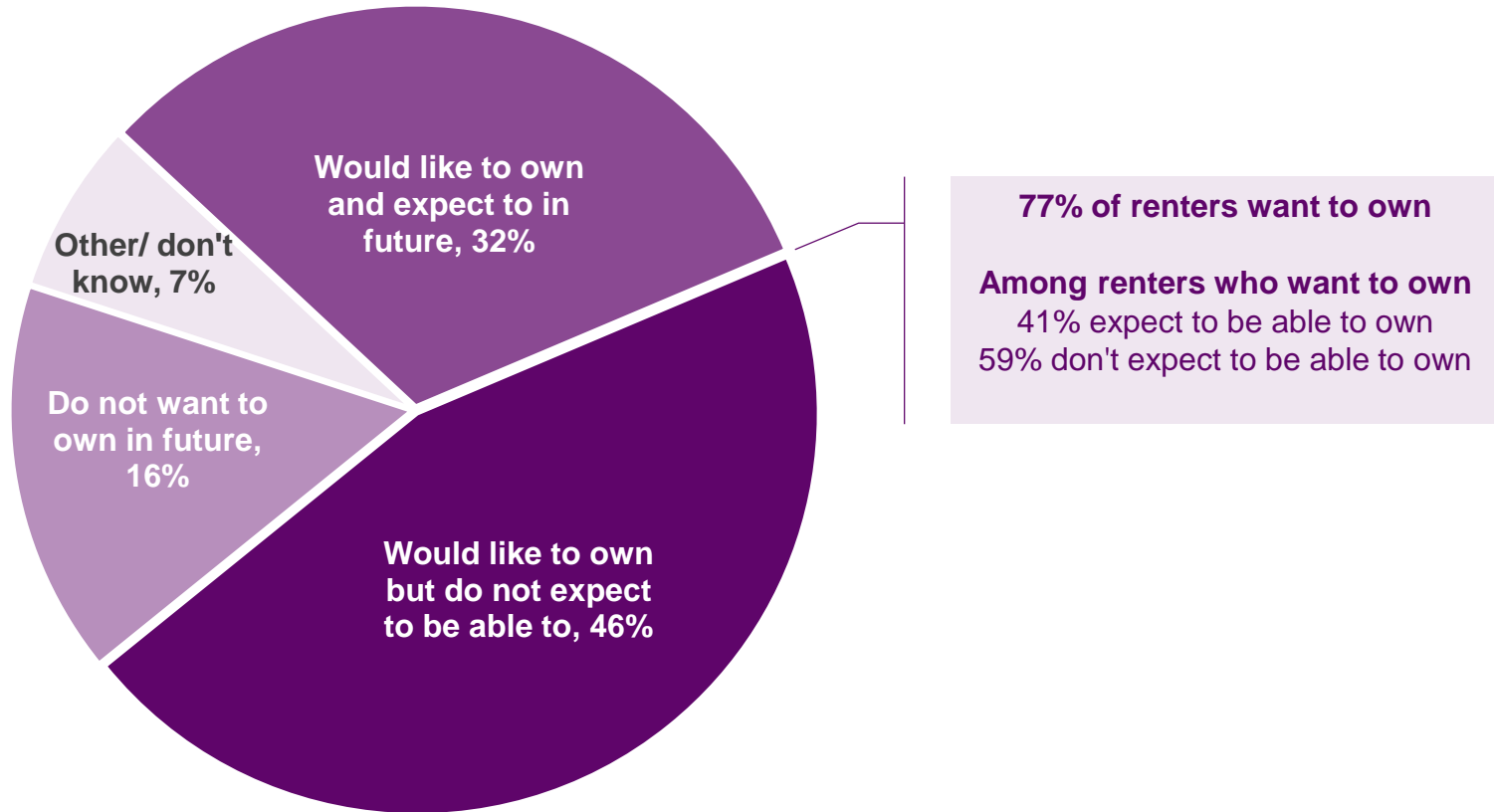


BUT 6 in 10
renters who want to own don't think they will ever be able to

Of the 4.5 million UK households renting, over three quarters, almost 3.5 million want to own their home

- Nearly 8 in 10 (77%) renters would like to own their home one day.
- However, almost 6 in 10 (59%) renters aspiring to own do not believe they will ever be able to afford to.
- 16% of renters are not interested in owning their home.

Homeownership aspirations among renters



UK renters (non homeowners) sample size: 691

Current state of the rental experience

78%
of renters

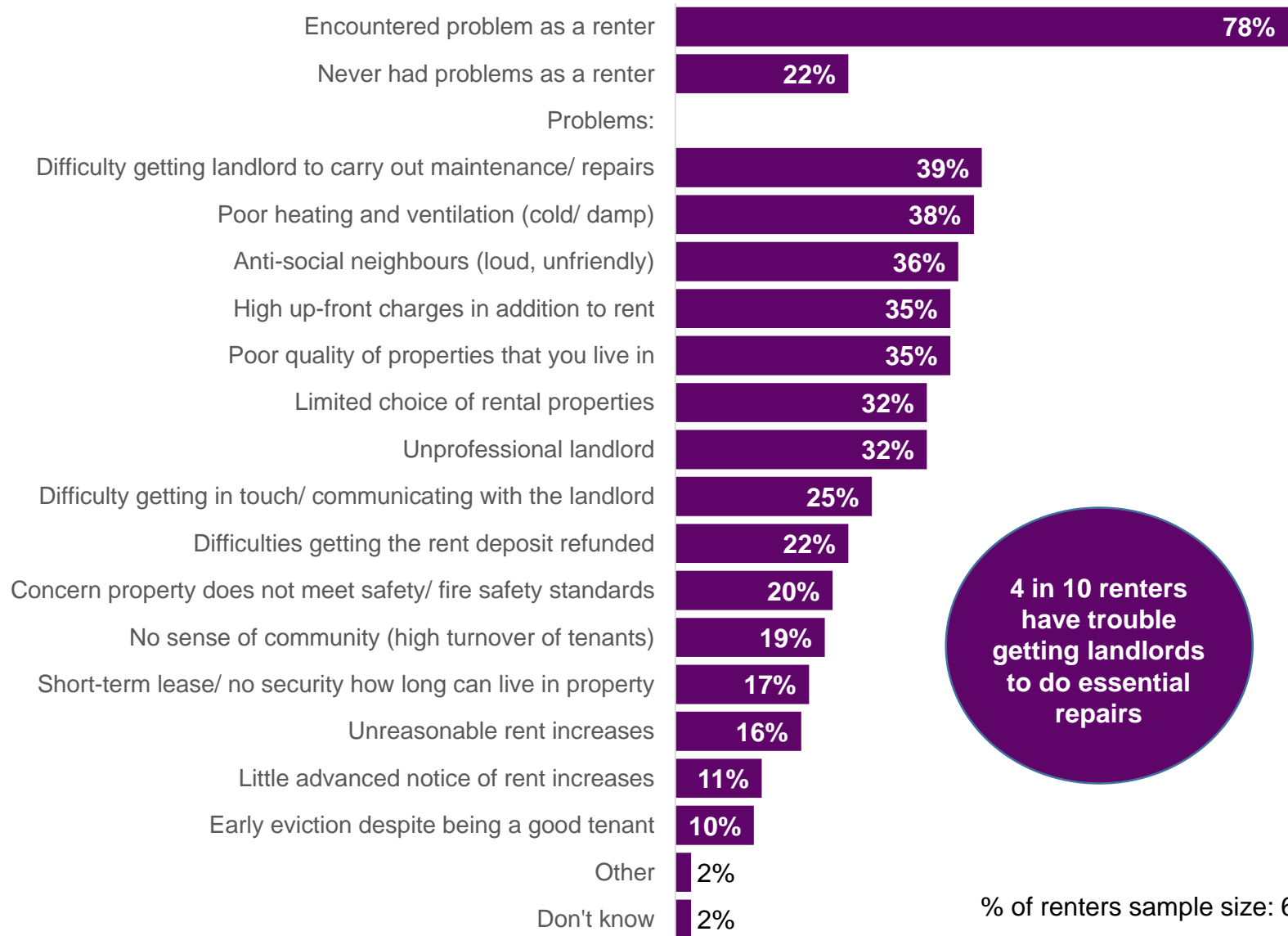


**have experienced
problems renting**

Renting remains the only realistic option for most current renters but 78% have encountered problems including:

- Almost 4 in 10 (39%) have difficulty getting their landlord to do maintenance and repairs
- Almost 4 in 10 (38%) renters say they have lived in cold/ damp properties
- 36% experienced anti-social neighbours and 19% have had a high turnover of tenants
- 35% have been charged high up-front fees for references or inventory checks with 16% claiming unreasonable rent increases and 11% saying they have received little advanced notice of rent increases
- 20% worry their property does not meet general safety or fire safety standards
- 17% say they have had short-term leases with no security as to how long they can live at the property and 1 in 10 renters have been evicted with no cause

Problems encountered by renters



What help is there for renters?



‘Build to Rent’ features have potential to improve rental experience

We asked renters about the features of Build to Rent. This relatively new scheme offers:

- longer tenancies (3 years or more), with break clauses to end the tenancy with 1 month’s notice after 6 months
- certainty about the rent for the length of the tenancy, including the basis of any increase, which is linked to a formula
- operates under unified ownership and provide on-site management

A significant proportion of renters feel Build to Rent features could improve the rental experience. These also address top renter issues.

Most impactful features:

- 48% no additional up-front fees (for references/ inventory checks)
- 40% renting directly from a responsible company or housing provider (not private landlord/ lettings agent)
- 38% properties with high quality, safety & energy efficiency standards
- 37% more rental properties available/ greater choice
- 36% no eviction of good tenants/ no early lease terminations
- 35% longer tenancy option 3+ years
- 34% no rent deposit

Rental problems vs 'Build to Rent' features likely to improve rental experience

% encountered problem as a renter		Build to Rent Features % would improve rental experience	
High up-front charges in addition to rent	35%	48%	No additional up-front fees
Difficulty getting in touch/ communicating with landlord	25%	40%	Being able to rent directly from a responsible company/ housing provider (rather than lettings agent or private landlord)
Concern property does not meet safety/ fire standards	20%	38%	Availability of properties with high quality, safety and energy efficiency standards
Poor heating and ventilation issues (cold/ damp)	38%		
Limited choice of rental properties	32%	37%	Having more rental properties available on the market (i.e. greater choice of properties)
Early eviction despite being a good tenant	10%	36%	No possibility of evicting good tenants/ having lease terminated early
Short-term lease/ no security how long can live in property	17%	35%	Option of having a longer tenancy (3+ years)
Difficulties getting the rent deposit refunded	22%	34%	No rent deposit
Unreasonable rent increases	16%	29%	Agreed rent increases well in advance linked to a standard formula, such as inflation
Little advanced notice of rent increases	11%		
Poor quality of properties that you live in	35%	28%	Availability of properties specifically designed and built for the rental market
Unprofessional landlord (maintenance issues dealt with in timely manner)	32%	18%	Having one on-site professional manager/ company in charge of maintaining the entire block, property or development
Difficulty getting landlord to carry out maintenance/ repairs	39%		
No sense of community (high turnover of tenants)	19%	13%	Lower turnover of renters in my neighbourhood
Anti-social neighbours (loud, unfriendly, etc.)	36%		

among UK renters sample size (622)

What help is there for renters?



**46% of renters say
Shared Ownership
is a good idea**



**32% of renters say
Shared Ownership
is a bad idea**

With Shared Ownership you can buy between 25% - 75% of your home and rent the remainder. Shared ownership properties are always leasehold. As a result, service charges are payable to the housing provider for repairs and maintenance of communal areas

Shared Ownership, part-own, part-renting your home has limited appeal

Less than half of renters (46%) think Shared Ownership is a good idea as an alternative to renting. A third (32%) think it is a bad idea.

Criticisms of Shared Ownership include:

“**Expensive** as you have to pay part mortgage part rent yet are responsible for upkeep costs as if you owned 100% of the property. Out of the reach of most renters”.

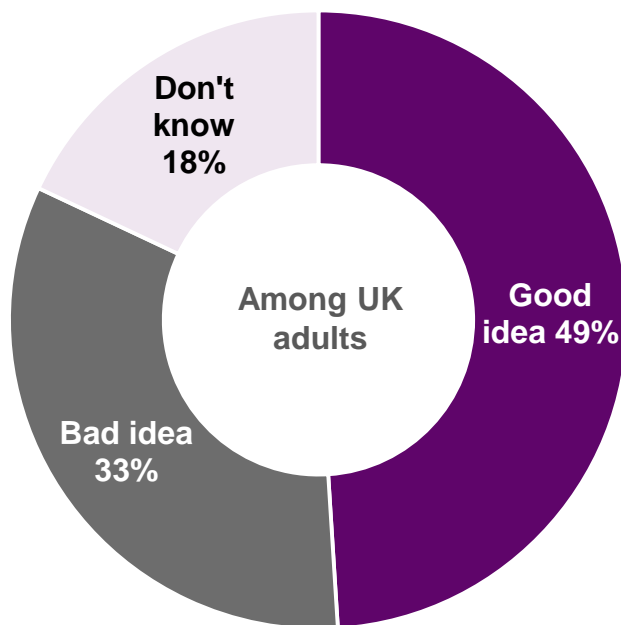
“**Tenant is left paying three bills** - mortgage for 25% share, rent and the lease”.

“**Large amount of complexity; additional fees; leasehold charges;** will require even more legal advice to fully understand; have the administration of rent and mortgage”.

Shared Ownership as an alternative to renting

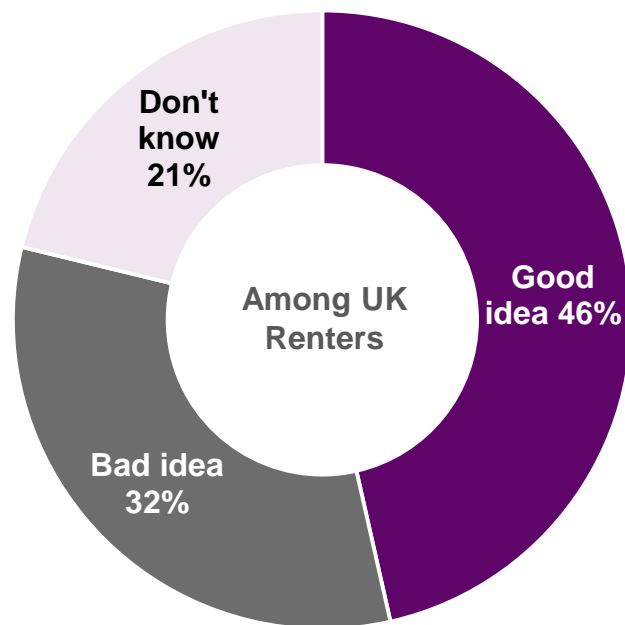
"As an alternative to renting, there is the possibility to part-own a property using a scheme called 'shared ownership', where the purchaser buys a share of as little as 25% of the property. The purchaser pays a mortgage on the share they own and rent to a housing association on the remaining share. Because the purchaser only needs a mortgage for the share they purchase, the amount of money required for a deposit is lower than the amount required when purchasing outright, and the rent is cheaper. Shared ownership properties are always leasehold. As a result, there are service charges payable to the housing provider for repairs and maintenance of communal areas."

Shared Ownership



UK adults sample size: 2195

Shared Ownership



UK Renters sample size: 728

Shared Ownership is a <u>good idea</u> (a selection of verbatim comments)	Shared Ownership is a <u>bad idea</u> (a selection of verbatim comments)
One would hope it would offer more stability to the resident.	It's very expensive as you have to pay part mortgage part rent yet you are also responsible for all of the upkeep costs as if you owned 100% of the property and this puts it out of the reach of most renters.
Good to give people the option to eventually own a stake in a property they otherwise may not be able to afford.	Large amount of complexity; additional fees; leasehold charges; will require even more legal advice to fully understand; have the administration of rent and mortgage.
You own part of your home; you look after it better; deposit would be much lower; more young people and families housed; less anti-social behaviour.	Leasehold fees; are you able to make alterations?
Allows first time buyers to get on the property ladder; it gives option of gradually buying a greater share in the property; such schemes run by social housing providers usually set the rental element at an affordable level; young people in key jobs such as teachers, nurses make use of such schemes.	Not sure that it gives any further advantages compared to renting unless there is guaranteed security of tenure. Leasehold fees could eat up a lot of the money saved compared to having a larger mortgage.
Gives people better chance of owning property and is a good alternative to renting. Renting is money wasted.	Tenant left paying 3 bills: mortgage for 25% share rent and lease. The real solution lies in building enough houses to meet the need.
It is a good idea because the part owner living in the house will have a responsibility towards that house rather than feeling it belongs to someone else.	Service charges are seldom fixed, and can increase to a rate which is difficult to find. Shared ownership works best if the owners are looking to trade up fairly early on, but this isn't always possible.
Gives more opportunity for people on a lower income to get on the property ladder.	I think you end up paying more than necessary for a similar property. I think they are harder to resale and I don't like the idea of having to pay back a percentage of the value of any increase in your property to the shared ownership company.
Helps first time buyers into the market; helps reduce the cost to an investor; gives both the first time buyer and the investor a shared interest in the property.	
Owner has something to sell when they want to move. House prices generally go up so should gain from this.	

What help is there for renters?



64% of renters say Help to Buy is a good idea



15% of renters say Help to Buy is a bad idea

Some help is available to assist those who want to buy their first home, such as Help to Buy, where you can buy a home with as little as a 5% deposit.

Support for Help to Buy; but not without criticism

Almost two thirds (**64%**) of renters think that the **Help to Buy equity loan scheme is a good idea** in terms of helping first-time buyers get on the ladder as it addresses the major hurdle of saving a deposit. **15% of renters think it is a bad idea.**

Criticisms of Help to Buy include:

“The problem is the cost of ownership of a home. All these **schemes merely continue to support an overinflated property market**”

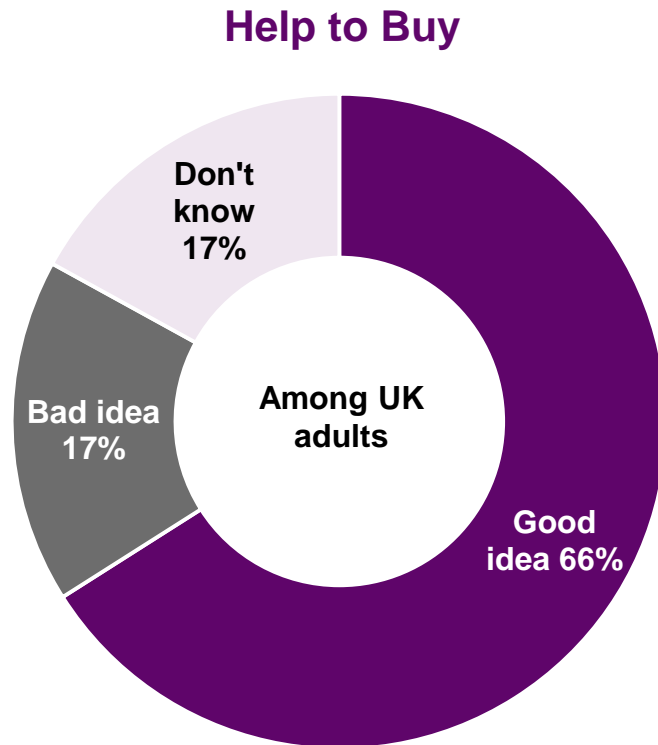
“**Encourages taking on debt you might not be able to afford in the future**”

“**It mostly helps people who need help less**”

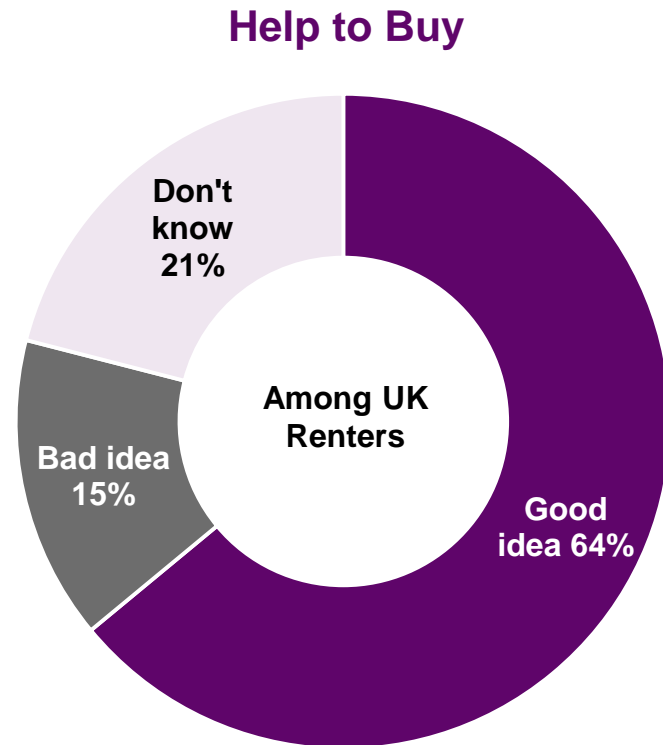
“**Help to Buy idea is good in principle, but has in practice been abused by developers...** house buyers being manipulated into buying **leasehold properties**. Leaseholds are a money making exercise for developers and those who use Help to Buy are not always in a position to understand the on-going commitments and hassle that leaseholds involve”

Help to Buy equity loan – is it a good way to help first-time buyers?

The 'Help to Buy' equity loan is a government scheme intended to help first time buyers have a better chance of affording the deposit to buy their first home. It gives buyers access to better mortgage rates through having a better loan-to-value ratio. It lends buyers up to 20% of the value of a new build home they want to buy, interest-free for the first five years. This makes it possible to buy with a 5% deposit, and mortgage for the remaining 75%



UK adults sample size: 2195



Renters sample size: 728

Help to Buy is a <u>good</u> idea (typical selected verbatim comments)	Help to Buy is a <u>bad</u> idea (typical selected verbatim comments)
Helps young people get on the housing ladder.	<p>Help to Buy is good in principle, but in practice has been abused by developers. House buyers have over-charged on houses, often poorly built houses at that. Additionally, there is issue of house buyers being manipulated into buying leasehold properties and having to make on-going payments to leaseholders, particularly if they want to make changes to the property. Leaseholds are a money making exercise for developers and those who use Help to Buy are not always in a position to understand on-going commitments and hassle leaseholds involve.</p>
Supports those who cannot raise a full deposit.	<p>It mostly helps people who need help less.</p>
It makes house buying available to people who would not otherwise be able to get on the housing ladder.	<p>The problem is cost of ownership of a home - all these schemes merely continue to support an overinflated property market.</p>
Difficult to pay rent and save a big enough deposit to buy for first time buyers, so 'Help to Buy' is a big help to them.	<p>Merely increases house prices by subsidising certain people. Most of the gains go to housebuilding firms.</p>
Helps new home owners get a house they can afford without having to pay a crazy mortgage rate.	<p>Government is clearly partly responsible for the housing bubble. Prices need to be allowed to fall to sustainable market levels.</p>
It opens up other possibilities where it can be difficult to get off the renting market.	<p>Artificially increases prices of new builds. Puts people in a debt trap when they have to pay back the government loan component</p>
Younger people have the chance to get on the property ladder, not throwing money away on rent.	<p>Prices have been put up because of this without increasing supply. Builders, developers, estate agents are benefitting. It's a scam.</p>
Helps the first time buyer into the market, gives an incentive to builders to build.	<p>Enabling builders to artificially raise house prices and is main reason builders are making excessive profits.</p>
Helps young people get on the housing ladder.	<p>The lack of social housing is a major problem.</p>
The deposit is a big problem for many first time buyers, so this is a way around this.	<p>I previously had Help to Buy and it was never explained to me properly and now I have saved enough money to be able to pay it off. Everyone tells you it's an interest free loan however no one tell you u have to pay back 15% of the value of the house when getting out of it so I borrowed £18,000 and paid back with all the fees attached £22,000. I would have been better taking out a bank loan for the said figure with less interest.</p>

04

**New build owner
satisfaction**

**Support for
snagging retention**



Satisfaction with new build ownership process from sales, snagging and beyond

Snagging amongst the least satisfactory steps in ownership process



60% of new build homeowners satisfied with snagging process

Sticking points: sales pressure, reservation documents, snagging and warranty

In terms of the **sales process**, 73% of new build homeowners say sales particulars are a fair reflection of their purchase property, although fewer (65%) felt the reservation document was accurate and 20% felt pressurised to put a deposit down quickly.

The most satisfactory steps in the buying process are the **mortgage process** (81%) and **handover process** (74%).

Two thirds are satisfied with the **conveyancing process** (65%) and **completion** (67%) including notice and control over when to complete.

The **least satisfactory step** is **snagging** with 60% satisfied with the process of identifying defects and getting remedial works done.

Issues with the warranty arise with only 54% of new build homeowners saying the warranty was clearly explained and 57% saying the warranty provider fulfilled their responsibility to resolve disputes with builder in first 2 years and put right structural problems after 2 years.



New Build Homeowner Satisfaction

Satisfaction with purchase & ownership process steps

Only 6 in 10 new build homeowners satisfied with the snagging process

higher areas of satisfaction

81%
mortgage process



74%
handover process



73%
sales documentation



lower areas of satisfaction

60%
snagging process



65%
conveyancing process



67%
completion timing



Satisfaction with warranty process

Issues with new build warranty being properly explained and warranty providers fulfilling obligations

54%
**'agree' warranty
clearly explained**



explained what is homeowner
responsibility, faults covered
by builder/ warranty

63%
**'agree' resolved defects
with builder in first 2 years**



in first 2 years of
warranty, builder
responsible for faults

57%
**'agree' warranty provider
fulfilled responsibilities**



warranty provider put right any
structural problems after 2 years
and resolved disputes quickly
with builder in first 2 years

Overwhelming support for 'snagging retention' on new build homes

9 in 10 support



'Snagging Retention'

87% of new build homeowners
support a system to withhold
funds from house builders until
they rectify faults

Almost 9 in 10 (88%) new build homeowners and more than 7 in 10 (76%) UK adults overall support the idea of a snagging retention fee on new build homes – the basis of our Hold Back Cash campaign.

Comments in support of a snagging retention reflect a perception of quality problems with new build homes. People feel a snagging retention would incentivise builders to improve quality standards, fix things in a timely fashion when problems arise and give homebuyers and homeowners greater leverage to get problems sorted.

Support for 'snagging retention'

9 in 10 (88%) new build homeowners support idea of 'snagging retention' - a system of withholding funds until faults are put right by the house builder

9 in 10 (88%) support
'snagging retention'



Improve quality of homes

" Gives the builder an incentive to build to a good quality in the first place and avoid the expense and inconvenience of returning to do snagging work"

Hold builders to account

"Once sold, builders tend not to be interested in snags that arise so this is a good way to make sure they uphold their side of the contract"



Reasons for support



Greater leverage/ protection for new build homeowners

" Retention would give some control back to purchasers if builders were slow to deal with rectifying problems"

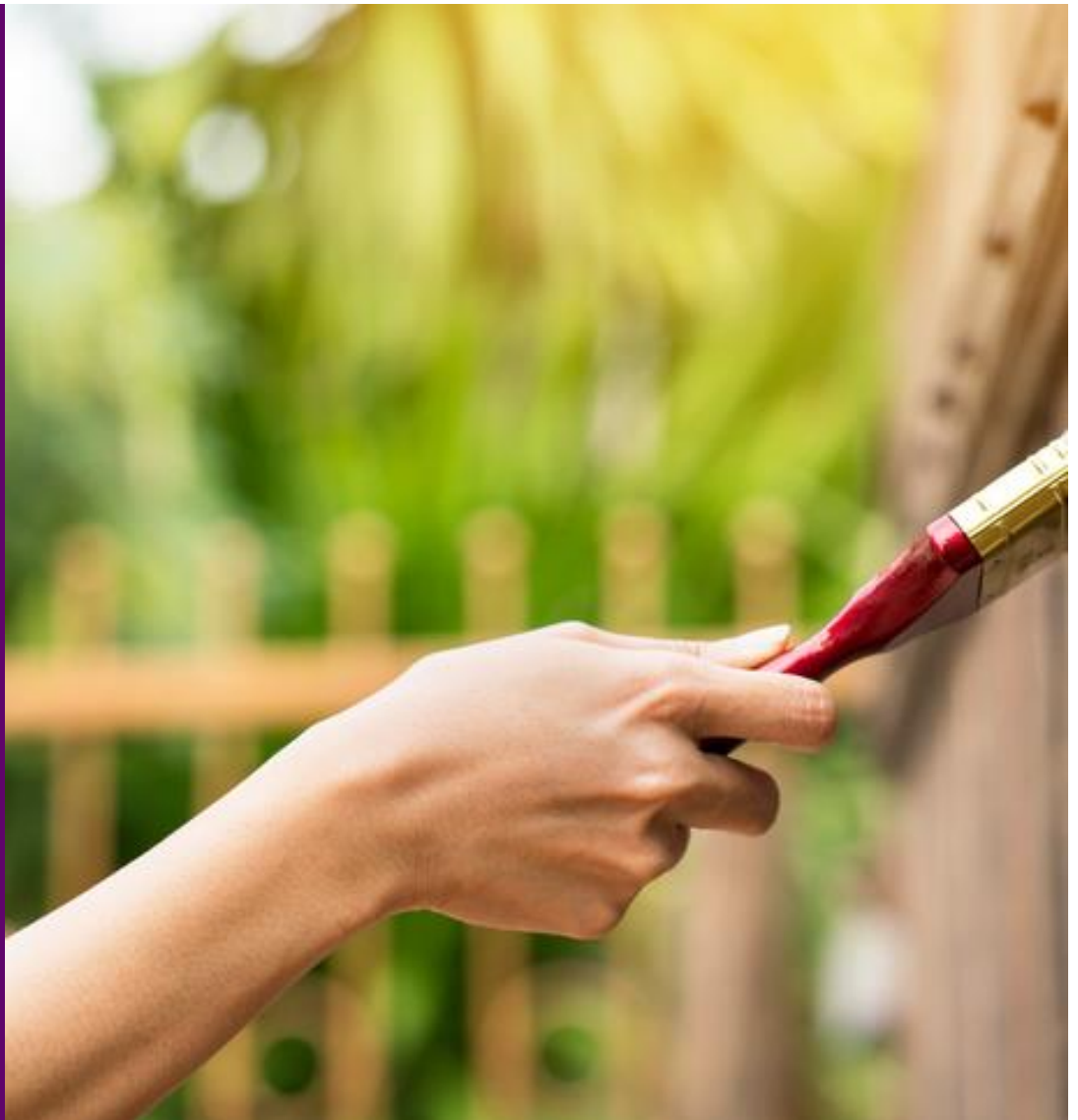
Faults fixed faster

" It would incentivise the builders to deal with such faults promptly and effectively"

05

**Obstacles to home
improvements**

**Spotlight on VAT &
cash in hand**



What prevents homeowners from carrying out home improvement plans?

8 in 10



79% of UK homeowners hit a brick wall with renovation plans

9 in 10



87% of London homeowners, the highest in UK, experienced obstacles when improving

Top obstacles to home renovations:

Difficulty finding a reliable builder affects 42% of homeowners - 7.2 million

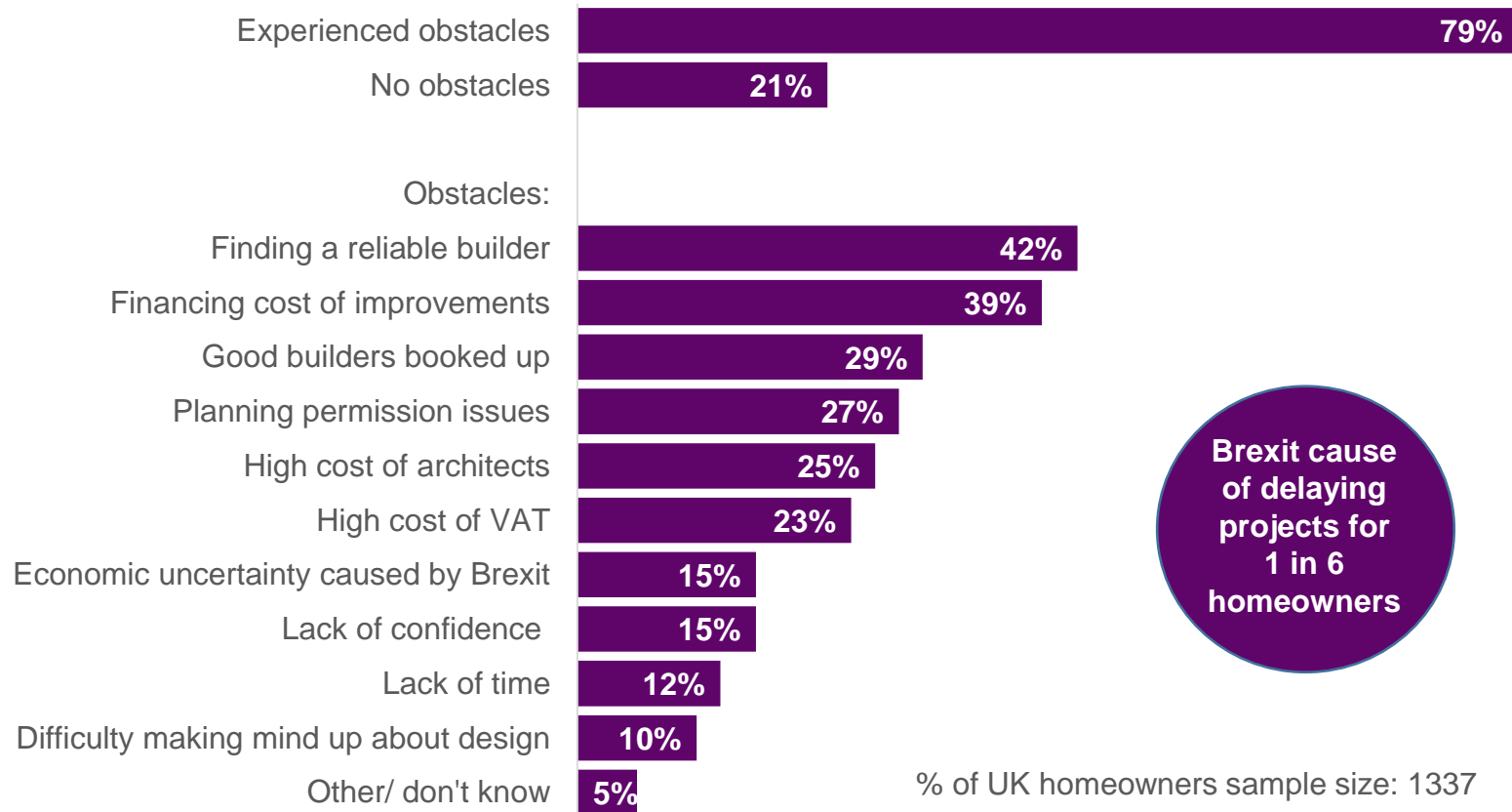
Difficulty financing cost of improvements impacts 39% of homeowners – 6.7 million

Planning permission issues affect 27% of homeowners – 4.7 million

Architect fees pose an issue for 25% of homeowners – 4.3 million

VAT costs deter almost a quarter (23%) of homeowners – 4.0 million

Obstacles to carrying out home improvements



Regional results: Obstacles to carrying out home improvements	% of UK homeowners in each region who agree							
	Total	North	Mid	East	London	South	Wales	Scot
Difficulty finding a reliable builder	42%	42%	40%	42%	53%	37%	43%	40%
Lack of availability of good builders/ builders booked up	29%	25%	26%	32%	35%	33%	21%	22%
High cost of architects	25%	22%	26%	21%	31%	24%	30%	33%
Planning permission issues	27%	25%	28%	27%	27%	31%	29%	24%
Financing cost of improvements	39%	39%	39%	33%	42%	37%	40%	45%
High cost of VAT	23%	21%	23%	25%	23%	24%	28%	20%
Making my mind up about design	10%	8%	9%	8%	12%	9%	15%	18%
Lack of confidence in taking on a home improvement project	15%	15%	13%	15%	17%	14%	19%	12%
Lack of time to organise project	12%	10%	10%	16%	16%	11%	8%	10%
Economic uncertainty caused by Brexit	15%	16%	15%	16%	20%	13%	14%	15%
Other	2%	2%	1%	2%	3%	2%	2%	1%
Don't know	3%	3%	4%	4%	3%	3%	4%	3%
No factors would prevent me from carrying out home improvements for my home	21%	25%	21%	20%	13%	20%	17%	19%
Sample size:	1337	324	220	124	146	332	62	96

What is impact of VAT cost on improvements?

1 in 4 don't improve



23% of UK homeowners deterred from renovating because of cost of VAT

1 in 3 pay cash



31% say they pay cash to avoid VAT costs on improvements

Incidence of paying cash to avoid VAT cost	UK Homeowners
Asked by a trades-person/ builder to pay cash in hand to avoid paying VAT	24%
Have asked a trades-person/ builder if I could pay cash in hand to avoid paying VAT	13%
Chosen smaller builder/ tradesman who did not charge VAT to save on the cost of VAT	18%
None of these	39%
Don't know/ can't recall	8%
Not applicable - I have never hired a builder or trades-person to undertake home improvements or repairs	11%
Prefer not to say	3%
Net: Payed in cash	31%
Sample size:	1337

06

How our homes help our mental health



What role do our homes play in our mental health?

Home contributes to well-being for 9 in 10 people



87% of UK homeowners and renters say aspects of their home contribute to their positive mental health and well-being

Top 5 aspects of our homes that contribute to positive mental health

- a well-maintained outside space (58%)
- feeling safe with well secured locks (57%)
- nice neighbours (55%)
- good natural light/ large windows (53%)
- a lack of night time disturbances (52%)

Much bigger factors among homeowners:



homeowners vs renters Home factors that contribute to positive mental health, well-being, 'spark joy'	Total UK homeowners /renters	homeowners	renters	Difference +/- owners renters
Have a garden/ outside space that appeals to me (well maintained, flowers planted)	58%	64%	45%	+19%
Feeling safe (well secured locks and windows)	57%	60%	52%	+8%
Nice neighbours (friendly, not too loud)	55%	62%	42%	+20%
Having good natural light/ large windows	53%	56%	46%	+10%
Not experiencing night time disturbances (no noise)	52%	57%	41%	+16%
Having nearby green spaces (parks, fields)	50%	51%	47%	+4%
Have a comfortable temperature (not drafty/ overheated)	48%	51%	42%	+9%
Having an organised home (tidy)	44%	45%	41%	+4%
Having nice views (trees, countryside, water, cityscape)	43%	44%	40%	+4%
Low noise pollution (away from a busy road)	38%	41%	31%	+10%
Good quality of air (not too polluted)	37%	40%	33%	+7%
Having lots of storage (garage, attic)	37%	39%	32%	+7%
Having personal trinkets (sentimental items, photographs)	32%	32%	33%	-1%
Having appealing smells (incense, candles)	23%	19%	31%	-12%
Having unique features (e.g. fireplace)	19%	20%	16%	+4%
Not applicable - nothing in particular in my home	8%	5%	14%	-9%
Don't know	3%	2%	5%	
Other	2%	2%	2%	
Sample size:	1959	1337	622	

Are men and women different?

Home bigger factor in mental health for women



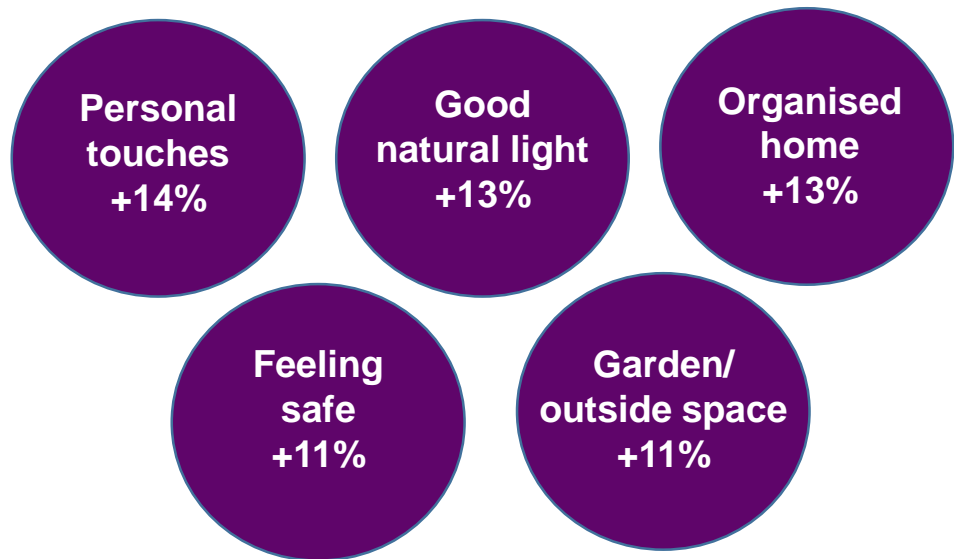
90% vs 84%

of women versus men who own or rent their home say aspects of their home contribute positively to their well-being

Most important home features that contribute to well-being are similar for men and women:

- well-maintained garden or outside space
- feeling safe with well secured locks
- nice neighbours
- a lack of night time disturbances

Biggest male/ female differences – aspects much more important to women:



Men vs Women Home factors that contribute to positive mental health, well-being, 'spark joy'	Total UK homeowners/ renters	Male	Female	Difference +/- Female vs Male
Have a garden/ outside space that appeals to me (well maintained, flowers planted etc.)	58%	52%	63%	+11%
Feeling safe (well secured locks, etc.)	57%	52%	63%	+11%
Having nice neighbours (friendly, not too loud, etc.)	55%	50%	60%	+10%
Having good natural light/ large windows	53%	46%	59%	+13%
Not experiencing night time disturbances no noise)	52%	51%	53%	+2%
Having nearby green spaces (parks, fields)	50%	48%	52%	+4%
Have a comfortable temperature (not drafty/ overheated)	48%	43%	52%	+9%
Having an organised home (tidy)	44%	37%	50%	+13%
Having nice views (trees, countryside, water, cityscape)	43%	41%	45%	+4%
low noise pollution (away from a busy road)	38%	38%	37%	-1%
Good quality of air (not too polluted)	37%	36%	39%	+3%
Having lots of storage (garage, attic, etc.)	37%	34%	40%	+6%
Having personal trinkets (sentimental items, photographs, etc.)	32%	25%	39%	+14%
Having appealing smells (incense, candles, etc.)	23%	17%	28%	+11%
Having unique features (e.g. fireplace)	19%	17%	21%	+4%
Not applicable - nothing in particular in my home	8%	10%	6%	-4%
Other	2%	2%	1%	
Don't know	3%	4%	3%	
Sample size:	1959	933	1026	

Regional differences

Wales, Scotland & N. Ireland

Less important vs
England: well-
secured locks on
doors & windows



London:
More important
than elsewhere
natural light and
nearby green
spaces

Home factors that contribute
to positive mental health that
are **more important to a
particular region:**

Midlands: organised home

East of England: garden, unique
features, storage, not
overheated or drafty, low noise
pollution

London: good natural light,
nearby green spaces

South: good natural light

Wales: unique features such as
a fireplace

Scotland: items that personalise
the home

Regional differences: Factors that contribute to positive mental health, well-being	% of homeowners/ renters who agree in each region								
	Total	North	Mid	East	London	South	Wales	Scot	NI
Good natural light/ large windows	53%	49%	48%	56%	61%	58%	45%	50%	34%
Comfortable temperature (not drafty / overheated)	48%	46%	51%	56%	45%	47%	49%	46%	38%
Organised home (tidy)	44%	41%	51%	45%	44%	45%	39%	38%	37%
Garden/ outside space (well maintained, flowers planted)	58%	56%	61%	65%	59%	61%	52%	45%	42%
Nice views (trees, countryside, water, cityscape)	43%	41%	44%	44%	39%	46%	45%	45%	27%
Unique features (e.g. fireplace)	19%	18%	16%	25%	18%	19%	23%	19%	13%
Personal trinkets (sentimental items, photographs)	32%	29%	33%	32%	36%	33%	30%	39%	22%
No night time disturbances (no noise)	52%	50%	57%	54%	53%	52%	52%	43%	44%
Feeling safe (well secured locks)	57%	57%	61%	60%	62%	56%	51%	51%	51%
Good quality of air (not polluted)	37%	31%	42%	42%	33%	41%	42%	39%	27%
Nearby green spaces (parks, fields)	50%	47%	50%	54%	58%	51%	44%	49%	33%
Lots of storage (garage, attic.)	37%	33%	39%	45%	34%	38%	41%	35%	28%
Low noise pollution (not busy road)	38%	34%	37%	44%	41%	41%	36%	30%	32%
Appealing smells (incense, candles)	23%	20%	22%	28%	26%	23%	20%	21%	26%
Nice neighbours (friendly, not loud)	55%	55%	58%	61%	57%	55%	45%	53%	46%
Other	2%	1%	2%	2%	1%	2%	-	3%	-
Don't know	3%	4%	3%	3%	2%	3%	4%	5%	2%
Not applicable - nothing in my home	8%	8%	7%	5%	7%	8%	9%	11%	14%
Sample size:	1959	462	308	169	244	473	92	161	50