



The UK Home Buyers Survey

At Tesco Bank, we want to offer the best possible service to our customers – the nation's home buyers. So we conducted a survey to find out what motivates them to buy a home and the challenges they experience along the way.

Our research explores the needs and behaviours of home buyers in the UK, so we can better serve our customers when it comes to buying a home.

Another little help from Tesco Bank.

TESCO

How did we do it?

We conducted the research using the expertise of YouGov, to help us understand the factors affecting the UK's home buyers and their decision-making processes. We looked at both considerers and purchasers* to get a deep understanding of their driving forces and motivational factors.

Our research reveals their concerns, along with an eagerness to provide for their families and secure a good future. It also reveals the sacrifices home buyers are prepared to make.

And it's good news. The overall picture is one of positivity, with both prospective home buyers and those who have recently moved, carefully managing their money as they strive to progress their home buying journey.

We hope you find the next few pages as interesting as we do.

A little more about the survey

Our research identifies some of the most important elements of buying a property that thousands of customers experience across the nation. We noticed several key themes about the home buying process, many of them affecting the actions and decisions of the home buyer. We've split these into the main issues uncovered by the survey and addressed the implications of the data gathered.

The survey explores what the customer values most when buying a home, as well as their biggest concerns. The results give us insights that will help us gain a better understanding of our customers and the journey they go through when buying a home.

*Research conducted in January 2017, with 1,709 interviews split across 1,003 respondents who had purchased a property in the last 12 months (with a mortgage) and 706 respondents who were considering buying in the next 12 months (also with a mortgage).



What matters most to UK home buyers

“7 out of 10 home buyers see owning a home as a financial investment.”

Our survey reveals looking to the future remains a key reason for owning a property. Almost **7 out of 10 (68%)** of those who purchased a property in the last year see owning their own home as a financial investment for the future, while **more than half (55%)** tell us it gives them peace of mind about providing security for their family. This suggests the financial stability and long-term security that comes with investing in a home is what matters most to UK home buyers.



It's an investment for the future (68%)



To provide security for my family (55%)



To be independent (47%)

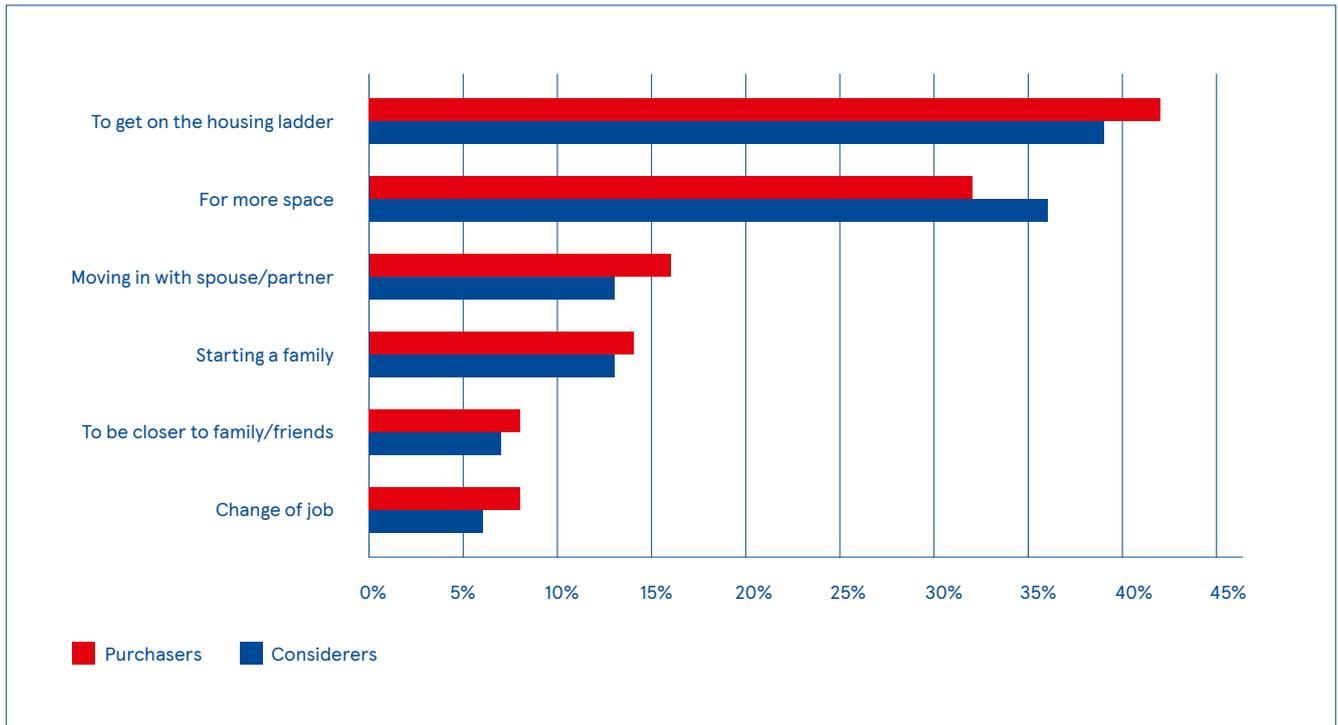
Top 3 reasons why it's important to own your own home*

*We asked home buyers why it's important for them to own their own home (they could choose more than one reason).

What matters most to UK home buyers

Getting on the property ladder and gaining more space remain the two most influential reasons for buying a property or considering doing so. Some **42%** of those who have purchased a home in the last 12 months identify getting on the housing ladder and building equity as reasons for purchasing a property, while **32%** voiced a need for more space as a motive to move, indicating almost a third of home buyers are looking to upsize on their properties.

Similar figures are reflected in the 'considerers' demographic, with **39%** of those thinking about moving in the next 12 months saying getting on the property ladder and building equity is an influential factor, alongside **36%** who cite more space as a key reason.



The main reasons for looking to purchase a new property*

*We asked home buyers what their main reasons are for looking to purchase a new property (they could choose more than one reason).

“17% of those considering buying a home in the next 12 months think preparing for the move will be the most stressful part.”



The biggest home buying headaches

Buying a home is a big undertaking and something of a milestone for many. We wanted to better understand what can sometimes be a stressful experience for UK home buyers and explore some of their main concerns.

Overall **17%** of those considering buying a home in the next 12 months tell us they think preparing for the move, in terms of paperwork and clear outs, will be the most stressful element of the process. A further **14%** predict getting a mortgage will be the source of most stress, while **12%** feel negotiating a purchase will cause them the most worry.

*We asked home buyers which stage of the property-buying process, if any, they think will be most stressful.

Top 4 reasons buyers can sometimes find moving a stressful experience*

1

Preparing for the move
(17%)

2

Getting a mortgage
(14%)

3

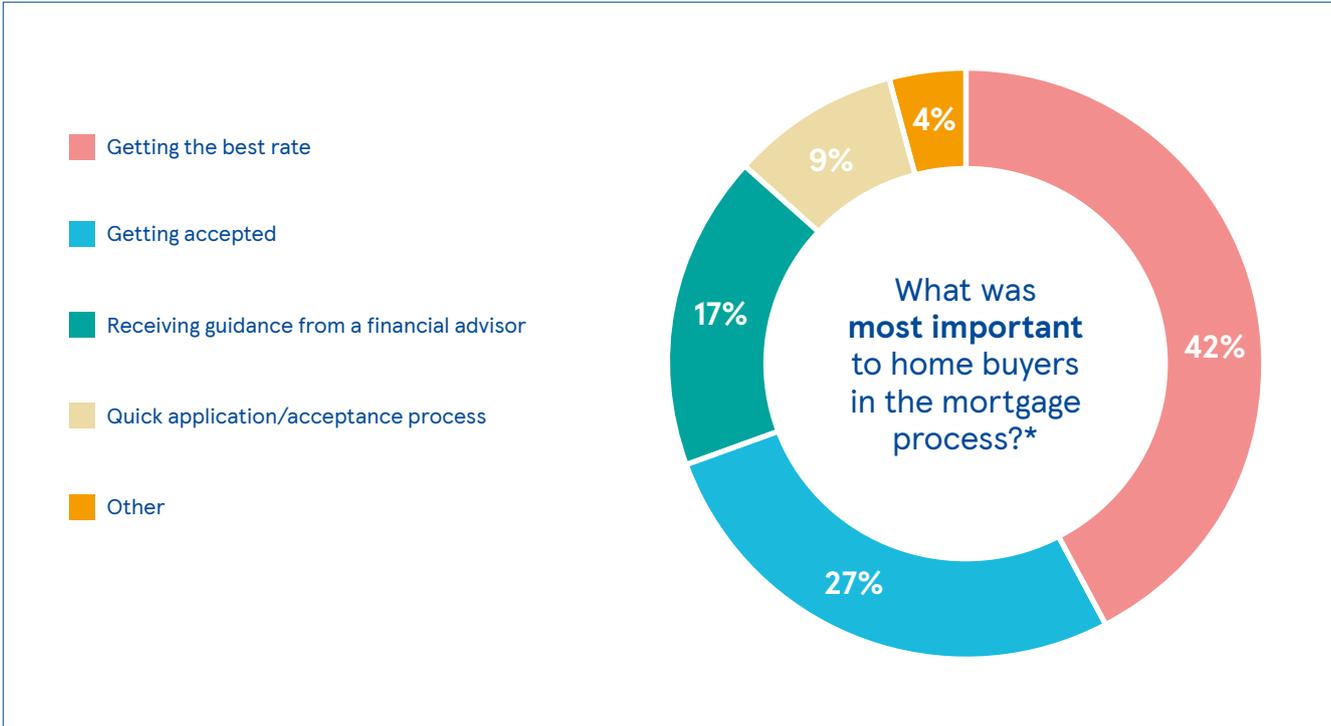
Looking for the right home
(13%)

4

Negotiating a purchase
(12%)

The biggest home buying headaches

With the mortgage process identified as being a source of a substantial amount of stress, our consumer research also provides further insight into what participants consider to be most important when making their application. The majority (**42%**) of those who bought a home in the past 12 months highlighted getting the best possible rate as their main driving force, indicating value for money and a focus on being able to afford repayments is key. By contrast, **27%** consider just being accepted for a mortgage as the most essential factor and a further **17%** value guidance from a financial advisor, implying that for some being informed and knowledgeable ranks highly among UK home buyers.



*We asked home buyers what was most important to them in the mortgage process.

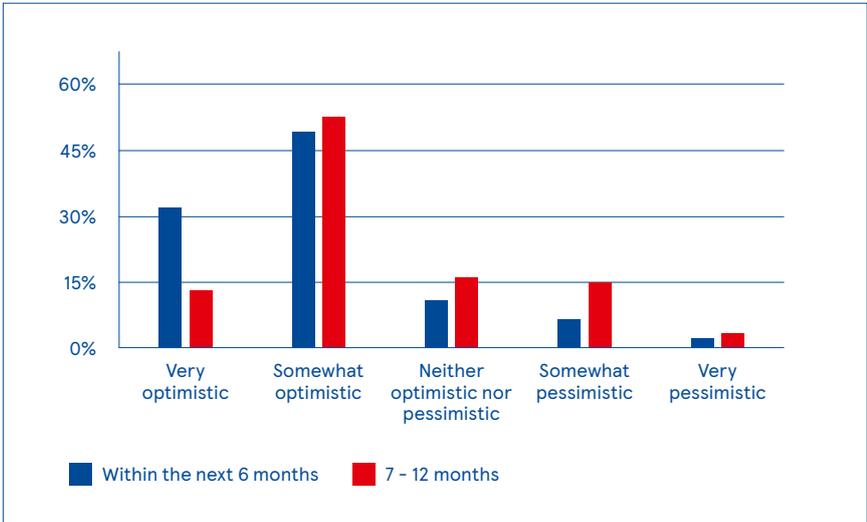


“71% of people remain optimistic about finding a home.”

The nation’s home buyers remain optimistic

Despite financial concerns and a feeling of economic uncertainty, the majority of people considering buying a home in the next year remain optimistic about finding a property that meets their requirements (71%).

Those at different stages of the home buying process appear to have different levels of optimism. **More than 8 in 10** of those considering buying in the next six months are optimistic they will find the right property. By contrast, of those thinking about making a purchase in the next 7 to 12 months, only **65%** are optimistic about their chances of finding a house that fits their requirements.



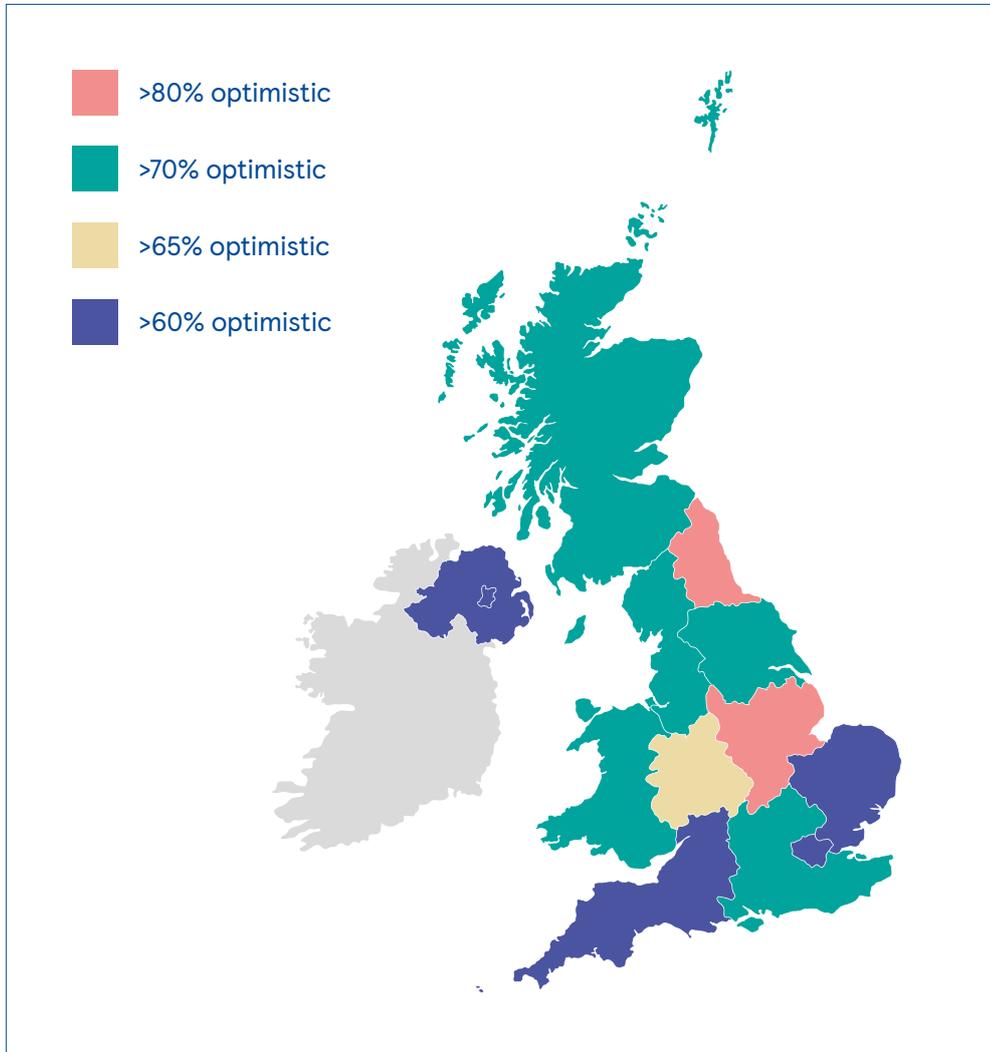
Levels of optimism at different stages of the home buying process*

*We asked home buyers overall how optimistic or pessimistic they are that they will find a property which meets their key requirements.

The nation's home buyers remain optimistic

Levels of optimism also vary according to geographical location. Those looking to buy in the East Midlands are the most optimistic about finding a home that fits their needs, followed by the North East then Yorkshire and the Humber. By contrast, Londoners are the least optimistic compared to other regions of the UK.

Optimism figures in the UK*



*We asked home buyers overall how optimistic or pessimistic they are that they will find a property which meets their key requirements. Some geographical regions had a low base of respondents.

How home buyers are managing their money

Our survey found the most likely things to be sacrificed in order to buy a property are holidays and social spending.

Some **43%** of those considering buying a property in the next 12 months are cutting back on the number of holidays they go on, while **50%** are spending less on socialising.

Meanwhile, **29%** of people in this position are taking steps to reduce their shopping bills or using discount websites to make savings.

Size is also a sacrifice many say they are willing to make – some **30%** of those considering moving in the next year told us they would be prepared to buy a smaller property than they would ideally like. However, the reality appears to tell a different story, with just **14%** of those who have actually purchased a house in the last 12 months saying this is one of the compromises they made. It seems that, when it comes to the crunch, size matters more to many house-hunters than they might think.

More than **2 in 10** purchasers told us they moved to a cheaper area that was not their preferred destination in order to buy a property within their budget. This indicates location is very important to the majority of the nation and something most home buyers are generally not willing to compromise on.

The results also identified a shift in the sacrifices made by those considering buying a property compared to those who have recently bought.

After purchasing a house, more than **4 out of 10** home buyers say they did not make any sacrifices to afford their mortgage repayments. However, around a third of customers continued to reduce their social spending and around a quarter continued to reduce the number of holidays they went on.

Interestingly, our survey also found that almost **1 in 10** recent home buyers said they had delayed having children to be able to afford their new property.

A photograph of a young woman with long brown hair and glasses, wearing a striped shirt, smiling and holding a red mug. She is in a kitchen with shelves of dishes and a window in the background.

“50% of people considering buying a property in the next 12 months are spending less on socialising.”

“More than half of those looking to buy in the next 12 months would wait to find a house within their budget.”



Why home buyers are sometimes happy to hold off

Our survey provides a real insight into the variety of factors that could influence buyers to delay the purchase of their new property. With a large proportion of buyers saying they would do this if certain criteria aren't met, finding the right home to fit their individual requirements is clearly important to UK home buyers.

The main issues that could delay a purchase include not being able to find a home within budget, being unable to find a property in the right location and changes in personal circumstances. Although these are common points to discuss when opting to buy a home, our research suggests they can profoundly affect timescales and a buyer's motivation to invest.

More than half (**56%**) of those looking to buy in the next 12 months would delay their purchase to find a house within their budget, **48%** would put off buying if the property was not in the right location and **48%** say they would wait if there was a change in personal circumstances.



Not being able to find a house within budget (56%)



Not being able to find a house in the right location (48%)



Change in personal circumstances (48%)



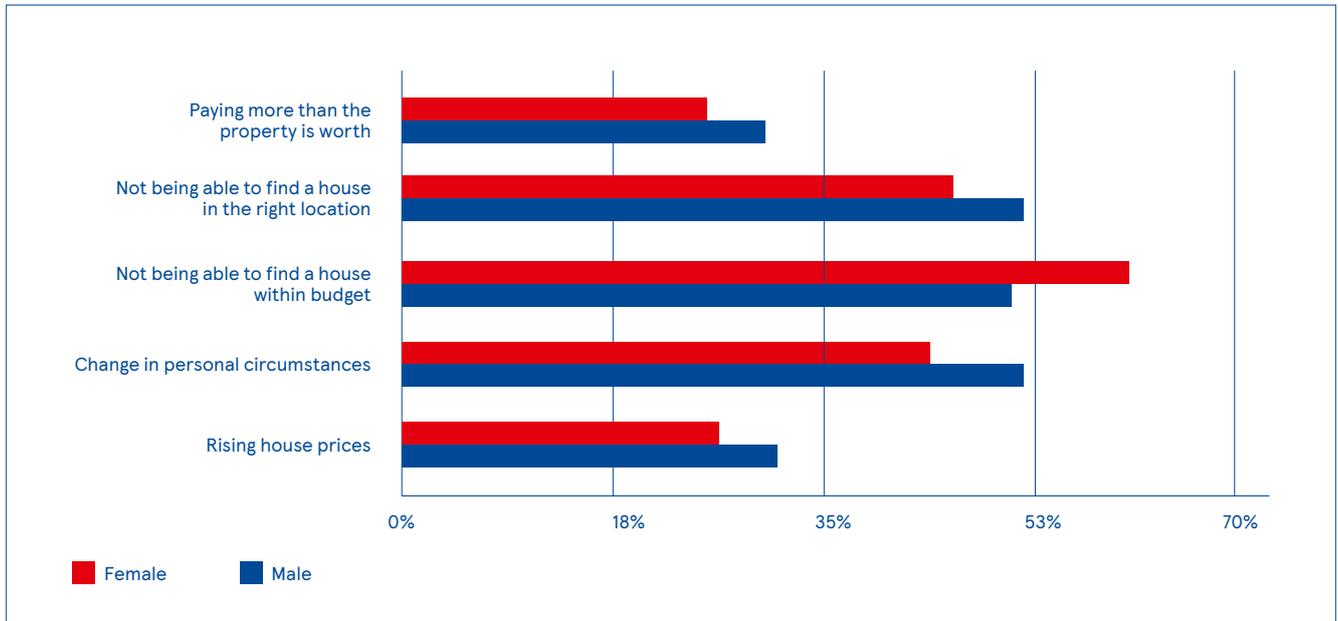
Rising house prices (28%)

Top 4 reasons why buyers delay on purchasing a new home*

*We asked home buyers what, if anything, would make them delay their decision to purchase a new home in the next twelve months.

Why home buyers are sometimes happy to hold off

The research also discovered something of a gender gap, indicating men and women have varied priorities when it comes to choosing a home, being likely to delay a purchase for different reasons. Women were found to be more likely to put off buying if they are not able to do so within a budget (**61%**), suggesting men would be more inclined to consider stretching their finances to get the home they want. Overall, men are more likely to delay buying due to changes in personal circumstance (**52%**) or the location of the property (**52%**).



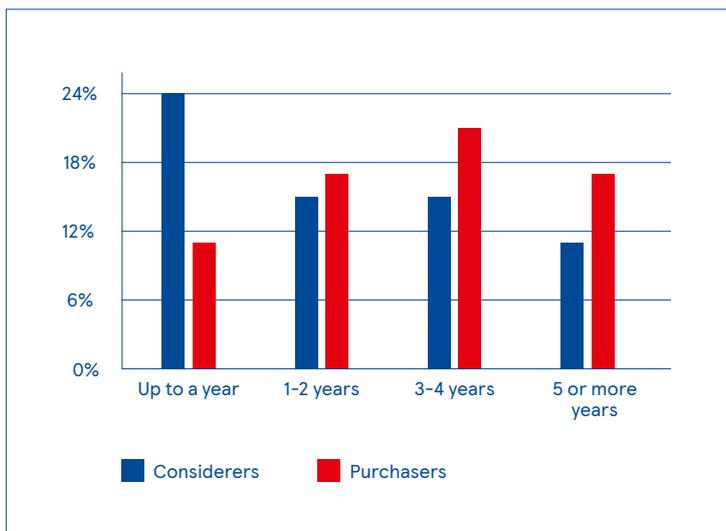
The main reasons to delay purchasing a new property*

*We asked home buyers what, if anything, would make them delay their decision to purchase a new home in the next twelve months.

Why home buyers are sometimes happy to hold off

Younger purchasers between the ages of 18 and 29 appear to be more focussed on money and are more susceptible to delays due to price concerns. Figures reveal **64%** would wait if they could not find a property within their budget, **61%** would delay due to a change of personal circumstances and **37%** would put off a purchase because of rising house prices.

The findings also highlight a gap between the reality of saving for a house and the expectation of saving timescales, with those considering purchasing a property underestimating how long it will take to save up a deposit. Nearly a quarter (**24%**) of those considering buying a home in the next 12 months expect it to take up to a year to save the full amount required for a deposit, whereas almost **40%** of those who have actually made a purchase in the past year told us it took them between one and four years, with nearly a fifth (**17%**) taking five years or more.



Time scale
for buyers to save
up for a deposit*

*We asked home buyers how long they expect it will take them/how long it did take them to save up for a deposit.
Tesco Bank is a trading name of Tesco Personal Finance plc. Registered in Scotland No. SC173199.
Registered Office: Interpoint Building, 22 Haymarket Yards, Edinburgh EH12 5BH.