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## PANDEMIC PROMPTS HOUSE PRICE SURGE IN THE NORTH BUT MORE AFFORDABLE HOMES ARE NEEDED

- More than half (57%) of those living in the North expect house prices to continue to rise over the next three years as regional house prices increase by 17% since the start of the pandemic<sup>1</sup>
- Increased demand has resulted in 60% of people in the North saying that they do not believe the housing market is currently helping people access affordable and quality homes
- When it comes to the checklist for new houses, larger gardens (41%), more living space (36%) and more efficient heating (31%) are the most sought-after features in the North

According to research from Lloyds Banking Group, the pandemic has prompted a surge in house prices in the North, climbing by 17.3% since the start of the pandemic. However, this increased demand and lack of affordable housing has resulted in nearly two thirds of those living in the North (60%) agreeing that the housing market is currently not helping people access affordable and quality homes in their region.

Top concerns amongst those in the North include; unaffordable house prices (60%), lack of social housing being built (47%) and high deposits (43%). Other considerations include a lack of rental properties (38%), too few houses being built (27%) and economic issues caused by the pandemic (26%).

### Challenges for the industry

Across the North, both homeowners and renters agree that house prices are the biggest issue facing the market and are sceptical that the industry can deliver the affordable, quality homes needed to accommodate the increased demand in the area post-pandemic.

With the average house price now at almost £230,000, those in North believe issues around affordability are likely to get worse with more than half (57%) believing house prices will continue to spike over the next three years.

Beyond affordability, many respondents suggested that new homes in their local area aren't being built in places where people want to live (34%) – with nearly half of those in the North (45%) frustrated that new homes aren't meeting the needs of the local area.

**Emily Cox, Lloyds Banking Group's Ambassador for the North, said:** *"House prices and transaction volumes, even among first time-buyers, have grown significantly during the pandemic. However, this research also shows that many people in the North consider the continued strength of prices as the biggest factor preventing people from accessing quality and affordable homes."*

*"At the same time the pandemic is reshaping what we want from our homes, but many people in the North feel that currently where, and how, homes are being built is not meeting the needs of their local communities."*

<sup>1</sup> Source: Halifax 12 month rolling data, crude average prices from January 2020 to January 2022

## Media Contacts



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# Press Release



*“Understanding these local trends, will be vitally important in ensuring the homes being built keep pace with the changing needs of individuals and local communities. That’s why, as part of our commitment to help Britain prosper, we are working across the industry to collectively work-out how we deliver the high-quality, sustainable and affordable homes that the North needs.”*

## **Meeting local needs**

Over the last year, there has been increased interest in the region as homeworking buyers and renters look to spend lockdown savings in more rural commuter areas, with many transactions focused on living in an attractive area (47%), good transport links (45%) and living near family and friends (44%).

## **A changing picture of home**

However, when it comes to our homes themselves, a large garden and more space looks set to be one of the most important factors driving buying decisions in the North over the next few years. The garden was deemed the most important feature; with nearly half (41%) stating they would prioritise that first, followed by more living space (36%) and more efficient heating (31%). In fact, just over a third of Northerners said they would pay more than they would otherwise for a home with a garden (35%) and off-street parking (32%).

**John Barnes, CEO of award-winning housebuilder Duchy Homes, said:** *“Duchy Homes started out as a premium housebuilder focused on small, exclusive developments of large 5-bedroom homes. In more recent years, through our partnership with the Housing Growth Partnership, we have been able to purchase much larger sites and build in greater volumes.*

*“This shift in direction has meant we are now able to provide more 2-bed, 3-bed and 4-bed homes to the market, without losing our focus on quality, which has opened up our brand to a much wider audience of homebuyers. We’ve seen increased demand for our new homes over the last 18 months and are continuing to purchase more land and secure planning permission for large sites across the North of England, including our upcoming development of 163 plots at Elwick, Hartlepool.”*

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## Notes to Editors

- All figures, unless otherwise stated, are from YouGov Plc on behalf of Lloyds Banking Group. Total sample size was 6442 adults (of which 1512 were based in the North). Fieldwork was undertaken between 4th - 8th November 2021. The survey was carried out online. The figures have been weighted and are representative of all UK adults (aged 18+).
- Lloyds Banking Group is committed to helping Britain prosper by expanding the availability of affordable and quality homes, both for customers wanting to own their own home and for customers wanting to rent a home.
- Lloyds Banking Group is one of the largest funders to housebuilders in the UK and is working with housebuilders across the UK to help address the nation's housing shortage. This includes the Housing Growth Partnership ('HGP'), a social impact investor established by Lloyds Banking Group and Homes England to help address housing affordability by providing support to the regional residential development community to increase the number of new homes built in the UK.
- Last year, we provided £3.4 billion of new funding, of which £2.4 billion is ESG-related improvements, in support of the social housing sector.
- Lloyds Banking Group is helping people to access quality, affordable homes – it is the largest mortgage lender and supports one in five of all first-time buyers. Lending £16 billion last year.
- The North covers the North West and North East regions of the UK, as well as Yorkshire and The Humber.

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