

Home Buyers Survey

How the pandemic has affected home
buying trends in Northern Ireland



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Introduction

PropertyPal has carried out a survey of First Time Buyers and Home Movers in Northern Ireland to better understand the future of the local housing market.

2020 was a year like no other, particularly for the housing market. Now over halfway through 2021 and thanks to everyone's diligent efforts and swift vaccine rollout, we slowly and cautiously enter into a state of economic and social recovery.

At PropertyPal, we continue to monitor and analyse our data to provide you with the most accurate and up-to-date information and insights on the Northern Ireland housing market. In 2020, we asked prospective buyers how their thoughts and priorities towards purchasing property changed during the pandemic and their experience of lockdown. The results from our 2020 Covid-19 survey were a clear indication that the housing market was expected to recover sharply, despite the deteriorating wider economic conditions. In reality, no one expected just how strong the rebound would be. This also turned out to be a global phenomenon, as markets spiked across the world as buyers quickly reassessed where they wanted to live, what they wanted out of their home and what they could afford.

From PropertyPal's perspective, our website visitors have increased by 48% since the pandemic hit and enquiry levels from prospective buyers has reached an all-time high. But the question facing economists, policy makers and property stakeholders alike, is how long will the boom last? To try and get a first-hand perspective from our audience, we carried out a survey of 1795 adults over the period 2 to 9 June 2021, of which 90% were local First Time Buyers and Home Movers. We have analysed their responses to form a view of what factors

influenced 2020 home buyers, what people now want in terms of price, location, house features, and where they see house prices going in the next year.

The following chapters outline these findings, some of which may surprise you. For example, the much-muted stamp duty holiday was the main reason for purchasing for **only 7%** of respondents, despite the ongoing narrative of how much a factor it was. We have all experienced the importance of having an outdoor space to relax and enjoy our leisure time. **Almost 90%** of prospective buyers have said having a garden/outdoor space is the most important feature of any property they may purchase going forward. The work from home/return to office debate remains unanswered, but it is noteworthy that purchasing somewhere close to work was the third most important factor for first time buyers, considerably higher than the desire for a home office. Finally, **64% of buyers** think prices will rise in the next 12 months. When we surveyed home buyers this time last year, **only 14%** expected prices to rise and we now know prices surged.

We hope that these insights provide you with a better understanding of what local First Time Buyers and Home Movers are thinking and feeling. We are confident that it will inform estate agents, developers and property professionals' decisions when it comes to recognising and connecting with their customers' changing demands in 2021 and beyond.

Key Findings



Main reasons for buying a house last year

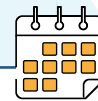
We asked all buyers who bought a house in the last 12 months what was their main reason for doing so.

64% Personal circumstances e.g. timing was right

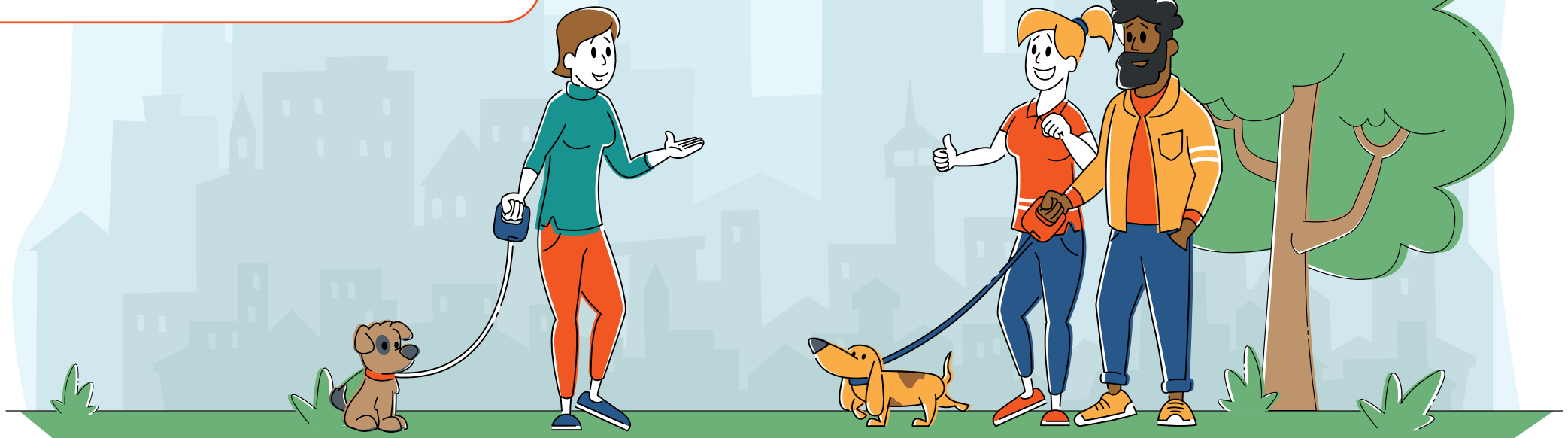
11% Due to the needs of lockdown e.g. more space

7% Stamp Duty holiday

6% Relocating to Northern Ireland



Of the 7% who said the Stamp Duty holiday was their main reason for moving;
73% said they would have moved irrespective of the holiday.



First Time Buyers

VS

Home Movers

1. Personal fulfillment

2. Household decisions

3. Cheaper than renting

Main reasons First Time Buyers and Home Movers want to buy a house.

1. Upsizing

2. Improved quality of living

3. Personal fulfillment

Top 3 Property Location Preferences

27%

Belfast

14%

Lisburn & Castlereagh

14%

Antrim & Newtownabbey

20%

Belfast

16%

Ards & North Down

14%

Lisburn & Castlereagh

First Time Buyer Property Styles



41%

intend to buy a Semi-detached Home



33%

intend to buy a Detached Home



Home Mover Property Styles



69%

intend to buy a Detached Home



15%

intend to buy a Semi-detached Home

First Time Buyers

VS

Home Movers

1. Proximity to local amenities

2. Safer area

3. Close to work

Most important preferences
for property location.

1. Close to family

2. Proximity to local amenities

3. Safer area

Deposits and Finance

37%

of First Time Buyers
have a deposit of 10%

91%

intend to finance their
purchase with a mortgage



Mass market appeal
£120k - £160k

36%

of Home Movers have
a deposit of 20-30%

83%

intend to finance their
purchase with a mortgage



Mass market appeal
£200k - £300k

Most important property features

88% of First Time Buyers and **89% of Home Movers**
would like a Garden or Outdoor Space

1. Garden or outdoor space

2. Large kitchen or
entertaining space

3. Driveway



1. Garden or outdoor space

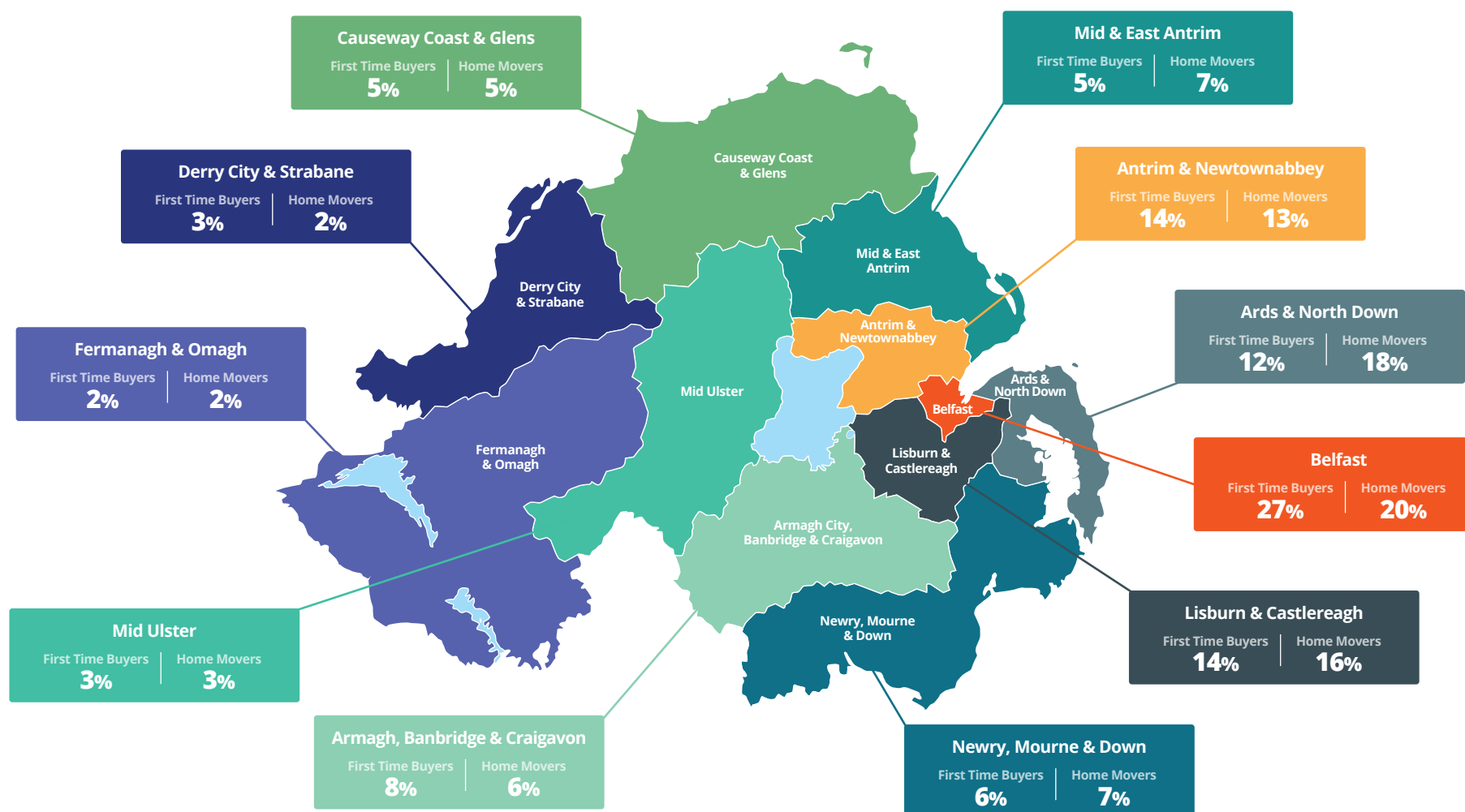
2. Large kitchen or
entertaining space

3. More bedrooms

Location Popularity

We asked First Time Buyers and Home Movers to tell us in which area they intend to purchase a property.

Belfast is still the most popular area for both First Time Buyers and Home Movers.



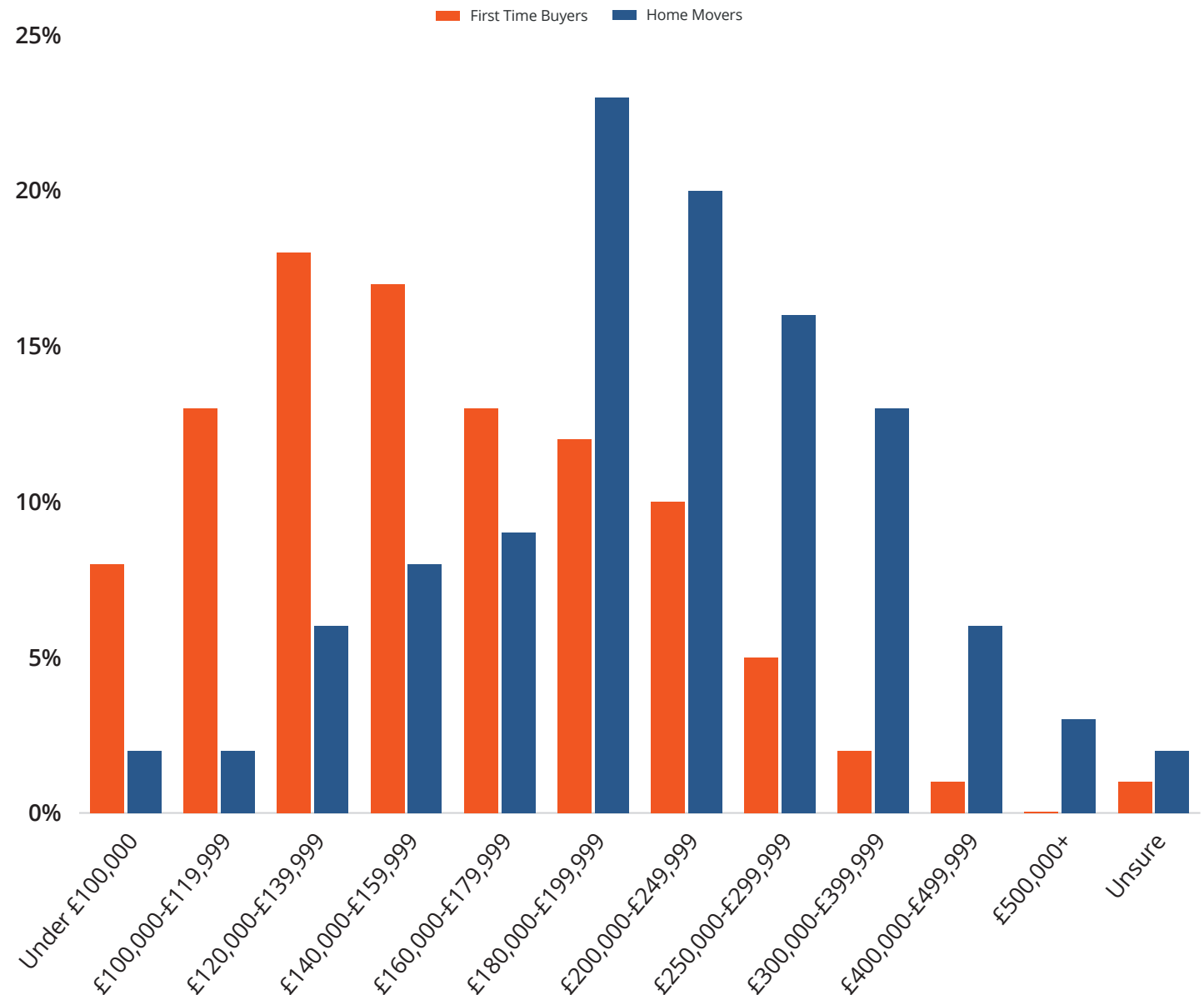
Price range of intended purchase

We asked First Time Buyers and Home Movers what their intended price range was for purchasing a home.

Almost 6 in every 10 First Time Buyers
intend to purchase a property **up to £160,000**

VS

Almost 6 in every 10 Home Movers
intend to purchase a property **over £200,000**

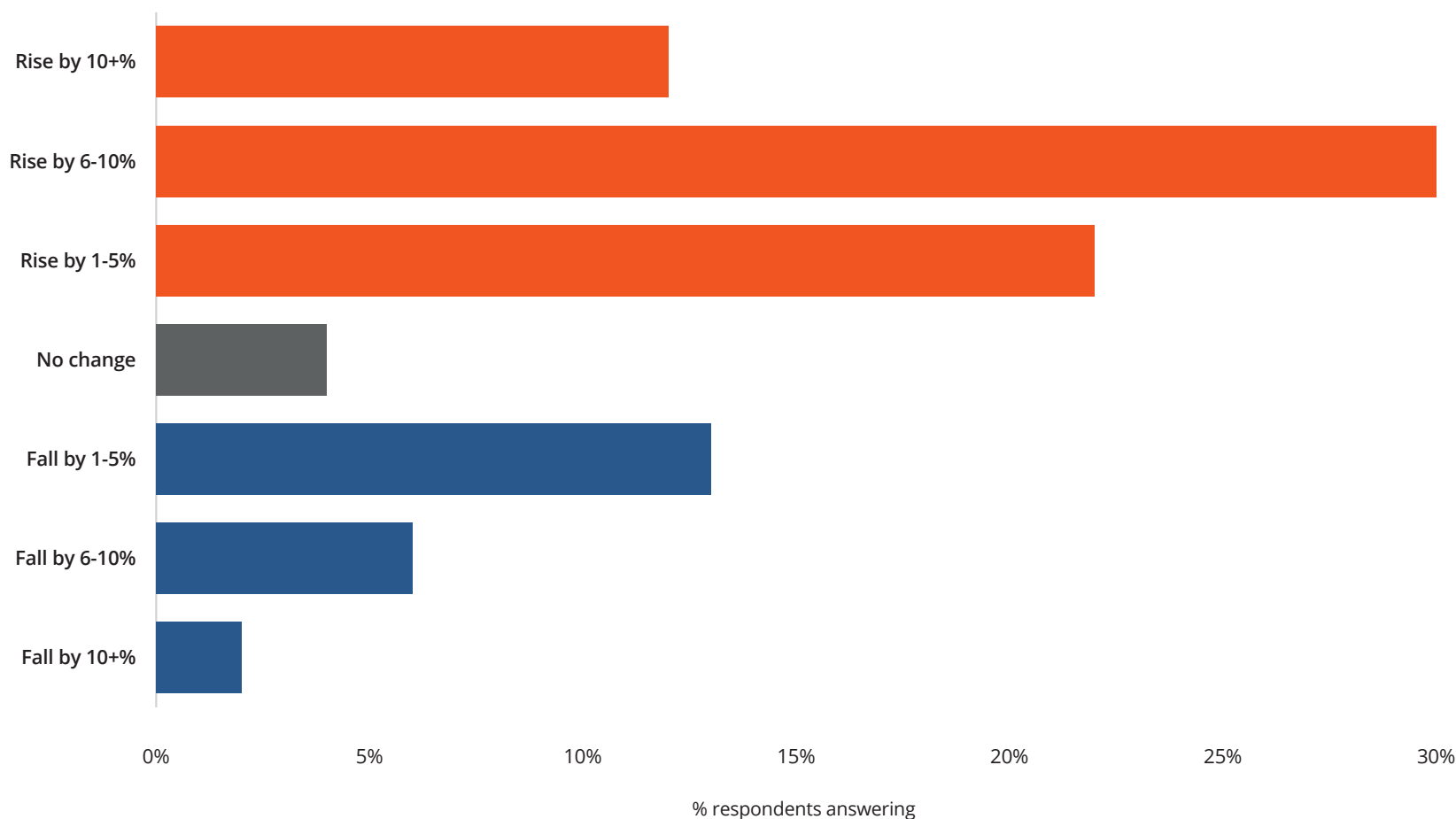


House Prices in the Next 12 Months

We asked First Time Buyers and Home Movers what they think will happen to house prices in the next 12 months.

↑ 64% of the buyers surveyed think that property prices will rise over the next 12 months

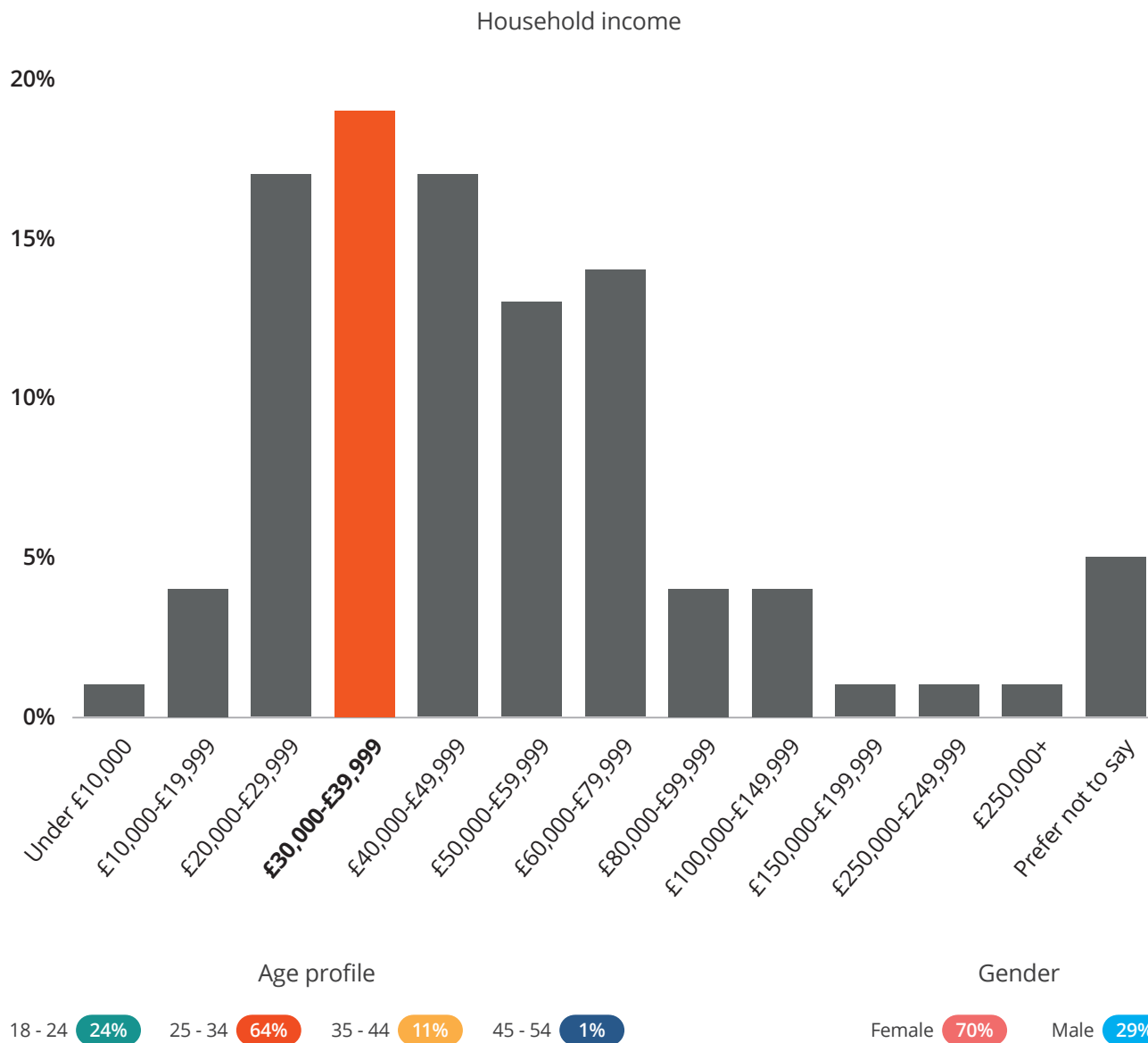
↓ 31% of the buyers surveyed think that property prices will fall over the next 12 months



First Time Buyers



First Time Buyers Profiling



Key Highlights

Employment Status

82% Full-time employment

Sector of Employment

15% Healthcare

11% Information Technology and Digital

11% Accountancy, Banking, Finance

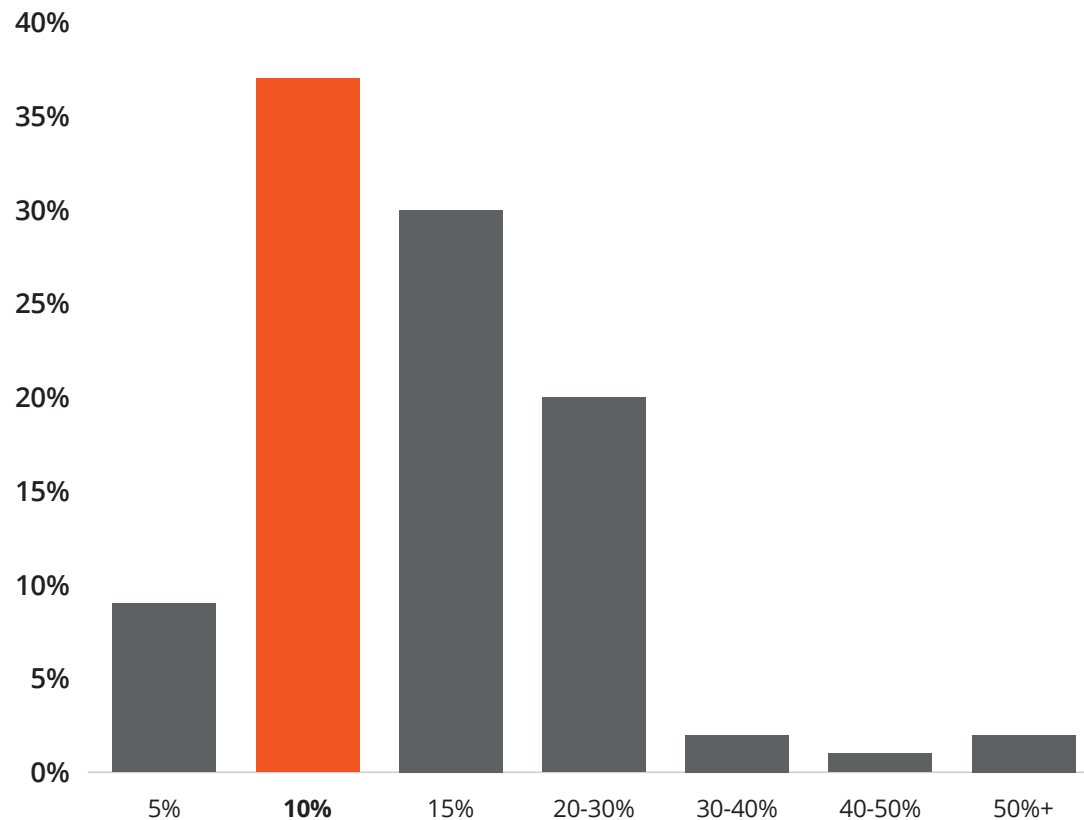
Highest Qualification

65% Degree level qualification or higher

Deposit Levels

75% of First Time Buyers intend to have up to a 15% deposit

We asked First Time Buyers how much of a deposit they intend to have before buying a home.



Property Financing

91% Mortgage

8% Co-Ownership

2% Cash only

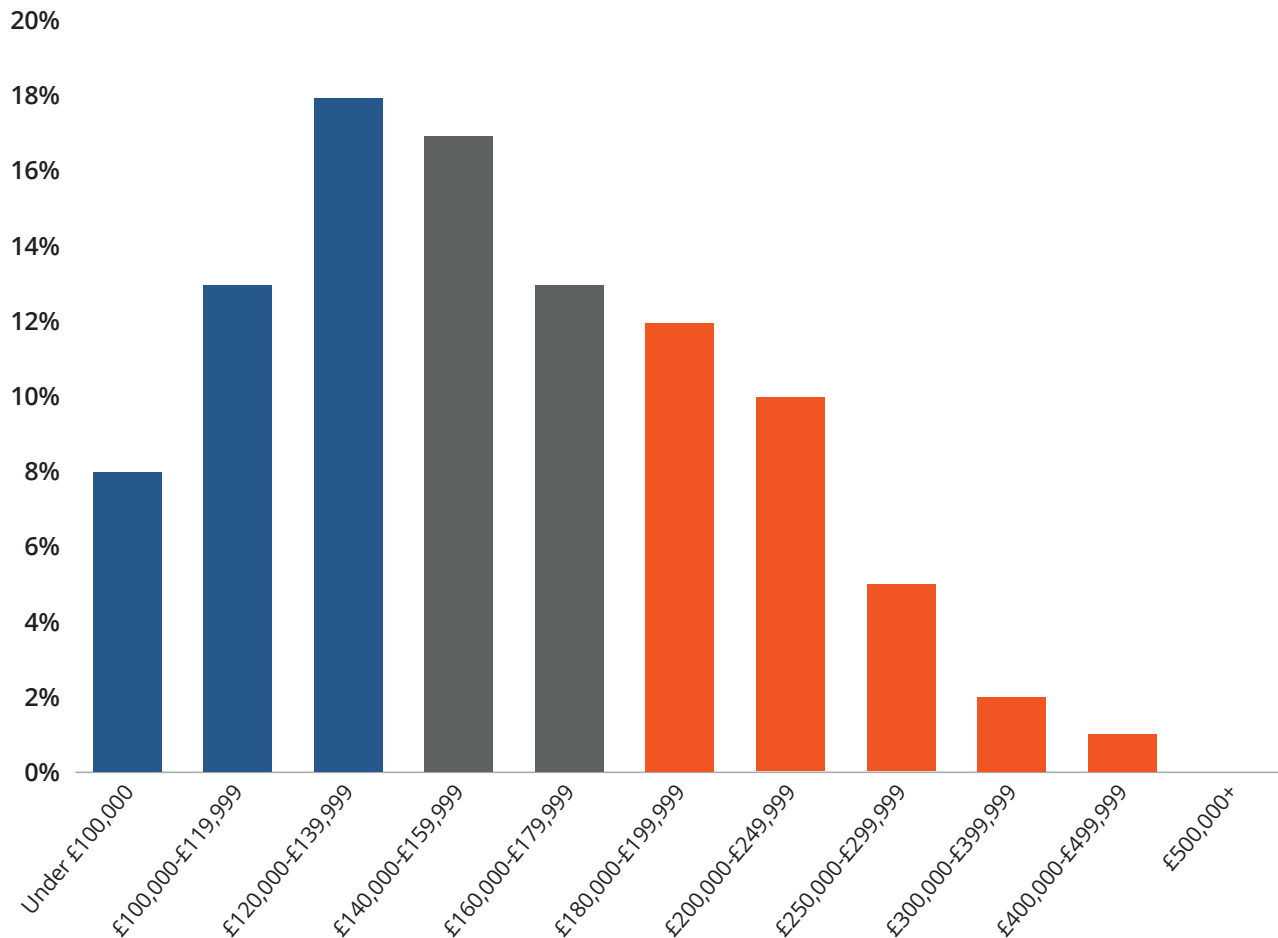
Does not sum to 100% due to rounding up.



Affordability and Price Range

Key Highlights

Q We asked First Time Buyers what their intended price range was for purchasing a home.



Price Range

39% of First Time Buyers intend to buy a property under £140,000

30% of First Time Buyers intend to buy a property between £140,000-£179,999

31% of First Time Buyers intend to buy a property over £180,000

Who they are planning to buy with

61% With a partner

35% On your own

Does not sum to 100% due to some respondents citing other reasons.

Main Reasons For Buying A Home

43% Personal fulfillment

40% Want control over household decisions
(decorating, pets)

38% Cheaper than renting

37% Independence

31% Investment / Long term wealth

22% Improved quality of living e.g. safer
location, better amenities, schools

7% Bigger family unit

5% More choice of homes
than renting

4% Need a dedicated space
for home working

We asked First Time Buyers what their main reasons were for wanting to purchase a property.



Respondents were given the option to choose multiple answers for this section of the survey.

Location Popularity

We asked First Time Buyers where they currently live and where they are planning to move to.

	Current Location	Planned Location
Lisburn & Castlereagh	11%	↑ 14%
Ards & North Down	10%	↑ 12%
Belfast	31%	↓ 27%
Derry & Strabane	4%	↓ 3%
Fermanagh & Omagh	3%	↓ 2%
Antrim & Newtownabbey	14%	14%
Armagh, Banbridge & Craigavon	8%	8%
Newry, Mourne & Down	6%	6%
Causeway Coast & Glens	5%	5%
Mid & East Antrim	5%	5%
Mid Ulster	3%	3%

Key Highlights

Distance willing to move from current location

37% of buyers would relocate within a maximum of 20 miles

33% of buyers would relocate within a maximum of 10 miles

19% of buyers would relocate within a maximum of 5 miles

Timeframe for buying

59% Within the next year

30% Within the next 2-5 years

11% After 5 years

Property Location Preferences

54% Proximity to local amenities e.g. shops, parks

46% Safer area

43% Close to work

40% Close to family

25% Good sense of community

23% High internet speed and mobile connectivity

22% Close to public transport links

15% Rural location

13% Close to specific schools

11% Affluent area

We asked First Time Buyers what are the top features of a property's location that are important to them.

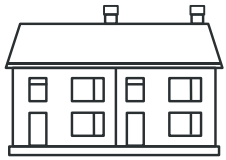


Respondents were given the option to choose multiple answers for this section of the survey.

Property Styles

Almost 3 in every 4 First Time Buyers intend to purchase a semi-detached or detached house

We asked First Time Buyers which house type they intend to buy.



41%

intend to buy a
Semi-detached Home



33%

intend to buy a
Detached Home



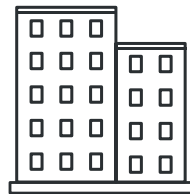
6%

intend to buy a
Terraced Home



4%

intend to buy a
Bungalow



3%

intend to buy an
Apartment



14%

are unsure of what style of
property they would buy

New Build vs Resale Preference

52% Either New Build or Resale

29% New Build

15% Resale

4% Unsure

Property Feature Preferences

88% Garden or outdoor space

68% Large kitchen or entertaining space

54% Driveway

51% More bedrooms

50% Privacy

30% Garage

29% Utility room

29% Modern decor

27% Energy efficiency

25% More bathrooms

22% Home office

6% Home security system

4% Home gym

We asked First Time Buyers which property features are important to them.



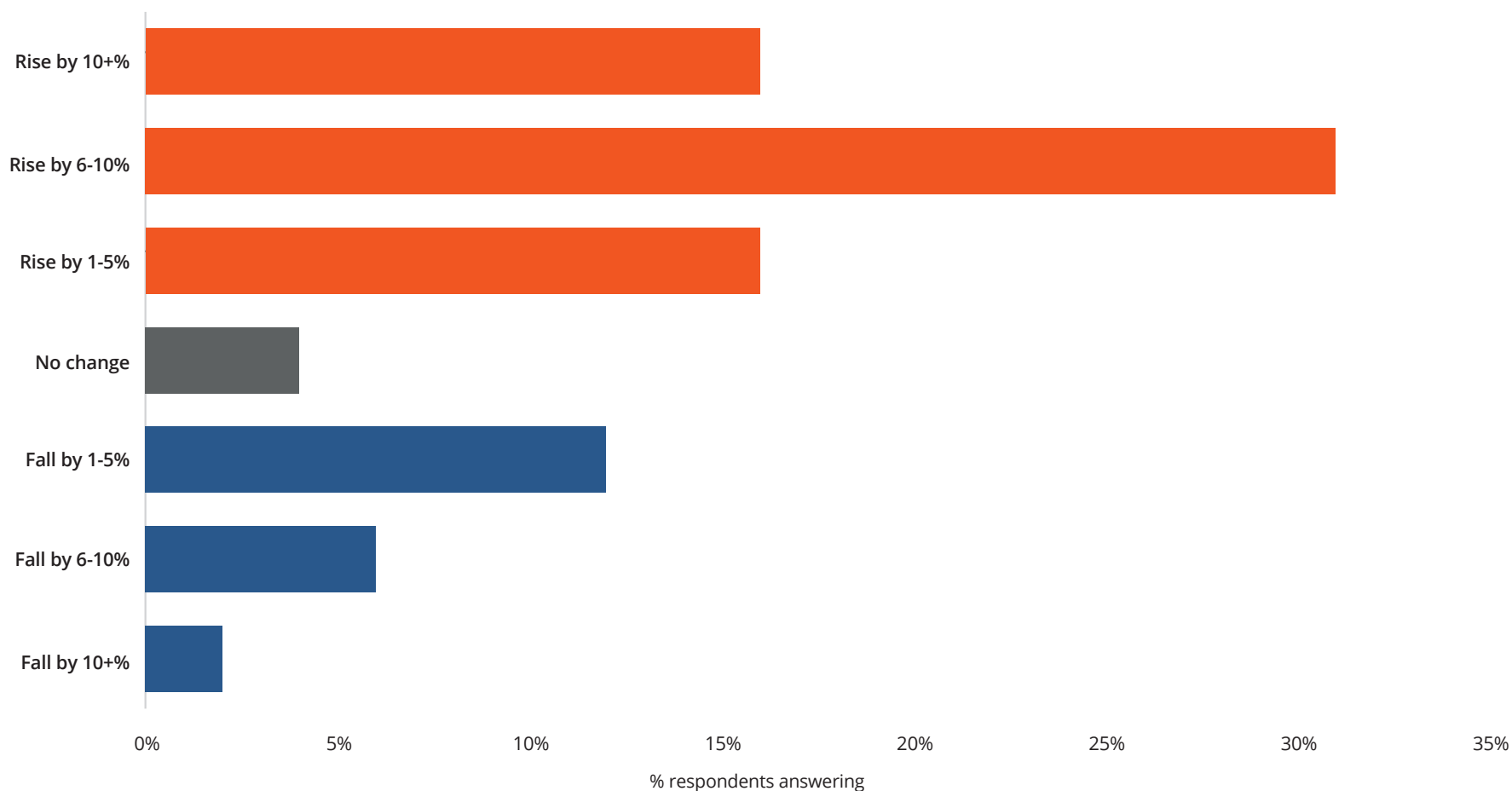
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House Prices in the Next 12 Months

We asked First Time Buyers what they think will happen to house prices in the next 12 months.

↑ **63%** of First Time Buyers think that property prices will rise over the next 12 months

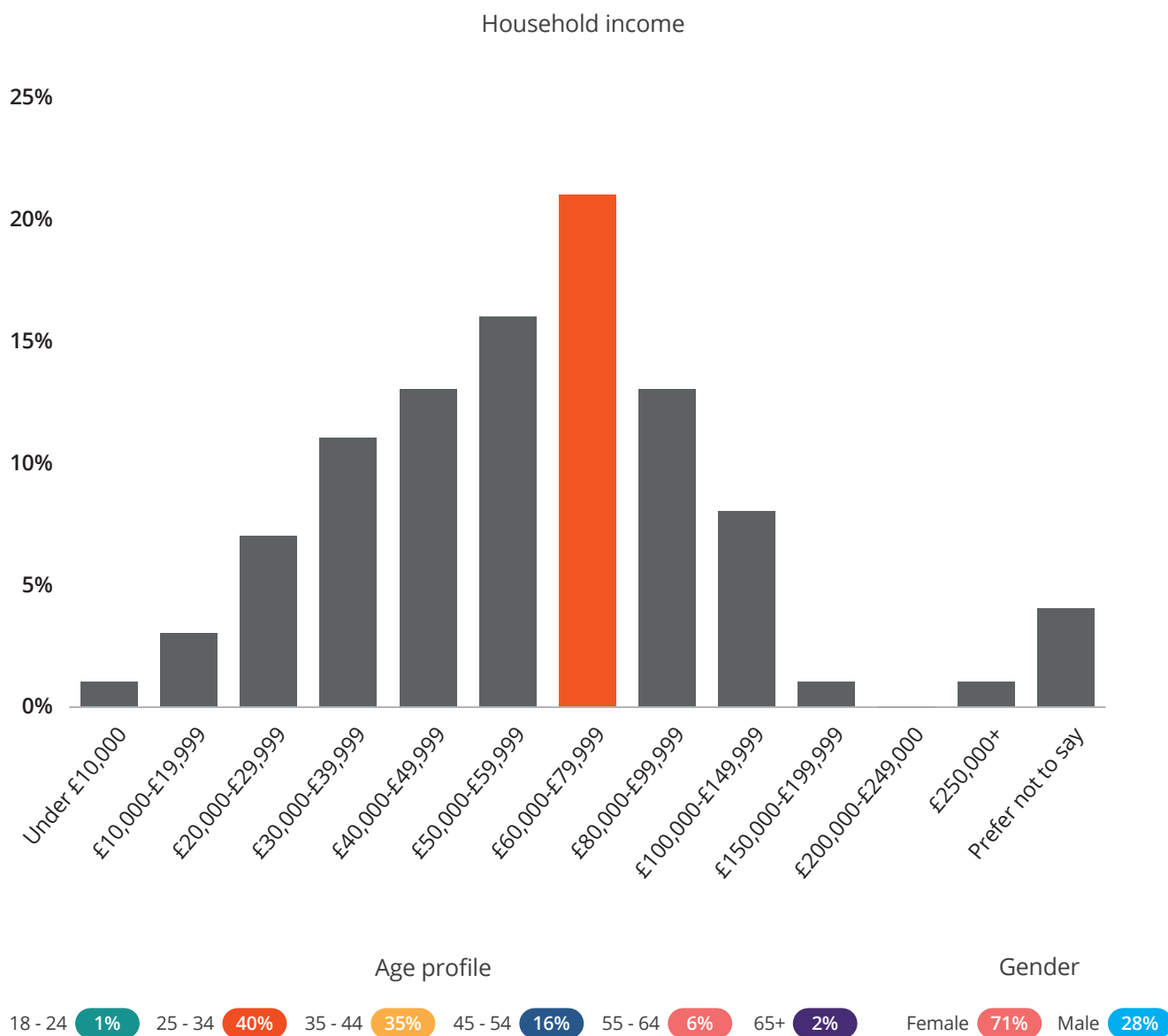
↓ **20%** of First Time Buyers think that property prices will fall over the next 12 months



Home Movers



Home Movers Profiling



Key Highlights

Employment Status

74% Full-time employment

Sector of Employment

12% Healthcare

12% Public Services & Administration

10% Accountancy, Banking, Finance

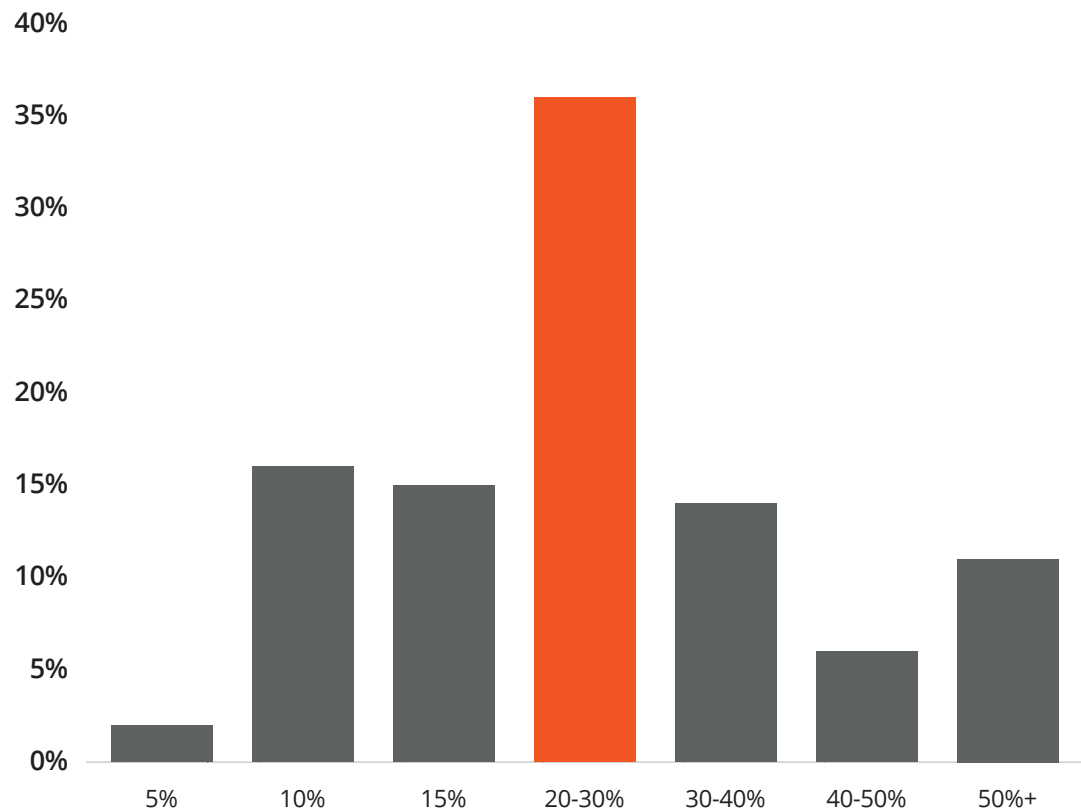
Highest Qualification

63% Degree level qualification or higher

Deposit Levels

36% of Home Movers intend to have a deposit of between 20-30%

We asked Home Owners how much of a deposit they intend to have before buying a home.



Property Financing

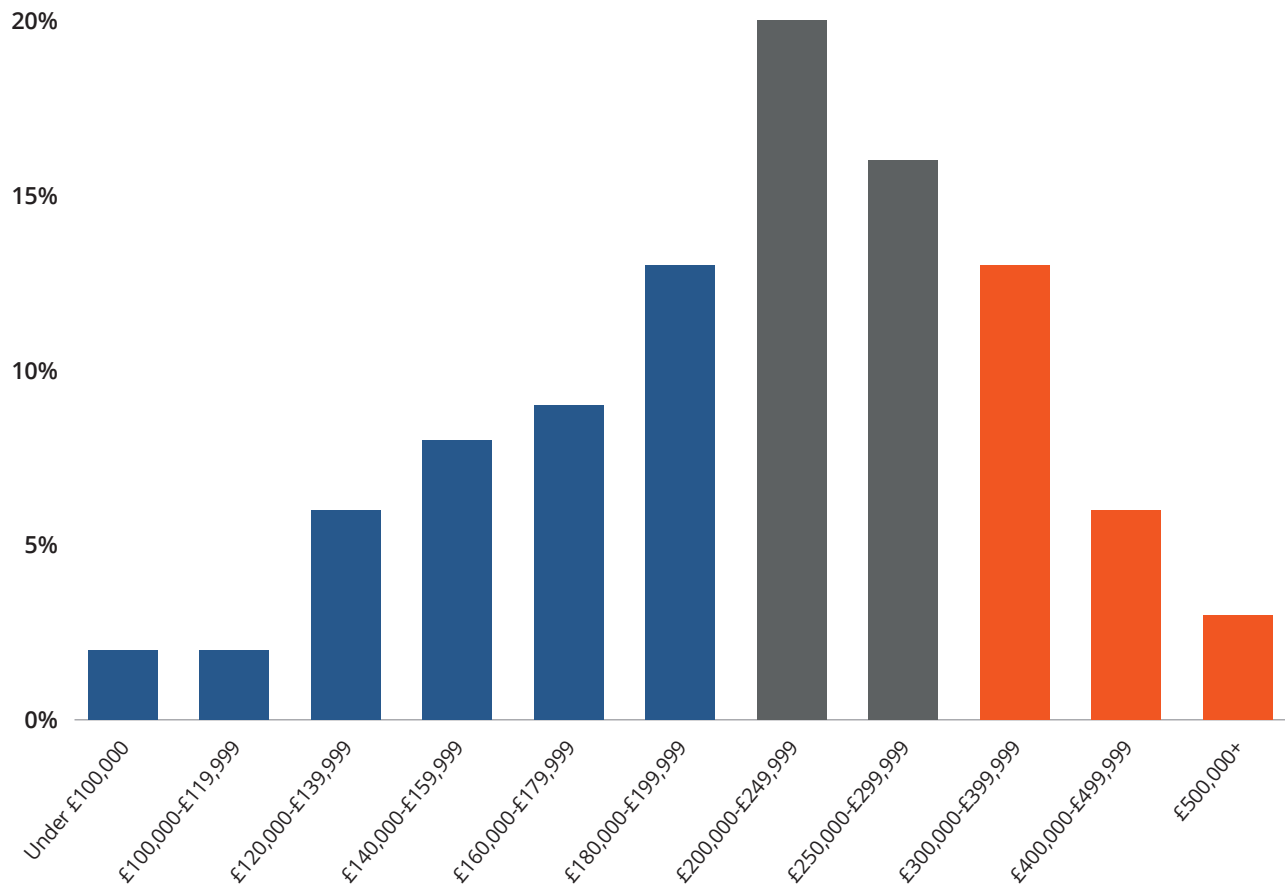
83% Mortgage

17% Cash only



Affordability and Price Range

We asked Home Movers what their price range was for purchasing a home.



Key Highlights

Price Range

40% of Home Movers intend to buy a property under £200,000

36% of Home Movers intend to buy a property between £200,000-£299,999

24% of First Time Buyers intend to buy a property over £300,000

Who they are planning to buy with

78% With a partner

19% On your own

Does not sum to 100% due to some respondents citing other reasons.

Main Reasons For Buying A Home

46% Upsizing

32% Improved quality of living e.g. safer location, better amenities, schools

29% Personal fulfillment

26% Bigger family unit

11% Need a dedicated space for home working

10% Investment / Long term wealth

8% Change of circumstances

7% Moving in with a partner

7% Downsizing

We asked Home Movers what their main reasons were for wanting to purchase a property.



Respondents were given the option to choose multiple answers for this section of the survey.

Location Popularity

We asked Home Movers where they currently live and where they are planning to move to.

	Current Location	Planned Location
Ards & North Down	16%	↑ 18%
Lisburn & Castlereagh	15%	↑ 16%
Newry, Mourne & Down	5%	↑ 7%
Causeway Coast & Glens	3%	↑ 5%
Mid Ulster	2%	↑ 3%
Belfast	26%	↓ 20%
Antrim & Newtownabbey	14%	↓ 13%
Armagh, Banbridge & Craigavon	7%	↓ 6%
Derry & Strabane	3%	↓ 2%
Mid & East Antrim	7%	7%
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Key Highlights

Distance willing to move from current location

38% of buyers would relocate within a maximum of 10 miles

30% of buyers would relocate within a maximum of 20 miles

21% of buyers would relocate within a maximum of 5 miles

Timeframe for buying

56% Within the next year

31% Within the next 2-5 years

13% After 5 years

Property Location Preferences

47% Want to be close to family

45% Proximity to local amenities
e.g. shops, parks

35% Safer area

26% Close to work

26% A good sense of community

25% Rural location

25% Close to specific schools

21% High internet speed and
mobile connectivity

21% Close to public transport links

20% Affluent area

We asked Home Movers what are the top features of a property's location that are important to them.



Respondents were given the option to choose multiple answers for this section of the survey.

Property Styles

Almost 3 in every 4 Home Movers intend to purchase a detached house

We asked Home Movers which house type they intend to buy.



69%

intend to buy a
Detached Home



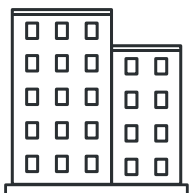
15%

intend to buy a
Semi-detached Home



10%

intend to buy a
Bungalow



1%

intend to buy an
Apartment



1%

intend to buy a
Terraced Home



5%

are unsure of what style of
property they would buy

New Build vs Resale Preference

44% Either New Build or Resale

39% Resale

14% New Build

4% Unsure

Property Feature Preferences

89% Garden or outdoor space

71% Large kitchen or entertaining space

49% More bedrooms

48% Driveway

45% Privacy

42% Garage

33% Utility room

27% Multiple reception rooms

26% More bathrooms

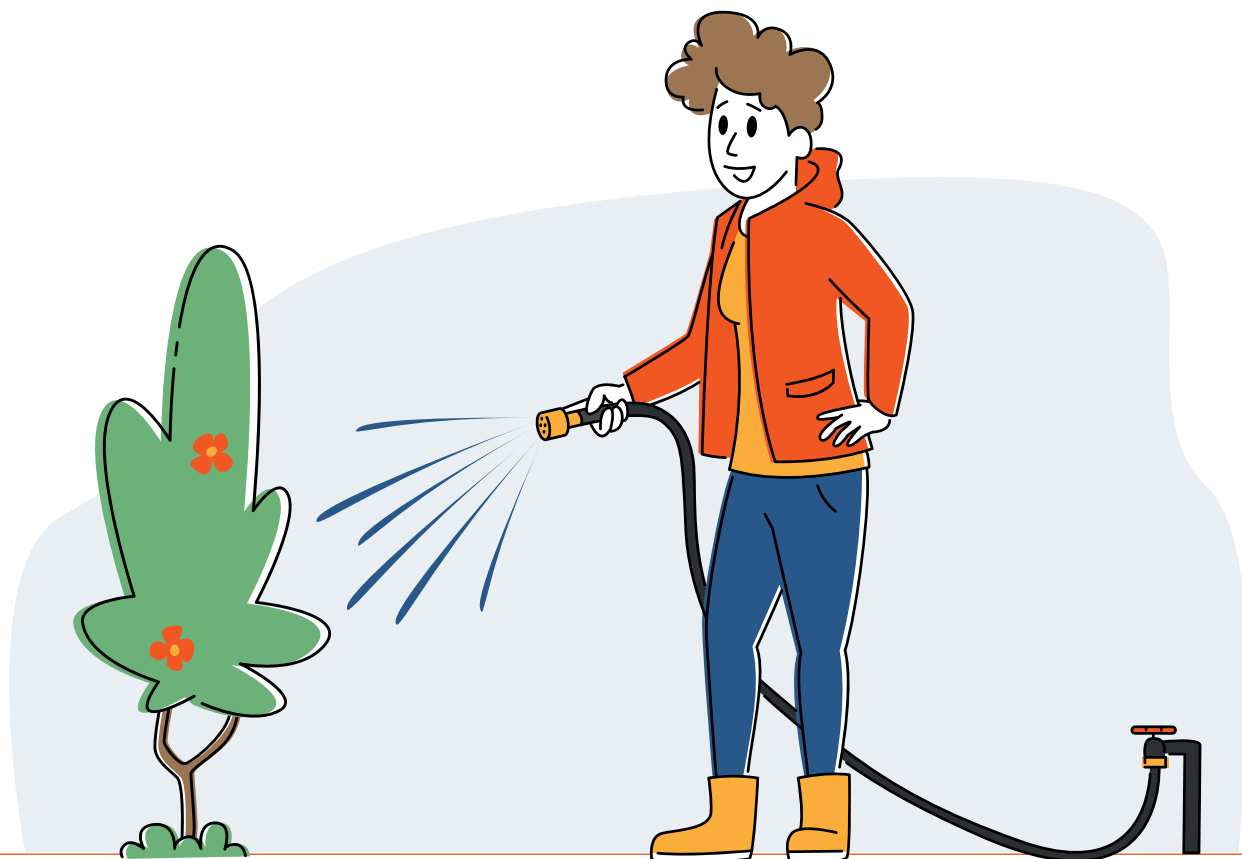
23% Energy efficiency

18% Home office

18% Modern decor

7% Downsizing

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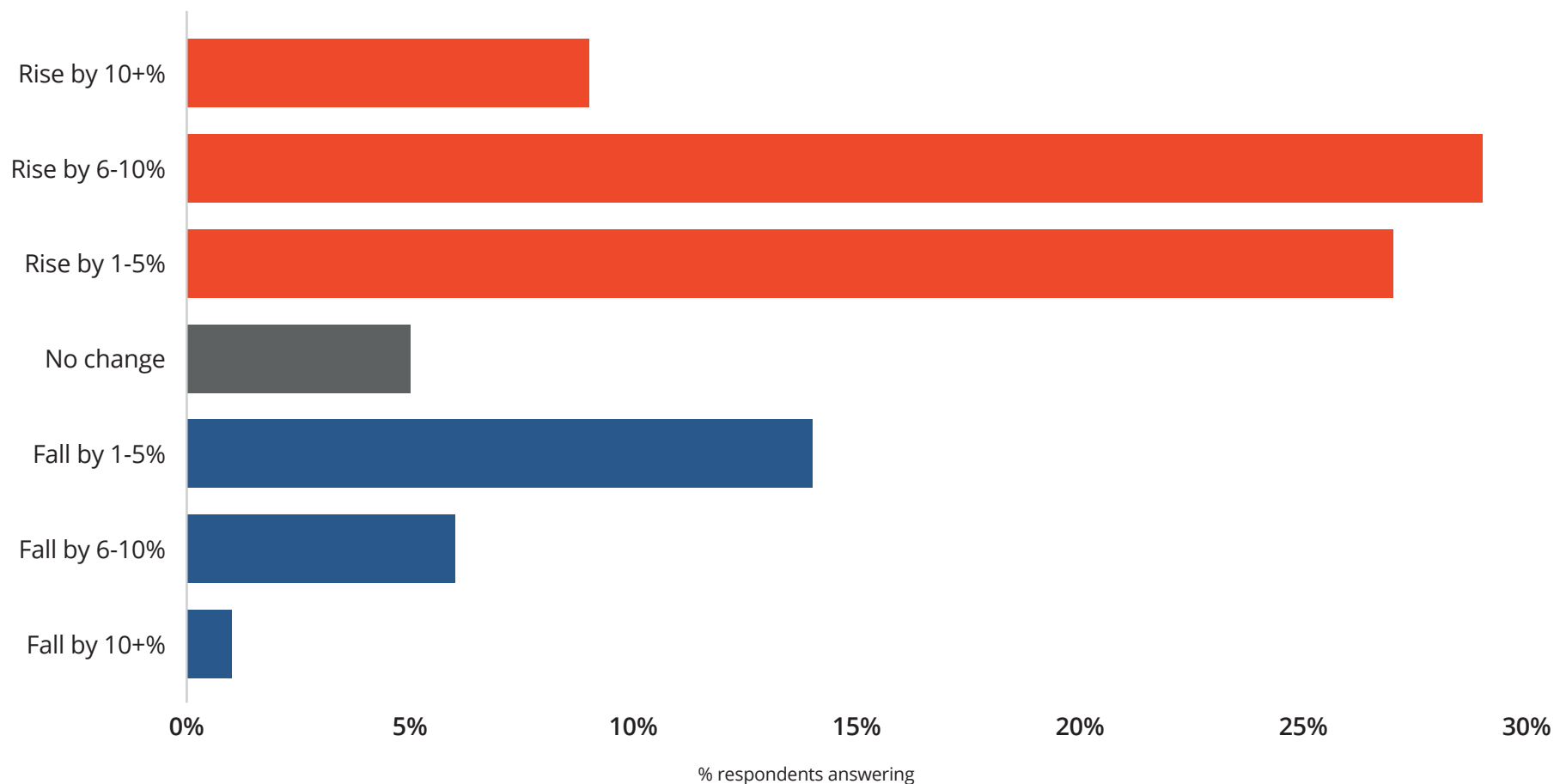
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House Prices in the Next 12 Months

We asked Home Movers what they think will happen to house prices in the next 12 months.

↑ **65%** of Home Movers think that property prices will rise over the next 12 months

↓ **21%** of Home Movers think that property prices will fall over the next 12 months



Contact Details



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Jordan Buchanan: Chief Economist



Jordan Buchanan is the Chief Economist at PropertyPal, acting as the spokesperson for the company and a trusted subject matter expert on all UK and Northern Ireland economic and housing matters. Jordan is a member of the Board of Directors in Co-Ownership, Northern Ireland's shared ownership provider.

An experienced economist and research professional, Jordan has published extensive analytical research on key issues affecting the UK and NI economies. His recent work includes research on Brexit and other macroeconomic risks, the labour market and the housing sector. He is skilled in economic modelling and alongside colleagues in the University of Cambridge, has developed a macroeconomic forecasting model of the UK economy and a gravity trade model to estimate the economic impact of Brexit.

Jordan has also developed economic forecasting models to understand future growth patterns in Northern Ireland. Jordan lectured in Economics in the Ulster Business School and is a regular commentator across a range of media outlets.

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