Life after lockdown

The future of UK homeownership

June 2021

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The Covid-19 pandemic has forced us to adapt almost every aspect of our lives. Nowhere have these changes been more evident than in our homes, which quickly became offices, schools, gyms and virtual social spaces.

It's inevitable that as the way we live has now changed, so too has the way in which we use our homes. It was no surprise there was a huge surge in home movers once restrictions began to ease in May 2020. Many people began to realise that the home they were in before the pandemic no longer matched their needs or lifestyle during it.

Government interventions have further amplified an already busy market, with the stamp duty holiday introduced in July 2020. By December 2020, average property prices in the UK had risen to a record £252,000, according to ONS data. Last year was Santander's busiest year for mortgage applications since 2007 - at its peak we were receiving 5,000 applications a week, around 50% more than usual.

At Santander, our aim is to help buyers on their homeownership journey, whether that's their first or final home. We've undertaken this study to better understand how the enormous changes to the UK housing market in the last year have impacted buyers. The chapters that follow explore where people say they want to live, the property types they want to live in and how the experiences of the pandemic have changed attitudes to homeownership and had an impact on those buying a home.

Our findings have uncovered that the property market today is a tale of two halves. Despite a buoyant market, first time buyers have not fared as well as next-steppers (those selling a home and buying another one) and buy-to-let landlords. The gap between existing homeowners and those who are struggling to get onto the property ladder has widened even further since the publication of our first time buyer study 'The future of the homeownership dream' in 2019.

As we begin to see some light at the end of the pandemic 'tunnel', it's important that the industry and government reflect on the impact to the homeownership market of the last year and how we can make defining changes to support a new generation of first time buyers. Without action, we risk the gap between existing homeowners and first time buyers widening even further which will put the 'homeownership dream' further out of reach.

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An introduction

This study analyses the views of 12,000 UK adults, surveyed between January and March 2021, alongside analysis of industry data, to map how the experiences of the pandemic have influenced consumer attitudes to homeownership.

Key findings

49%
of UK adults aged between 18 and 34 say homeownership is more important as a result of the pandemic

44%
of first time buyers delayed their plans to buys in 2020

59%
believe government should offer targeted support to first time buyers

54%
feel the Bank of Mum and Dad are now less able to offer support

53%
say inner city living is now less appealing

28%
of second home buyers brought forward plans to buy in 2020, compared to 16% of first time buyers

24%
have converted a bedroom into a permanent home office space

49%
say the housing market was broken before the pandemic

‘Virtual commuter belt’
A regional location with green spaces and access to good local amenities that was previously discounted by a buyer as being ‘too far’ from their place of work.

How barriers to homeownership have changed from before the pandemic.

Barriers to homeownership	2021	2019
Raising a deposit	52%	30%
Borrowing enough based on income	37%	15%
Finding an affordable property that suits their needs	36%	10%
Finding an affordable property in my preferred area	33%	11%

Buyers incentivised by the stamp duty holiday:

22%
first time buyers

37%
next-steppers (those selling a home and buying another one)

44%
buy-to-let buyers

46%
second home buyers

Percentage of buyers who saved a larger deposit during lockdown:

17%
first time buyers

19%
next-steppers (those selling a home and buying another one)

37%
buy-to-let buyers

61%
second home buyers

How the pandemic reshaped the UK's housing market

2020 proved an extraordinary time for the housing market. After a positive start following the Brexit agreement and the 2019 election, the market was brought to a complete standstill during the first lockdown in March. The chart on the right shows how swiftly activity dropped in the market in April 2020 as lockdown halted access to properties for everyone in the homebuying process, from viewers to valuers and removals companies

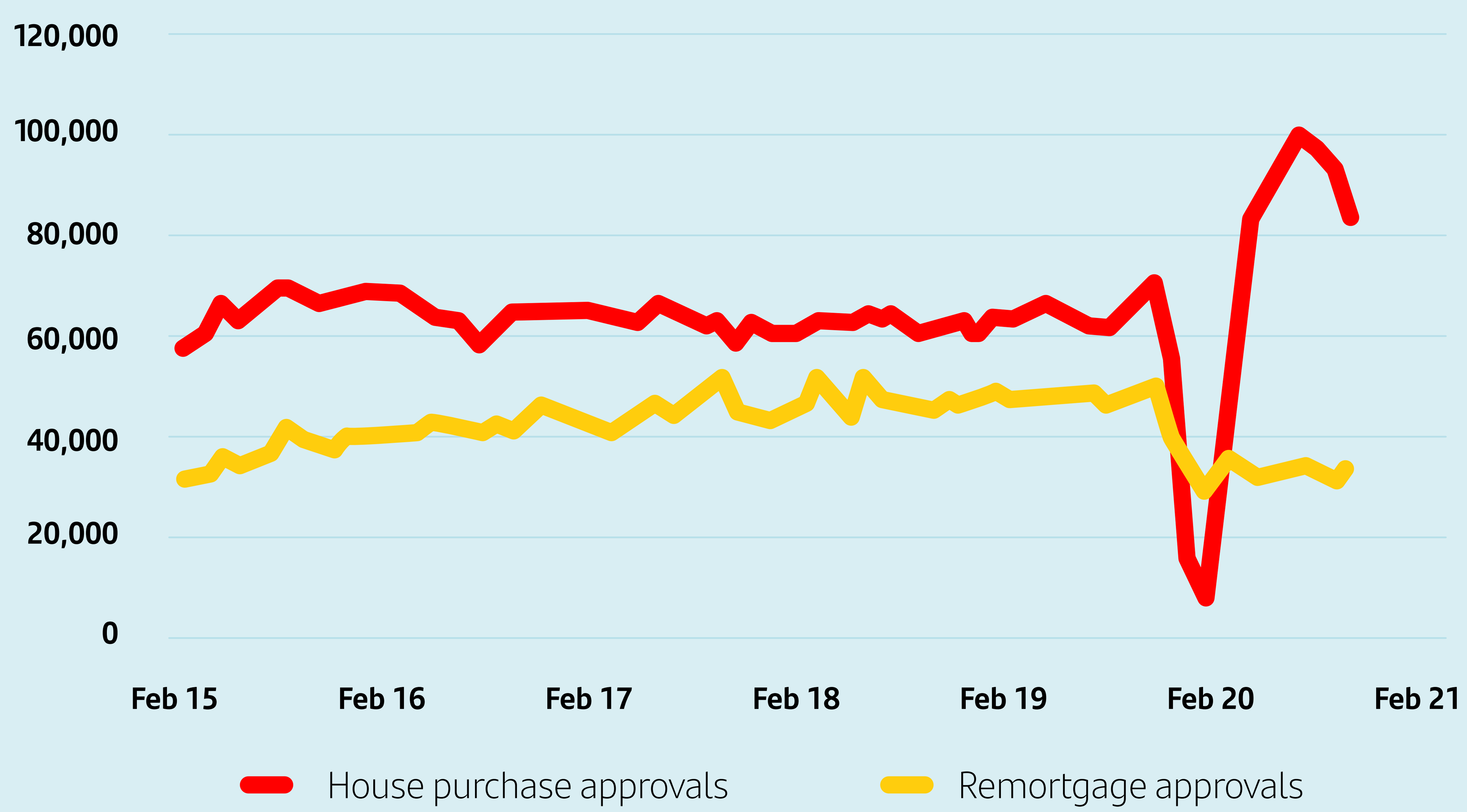
What's clear from our analysis is that it was far from 'business as usual' once the market reopened, albeit with social distancing restrictions, in May.

Pent-up demand, combined with the introduction of market stimulus through the stamp duty holiday, meant a remarkably busy rest of the year for estate agents, conveyancers and mortgage lenders.

Between October and December 2020 alone, the value of new mortgage commitments (lending agreed to be advanced in the coming months) was almost a quarter higher (24.2%) than the same period in 2019, at £87.7 billion, and the highest level since 2007 (see Note 1). Overall, from January 2020 to January 2021 there were nearly 1.16 million residential property sales (see Note 2). Despite lockdown restrictions and guidance preventing the completion of home sales in April and May, this was only slightly down on the same period in the previous 12 months, which saw 1.2 million transactions.

Note 1: Bank of England Mortgage Lenders and Administrators Return (MLAR) Q4 2020.
Note 2: HMRC/Land Registry UK monthly property transactions commentary March 2021.

House purchase and remortgage approvals



Source: Bank of England

The accelerating property market

The pandemic led to a fundamental shift in the reasons why people bought properties and, for many, it accelerated the homebuying process.

There are a number of reasons behind this acceleration.

Many found themselves with more money for a deposit, which meant they could afford to buy sooner. With spending restricted by the 'stay at home' rule and the closure of offices, shops, restaurants and pubs, UK households actually saved around £153 billion in cash accounts during 2020 (see Note 3). This marks a huge rise from the £55 billion saved in 2019. Our research revealed that three in ten (31%) of those who bought in 2020 said lockdown allowed them to accumulate a larger deposit.

Over a third (36%) of homebuyers admitted they were encouraged by the promise of stamp duty savings, which saw homebuyers able to benefit up to a maximum of £15,000.

A similar proportion (35%) wanted to move before a second wave of Covid-19 hit the UK. Those who may have discovered in the first lockdown that their existing property was unsuitable for working from home, or didn't have any or enough outside space, were often among those in more of a hurry.

Interestingly, despite media reports of an exodus from cities thanks to remote working, home movers didn't typically make any radical changes in terms of location in 2020. On average the properties that were bought were just 12 miles from where the owners were previously living and the majority moved under 20 miles. Just 1% of people moved more than 100 miles from their previous location. However, this appears to have changed when people consider future buying preferences, which is covered in chapter two.

Note 3: Bank of England/NMG household survey data

The factors encouraging people to buy in 2020

36% wanting to maximise on the stamp duty holiday

35% buying before a second wave hit the UK

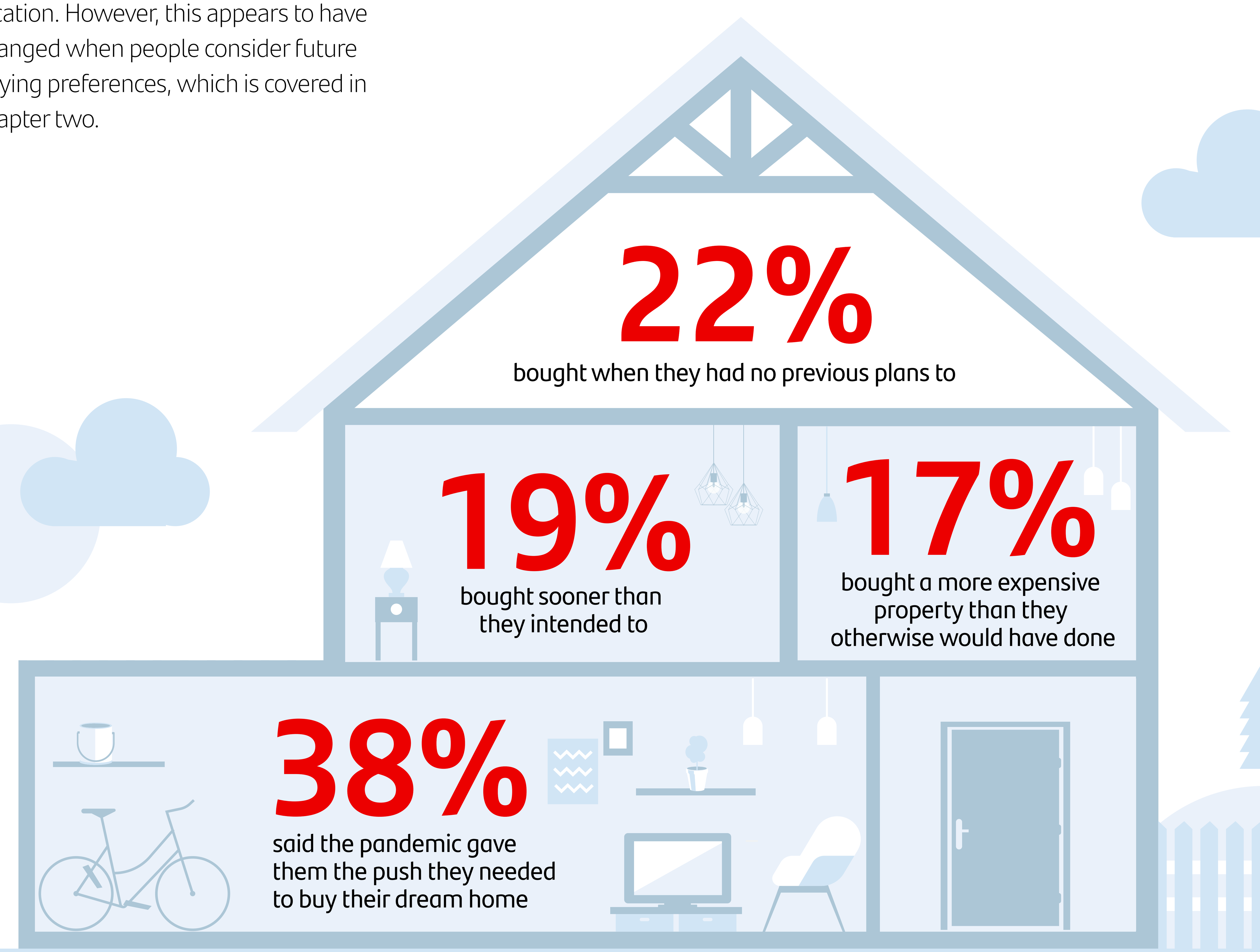
31% accumulating a larger deposit

28% wanting to leave a densely populated area

26% being in lockdown and realising current property did not suit needs

24% current property being worth more than previously thought

Impact of the pandemic on people who bought in 2020



What stopped would-be buyers from moving?

While 2020 saw many successful purchases, it wasn't the case for all hopeful buyers with four in ten delaying their plans.

The reasons behind the delays range from uncertainty over the property market (40%), and personal finances (38%), along with concerns about viewing safety during Covid-19 (36%), and job security (30%). One in ten households reported a substantial drop in income.

First time buyer woes

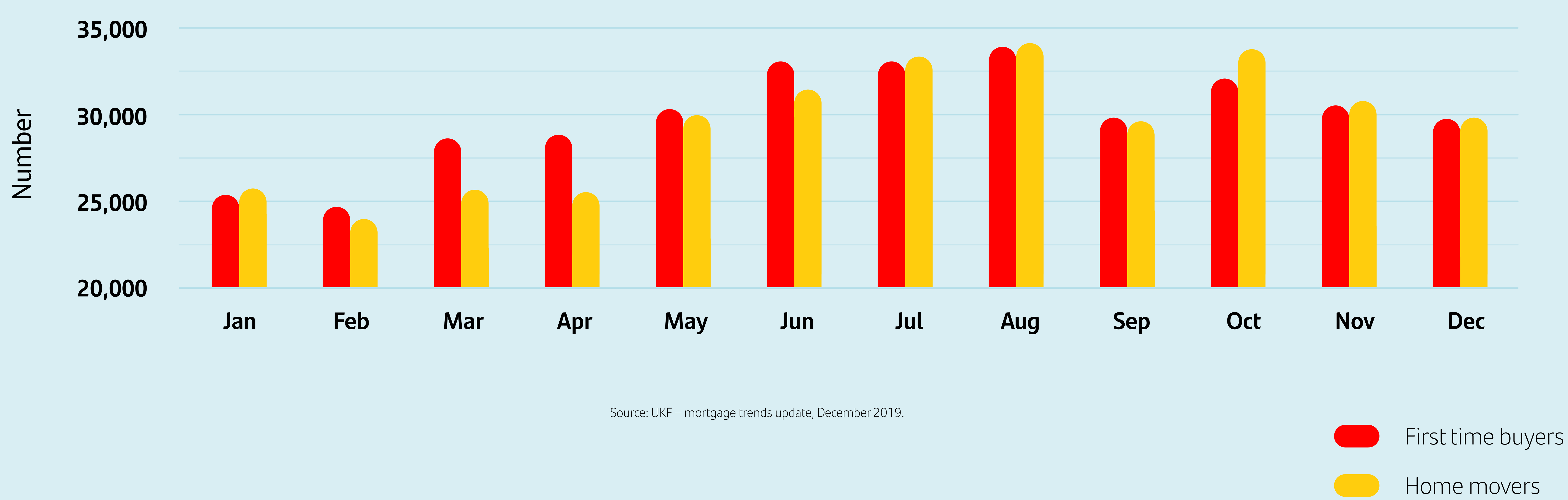
Those planning to buy their first property were more likely than any other group to say concerns over their personal finances delayed their plans (47%) compared to just over a third of other buyer types.

Even with a higher stamp duty free limit, low mortgage rates and good availability of property, many first time buyers appear to have been frozen out of the market. The next-stepper volumes were overtaking first time buyers in 2020 which is a reverse of the trend seen in recent years.

Nearly a third of people (31%) who told us they moved during the pandemic were next-steppers, compared to just over a quarter (28%) who were buying their first home.

The below chart shows how the majority of 2019 saw a different picture, with increased first time buyer mortgage applications in almost every month. While the graph shows more home movers (next-steppers) towards the end of 2019, the experiences of 2020 seem to have accelerated this trend.

Number of new residential mortgage loans for house purchase, secured by a first charge on the property



Source: UKF – mortgage trends update, December 2019.

The Financial Conduct Authority and Bank of England figures show that in Q4 2020, lending to those with smaller deposits fell to the lowest level since 2007. The share of advances with loan-to-value (LTV) ratios exceeding 90% decreased compared to the previous quarter, by 2.3pp, to 1.2%, the lowest level since 2007(see Note 4).

This is significant given that in our 2019 first-time buyer study, we found aspiring homeowners were already underestimating the amount required for a deposit with plans to save just under half the actual amount needed (see Note 5). Similarly, over the past five years, average rent has risen by 10%, while incomes have only risen by 7% - further limiting aspiring buyers' ability to save money for a deposit (see Note 6).

Soaring house prices were another contributing factor to the plight of first-time buyers. House price growth rose sharply in the latter half of 2020 with average prices up by 8.5% over the year to December 2020, to stand at a record high of £252,000; the highest annual growth rate the UK has seen since October 2014 (see Note 7).

Our analysis of longer-term changes in household incomes against house prices has revealed that the average house price has risen by 45% over the past 15 years, while disposable household income has only increased by 8.4% over the same period – now £29,900 (see Note 8). As a consequence of mortgage rules most buyers can only borrow 4.5 times their income (see Note 9), so this unequal growth has furthered the difficulty faced by buyers in demonstrating they can afford a mortgage.

While there was a general view from the research that homebuyers were negatively impacted during 2020, it is clear that the real negatives are for those looking to buy their first home.

Average UK disposable household income in Financial Year Ending 2020:	**£29,900**
Typical income multiple available:	**4.5 times income**
Maximum borrowing:	**£134,550**
Deposit required to purchase an averagely priced property (£252,000):	**£117,450**

Note 4: Bank of England Mortgage Lenders and Administrators Return (MLAR) Q4 2020.
Note 5: Research of 5,002 would-be first time buyers in May 2019, showed they aimed to save £24,816, just over half of the £44,000 actually needed for a deposit, based on March 2019 ONS house price data.
Note 6: All data based on calendar year average. Source ONS/Land Registry and Santander.
Note 7: ONS recent trends in the housing market: January 2021.
Note 8: ONS data; average household income, UK: financial year 2020.
Note 9: FCA rules limit mortgage lenders' ability to lend more than 4.5 times a customer's income. While lending is possible above this limit, it must not make up more than 15% of a lenders overall mortgage book.

Investment property and second homes

On the other side of the coin, the biggest winners of the housing market in 2020 were those with existing financial cushions who were able to buy second homes or buy-to-let properties. They could take advantage of the stamp duty holiday, without the financial hurdles faced by first time buyers.

Around 20,000 second homes, which include those that might be rented out as holiday lets, were bought in the UK last year (see Note 10). While that made up just 2% of overall sales agreed in 2020, half of the second home sales last year were agreed in the four months following the introduction of the stamp duty holiday in July.

Similarly, there were 22,500 buy-to-let purchases in 2020. Q4 2020 saw the highest volume of buy-to-let purchase activity since Q1 2016, when landlords looked to complete sales ahead of the introduction of a stamp duty surcharge on second homes (see Note 11).

Our study showed that the stamp duty saving encouraged a larger proportion of second home buyers and buy-to-let landlords to make a purchase in 2020 than it did for next-steppers or first-time buyers. This suggests the policy was of most benefit to those looking to property as an investment opportunity rather than those buying a primary home.

The percentage of buyers incentivised by the stamp duty holiday

46% second home buyers

44% buy-to-let landlords

37% next-steppers (those selling a home and buying another one)

22% first time buyers

Note 10: Hamptons 'Second home spending spree' February 2021.
Note 11: UK Finance; Household Finance Review, Q4 2020

It's unsurprising that the pandemic has brought forward plans to buy for 28% of second home buyers and 24% of buy-to-let investors. This compared to just 16% of first time buyers.

While three in ten (31%) people found the pandemic allowed them to accumulate a larger deposit, the main winners here were second and holiday home buyers, 61% of whom saved more during the pandemic. This compares with only 17% of first time buyers, many of whom were still grappling with rent costs.

The age of the typical first time buyer is also a factor. Large numbers of young people are employed in the sectors most severely affected by the lockdown – such as leisure, retail and hospitality – and are likely to have seen their income fall, or their role be put at risk once furlough ends. They are also less likely to have had their pay topped up by their employer while on furlough (see Note 12) further adding to the financial struggles of getting onto the housing ladder. While the health of the younger generation was generally less at risk due to Covid-19, the economic fall-out and sacrifices on job prospects alongside education and socialising have been felt more acutely.

Note 12: ONS, Employee Earnings in the UK: 2020

The evolution of the homeownership dream

For many people the pandemic has increased the importance placed upon homeownership. This was particularly true for 18 to 34 year olds, with nearly half (49%) saying homeownership is now more important to them than it was pre-pandemic. Across all age groups, over a quarter (28%) share the same sentiment.

Over a third (37%) believes society will place more importance on homeownership as a result of the pandemic and over a third (35%) agree that the British homeownership dream is stronger now than it was pre-Covid-19.

Those who are living in city apartments and homes are the most determined to get on the housing ladder. Around four in ten of those who live in inner cities (42%) and urban areas (38%) reported that homeownership had become more important to them compared to just 24% of people who live in villages.

Age breakdown: the percentage of people for whom homeownership is now more important than before the pandemic

49%	28%	12%
18 to 34 year olds	35 to 54 year olds	over 55 years old

Future buying intentions

While nearly a third of people plan to buy in the future, buying a new home is not on everyone's 'to do' list, which was largely driven by existing homeowners (51%) that don't want or need to move.

Of those who do plan to buy in the future, 45% hope to buy their first home within the next five years, while over half (53%) say they will buy a new primary residence (sell a home and buy a new one) in the next five years.

An optimistic few (23%) can even see themselves buying a second or holiday home in the next five years.

If you're not considering buying property in the future, what's your reason?

I already own a property and don't want to move to another one	51%
I already own a property and don't want to/can't purchase a second home	22%
I don't own one and don't think I'll ever be in a financial position to afford one	19%
I don't own one and property ownership doesn't fit with my lifestyle	14%
I don't own one and I don't think property is a good investment	3%

The pandemic has forced people to think differently about where they want to live and what kind of home they want to buy.

When it comes to choosing a type of property, over a third (36%) think the pandemic will impact the type of home they want to live in. Two fifths (41%) of people say the experiences of the pandemic will affect the location of their future home. This rises to over half (54%) of those aged 18 to 34, and people who live in inner cities (56%) and urban areas (50%).

Location, location, location

Two fifths (38%) of people say that the pandemic has encouraged them to try and purchase a 'dream home' in a more ideal location, but where is that?

A hankering for open spaces during lockdowns over the past 12 months has undoubtedly had an impact on where people want to live. Living in big, busy cities is no longer as desirable as it once was.

Nearly half (45%) say a home on the coast is now far more desirable, with a similar proportion saying the same for rural areas (44%). Inner city living is now less desirable than it was previously for 53% of people.

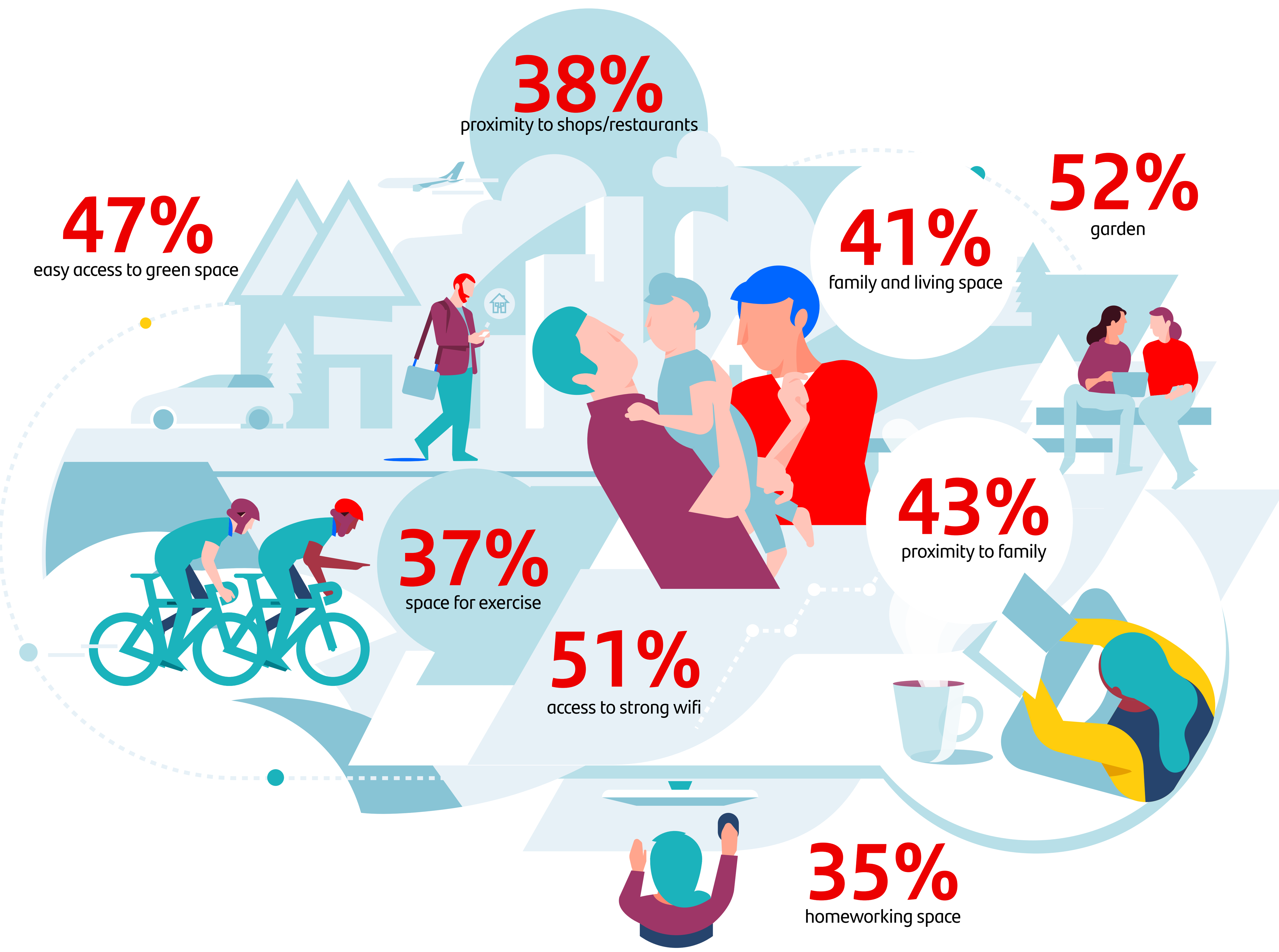
Two thirds (65%) believe that increased remote working will lead to more people moving further from city centres (to buy larger, potentially more affordable properties). There's an expectation among 45% of people that they will start to look for new homes in completely different places to those they would previously have considered. Over half (55%) say this will bring them closer to family and friends they have been separated from during the pandemic.

This sentiment marks a clear change from 2019 when our 'homeownership dream' report suggested most buyers were not looking to move away from where they were already based, with over 90% planning to stay in the same region.

Property requirements

Our research revealed homebuyers are placing more importance on the practical features of a home as a result of the pandemic

The percentage of people who find the following features of a home are now more important because of the pandemic



When it comes to what people are looking for in a home, the focus has shifted from the dream kitchen or perfect master bedroom to craving, quite simply, space.

The majority (52%) of people now prefer properties with more private outside space, which rises to 68% for first time buyers. For many, having a garden or outdoor space during the pandemic meant they could continue to safely spend time with loved ones in the privacy of their own home.

Similarly, with gyms closing during lockdowns and half (50%) of all adults saying that fitness is now more important to them since the pandemic, over half (58%) of first time buyers say exercise space at home is now more important. For 60%, living close to rural space or green areas has also become more of a priority.

Before the lockdown only 1.54 million people worked from home for their main job. Today that has soared to almost 24 million (see Note 13), which equates to around 60% of the UK's adult population. Almost half (47%) are hoping for some element of remote working in the future with people expecting to work from home an average of 2.6 days per week.

This means that the traditional 'extra bedroom' on the estate agent details will have more value if marketed as a 'home office'. For over a third of people (35%), suitable office space is now a priority, rising to over half (53%) in the 18 to 34 age group. A quarter (24%) of people say they have already converted a spare bedroom into an office and they plan to keep it that way.

The need for an additional room means a larger property is now required by many buyers than before the pandemic.

Note 13: Working from home (WFH) statistics 2021. Analysis conducted by finder.com/uk

Growing regional demand

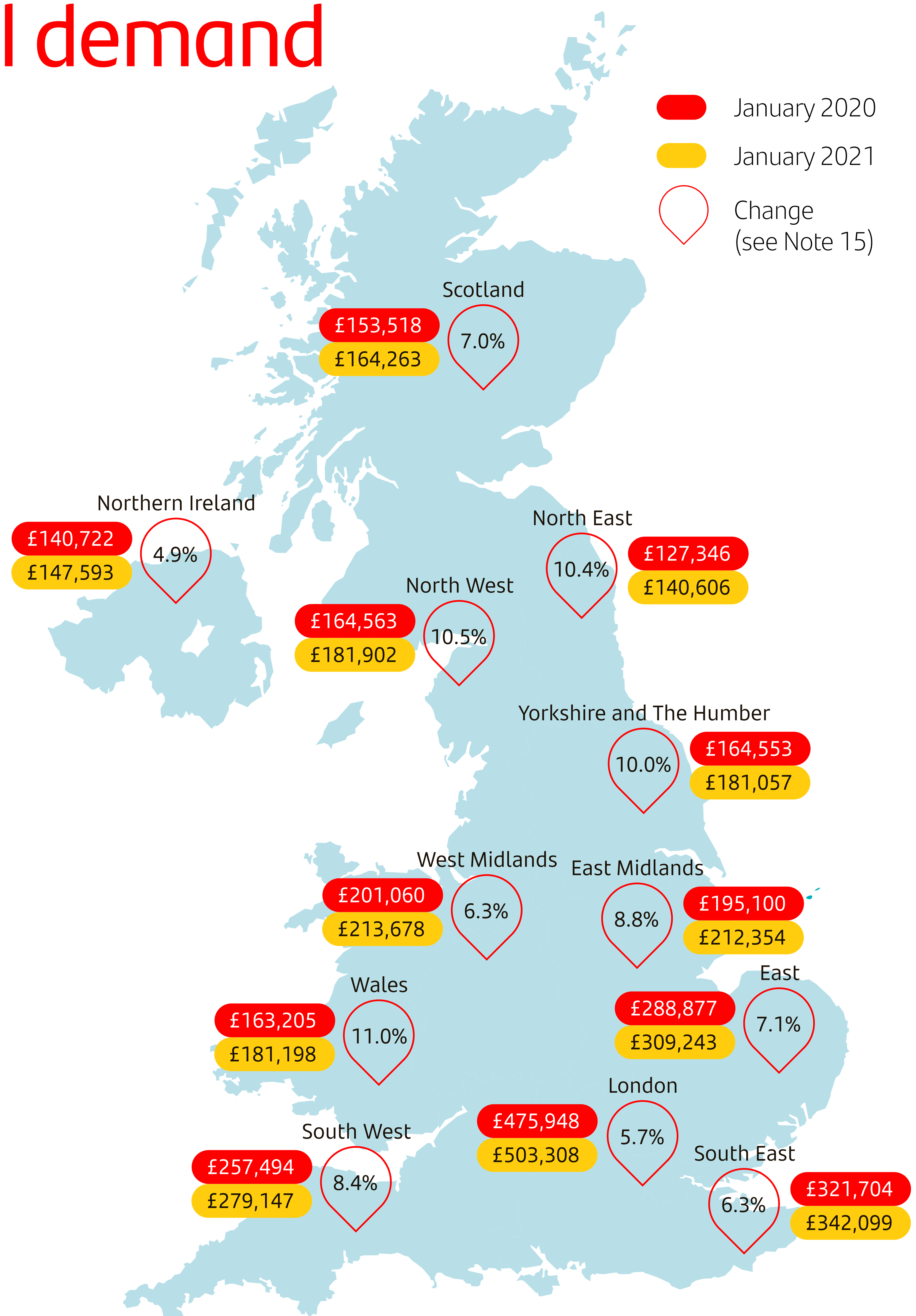
This change in working patterns means people will no longer be tied to living so close to a workplace and 48% of people believe that city centre living will be less popular after the pandemic.

As a result, new and 'virtual' commuter belts could develop. Areas which offer the garden space, proximity to shops and access to good wifi that buyers want, but in locations which many may have previously discounted as being too far from their place of work. This in turn could change regional demographics and economies as affordable locations that weren't suitable for practical reasons have opened up.

However, the resulting impact on property prices may put more areas out of reach for those struggling to get onto the property ladder, closing off access to what were traditionally more affordable areas.

For example, the house price growth across England (see Note 14) since the start of the pandemic has shown a clear pattern where there is more demand outside London, with average property prices across the UK increasing by 8.0% to January 2021, while London has seen a smaller 5.7% increase.

Prices of detached homes in the UK have risen by 8.6% while flats and maisonettes have seen considerably lower levels of house price growth of just 2.6% over the same time (see Note 16).



What does the growth in house prices mean for affordability?

A buyer purchasing an averagely priced property (£249,309, see Note 17) with a 5% deposit, would be looking at borrowing £236,843. Lenders are typically restricted by regulations which means many customers can't borrow more than 4.5 times their income. In this case, a prospective buyer would need a household income of more than £52,000 to meet the loan to income criteria for their mortgage. The average disposable income after taxes for a household in the UK in financial year ending 2020 was £29,900 (see Note 18). This means that even before furlough, many would be precluded from buying an averagely priced property even with a 95% mortgage.

If property prices continue on their current trajectory, our analysis (see Note 19) suggests that by 2030, the average property price will be £303,800. Using the same calculation, the average household income is estimated to stand at £37,410, meaning that an enormous deposit of £135,455 would be required if the maximum borrowing remains tied to 4.5 times income.

Note 14: ONS UK House Price Index: February 2021
Note 15: ONS UK House Price Index: February 2021
Note 16: ONS House Price Index: January 2021
Note 17: Land Registry UK House Price Index, January 2021
Note 18: ONS data; average household income, UK: financial year 2020.
Note 19: Based on Santander analysis on ONS/Land Registry data using linear extrapolation of price changes since 2006, with a confidence interval of 95%. This does not account for changes in interest rates or market intervention from the government.

The lasting effect of lockdown

Around half of people (49%) think that the housing market was ‘broken’ before the pandemic. For one in ten (12%) people the experience of the pandemic and lockdowns has made them believe homeownership is less attainable or pushed back their homebuying plans by several years.

The issues that existed before the pandemic are still present today. The struggle of raising a deposit, the affordability of homes and a supply of suitable properties.

Barriers to homeownership	2021	2019
Raising a deposit	52%	30%
Borrowing enough based on income	37%	15%
Finding an affordable property that suits their needs	36%	10%
Finding an affordable property in my preferred area	33%	11%

Barriers to homeownership for first time buyers, as identified in our 2019 study ‘The future of the homeownership dream’

The increasing property prices of 2020 have exacerbated the affordability issue, even when looking at those areas considered more affordable. 80% believe that first time buyer mortgage affordability requirements are an ongoing problem in the UK housing market, while 79% identified high rental prices as a significant issue for those saving for a deposit.

But the barriers to buying a home are not just money related. The challenge of finding housing with the most desired features, such as home office and private outdoor space, was identified as a problem in the market by two thirds (66%). This rises to 76% of first time buyers.

Bank of Mum and Dad

The Bank of Mum and Dad has, over recent years, become an important support for those trying to get on the property ladder. 40% of the would-be buyers surveyed in our 2019 first time buyer study said they were relying on family money to boost their deposit to help them on to the property ladder.

Over half of all adults (57%) now feel that first time buyers will become more reliant on the Bank of Mum and Dad as a result of the pandemic. However, a similar proportion (54%) feel that the Bank of Mum and Dad will be less available post-pandemic as parents have to look after their own finances more closely.

There is evidence that redundancies among the over 50s almost tripled over the last 12 months (see Note 20), with the potential for them to now find themselves forced into a retirement they can’t afford.

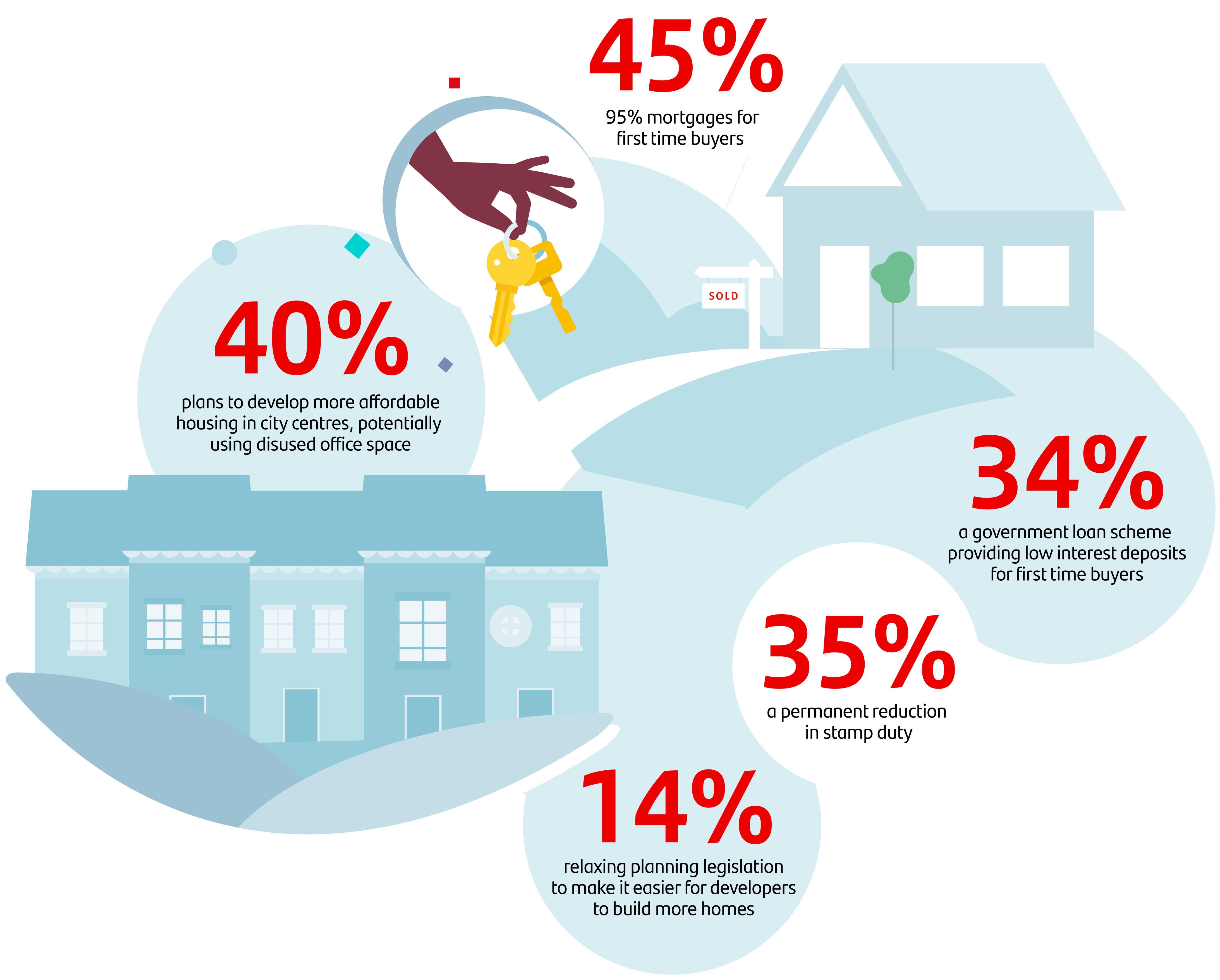
However, for those who have not seen a financial detriment as a result of the pandemic, there could actually be more money on the table from parents as they too have been able to save more as a result of lockdown.

Note 20: ONS Labour Force Survey, March 2021

Keeping the homeownership dream alive

Over half of those we asked (59%) said that the government should give first time buyers more support in the wake of the pandemic.

The most helpful potential housing policies to get more people on the housing ladder are seen as:



This report has clearly illustrated the widening gap between those who are already homeowners and those who aspire to own their own home.

In order to close this gap for first time buyers, co-ordinated action is needed by the industry, government and policy makers to ensure they receive the support they need.

What Santander is doing to support the homeownership dream

- We accept money gifted from family as part or all of a deposit on a property.
- Borrowers can name up to four people on a Santander mortgage application form. We'll take into account 100% of the higher two salaries and 50% of the lower two for affordability.
- We offer mortgage terms of up to 40 years to help with monthly affordability.
- We continue to accept applications for the Government's Help to Buy Equity Loan Scheme, supporting first time buyers purchasing a new build property with a 5% deposit.
- We are part of the Government's 95% Mortgage Guarantee Scheme, helping buyers with smaller deposits.

1. Stamp duty

Support those wanting to downsize and address regional price differentials

To provide support for first time buyers, the Government should consider amending the stamp duty relief when it returns in October 2021, and matching stamp duty free thresholds to regional house prices. This could follow the Help to Buy system where the maximum price of an eligible property varies depending on the average price of property in the region the person is buying. This helps redress the balance for first time buyers in areas where property costs are traditionally higher. Buyers in different areas would have different stamp duty free limits to reflect the differing prices across the UK.

We believe a stamp duty incentive for over 55s, who were already considering downsizing, could encourage the sale of larger properties where bedrooms are not currently being used and meet the post-pandemic buyers' demand for space. Santander UK has called for this change previously, and we believe that this would help allocate the UK's housing supply more effectively.

2. Affordability

A cautious tweak to income limits used by lenders would help more borrowers get the money they need

To meet current affordability requirements, a lender must assess a borrower's ability to repay a loan in the event that interest rates rise. This 'stress test' is currently 3% above the standard rate a mortgage will revert to after a fixed interest rate period. This level is disproportionately high and it's unlikely any homebuyer will pay in the foreseeable future. A review of how this 'stressed rate' is calculated is needed to align it more closely with the Bank of England base rate.

Alongside this, the rules stating that lenders must limit mortgages to 4.5 times a customer's income should be reviewed . This would allow lenders greater flexibility to take into account previous customer spending behaviours, such as commitment to rental payments, and provide a fairer outcome on affordability assessments.

3. Deposits

Help Covid-19 key workers buy their first home

Many workers on the frontline during the Covid-19 pandemic will be among those who could struggle to afford to buy an average priced property in the UK.

Introducing help for key workers, through a loan scheme, could help ease some of the affordability issues, particularly for those who aren't able to access financial help from family.

The armed forces lending scheme currently enables users to borrow an amount equivalent to their yearly salary to be used towards a deposit on a property. This amount is then repaid through their pay packet. Applying this loan scheme to public sector key workers (NHS, emergency service workers and teachers) could give an immediate boost to the deposits of those people who have supported us the most during the pandemic.

4. Change of use

Create extra housing by converting empty commercial buildings

Buyers today are considering areas that they hadn't previously and Government plans to make it easier to change a building's use from commercial to residential will help to deliver more housing in larger out-of-town commercial units. However, the needs of buyers identified in this report, for example to be close to shops and green space, should be noted. Planners and local authorities need to ensure that wider community infrastructure is built around newly converted residential housing to maintain resale value.

It's also essential that any conversion programme is balanced against an ongoing need to support retail businesses where possible with reduced rents and other incentives.

Conclusion

The dream of homeownership in the UK has not only survived the Covid-19 pandemic but come out stronger than ever. However, while the events of last year accelerated the homebuying journey for some, many hopeful first time buyers have seen their job prospects and finances impacted. This has created barriers to homeownership, including affordability and raising a deposit, have become even more challenging than they were previously.

First time buyers are at a serious disadvantage compared to next-steppers, second home buyers and buy-to-let landlords, as house prices soar while salaries can't keep up and increasing rental costs eat up any chance of saving for a deposit.

More broadly, there are frustrations that there simply aren't enough suitable homes to satisfy demand.

As lenders, property developers and the government review the impact of the last year, they must use the opportunity to work together to support the future aspirations of the post-pandemic homeowners across the UK. The younger generation of aspiring first time buyers have been among those most affected by the economic fall-out of the pandemic, and many have sacrificed a great deal to help the national effort to fight Covid-19. We now need to support them on their homeowning journey.

We have outlined our recommendations to address widespread issues that would benefit a range of would-be buyers. We believe that the priority should be to target support at those who need it most.

We need to find ways to help struggling first time buyers with support to make mortgages more accessible, reduce the costs of moving and improve the availability of new homes.

While there is hope that the pandemic – and lockdowns – will soon be behind us, there's a real opportunity to make defining changes to the housing market for a new era of homeownership.

Endnote

Kim Reynolds, homeowner

My husband and I moved into our first home with our son at the very end of 2019 – I was six months pregnant with our daughter at the time. We were fortunate enough to complete and move just months before the pandemic struck.

Saving a deposit for a home took five long years, putting money away month after month and making the most of the government Lifetime ISA scheme. We had waited a long time to move into our own home, and the day we got the keys was a huge relief – but there were many more challenges ahead to get our new house looking like a home.

We had been forced – by market conditions – to buy a 'fixer-upper' because it was the only way we could afford a house in the area we wanted to live in.

When we were started looking for a place to buy, we knew we would need a garden with children on the scene but had no idea quite how important outside space would become.

Again, fortunately we had bought a house with a garden so I was able to get the children outside as much as possible while staying safe.

Yet one thing it's not equipped for is working from home. Having a dedicated workspace is something that never even crossed our minds when we were viewing properties in 2019.

When we moved in, we converted the dining room into a playroom for the children, and all the bedrooms are in use. Our kitchen has a small folding table but it's not a decent long-term solution.

I'm still on maternity leave until July and the office isn't due to reopen until the autumn, after which even then I expect my company will be introducing formal flexible working so I will still need a desk at home a couple of days a week. I'm hoping we can extend the kitchen in the not-too-distant future and create a dining area where I will be able to work.

The pandemic has made us – and everyone else – grateful for any green spaces nearby where we can go for walks and exercise. Our house backs on to a park so we are spoiled in terms of access for somewhere to go. It was so easy during lockdown to have a quick change of scenery for the kids – and us.

What's surprised me is the number of houses that have been bought and sold recently. Prices have shot up since we bought which makes me even more glad that we bought when we did. There's a house on our street that is in a similar state of disrepair as ours when we bought it, on the market for almost a third more than we paid. There seems to be a big demand for this area, which is suburban and full of three and four bedroom houses that suit young and expanding families.

We had been planning to stay for just a few years but I think now we will stay longer as we have come to see what a great area we chose for family life.

But even with the challenges we faced in raising a deposit, meeting the tough affordability requirements and finding a suitable home in an area we wanted to live in, I feel for people trying to get a foot on the ladder now. It was hard enough before the pandemic.

Now I think it's really up to the government to step in with more measures to help, especially for those who have lost income and savings during the pandemic.

Santander

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