

Predicting the UK Housing Market Trends for 2021

Based on the housing market in 2020, we make three predictions about the UK housing market in 2021.

MANCHESTER, GREATER MANCHESTER, UK, January 15, 2021

[/EINPresswire.com/](https://www.einpresswire.com/) -- 2020 was a tumultuous year for the UK housing market. With the highest growth in six years and many state incentives helping to stimulate demand, the UK housing market again showed why it has such a strong reputation for investors all over the world. Zoopla reports that the value of homes sold in 2020 was set to hit £300bn by the end of December 2020. This is an increase of over £60 billion on 2019's total. With such a great year for the UK property market now firmly in the distance, what does 2021 hold in store and what are the main trends and changes compared to 2020?



Making and following predictions about the housing market is vital for any would-be buy-to-let investor looking to maximise the return on their investment

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[In 2021,] student properties continue to remain popular, while properties with outdoor space, proximity to greenspaces and enough room to park are likely to be popular amongst young professionals.”

Stuart Marshall

Prediction 1: Consumer Preferences Established by Lockdown Are Here to Stay.

‘It’s no secret that lockdown has changed people’s attitudes’ says Stuart Marshall, CEO of Liquid Expat Mortgages. ‘This means that consumers have fundamentally changed what they are looking for in a property.’

According to Zoopla’s advanced property search tool, the ten most searched terms for renters are as follows:

- Garden

- Parking
- Garage

- Balcony
- Pets
- Flooring
- Bills Included
- Ensuite
- Rural
- Student

Meanwhile, buyers 'want' the following:

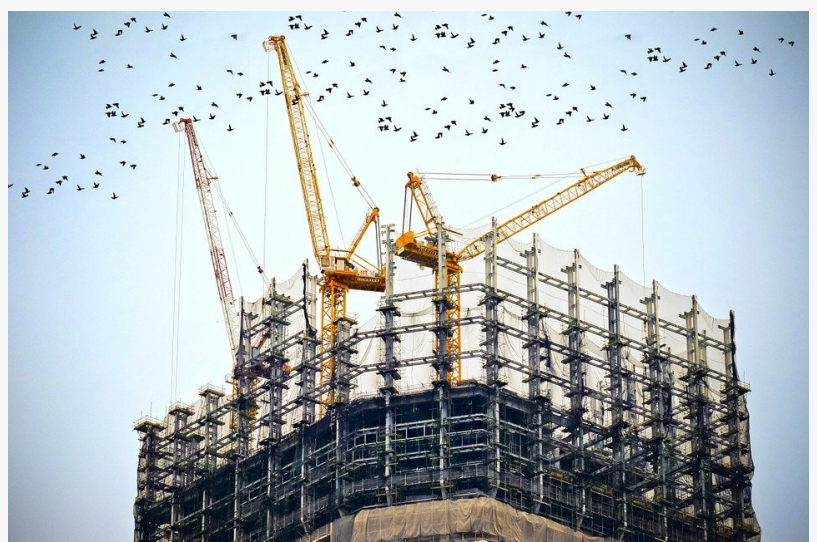
- Garden
- Garage
- Parking
- Detached
- Rural
- Secluded
- Bungalow
- Balcony
- Annexe
- Freehold

'The most obvious trend that we're seeing' says Stuart Marshall, 'is that people are wanting more outdoor space. 'Garden' ranks as the top searched term for both renters and buyers alike. In a similar vein, 'rural' and 'balcony' feature on both lists while 'secluded' and 'detached' feature on the buyer list. What this points to is a desire to have a place to escape to, presumably as a response to having been trapped inside over the course of the pandemic with its associated lockdowns.'

'Parking' and 'garage' also rank highly on both lists. Perhaps this is a result of people's reluctance to use public transport while COVID-19 is still prevalent.'

'Lastly, it's important to notice that 'student' makes an appearance on the renters most searched terms of 2020, meaning that the student market is likely to remain a lucrative market for [buy-to-let](#) landlords in 2021.'

For prospective landlords looking to invest in UK property, it's important to know what renters are looking for and to ensure your property can satisfy the needs of your 'ideal tenant' in order



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House prices are set to continue rising through the early part of 2021. However, this will slow down through the second quarter

to maximise the return on your investment. With this in mind, student properties continue to remain popular, while properties with outdoor space, proximity to greenspaces and enough room to park are likely to be popular amongst young professionals.

Prediction 2: The 'Two-Speed Market' Will Continue.

During 2020, [a two-speed market emerged in the UK](#). The UK rental market (excluding London) grew by 1.7% in 2020. However, the London rental market fell by 5.2% - the lowest rents in the capital since 2014 - as London's supply of rental properties is now outstripping demand.

With the pandemic harming tourism, the short-term rental market in London has suffered and landlords are putting these properties into the long-term rental market instead. The capital's surplus supply is also being influenced by people working from home instead of using rental properties for part of the week to stay in central London. Many London properties also fail to satisfy consumer preferences that have changed due to the pandemic. For example, gardens, balconies, parking and garages. Properties without these desirable facilities are staying on the market for longer and adding to the surplus stock already out there.

Elsewhere in the country, students have not undergone the mass exodus that they would in normal years. Stricter lending and economic uncertainty have led to more people remaining in rented properties and holding off on plans to buy their own property. This means that supply has remained low while demand has increased and pushed rents up as a result.

These attitudes and behaviours are set to continue through 2021 as restrictions continue. The two-speed market is likely to remain a feature of the housing market going forward until restrictions ease.

Prediction 3: Growth Will Start Strong but Slow Later in The Year.

According to Zoopla's research, annual house price growth will reach 5% in February as people rush to capitalise on the Stamp Duty holiday. However, this growth is predicted to slow to 1% by the end of 2021. Despite the widely predicted economic fallout when the government ends its furlough and Self-Employment Income Support schemes, house prices are still predicted to grow in 2021. Unemployment and reduced income will no doubt adversely impact growth in the housing market through the latter half of 2021. 'As always with the housing market, it will be important to keep an eye on the developing situation' says Stuart Marshall. '2020 has taught us to expect the unexpected. As the pandemic continues, we must take the same positive attitude into 2021. The UK housing market has remained robust and we are still receiving many enquiries from [UK Expats and overseas buyers](#) in general. Continued historically low interest rates and the appetite from many lenders to continue to do business is highly encouraging.'

Liquid Expat Mortgages is a specialist Expat and Overseas Mortgage Broker with over 13 years' experience in providing UK mortgages.

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