

The background of the page is a blurred photograph of a set of keys resting on a floor plan. The floor plan has some text visible, including 'First floor'. The image is overlaid with large, semi-transparent white abstract shapes that resemble stylized leaves or petals, creating a layered effect.

**MFS HOMEBUYER SURVEY:
THE KEYS TO SUCCESS IN THE UK'S
COMPETITIVE PROPERTY MARKET**

MFS Homebuyer Survey: The Keys to Success in the UK's Competitive Property Market

The UK real estate market can be an incredibly competitive arena for seasoned investors and prospective homebuyers looking to jump on the property ladder. Robust consumer demand has contributed to the steady rise of house prices over the past decade, with the onset of Brexit negotiations and appointment of a minority Government failing to deter investor appetite for UK property in both established urban centres and regional cities. Official figures from the [Office of National Statistics](#) revealed that the rate of house price growth rose to 5% in August 2017; as a consequence, the average UK house price now stands at £226,000.

At a time when there are 11 house-hunters for every residential property up for sale in the UK, the market has never been more competitive. To help satisfy the vast competition, there is currently a significant focus on construction – the number of homes being built in England is currently [21%](#) higher than last year, a number not seen since the financial crisis a decade ago. To tackle demand, the Government anticipates a minimum of [275,000 to 300,000](#) new homes will need to be built each year to alleviate market pressure.

Nonetheless, the pressure on property investors and homebuyers to overcome rivals will remain high. To that end, MFS has commissioned an independent, nationally representative survey among more than 2,000 UK adults to show what homebuyers believe are the keys to success in the competitive market. This timely report offers valuable insight for anyone seeking to enter the property market along with seasoned investors keen to expand their real estate portfolio.

All respondents who had bought a home since 2007 were asked to score various factors from one to ten in terms of their importance in helping a house-hunter to be successful in the property market. With ten being extremely important and one meaning it was not important at all, this is how each tactic ranked:

Rank	Factor	Mean score out of 10
1	Having a very clear idea of budget and desired property from the outset	7.86
2	Having immediate access to the required funds	7.78
3	Being chain free	7.18
4	Acting fast - when seeing the right property, bid as soon as possible and then begin the formal conveyancing process	7.15
5	Flexibility in the location of the property being bought - not limiting the search to one particular area	6.87
6	Being able to offer on or above the asking price	6.81
7	Not putting in an excessively low first offer and insulting the seller	5.88
8	Bidding on properties that are run down and require renovation	5.87
9	Having preferred relationships with the seller or estate agent	5.48
10	Being willing to gazump other buyers	5.07

Location, budget and access to finance

Topping the list of the most important factors for UK house-hunters is having a very clear idea of their budget and desired property from the outset – this scored an average of 7.86 out of ten among previous UK homebuyers. Both these factors are evidently the bedrock of an effective property investment strategy, ensuring a prospective buyer is able to balance their financial circumstances with a checklist of key attributes they deem most important, such as location, size and accessibility.

For those seeking a buy-to-let investment, there must also be an acute awareness of the desired rental yield and capital growth projections. Knowledge of the key market variables shaping current and future property prices also helps in the development of an informed strategy, such as an awareness of interest rates, inflation and impending political events.

Underpinning a clear budget and property preference, immediate access to the property-buying funds and being chain free were both high on the list of priorities for house-hunters, scoring 7.78 and 7.18 respectively. Property chains are particularly common in the UK, and the risk of a chain breaking due to circumstances outside of a buyer's control can be the source of considerable stress, not to mention significant financial loss.

In 2016, it was [revealed](#) that nearly three in 10 (28%) people in the UK have experienced a property purchase falling through, with 21% stating that they had to pull out from buying a property because the sale of their own house had fallen through, and 13% saying the seller they were dealing with withdrew from the process because they deemed it was taking too long. Having immediate access to the required funds can reduce the risk of a buyer being stuck in a chain.

Speed and flexibility

Speed was identified as another key factor; the vast majority of recent homebuyers said it was very important to act quickly upon seeing the right property, with this scoring 7.15. On average, the property-buying process can take up to seven weeks longer than the initially projected completion date, with [a recent survey](#) revealing that 73% of UK adults who bought a home in the last decade stated the entire process took much longer than initially anticipated.

Being flexible in the location of the property (6.87) and having the budget to actually offer over the asking price (6.81) also scored highly in the MFS Homebuyer Survey. To act quickly, a property-buying strategy must also demonstrate some degree of flexibility when it comes to budget and location, thereby opening an investor up to greater opportunities. The research also uncovered the perceived value of real estate, with buyers demonstrating a willingness to consider rundown properties in need of renovation as part of their investment strategy – this factor scored 5.87 among respondents.

For investors seeking to refurbish and restore residential real estate and bring traditional properties back onto the market, bridging has proven to be an increasingly popular finance option – the latest Bridging Trends figures suggest that such renovation projects are now the largest segment of UK bridging loans, representing 27% of all lending.

UK homebuyers turn away from gazumping

Of all the factors presented before homebuyers, coming in at the bottom of the list was gazumping. The practice of making last-minute bids to steal a property away from a rival buyer has been cited as a common issue in England and Wales, but the poll shows that homebuyers do not deem it to be particularly important for people hoping to be successful in the UK property market.

This finding comes at an important time – UK ministers have announced plans to prevent sellers accepting higher offers following an agreement to sell, including the introduction of financial penalties for buyers who withdraw from purchases and cause chains to collapse. Such measures will ensure investors are not inhibited in their attempts to purchase a property at the critical closing stages; an issue that [previous MFS research](#) showed has affected 2.57 million UK adults. In the future, this could mean that would-be buyers are not at risk of losing thousands of pounds in non-refundable survey costs, conveyancing bills and mortgage arrangement fees.

Securing a property in the UK's competitive marketplace

With 11 house-hunters for every home up for sale, the UK's property market is hugely competitive for investors and regular homebuyers alike. MFS' survey provides valuable insight for those looking to be successful in this marketplace – as well as having a very clear idea of budget and desired property, it is also vital that people seeking to get ahead in the property market have immediate access to the funds they need to complete the purchase if they are to secure their targeted real estate. Moreover, the findings demonstrate the importance of a clear house-buying strategy, supported by immediate access to funds. Whether it is through traditional mortgages or alternative options such as short-term bridging loans, house-hunters must ensure they have the required finance to act quickly.

To enhance accessibility to UK property, the Government has announced a series of measures to increase the number of houses on the market; this includes the large-scale selling-off of public land to the private sector to increase the supply of new-build homes. Yet with [recent MFS research](#) revealing that 81% of UK adults are unenthused by the prospect of living in new-build housing, investor preferences need to be taken into consideration. Our latest survey once again demonstrates the appetite that property buyers have for traditional houses in need of refurbishment or restoration.

For this reason, in the Spring of 2017 MFS launched [FlipFinance2017](#) – a funding drive offering targeted support to the nation's bustling community of property investors and landlords seeking to finance fledgling home investment projects. Specifically, the funding drive, which has been doubled from £20 million to £40 million due to high demand among borrowers, is available for those in need of short-term finance for restoration and refurbishment opportunities. Increasing the number of desirable properties on the market will expand the total amount of available options to buyers, reducing competitiveness and ensuring more people can establish, consolidate or expand their real estate portfolio.



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