

A horizontal bar with a dark green segment on the left and a yellow segment on the right.

**10 trends**

# Houses and homes



# Overview

“Houses and homes” are one of 14 dimensions that we use to examine trends in UK consumers and society. Here we outline ten trends from our trend bank. These trends create continuing and new opportunities and risks to organisations, from construction companies to freelance cleaners, and banks to builders.

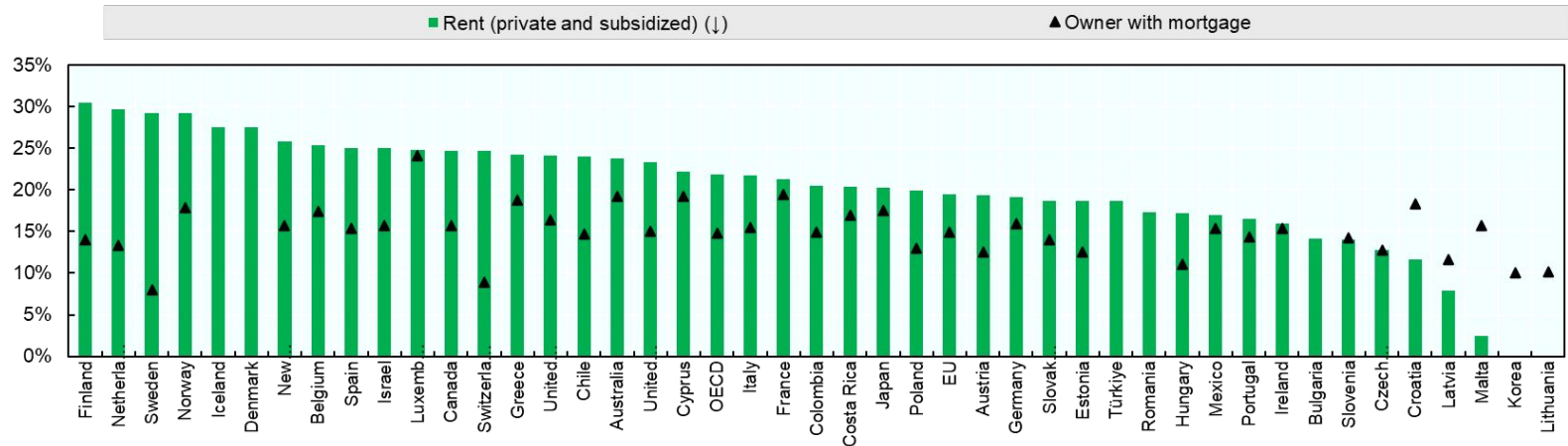
The design of homes is adapting to wider environmental and social factors both inside and out. New homes are smaller, while energy prices and climate change concerns are driving sustainable improvements. Colours and styles continue to reflect the spirit of our age - with calming greens and blues replacing a recent decor trend in greyscales. The UK homeowner continues to have an ambivalent relationship with their home: on the one hand, it's a place of sanctuary, while on the other it is a messy, unsatisfactory pit that consumes time and money.



# Global context

There are an estimated 2.3bn houses in the world. As household occupancy declines in the West, houses are growing faster than the population and also getting smaller - 10 out of the 11 countries that have the smallest household sizes are in Europe. ([Architecture Design](#)).  
 Meanwhile, the percentage of household income that was spent on housing rose by c5% pts in the last few decades ([OECD](#))..

Household expenditure of OECD countries as % of disposable income



# 10 UK trends



01. Stretch to the ladder

02. Wealth in bricks

03. Renting later

04. Towards micro living

05. High street 2.0

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# Stretch to the ladder

## 01



Photo by Sarah Agnew on Unsplash

**About:** Home ownership rates have fallen from 71% in 2003 to 64% in 2022. However, homes now cost nine times the average salary, which is the largest ratio since 1876 (ONS).

**Responses:** There are [various Government schemes for first time buyers](#), including Lifetime Individual Savings Accounts, Help to Buy ISAs, and Right to Buy or Right to Acquire schemes. Supported by the Government support, there are also mortgage guarantees and mortgage protection offers from the likes of Nationwide and Halifax. The company [Unmortgage](#) helps people to get on the property ladder by co-investing with them in their chosen home. The [London House Exchange](#) (formerly Property Partner) supports crowdfunding for homes.

**Future business opportunities & challenges:** There is opportunity for further innovation and differentiation in both financial services and property development supply chains to make home ownership affordable. However, there are also [problems](#) for those that used Help to Buy schemes and reached the end of their fixed interest payment period, leaving homeowners who used them with rising bills and a potential urgent need to move on.

# Wealth in bricks

## 02



Photo by rupixen.com on Unsplash

**About:** Different types of wealth tend to be most prominent amongst people with different wealth levels. The biggest source of wealth for the wealthiest group in society is pension wealth, but for the middle group ([ONS](#)), its mainly property wealth. In 2023, house prices reached their highest relative point since 1876 ([Schroders](#)). [Savills](#) have estimated that UK homes are now worth £8.7trillion, with £7 trillion being equity and £1.7tr for mortgages..

**Responses:** A number of companies are offering ways for homeowners to access the equity in their homes ([Unbiased](#)) including regular mortgage providers and specialists like Key Retirement. Other companies such as Nested provide a service to allow homeowners to dispose of their homes for a certain price.

**Future business opportunities & challenges:** Aging population and wealth distributions in property mean developers will have greater opportunity to serve demand for more tailored homes for [pre-retirement](#), [retirement](#) and/or disabled groups, at a wide range of budgets. The amount of property equity, and pressures on UK pensions, could also see more [equity release products](#) from financial service companies to help (particularly older) homeowners to buy bigger ticket items.

# Renting later

## 03



Photo by Ethan Wilkinson on Unsplash

**About:** There are currently 867,000 homes privately rented by someone aged 55 and over—an all-time high. 11% of privately rented homes is now to someone aged 55 to 64. [Saga](#) also reported that a third of over 50s are renters, up from 25% five years ago, with diverse cited as one of the main causes.

**Responses:** More products and services have been catering for the social needs of “over 50s” as a distinct segment, ranging from the provision of over 50 holidays (e.g. Explore) to local walking groups. Tailored products are also emerging [to help over 50s get mortgages](#).

**Future business opportunities & challenges:** Organisations, particularly those who provide products and services for the home, will need to change traditional assumptions about the needs of “pre-retirees” There also appears to be a growing un-met need for pre-retirement living accommodation, which caters for empty nesters and over 50s solos, which may lead to a further rise in [co-housing](#): resident run communities for different parts of the population.



# Toward micro living

## 04



Photo by Siniz Kim on Unsplash

**About:** A study by [Electrical Direct](#) found that new homes were 18% smaller in 2020 compared to 1980. There has been an increase in interest in “micro living” in recent years with space being compressed and house prices rising, which covers a range of models including smaller living spaces, shared living spaces and cohabitation. The UK has correspondingly seen a rise in park homes to around 85,000 households..

**Responses:** [Park homes](#) and house-sharing have become more popular to combat price rises. Innovative new entrants to tackle housing affordability have included [Pod Living](#), The Collective, Qbic, and Lively Up who all offer various forms of small living spaces with businesses invariably created in major cities.

**Future business opportunities & challenges:** Manufacturers of household goods and appliances have the opportunity to target new and innovative solutions towards people with smaller scale living spaces. There is also scope for companies to offer ancillary services like storage.

# High-st 2.0

## 05



Photo by Harry Grout on Unsplash

**About:** Compared to pre-pandemic levels, high street footfall was 7.7% than pre-COVID. UK shop occupancy rates are at c14%. ([British Retail Consortium](#)) The number has been steadily rising and are about 3x higher than 2008. Vacancy rates are particularly high in some of the less prosperous North-East areas ([Power to Change](#)). New Government rules from 2021 allow certain shop to residential conversions, which further Government announcements in July 2023 relevant to converting department stores and offices

**Responses:** Architecture companies like [Urban Edge](#) and construction companies like [StanLil](#) are involved with schemes to repurpose empty high street shops into residential property. Commercial landlords are experimenting with offering smaller stores where department stores have left the high street ([Murray Birrell](#)).

**Future business opportunities & challenges:** As well as there being a new market for renovation and construction companies, new service businesses are set to grow in and around new residential districts in towns and cities.

# DIY diversity

## 06

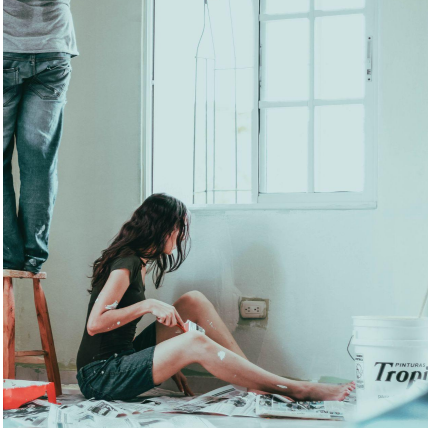


Photo by Roselyn Tirado on Unsplash

**About:** Stereotypical roles in DIY jobs are becoming obsolete with the latest UK survey finding that more women than men (90% v 82%) did painting and decorating, while only slightly more men than women assembled furniture (85% vs 77%). Men continue to do more “trade jobs” like plumbing and electrical work, though the defacto response in households is for men and women to both use professionals for these jobs ([Statista. 2023](#)). After lockdown, there was also a surprisingly-strong surge of DIY interest from 18-24YOs ([B&Q](#))

**Responses:** The relative growth in female participation in DIY is reflected in the start up, [She Can](#), dedicated to providing women with DIY courses, while a number of other training centres like the [The DIY School](#) provide female only courses.

**Future business opportunities & challenges:** Trade companies will increasing opportunities to both sell-to and recruit-staff from a wider base in future. Particularly with the cost of living crisis, there are further opportunities for training colleges to offer targeted niche courses to different parts of the population, to stimulate participation in DIY.

# Greener, faster

## 07



Photo by [Vivint Solar](#) on [Unsplash](#)

**About:** The UK Government has pledged to have as many homes at an EPC grade C by 2035 as possible, but about half of homes remain at D or below due to Britain's old housing stock ([The Engineer](#)). Housing built after 2012 has a median rating of 83 but that built before 1930 has a median rating of under 60 ([ONS](#)). While the UK has made progress in recent years, industry is calling for pace to be accelerated ([Building.co.uk](#))

**Responses:** Many local trade companies are offering low carbon solutions in their propositions now, such as City Plumbing who now offer PV solar, or [D.J.W](#) who are a local heating and plumbing company that also install solar heating.

**Future business opportunities & challenges:** The UK Committee for Climate Change predicts that decarbonising UK homes will cost £250bn by 2050, creating a strong market for tradespeople and energy installers ([House of Commons](#)). Specific markets are set to increase sharply, such as for heat pump installations, which the Government is targeting reach 600k per year by 2028 from around 30k in 2020.

# Interiors juxtaposed

## 08



Photo by Vivint Solar on Unsplash

**About:** 2020 styles have continued with a contemporary modern theme though colours ranging from sunny hues to earthy greens and calming blues are replacing whites and pale greys as people strive to bring the outdoors inside ([Home Beautiful](#), [Urbansize](#)). As something of a juxtaposition of the influences of natural environments, there is an increasing blend of function and form as energy efficiency becomes a pressing issue, and stylish, high-efficiency connected devices proliferate across every room.

**Responses:** Home interior companies are reflecting the changing styles. Interior designers are increasingly weaving sustainability considerations into their services, such as [Pia](#) or [De Rosee Sa](#).

**Future business opportunities & challenges:** The design industry has scope to further enhance their proposition for sustainable, efficient designs as awareness increases over the supply chain issues with various materials. Global events have defined interior styles of the past and this will continue - meaning that environmental concerns will continue to influence the styles and artefacts in people's homes, giving rise to numerous niche product markets.

# Now a sanctuary

## 9



Photo by Blake Guidry on Unsplash

**About:** Lockdown had the effect of changing the attitudes people have towards their homes - 9 in 10 people say their homes are important to make their life feel better and 87% value the security they provide, despite many people feeling dissatisfied with different aspects of their home. Such feelings have grown stronger since lockdown ([BHETA](#))

**Responses:** Marketing products for the home is currently about “reassurance” e.g. the way that [John Lewis](#) markets the smart home, or Currys talk about the smart home as making life “that much easier”.

**Future business opportunities & challenges:** Companies ranging from furniture retailers to home technology providers and even insurers can position their offerings towards the sentiment of “comfort and security”.

# Still WIP

## 10

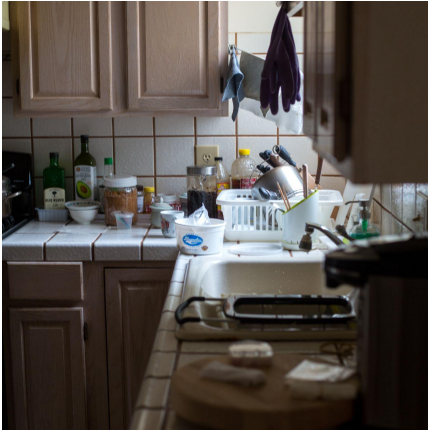


Photo by Jason Leung on Unsplash

**About:** 90% of Britons admit to having clutter in their homes and most people have cluttered closets and hoard items ranging from Bags-For-Life to shoes. While people take comfort and sanctuary from home, there is an undercurrent of dissatisfaction too - 70% want more space ([Hammonds](#)). We are also spending more on cleaning as time goes - with cleaning being one of the UK's top 10 industries, worth £55bn and employing 1.4m workers ([British Cleaning Industry](#))

**Responses:** Manufacturers are developing innovative products services to substitute traditional cleaning services. A range of products ranging from [AI cleaning robots](#) to Scotch Brite, that cleans and shines floors at the same, time are reducing the effort of homeowners and margins of cleaning businesses. Sustainability concerns are driving developments like [Biologic Active Tissue Paper](#) to prevent clogging.

**Future business opportunities & challenges:** Time pressed consumers, a highly competitive cleaning industry and sustainability concerns offer opportunities for further product innovation, for cleaning businesses to differentiate on service quality and cost through technology and home improvement companies to offer lifestyle solutions.

# Factors affecting the future



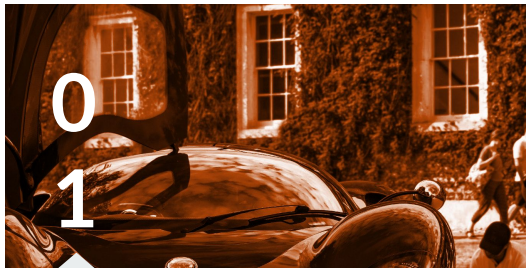




Perspectives on the future: Sarah Weir, CEO, Design Council (2020)

“The home where people feel and celebrate their independence; where they seek and find comfort; where they are enabled to make the most of their lives and fulfil their values; and where they develop community and relationships.”

# Key factors affecting the future UK trajectory

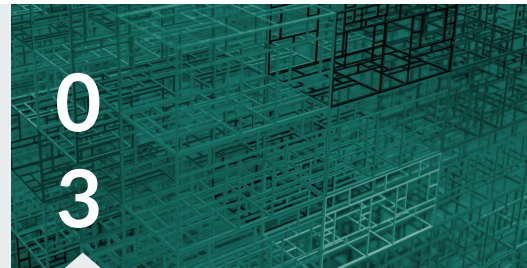


## The destiny of property wealth

The extent that Government directly intervenes into private property wealth as inheritance usurps wages as the main way of buying houses after generations of accumulated property wealth..

## Experience by design

In 2020, the British Design Council researched needs of future homeowners to find a focus on experience over style. Homes will evolve with changing living spaces, lifestyle demands and tech integration.



## Innovation in construction

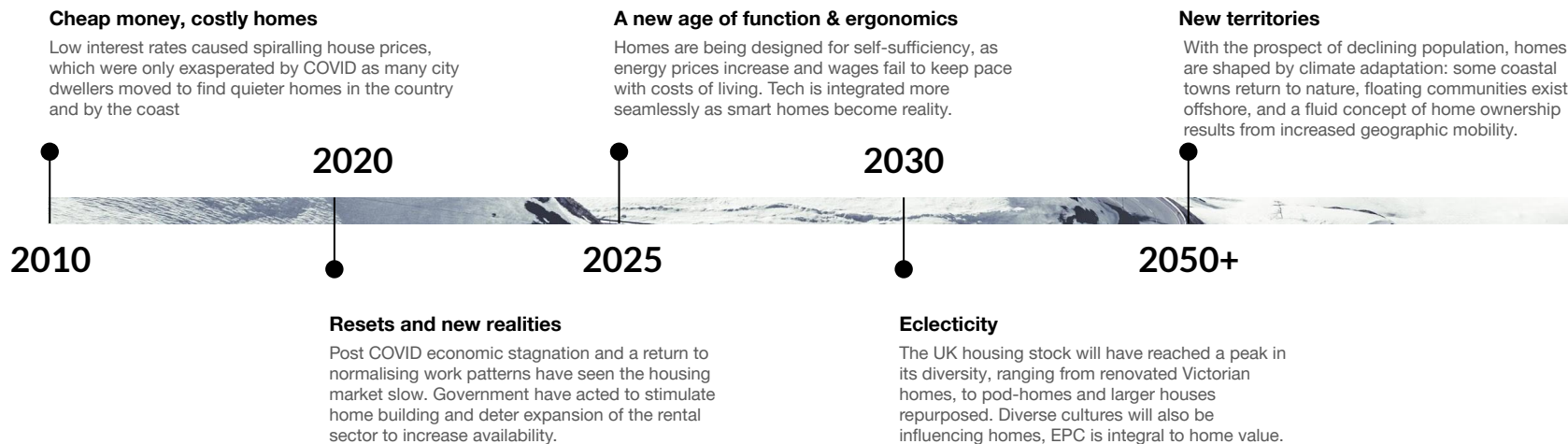
The demand for more affordable homes and also find solutions to cost-effectively decarbonise older stock will be met better or worse by innovation in materials and construction methods en route to 2050.






# Timeline

Various scenarios are plausible. One sees homes adapt to sustainability issues, climate adaptation and population diversity, and the prospect of population decline.



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