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## **UK HOME BUYERS GO DIGITAL TO GET ON THE PROPERTY LADDER: HSBC STUDY**

UK house hunters are the global leaders in online property research according to a new study from HSBC. The study found 93% of UK home buyers are using online channels to research their property search, ahead of the global average of 83%.

The *'Beyond the Bricks: The Future of Home Buying'* report combined results of more than 9,000 people in nine countries to examine how new technologies are transforming the way people buy a home.

The report includes insights from leading Property Technology (PropTech) expert James Dearsley who predicts that property will be the next industry to face disruption, with property websites using technologies such as artificial intelligence and virtual reality to transform each stage of the home purchase.

Traditionally, the estate agent has played a key role in the purchasing phase of the process, however, the report has found that this part of the home buying process is increasingly moving online with less face to face interaction. More than half (51%) of recent home buyers started talking to an estate agent online as opposed to in person. The rise of property websites offering financing, negotiation and conveyancing services could see the future entire home buying process, from search to completion reduced to a matter of days.

According to Property Technology expert James Dearsley: *"Property websites will become considerably more sophisticated, using big data to bring more and better properties in front of prospective buyers and taking over much of the traditional estate agent's role. There will be no more 'fifteen minute windows' to view a property. Virtual reality will allow home buyers to view more homes, narrow down their choice and then 'live' in a virtual version for several days to truly try before they buy."*

Dealing with the many people involved (estate agents, solicitors, sellers and developers) was identified by 34% of recent home buyers as the most stressful part of the home buying process, followed by understanding the legal paperwork (21%) fees (19%) and negotiating the price (16%).

These pain points have pushed home owners to use online sources first, making the purchase process much easier and reducing the number of people involved in a sale, so that buyers and sellers feel more in control.

Despite the digital trend, there is still reluctance to fully digitise the home buying experience, particularly when it comes to finance. Traditional sources such as mortgage providers (41%) and family (46%) remain the most trusted sources of mortgage advice amongst millennials. Only 14% of

millennials embrace the idea of using robo-advisers such as chatbots and humanoids for mortgage advice according to HSBC's separate Trust in Technology survey.<sup>[1]</sup>

According to Tracie Pearce, HSBC UK's Head of Mortgages: *"The process of buying a home will change beyond recognition in the coming years. The market may not quite be ready for 'Robo Advice' but this type of service will, in time be helpful for the financially astute borrowers who need guidance through just a few steps of the mortgage process. There will still be those borrowers that desire face-to-face advice, or prefer to speak with an adviser over the telephone and lenders should look to provide home buyers with a choice of channels in line with their needs and preferences"*

**HSBC's research identified four actions that consumers can take, to help realise their own home ambitions:**

**1. Empower yourself with knowledge**

Ensure you make informed decisions. Make the most of online tools and services to help you to find out more about the properties and areas you are interested in and the financial options available to you.

Think about the extra things that will make the house you buy the home you want to live in, and make sure to include them in your home purchase budget.

**2. Be clear on your priorities**

New tools are on the way to allow you to view properties in much more detail from the comfort of your own home. With such visibility, being clear on your priorities for a property will help you narrow the search quickly and efficiently.

**3. Don't get left behind**

Digitisation of property and personal information should help streamline the purchase process in future. Even if you don't consider yourself to be tech-savvy there will still be small steps that can be taken to make the process more seamless for you.

**4. Consider the experts**

As buying a home becomes a more digital/online process, think about which tasks you feel comfortable doing yourself and where you may benefit from expert advice to help you navigate the home purchase process more successfully

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**For more information:**

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<http://www.about.hsbc.co.uk/news-and-media>

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[1] HSBC Trust in Technology survey 2017

## HSBC UK

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## The research

Beyond the Bricks is an independent consumer research study into global home ownership, commissioned by HSBC. It provides authoritative insights into peoples' attitudes and behaviour towards home buying, renting and funding around the world.

This factsheet, *The future of home buying*, represents the views of 9,009 people in nine countries: Australia, Canada, China, France, Malaysia, Mexico, UAE, UK, and USA.

The findings are based on a survey of home owners and non-owners aged 18 or older from a nationally representative online sample in eight countries and a nationally representative face-to-face sample in the UAE. The research was conducted by Kantar TNS in October and November 2016.

Figures in this factsheet are from HSBC's Beyond the Bricks survey unless stated otherwise.

## James Dearsley

A global commentator and keynote speaker on the subject of property technology, James was voted the most influential person in PropTech in 2016 by mortgage lending and investing marketplace, LendInvest. Having spent 15 years working in UK and international property markets, James is the co-founder of PropTech Consult, a firm that specialises in helping global corporations and smaller start-ups to understand the digital transformation taking place in the property sector.

## Definitions

*Recent home owners/buyers:* Those who bought their home in the last two years.

*Property technology (PropTech):* Use of new technology to innovate and streamline processes in the property sector.

*Artificial Intelligence (AI):* The use of machines and systems to imitate intelligent human behaviour.

*Estate agents:* Professionals involved in the selling and renting of buildings for individuals or businesses. Also known as real estate agents or realtors.

*Solicitors:* Members of the legal profession qualified to deal with conveyancing, the drawing up of wills and other legal matters. Also known as attorneys.