

# Four in five mortgage brokers see surge in buyer interest for 'new towns'

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- 85% of mortgage brokers see demand for homes in 'new towns' across the UK, with over four fifths believing it will transform the homeownership market
- Medical facilities, schools, and transport top the list of desired amenities
- Mortgage brokers advocate for financial incentives like discounted rates and high-LTV products, to increase appeal of new towns and their potential to address affordability issues in the market

As demands on housing stock continues to grow, more home buyers are setting their sights on new towns. The latest research among mortgage brokers from Santander has uncovered that over 80% of mortgage brokers are seeing an uplift in client interest in new town developments.

The East of England tops the list of desirable locations, with over half (52%) reporting demand in the region. Scotland, the South-East, and the South-West are also sought-after (all 23%), closely followed by Wales (22%).

Spearheaded by the Government's new task force initiative to build 1.5 million new homes, new towns encompass large-scale developments built on greenfield land, separated from existing settlements, with each site being eyed to host at least 10,000 homes. The recent surge in interest and government targets has the majority (78%) of mortgage brokers optimistic about the new towns initiative and its potential impact on home ownership across the UK, with 83% believing it will dramatically change the homeownership landscape in the next three years.

New towns may be gaining some momentum, however, mortgage brokers report that buyers are looking beyond just roofs over their heads. Among those expressing interest in new towns, nine in ten brokers say access to medical facilities is crucial for their clients, with 58% citing it as an extremely important consideration. Other key factors include access to quality schools (88%) and robust transport links (87%).

**David Morris, Head of Homes at Santander, commented:** *"The growing appeal of new towns highlights a shift in priorities among today's home buyers. In addition to affordability and getting a foot on the property ladder, buyers want a holistic community that supports their families' needs, with reliable healthcare, strong education options, and seamless transportation.*

*"There have been unavoidable challenges, as is the way with any new and ambitious initiative. However, support structures and incentives such as expanded LTV offerings may help to alleviate a degree of the strain being felt by both brokers and buyers."*

Despite the growing interest, the new towns initiative has not come to fruition unchallenged, as almost all mortgage brokers (99%) report to have experienced a range of issues when faced with supporting a new build purchase. The most experienced issues were a lack, or miscommunication between the customer and the builder, and issues with the quality of the new build (both 35%).

The study further uncovered that a large number of mortgage brokers believe that buyers looking to settle in new towns could benefit from financial support aligned with these communities' unique advantages. Nearly half (44%) advocate for discounted mortgage rates to reflect the energy efficiency of new-build properties. Others call for expanded high loan-to-value (LTV) products (43%) and innovative developer incentives (41%) to help ease the transition for buyers.

Looking ahead, over four fifths of brokers (83%) expect it to significantly reshape the homeownership landscape over the next three years, although most agree that broader support measures will be crucial. This includes increased availability of high-LTV mortgage options to ease deposit constraints (85%) and greater lender recognition of builder incentives (83%).

**Chris Curtis, MP for Milton Keynes said:** *"New Towns like Milton Keynes show what's possible when we commit to building thriving, connected communities where people can live, work, and grow. I'm incredibly proud to represent a constituency that exemplifies these values and it's really encouraging that brokers are seeing an 80% rise in interest in new towns from prospective buyers. Like these brokers, I believe new towns will dramatically change the homeownership landscape in the next three years. This is a promising direction for both brokers, and buyers alike.*

*"New towns are about more than just houses—they're about creating a sense of belonging and building a shared future we can all take pride in."*

To support brokers and their customers in this space, Santander offers:

- borrowing of up to 95% LTV on all New Build houses and flats
- discounted mortgages on EPC A and B rated properties; and
- accepts financial incentives on all LTV level borrowing.

## ENDS

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### Notes to editors:

Research was conducted 25 October-5 November 2024 by Opinium, with a focus group of 150 mortgage brokers.

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