

15 Appendix J – Details from Financial Packages Study

House Price Input Data for the Study

Because of the interactive nature of the on-line study, some data is required in order to generate the information which will be communicated to individual respondents. In particular, respondents choose the area in which they live and the size of home they require (number of bedrooms). It is important to have realistic data on which to base the hypothetical house prices which will be generated from this information and the way in which this information is derived is laid out below. It is important to note, however, that 'realistic' house price data should not be read as 'actual', or statistically accurate data. The study is not concerned with the minutiae of exactly how much houses in particular areas cost. This will in any case vary widely within individual regions. This study is only interested in presenting some reasonably realistic figures to respondents to help them make sensible decisions.

Arriving at Theoretical House 'Prices'

Of course the price of new housing is, in reality, only peripherally related to the cost of its construction. Values and sale prices are calculated more-or-less purely on a comparative basis. It is not impossible that, beyond the initial strategic decision to purchase a piece of land and construct houses on it, there is absolutely no connection within a developer's organisation between the professionals charged with calculating construction cost and those charged with setting selling prices. That is, the marketing people may have absolutely no idea how much the houses cost to build.

It is accepted that, in such a situation, offering 15% off the price of a new house because of construction cost savings is a somewhat unrealistic, academic exercise. Arguably, as long as a building is accepted for mortgage then the variables contributing to its value have virtually nothing to do with its cost and we should assume that all ostensibly well made houses of a particular size in a particular place will have the same value, regardless of achieving Egan targets. There are, however, two reasons why this is not the case and why the current study must assume price reductions or other benefits flowing to consumers from savings on the part of contractors and developers. One is a practical, economic reason, the other a more philosophical one.

Firstly, the price of most manufactures does bear a relationship to the cost of their production. Witness the dramatic falls in the price of computing and information technology over the past few years, as volume increased and production methods became ever more sophisticated. Of course the first few units manufactured cheaper under improved processes may well just result in higher margins for the manufacturers, but very soon prices are reduced as companies compete for market share. This is of course a blindingly obvious point that should not need to be made. However, in the construction industry, it is routinely and continuously claimed that all cost savings will inevitably merely result in increased margins for developers. It is argued that in the volume housebuilding industry this need not necessarily be the case.

Of course real property is fundamentally different to other commodities in relying on a finite supply of land, so that land values impact severely on a simple market model based on manufacturing industry. However, the volume housebuilding industry in most parts of the UK is competitive on price and not solely based on the uniqueness of location, as is the market for older dwellings or one-offs in established areas. It is therefore argued that cost savings made by prefabrication and standardisation contributing to Egan goals should result in advantages being passed on to consumers, albeit in an unpredictable way due to the vagaries of the land market.

Secondly, it is argued that it is firmly within the remit of this publicly funded project to try to find mechanisms whereby cost savings accrued by developers can be passed on to consumers and society. This may be by cost reduction, by providing larger homes, by improved specifications, by savings in life-cycle cost, by reduced risks, by environmental improvements such as reductions in greenhouse gas emissions, or whatever. If, as has sometimes been claimed, the sole result of productivity and cost improvements in construction is increased profits for developers and contractors, then it is not the role of the Project Team simply to help achieve this. We have a duty to seek out mechanisms whereby, albeit perhaps in a small way, improvements in the built environment and the human condition can arise from the adoption of prefabrication and standardisation in housebuilding.

Thus we require some mechanism for incorporating into the current study estimates of the savings which can be made by adopting rational strategies for prefabrication and standardisation and which might be passed on, in whole or in part, to consumers. It should be noted in this context that the current project is neither a technological nor an economic one and is not concerned to produce accurate estimates of actual savings available. Rather our starting point is that, if developers adopt new techniques it will be because there are economic reasons to do so. This research follows some of the Egan assumptions about the savings available and tries to place them in a realistic, though hypothetical context, by

Sources of House Price Data

The Nationwide provide a useful source of quarterly house price data by region, summarised below and available at: <http://www.nationwide.co.uk/hpi/quarterly/prices.htm>

Region	Annual % change		Average price, £ All Properties		Average FTB price, £	Average FOO price, £
	2001Q3 - 2000Q3	2001Q2 - 2000Q2	2001Q3	2001Q2	2001Q3	2001Q3
North	13.3	0.9	59,752	53,951	47,890	70,194
Yorkshire & Humberside	11.6	6.8	65,754	64,894	49,299	76,621
North West	14.1	5.5	73,662	69,623	54,765	86,993
East Midlands	12.7	9.4	76,250	73,145	59,934	87,753
West Midlands	11.0	9.5	85,011	81,812	65,812	99,649
East Anglia	18.6	10.1	98,408	90,579	73,216	111,829
Outer South East	13.3	8.7	114,586	109,302	85,205	132,556
Outer Metropolitan	10.9	10.1	148,546	145,960	109,296	176,044
London	14.7	10.4	165,414	160,635	139,060	196,951
South West	11.8	9.3	102,276	97,914	77,498	117,843
Wales	9.3	8.0	66,455	65,338	53,628	76,763
Scotland	5.1	0.2	68,046	65,041	50,454	75,888
Northern Ireland	9.4	8.2	76,635	76,376	63,685	87,811
UK	12.5	7.9	91,049	87,649	70,621	107,021

Each region is then broken down into house type, with detached, semi-detached, terraced and flats listed. Data is not however available by number of apartments and whilst the data is

broken down into 13 regions, this does make the figures unrealistic in parts of the geographically larger regions. For example the average price of £69,171 for an older terraced house in Scotland could not sensibly be applied to someone looking for a Victorian house in Morningside, unless it were multiplied by a factor of 4 or 5.

Region	Annual % change		Average price, £ All Properties		Average FTB price, £	Average FOO price, £
	2001Q2 - 2000Q2	2001Q1 - 2000Q1	2001Q2	2001Q1	2001Q2	2001Q2
<u>North</u>	0.9	8.1	53,951	54,720	40,996	64,083
<u>Yorkshire & Humberside</u>	6.8	8.8	64,894	62,725	49,264	73,871
<u>North West</u>	5.5	7.4	69,623	67,903	52,872	81,827
<u>East Midlands</u>	9.4	9.4	73,145	70,637	55,832	84,559
<u>West Midlands</u>	9.5	10.9	81,812	79,114	61,852	96,973
<u>East Anglia</u>	10.1	9.8	90,579	86,797	68,507	103,008
<u>Outer South East</u>	8.7	9.0	109,302	104,100	81,393	126,408
<u>Outer Metropolitan</u>	10.1	7.5	145,960	136,245	105,111	172,172
<u>London</u>	10.4	5.6	160,635	147,983	138,726	189,453
<u>South West</u>	9.3	9.1	97,914	93,877	73,877	111,806
<u>Wales</u>	8.0	6.7	65,338	63,432	52,811	74,997
<u>Scotland</u>	0.2	2.1	65,041	64,138	49,262	72,474
<u>Northern Ireland</u>	8.2	11.2	76,376	72,797	64,607	88,348
<u>UK</u>	7.9	8.1	87,649	83,976	68,056	102,965

The Land Registry for England and Wales holds similar information at:

http://www.landreg.gov.uk/ppr/interactive/ppr_ualbs.asp

This is broken down into Wales and 10 regions of England and gives number of sales. It is based on actual sales price rather than asking prices and again is split into detached, semi-detached, terraced and flatted properties. The regions are then broken down into between 10 and 35 areas and this data is useful in demonstrating the intra-regional differences. Thus for example in London an average semi-detached house costs £133,000 in Newham and £920,000 in the City of Westminster. Crucially, this data doesn't include Scotland and the equivalent organisation is the Registers of Scotland. Information should be available at <http://www.ros.gov.uk/> though the site appears to be having difficulties.

Data based on the Land Register data is also available at:

http://www.proviser.com/property_prices/ Again no data is available on Scotland.

A Sunday Herald article (undated but 2001) at <http://www.sundayherald.com/17111> reports that the price of a 2 bedroomed semi in Edinburgh averages £146,900

Regional information on Scotland is available at the Solicitors' Property Centres at www.espc.com, www.gspc.co.uk www.aspc.co.uk www.hspsc.co.uk The Edinburgh centre has quarterly price reports, though these appear no longer to be available on line. It is worth noting however that their prices for the whole of Edinburgh and Lothian are some 50% above the Nationwide figure at £93,968 for 2000.

The Halifax holds some information on Scottish house prices at

<http://www.halifaxgroupplc.com/view/housepriceindex/press/scotland.asp> Their excel file of price indices from 1983 to the present (see file Halifax Prices.xls) contains detailed information comparing new housing, first time buyers etc by region. Again Scotland is just

one region and prices relate to Halifax mortgages and therefore may differ from other sources.

The Halifax do however report differential prices in Scotland for one house type, semi-detached houses, which shows the extent of regional disparity at the 3rd quarter of 2001:

POST-TOWN/COUNTY	AVERAGE HOUSE PRICE - £ (Semi-Detached)
ABERDEEN	92,800
DUNDEE	55,350
EDINBURGH	151,650
GLASGOW	81,250
LOTHIAN	105,550
CENTRAL	78,800
GRAMPIAN	76,550
STRATHCLYDE	70,200
FIFE	66,900
TAYSIDE	66,800

The BBC hold information on regional Scottish prices at http://www.bbc.co.uk/rightmoves/pg_scotland.shtml This gives textual commentary which separates Scotland into Edinburgh, Glasgow and other areas for the second quarter of 2001 as follows:

Scottish average house prices:

Detached	£121,631	Semi	£70,489	Terraced	£53,578	Flat	
	£52,322						

Overall average £62,099

Their regional commentary within Scotland is as follows:

“Edinburgh

average price up 9.14%

Edinburgh property prices are continuing to rise. City centre properties are up 9.54% on the same quarter of 2000, now at £115,219 . The most desirable properties are post-1920s detached villas which have risen 28.67% in price over the year. One-bedroom flats in Leith Walk and Easter Road now fetch £49,804, up from £47,715 in 2000, a rise of 4.38% and two-bedroom flats in Stockbridge/Comely Bank have risen another 1.51 to an average of £115,058 . Properties in West Lothian average at £62,506, East Lothian £82,344 and Midlothian at £84,862

Glasgow

Prices in the Glasgow region are almost 6% higher than 2000. The average price for a semi in Glasgow stood at £76,100 in the first quarter of 2001. Like many major cities in the north of England and in Scotland, the prices in prestigious areas like the west end, Bearsden, and Newton Mearns have continued to rise and current demand far exceeds supply

Other Regions

In the first quarter of 2001, Grampian was listed as having an average house price of £79,650. The average for Lothian was over £92,100, while for Strathclyde it was £67,100. Fife registered an average house price of £59,900.”

These rather incomplete figures serve to demonstrate the extremes of difference between areas within Scotland.

Similar types of data for English regions and major cities are available at <http://www.bbc.co.uk/rightmoves/priceguide.shtml> This data points to the difficulty of using figures on detached versus terraced houses, for example. In South Yorkshire, where the 'back-to-back' house is the urban norm, the average terraced house costs less than 70% of the price of the average flat. In Scotland, on the other hand, where the predominant urban form is the tenement, flats cost marginally less than terraced houses. In Scotland's most expensive areas the disparity is even greater, with terraced houses in Morningside averaging offers over £270,000 whilst the average flat is for sale at offers over £120,700 (ESPC data 4/9/01)

This underlines the need, in the current research, to generate data for number of apartments rather than house type.

Analysis of house prices in Scotland is facilitated by the fact that the large majority of homes are advertised by the regional Solicitors' Property Centres. All the centres have on-line search facilities and three of them, covering Glasgow and Strathclyde, Tayside and Highland, use compatible software which enables whole region data on the price of homes with different numbers of bedrooms to be extracted and analysed. It is important to note, however, that the 'Offers Over' system in Scotland means that this asking price data is not absolutely comparable with Welsh and English house price data which, in the case of Land Registry and building society/bank data, relates to selling prices. In areas like Edinburgh in 2001, the disparity between asking prices and amounts paid may be over 20%.

The following data was gleaned from a sample of 3091 homes for sale in the three property centres on September 5th 2001. (See file GSPC Mean Prices.xls)

Highland Solicitors' Property Centre Data

Mean prices:	One bedroomed:	£28,690	(Sample 20)
	Two bedroomed:	£50,282	(Sample 55)
	Three Bedroomed:	£76,074	(Sample 86)
	Four Bedroomed:	£123,899	(Sample 61)
	Five Bedroomed:	£238,489	(Sample 32)
	All Homes:	£72,948	(Sample 254)

Glasgow Solicitors' Property Centre Data:

Mean prices:	One bedroomed:	£32,342	(Sample 462)
	Two bedroomed:	£50,997	(Sample 499)
	Three Bedroomed:	£66,730	(Sample 356)
	Four Bedroomed:	£123,195	(Sample 70)
	Five Bedroomed:	£157,873	(Sample 24)
	All Homes:	£54,258	(Sample 1411)

Tayside Solicitors' Property Centre Data:

Mean prices:	One bedroomed:	£26,118	(Sample 333)
	Two bedroomed:	£40,353	(Sample 601)
	Three Bedroomed:	£65,022	(Sample 343)

Four Bedroomed:	£113,042	(Sample 114)
Five Bedroomed:	£142,206	(Sample 35)
All Homes:	£51,273	(Sample 1426)

It is notable that there is a large price differential (almost double in Glasgow) between 3 and 4 bedroomed houses. It is unclear from this data however whether this price differential is also reflected in sales of new houses. In the predominantly rural Highland area there is a large disparity between one and two bedroomed houses and between 4 and 5 (or more) bedrooms. There are relatively few single bedroomed houses in rural areas without large numbers of 'starter homes', whilst the small number of very large older rural homes puts up the mean price of larger homes.

Halifax data shows that, overall, the price of new homes is consistently 2 to 5% above the average price of existing homes. Data is not available on the comparability of these homes.

An on-line survey of selling prices of new housing developments throughout the UK yielded results for 23 developments and average prices as follows:

Mean prices:	One bedroomed:	£67,950	(Sample 2)
	Two bedroomed:	£81,875	(Sample 14)
	Three Bedroomed:	£104,697	(Sample 15)
	Four Bedroomed:	£151,708	(Sample 12)
	Five Bedroomed:	£170,000	(Sample 3)

These averages were achieved after removal of one development of 2 and 3 bedroomed homes in central London priced at £440,000 and £620,000 respectively, which greatly skewed the means. This is not a statistically valid sample however and should only be used to estimate the price differences between house types, not overall mean prices. Price indices were therefore calculated for the new homes and the much larger Scottish samples as follows:

	1 Bed	2 Bed	3 Bed	4 Bed	5
Bed					
New home sample	65	78	100	145	162
Highland sample	38	66	100	163	313
Strathclyde sample	48	76	100	185	237
Tayside sample	41	62	100	174	219
Total Scottish Sample	45	68	100	174	257
Size of new homes index	56	80	100	123	222

The size index is generated from a sample of 9 house plans produced by Wilcon Homes.

However this assumes that the 3 bedroom home is the average. In reality, rather more smaller homes than larger ones are sold and the indices can be recalculated to take account of this as follows:

	1 B	price	2 B	price	Av	price	3 B	price	4 B	price	5 B	Price
New home sample	65	67950	78	81875			100	104697	145	151708	162	170000
Highland sample	39	28690	69	50282	10	72948	10	76074	170	123899	327	238489

					0		4					
Strathclyde sample	60	32342	94	50997	10	54258	12	66730	227	123195	291	157873
					0		3					
Tayside sample	51	26118	79	40353	10	51273	12	65022	220	113042	277	142206
					0		7					
Total Scottish Sample	49	29050	79	47211	10	59493	11	69275	202	120045	302	179523
					0		6					
Size of new homes index	56		80				10		123		222	
							0					
Mean scottish/new home	57		79				10		173		232	
							8					

It is notable, though not perhaps unexpected, that the variance between small and large homes is much greater across the whole sample than it is for the new developments. This is probably for a number of reasons. Firstly the new homes are on the same developments, built to similar designs. Secondly, the sample of existing homes includes a lot of property at the lower end of the size scale in poorer areas. Developers simply will not build such property as construction costs will be too high to provide any profit. Thirdly, properties at the top end of the scale don't tend to be on 'mass' housing developments, but are individual, bespoke homes without comparable smaller homes on the same developments. By contrast, the sample of existing homes includes a few very large and prestigious older properties. Fourthly, new homes tend to be designed with broadly comparably sized rooms. Thus a 5 bed roomed house has spaces not much different in size from a 3 bed roomed house. Older homes tend to vary considerably more in space standards between those with different numbers of bedrooms.

Overall average prices are also lower for the Scottish sample than other published averages. It should be remembered that the data used is properties for sale, not properties sold. Therefore a lot of the poorer quality, and hence cheaper, homes may have been on the market for a long time. This method of sampling will tend to overemphasise the impact of properties which are proving difficult to sell. This is confirmed by looking at the sequential serial numbers for properties. For every house type in the Glasgow sample the serial number of the more expensive half of the sample was between 500 and 1800 lower than the serial number of the cheaper half. That is the cheaper properties are taking longer to sell on average, thus skewing the sample somewhat.

The data broken down into number of bedrooms does have some flaws, but is a better source of cost indices than data broken down by detached/semi-detached properties etc. These indices can then be applied to more generally available mean house price data across all types. The continuing lack of price data of any sort on a floor area basis in the UK defies all logic and serves to demonstrate the extraordinarily archaic nature of the property professions and the property market.

Data on Building Cost

As has been noted, building cost is at best only peripherally related to house price and whilst market values are most important for our study, there is also the need to consider construction costs. Some of the financial options being offered to respondents involve construction work, such as adding a room or rebuilding the entire home, so it is important to have some idea about the affordability of these options.

The following data is drawn from Spon's Architects' and Builders' Price book 2000.

Building cost/M2 for the year 2000, based on a tender price index of 350:

Local Authority residential accommodation

Bungalows	Semi-detached	555-655
	Detached	470-590
2 Storey houses	Detached	515-625
	Semi-detached	455-555
	Terraced	405-500
3 Storey houses	Semi-detached	485-665
	Terraced	425-630
Flats	Low rise	535-665
	Medium rise	535-665

Private residential accommodation

Houses	Single detached	625-875
	2 or 3 storey	410-575
Flats	Standard	535-655

Figures require adjusting for regional tender prices and do not include external works, furniture, loose or special equipment or professional fees.

Regional tender price indices for 2000 were as follows:

Outer London	339
Inner London	366
East Anglia	292
'East Midlands' (England)	278
'Northern' (England)	282
Northern Ireland	227
'North West' (England)	298
Scotland	285
'South East' (England)	320
'South West' (England)	300
Wales	278
'West Midlands' (England)	285
Yorkshire and Humberside	282

Building costs need to be adjusted for region against a baseline index of 350. For example for Scotland:

$$\left(\frac{285-350}{350} \right) \times 100 = 18.57\%$$

That is building prices for Scotland need to be reduced by 18.57%. The indices are for regions decided on basically on the basis of population size. This of course means that geographically large regions, in particular Scotland, in which building prices may vary hugely, are insufficiently subdivided. The indices accept that there will be large differences in construction costs over a distance of a few miles in London, but don't allow for any differences over the 500 miles of more remotely populated areas. This is a hugely flawed

basis on which to calculate indices and is based on the sorts of areas used to make broad quantitative studies. It should not be used to gauge particular prices in particular places.

Further data is recorded on approximate m2 areas of dwellings of different types and the attendant indicative costs per unit as follows:

Private Housing	Area (m2)	Indicative Functional Unit Cost
Terraced 2 bedroom	55-65	£30,000-35,000
Semi-detached 3 bedroom	70-90	£45,000-50,000
Detached 4 bedroom	90-100	£60,000-90,000
Low-rise flat 2 bedroom	55-65	£33,000-48,000
Medium-rise flat 2 bedroom	55-65	£40,000-55,000

Again these prices need to be adjusted regionally for a Tender Price Index of 350. Prices don't include external works, furniture, loose equipment or professional fees.

Of course the indices of tender prices are not strictly accurate for private housing developments, where the developer is builder and

The First Iteration

The figures used in the first iteration of the on-line study, though to an extent artificial and not statistically derivable, are based on a rational approach. The index used to differentiate between homes of different sizes was as follows:

1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
57	79	108	173	232

This represents the mean of the Scottish sample of asking prices and the on-line survey of new homes. The new homes figures were not used alone because: a) They represent a small sample in which, crucially, houses of different numbers of bedrooms are found on the same developments. This does not reflect a reality in which people looking for 1 bedroomed homes look in different sorts of places to people looking for 5 bedroomed homes and: b) The greater differential is better able to express aspirations of individuals and, perhaps, income differentials.

Mean regional house prices were drawn from the Nationwide average figures for the second quarter of 2001, for the 13 UK regions as follows:

North	59,752
Yorkshire & Humberside	65,754
North West	73,662
East Midlands	76,250
West Midlands	85,011
East Anglia	98,408
Outer South East	114,586
Outer Metropolitan	148,546
London	165,414
South West	102,276
Wales	66,455
Scotland	68,046
Northern Ireland	76,635
	91,049

However, it was felt that these figures are insufficiently fine-tuned to be able to deal with the vast differences present across the largest geographical area, Scotland. Of course similar inaccuracies occur even within very small areas, but if we are to distinguish between inner and outer London, for example, it would seem reasonable also to be able to distinguish between Edinburgh New Town and the Western Isles. Scottish data is drawn from data published by the Halifax, which is only available for the semi-detached house price. This data has been normalised to overall average house prices by taking the overall average house price in Aberdeen, calculating the difference between this and semi-detached houses in Aberdeen and producing an index which is then applied to the other areas. Prices have been adjusted upwards by 2.5% to reflect rises to the end of 2001. There is such a difference between the major metropolitan regions in Scotland that separate figures have been taken for Edinburgh, Aberdeen, Dundee and Lothian. The rest of Scotland is then included as one category as follows:

Edinburg 133545
h
Lothian 92948.7
Aberdeen 81720.9
Dundee 48741.9
Rest of Scotland 65045.9

These figures give a potential range from £34200 to £382800, for a 1 bedroomed house in the North of England and a 5 bedroomed house in central London, respectively.

To summarise, the rounded up house purchase prices used are:

<u>North England</u>	60000
<u>Yorkshire & Humberside</u>	66000
<u>North West England</u>	74000
<u>East Midlands of England</u>	76000
<u>West Midlands of England</u>	85000
<u>East Anglia</u>	98000
<u>Outer South East England</u>	115000
<u>Outer Metropolitan London</u>	149000
<u>London</u>	165000
<u>South West England</u>	102,276
<u>Wales</u>	66000
Edinburgh	134000
Lothian	93000
Aberdeen	82000
Dundee	49000
Rest of Scotland	65000
<u>Northern Ireland</u>	77000

For individual respondents prices are multiplied by the following multipliers depending on the choice of home size:

1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
.57	.79	1.08	1.73	2.32

Appendix 2 – Responses to the Pilot Survey

The pilot survey was administered in January 2002 and some 20 responses were received. The following is a listing of comments received by email from respondents. This forms part of the resource for the refinement of the study

Comments

- *It's not quite clear when you get to the last page that the data HAS been submitted. just says 'thanks' and leaves you a bit unclear if need to do more.*
- *If you go back and change an answer away from 'I'd take a lot of convincing to accept this' you can't refresh and get rid of the supplementary asking you to insert a sum. Thus, potentially, someone could answer 'yes I'd accept' and still insert an alternative price.*
- *I was negative about options 6 7 9 10 and 11 mostly because I am very cynical about promises from builders, not necessarily because I don't like them. Should you ask for suspension of disbelief in builders' promises. The presence of a bank makes it easier to believe in these promises.*
- *I answered that I MAY buy a house on a new development, What I mean by this is that I would consider buying a nice house like the one shown. I am concerned that this will be interpreted as meaning that I buy houses in big new estates. This I would not do.*
- *Page 8 says 'Thank you. Last question' but isn't. The demographic stuff comes after. I wonder if it should be the last question and the demographics should come before it?.*
- *The fact that energy savings are a constant % of cost means that they are very high in some places, low in others. Of course this might not really be true.*
- *All the different options are kind of confusing - by the time you get half way through, you've forgotten what the earlier ones were which makes it difficult to compare and give a consistent response. Could it be cut down a bit? Or maybe just if you could see a summary of them all (in a pop-up window?) as you go through them. Especially because I think one of them refers back to another one?*
- *I didn't really feel that I could complete the bit about what I would be prepared to pay (for those I said I would need convincing about) because it's not just about money but really that I would need more information to weigh things up. Maybe that is just me - I did try but I couldn't really come up with anything!!*
- *There was a lack of space as you go through to give some explanation as to why you are giving the answers you're giving. For example, on the option about it being higher spec with good energy efficiency - I would have liked to put in there that the reason I didn't go for that was because I would just expect a new house (and especially an innovative design) to have excellent energy efficiency as standard, not as an add-on or to make up for possibly dodgy construction. Could there be more space for comments? Even just a space at the end of the questionnaire would be helpful.*
- *Are the pictures supposed to sway your opinion or are they just decorative? It's just that the house shown looked quite nice so that was encouraging me along but if people don't like the look of it, this will affect their answers. Perhaps it could be made clearer whether this is the house in question or not.*
- *I wasn't sure if the survey was sent at the end as there was no confirmation.*
- *Also, some estimate of the time it is likely to take to complete at the start is always useful (10 mins -ish?)*

- *I didn't think there was enough financial info on the house to make informed decisions on the options. In particular what are the selling points and does it say anywhere that the running costs are cheaper than a conventional house? How much cheaper?*
- *There are a lot of options, possibly too many. It took me more than 1/2 hour and I'm not happy with what I did. On hindsight I didn't pay enough attention to all the financial incentives and plumped for the accreditation option - now I feel that if it is an innovative design the standards probably are out of date and that option is meaningless.*
- *The next link after option 2 didn't work first time round but subsequently did work.*
- *Once you realise all options are on same page it is possible to go back and change them - I hope this is the intention.*
- *I didn't believe any of the options which guaranteed some future stuff, like extra rooms & rebuilding my house etc, since there's no way that I believe the builder would do it even if they didn't go bust. Basically I'm not going to be convinced by any future promises (and I reckon you'd get that response from most people). Call me suspicious, but I think they'd all come to nothing.*
- *If you want me to take a risk on an innovative design then the only enticements I'd go for would be reductions in purchase price that do not involve me losing any of the normal guarantees about building quality.*
- *I think you should name the Research Funding council and put in the project ref no.*
- *"Lightweight timber frame" sounds flimsy - can you lose the "lightweight"?*
- *The builder "insists"?? Sounds to me like he's trying to pull a fast one. This needs rewording unless you meant to imply that there's something dodgy going on.*
- *On the "How many bedrooms" page the use of the word "cost" is repetitive.*
- *Option 2 involving NHBC was new to me. I didn't get enough info on the "click here" page, and couldn't be bothered with being redirected to their home page. I wanted to know stuff like what exactly would be guaranteed and how long would cover last.*
- *After option 2 it wasn't clear whether I was or wasn't getting any of the guarantees you mentioned in option 1- not that I was sure what they might be.*
- *Q11 asked me to consider improvements to option 5, but i'd forgotten what option 5 was.*
- *The middle choice of "...no real opinion..." sounds too negative if what you mean is that I might consider it.*
- *it appears as though the questionnaire has not been submitted at the end. just says "thank you for completing" etc. etc.*
- *on the question before last one, the pull down arrows were not visible until had answered a few questions*
- *not easy to base a judgement on a hypothetical situation which in real life you would know much more about, having done the research into the local market (not meaning the local cattle market) etc.*
- *should there be a "not sure" option for those people who really are not sure what they prefer? (although may encourage people to keep hitting not sure all the time?)*
- *the wooden house is nice*

Data in the Pilot

Aside from these general comments received about the pilot, the following comments were recorded by respondents against the 14 options. They have been abstracted from the data but can be tied back to particular respondents if necessary:

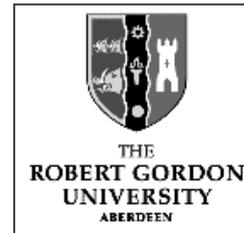
q1comment
I don't know what guarantees I might normally expect. Sounds very dodgy option for an innovative design and implies that you're asking me to do without the normal guarantees I might expect.
Guarantee important for initial worry free purchase and possible resale in the near future

Too much of a risk
I'd buy a 2-bed house for that price which wouldn't need a special guarantee
q4comment
I don't believe they'd do it. There would be some small print...
I believe that I could sell the house without this.
q5comment
No interest in paying more for bricks and tiles
not interested in conventional looking house
brick sticks out a mile in Edinburgh - a timber house at least has an interest value
Either the house is sound structurally or it isn't, putting bricks on is not going to make any difference
q6comment
Oh yeah! That could happen! They'll likely go bust next week.
I pay for his risk
1) Basic distrust of (here to day gone tomorrow builders and financial institutions.
2) Feeling that flexibility of development of the spaces should be done as and when (if necessary) rather than feeling locked into having to do this at some stage because
I don't need another room in ten years, I don't think...
Are this and the other guarantees transferable to people I sell or assign my property to? It is difficult to know if a room or other improvement is going to of any interest or use to me in 10 years. I don't put a high value on promises that are going to
Don't need an extra room - you only fill them with clutter
Seems a bit dodgy - one of those offers where you get something for free which you weren't really sure you wanted in the first place! what happens if the company goes bust?
q7comment
No way that could happen. What builder's still going to be around in 30 years?
ditto
In 30 years I will be dead.
is the guarantee transferable?
Apart from my age and probably not being interested in 30 years time - far too much can happen in 30 years - I think there would be great difficulty in the promise being kept
The promise may not be what I require in 30 years time.
q8comment
So I get a house I don't want that I have to rebuild before I can move in??
? inserted against the earlier questions because this is not a straightforward consideration.
With respect to this question - I would not want the hassle if I was buying this type of development
Deal has no interest
A room in loft may not meet my needs eg extra bedroom on ground floor
Rather have a bedroom that an extra room in the loft
not sure that this is a good deal.

q9comment
As above - no way you can convince me that any builder won't go bust next week or squirm out of any such deal.
50 years is a non-sensical length of time
q10comment
...and have the costs go up by x% every year. £600's way too high, but I would accept any figure as I'm not going to commit to a maintenance agreement with unknown future costs.
Crazy cost.
It seems to me that I have the ability to do (and would enjoy in a possibly masochist sort of way) much of the maintenance to my home even if I might never get round to it. The annual cost seems quite high and the worry is th
Don't trust this.
It seems a lot to spend per year on maintenance given that it is a new house
might as well just put some money into a savings account and earn interest on it rather than giving it to a builder!
How do I know that the builder will be around in 10 years.
Would rather pay for repairs at the going rate as and when it became necessary - especially if the house was built to NHBC std with guarantees
q11comment
I'd rather choose where to spend the money.
q12comment
What kind of a house needs a guarantee that it will hold its value over 25 years? In 25 years £60,000 wouldn't buy me a garden shed.
I wouldn't buy if I didn't think the value had a good chance of holding. Neither would they insure at reasonable rates.
Won't pay extra for what seems to be the norm anyhow.
Who knows what it going to happen in 25 years in the property market
Hopefully the house I would buy would at least hold its value anyway, if not increase in value
q13comment
Huh? Does this cost me nothing or am I contributing to it. Who's guaranteeing this? What if the builders go bust? What if I fall under a bus before the 25 years is up? Can I really spend it on anything I like :-)
Builders for building, accountants etc. for money advice.
Not sure that £30,110 would amount to much in 25 years time
In 25 years I may be dead, and £23,868 won't buy more than a bag of sweeties anyhow.
I would rather have the present value cash equivalent now rather than in 25 years time.
What rate of return is this "free" savings policy projected to earn?
What will £30,110 be worth in 25 years?
depending on inflation this could be worthless in 25 years
as above
q14comment
Not an option I would consider
as I guess this is already an energy efficient design I am suspicious that you can do this without making the place a lot colder

16 Details from study of “Social Attitudes to Innovative Housing Design”

Social Attitudes to Innovation in Housing Design



Thank you for taking the time to complete this questionnaire. This study has some general questions on your choice of house and general attitudes towards your house and the place where you live. All answers are completely anonymous and all information will be kept strictly confidential. Please answer as many questions as possible, leaving blank any that are unclear. Remember that there are no right or wrong answers, and that all opinions are taken seriously. Answer questions either by placing a tick in the appropriate boxes or by writing in the space given.

This questionnaire can be returned to Robert Gordon University in the **freepost** envelope provided, or one of our research team will arrange a convenient time to collect it.

Andrew Hargreaves

Tel. 01224 263537

Some General Questions

- 1. How many years have you lived in the area?
- 2. Would you describe yourself as a local?
- 3. Do you have family living in the area?
- 4. Are you working / retired / other?
- 5. Describe your work?
- 6. Do you ever work from home?
- 7. Have you ever considered working from home?

How would you describe your house?

- 8. Detached Semi-Detached Terrace Bungalow Flat
Maisonette
- 9. Number of bedrooms Receptions Bathrooms
- 10. Total number of rooms
- 11. What areas do you use for storage in your house?
- 12. Would you say your house was: Large Medium small
- 13. When did you buy your house? (year)

14. Roughly when do you think your house was built? *(tick one box)*

15. Pre 1900 1900 - 1939 1940 - 1959 1960-1990
Post 1990

16. Have you ever considered building your own house? *(yes / no)*

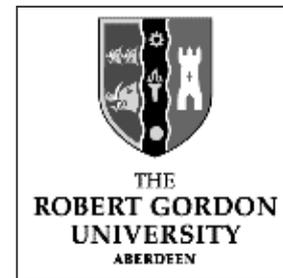
17. Where would you most like to build your own house?

18. Which best describes where you live? *(tick one only)*

19. Town Country Suburb

20. Thank you very much for taking the time to complete this questionnaire. Please write in any comments or suggestions you have regarding the questionnaire here:

Social Attitudes to Innovation in New Housing Design



A) Space Introducing the New House (Internal Pictures)

1. How would you feel about living in something like this?
2. The saving in the cost of building this house may be used to make larger than average room sizes. In addition the structure and materials would allow you to choose how the internal space was subdivided.
3. How would this make you feel about purchasing a house like this?
4. Do you think this house is bigger or smaller than your current house? (*explore*)
5. What modifications / changes have you made to your house since moving in? (*explore*)
6. Are there any rooms you would increase in size by reducing the size of another room?
7. Are there any activities that you think you need more room for in your house? (*LifeQ*)
8. Are there any activities you are doing outside (shed, garage, garden, and workshop) which you would prefer to be doing inside? (*LifeQ*)
9. If you needed more space in your house what modifications could you make / would you make?
10. How has the way you use your house changed since you moved in? (*LifeQ*)
11. How would you like to change your house *Now* to better suit your lifestyle? (*LifeQ*)
12. After thinking about this new design (*in relation to internal space*) how do you think these ideas might be applied to your own house or to a house you might buy in the future?