



Greener Homes Attitude Tracker

January 2025

Tomorrow begins today



NatWest

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Key findings

H2 2024

The proportion of homeowners planning to implement green home improvements has shown a slight increase versus H2 2023. Cost remains the largest barrier.

The importance of a property's EPC rating has increased among prospective homebuyers, with 42% considering it a 'very important' factor in H2 2024, a significant increase since H2 2021 (31%).

The installation of heat pumps, solar panels, and EV charging points in the home has seen an uptick.

Since 2021, the number of people driving an electric or hybrid vehicle has more than doubled and around 30% are now using public transport regularly to reduce environmental impact, up from 23%.

There has been a noticeable increase in the number of consumers regularly buying sustainable clothing in the last 3 years, with the proportion rising from around one-in-seven to around one-in-five.

There is a discrepancy in confidence levels between renters and homeowners regarding their ability to afford energy bills. 46% of renters are less confident compared to a year ago.

Whilst uptake of green banking products remains low, a significant proportion of adults are considering taking out green mortgages, savings, or investments, demonstrating consumer demand for financial products that reward sustainable choices.

Foreword

As we enter the spring months of 2025, a traditionally busy time for the UK property market, there is a growing sense that real dynamism is about to be injected into the UK housing sector.

The Deputy Prime Minister Angela Rayner recently doubled down on the Government's manifesto pledge to build 1.5m homes by 2029 through wide-ranging reforms on the concepts of grey and green belt categorisation.

The Housing Minister Matthew Pennycook has also indicated that new policies are in development in partnership with organizations such as The Land Registry in areas such as data-sharing and digital ID verification that will speed up the house buying process. In addition, expected imminent reforms to the Leasehold and Freehold Reform Act (2024) will aim to give more power to leasehold homeowners through the Right to Manage scheme, which allows residents to have greater control of the management of their building.

It is in this context of cautious market optimism that we launch the latest version of our Greener Homes Attitude Tracker, which spoke to 9,000 UK consumers throughout the second half of 2024 to explore current sentiment on the topic of green home improvements.

This edition of the NatWest Group report, first introduced in 2021, found there has been an increase in both the UK consumer's desire to implement green home improvements and the desirability of such home improvements amongst potential homebuyers.

Indeed, in the second half of 2024, 22% of homeowners said that they were planning on implementing green home improvements over the next 12 months, up from 20% in H2 2023.

These decisions may in part be being driven by evolving market expectations, with 42% of prospective homeowners citing that a property's EPC rating was a 'very important consideration'. As a point of comparison, the same respondents gave a property's EPC rating roughly equal importance to good public transport connections (40%) and the availability of local green space (41%) when asked about the most important criteria when purchasing a home. The Labour Government is also expected to resurrect plans for minimum EPC standards in the private rental sector, driving the issue further up the industry agenda.

Homeowners increasingly appear to be becoming aware of these market trends and are seeking to capitalize on them; 62% of homeowners claim

to have already made improvements to the sustainability credentials of their home. For those looking to actively invest in home improvements to boost the energy efficiency and sustainability credentials of their home in the next 10 years, electric car charging points (37%), triple glazing (35%) and solar panels (34%) were the features under the most common consideration. 59% of respondents who owned their own homes said they already have a smart meter installed.

But these encouraging signs need to be balanced against the costs of making these improvements. Of those with no plans to improve their homes' energy efficiency, cost was the overriding barrier to engagement, cited by 71%, with almost a third (32%) claiming that the expected level of disruption the work would cause acts as a disincentive. The research also indicated that real financial pressures continue to endure on UK households, with over a third of respondents (37%) saying they felt less confident in their ability to pay their energy bills than 12 months prior.

The UK property market remains incredibly fluid but that the issues of green home ownership and sustainability rank so highly with UK consumers should be celebrated. We will continue to champion this cause whilst remaining cognizant of the financial challenges many UK households continue to endure.

At NatWest, we want to continue helping our customers to understand how they could make their homes more energy efficient and remain committed to developing a range of products and services, such as the NatWest Home Energy Hub that will help our customers to make informed decisions that are right for their family, property and lifestyle.



Lloyd Cochrane
Head of Mortgages at NatWest Group

Overview

Green home improvements index

In the second half of 2024, the majority of homeowners stated plans to make improvements to the environmental sustainability of their home in the next 10 years. At 65%, the average in the six months to December was down from 67% in the first half of the year, but up slightly from 64% in H2 2023. The proportion of those with plans for upgrades in the forthcoming 12 months increased slightly compared with the same period in 2023, rising from 20% to 22% [Exhibit 1].

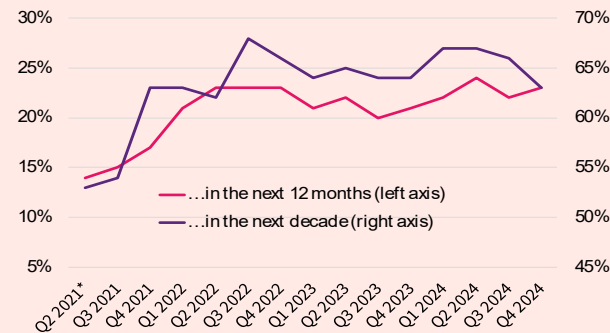
Energy performance certificate (EPC) ranking

The latest findings suggest that a property's Energy Performance Certificate (EPC) rating became a higher priority among prospective homebuyers towards the end of 2024. 42% of those looking to buy a home in the next 10 years considered the EPC rating a 'very important' factor in the final quarter of 2024, up from an average of 39% in Q4 2023. This pushed it above both access to public transport (40%) and the amount of local green space (41%), based on this metric [Exhibit 2].

65% of homeowners plan to improve the environmental sustainability of their home in the next 10 years, from 64% in H2 2023

Exhibit 1:

Which of the following apply to your main property? Planning to make improvements to the environmental sustainability of the property...



Notes: Homeowners (either own outright or buying with a mortgage). Respondents were permitted to say they planned to make changes in the next 12 months, in the next 1-5 years, and in the next 6-10 years.

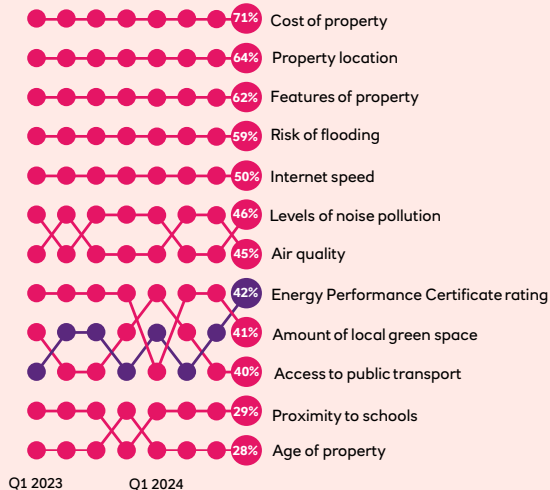
*Q2 2021 based on May and June data only.

Sources: NatWest, S&P Global Market Intelligence.

Exhibit 2:

How important, if at all, will each of the following factors be to your household when purchasing your next property?

Ranked by percentage stated 'very important' in Q4 2024



Notes: Adults planning to purchase a property in the next 10 years.

Sources: NatWest, S&P Global Market Intelligence.



Energy efficient home improvements

More than 60% of surveyed homeowners have already made improvements to the environmental sustainability of their home, data collected in the second half of 2024 shows. Looking ahead, the installation of an electric car charging point is the top priority when it comes to green home improvements planned for the next 10 years.

Overall plans for both the near term and longer term were scaled back slightly compared to earlier in the year, however, amid signs of continued pressure on household budgets and a rise in the number of homeowners reporting that their property is already as environmentally sustainable as possible.

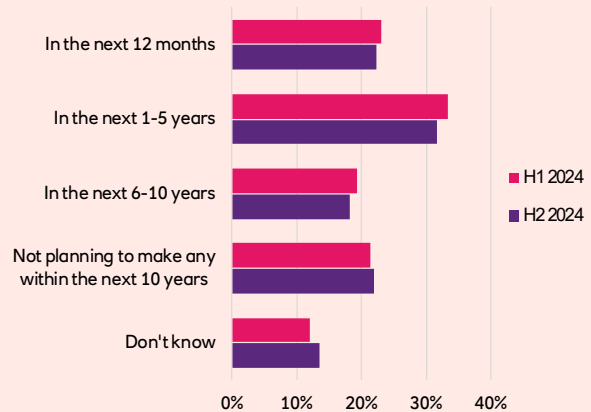
The latter stages of last year saw a decrease in the proportion of homeowners planning to make sustainable improvements to their property over the next 10 years. At 65%, the average figure in H2 2024 was down from 67% in the first half of year. Moreover, looking at the data on a quarterly basis, it reached 63% in the final three months of the year, which was the lowest since Q2 2022.

Considering just short-term plans, an average of 22% of homeowners intended to make improvements over the next 12 months in the second half of 2024, which was down fractionally from 23% in the first six months of the year. Similarly, there were slight decreases in the proportions of homeowners planning changes in the next 1-5 years (32% from 33%) and in the next 6-10 years (18% from 19%) [Exhibit 3].

The cost of the work required remained by far and away the greatest barrier, cited by 71% of homeowners that don't have plans for green home improvements in the next decade. Specifically, 44% cited the upfront cost, while 38% of those that weren't planning upgrades were averse to taking on any debt to fund the work. The level of disruption the work would cause was also a notable

Exhibit 3:

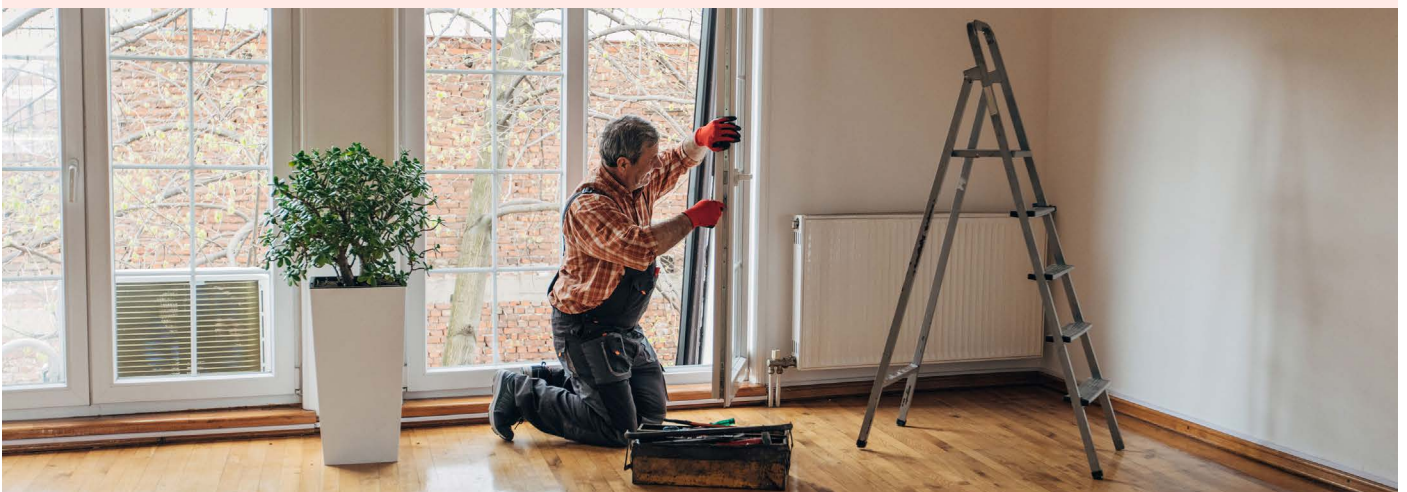
Which of the following apply to your main property? Planning to make improvements to the environmental sustainability of the property...



Notes: Homeowners (either own outright or buying with a mortgage). Respondents were permitted to say they were planning to make improvements to the environmental sustainability of their main property in the next 12 months, and in the next 1-5 years, and in the next 6-10 years. Percentages therefore might not sum to 100%.

Sources: NatWest, S&P Global Market Intelligence.

71% of homeowners not planning sustainability related improvements said that the cost of the work required was a barrier



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barrier, cited by 32% in the second half of 2024.

The latest Greener Homes Attitude Tracker survey indicated continued pressure on household budgets. In the final quarter of 2024, 37% of adults surveyed said they were less confident of being able to afford their current energy bills than a year earlier (13% said 'much less confident' and 24% said 'a little less confident'). On the other hand, 9% said they were 'much more confident', while a further 17% were 'a little more confident' than a year ago.

Once again, renters were more likely to say they were less confident than homeowners. Amongst the highest earners (with a household income of more than £57,750 per year), many stated they were actually more confident of being able to afford their current energy bills than a year earlier (21% said 'much more confident' and 23% said 'a little more confident') [Exhibit 4].

On top of this, just over one-in-ten homeowners that don't have plans for sustainability-related home improvements stated that their property is already as environmentally sustainable as possible at present, up slightly from a year earlier.

37% of surveyed homeowners said they had plans to install an electric car charging point in the next 10 years

Looking ahead, an electric car charging point was the sustainability-related feature most likely to be installed in the next decade, with 37% of homeowners saying they had plans to do so. It was followed by triple glazing (35%) and solar panels (34%) [Exhibit 5].

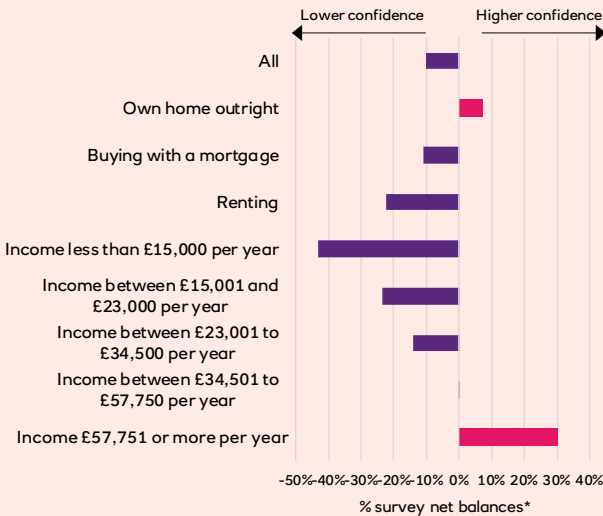
In the near term, a composting bin topped the ranking of items most likely to be installed in the next 12 months, with 12% of homeowners planning to add one to their property. It was followed by a rainwater harvesting system (10%).

Smart energy meters were a feature in 59% of the owner-occupied homes surveyed in the second half of 2024, up from 57% in H2 2023 and a noticeable jump from 46% three years earlier. Furthermore, among the homeowners surveyed, the proportion that already have solar panels installed has more than doubled since the second half of 2021, rising from 8% to an average of 17% in H2 2024.

The prevalence of gas boilers in owner-occupied properties has meanwhile decreased over this period, dropping from 75% to 70%, as consumers move towards greener ways of heating their homes. Indeed, both electric boilers (23%) and heat pumps (10%) were found to be more commonplace than a year earlier.

Exhibit 4:

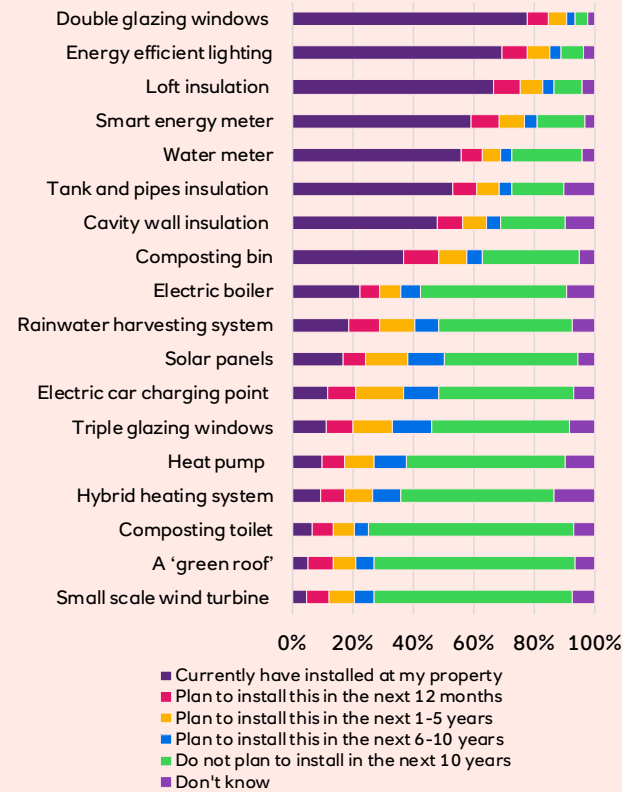
Compared to 12 months ago how confident, if at all, are you that your household can afford your current energy bills?



Notes: All adults surveyed in Q4 2024.
* The net balance shows the percentage of those reporting a higher degree of confidence minus those reporting a lower degree of confidence. Those reporting 'much more confident' or 'much less confident' count as one-and-a-half responses, while those reporting 'a little more confident' or 'a little less confident' count as half a response.
Sources: NatWest, S&P Global Market Intelligence.

Exhibit 5:

Do you currently have any of the following installed at your main property or are you planning to install any of these within the next 10 years?



Notes: Homeowners (either own outright or buying with a mortgage), surveyed in H2 2024.
Sources: NatWest, S&P Global Market Intelligence.

Homebuyer preferences

A property's energy efficiency has increased in importance among prospective homebuyers, data collected in the second half of 2024 showed. At the same time, there is a greater focus on flooding risk.

The cost of a property, its location and its features remain the highest priorities, with things like electric car charging points, heat pumps and smart energy meters having become more important to those looking to buy a home in the next 10 years.

Around 42% of prospective homebuyers considered a property's Energy Performance Certificate (EPC) rating a 'very important' factor, according to data collected in the six months to December. That was up from 39% in the second half of 2023.

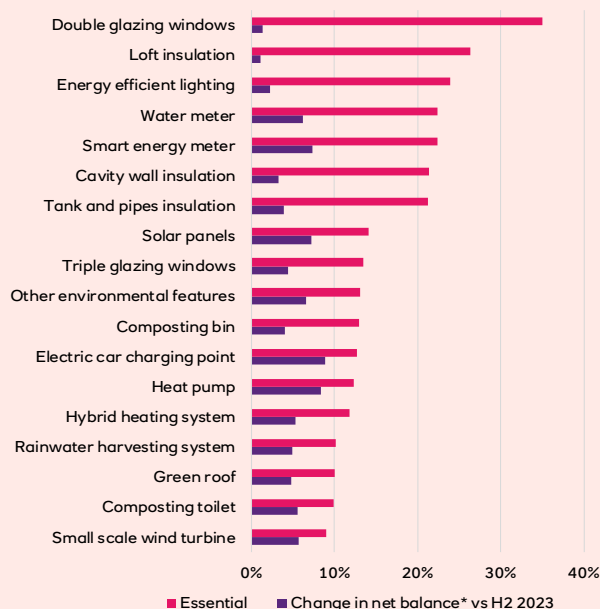
People are also now paying closer attention to the likes of air quality and the risk of flooding. The latter was considered a 'very important' factor by 58% of prospective homebuyers in the second half of 2024, up from 54% in H2 2023 and closing the gap somewhat on property features (62%), location (65%) and cost (71%).

Against this backdrop of a greater focus on energy efficiency and environmental factors, sustainability-related features have generally become more important to households looking to buy a property in the next decade. Double glazing continued to top the list of must-haves, considered 'essential' by 35% of prospective homebuyers in the second half of 2024 and 'very important' by a further 35%, with loft insulation and energy efficient lighting close behind.

But there is also a growing preference for more modern green home features. Compared with the situation a year earlier, electric car charging points have seen the greatest increase in desirability, followed by heat pumps (air or ground source), smart energy meters and solar panels [Exhibit 6].

Exhibit 6:

How important, if at all, would it be that the following environmental features are already installed?



Note: Adults planning to purchase a property in the next 10 years, surveyed in H2 2024.

* The net balance shows the percentage of those reporting a degree of importance minus those reporting a degree of unimportance. Those reporting 'essential' or 'not at all important' count as one-and-a-half responses, while those reporting 'very important' or 'not very important' count as half a response.

Sources: NatWest, S&P Global Market Intelligence.



Green lifestyle choices

Changing homebuyer preferences partly reflect a shift in lifestyle choices, with the growing desire for electric car charging points in the home tallying with an increased proportion of people driving electric or hybrid vehicles. Latest data shows that the number has in fact doubled in the past three years.

Amongst the adults surveyed in the six months to December, an average of 11% stated that they drive an electric or hybrid vehicle. This was up from only 5% in the second half of 2021.

At the same time, more people have turned to public transport to reduce their environmental impact. The proportion of adults regularly doing so reached an average of 30% in H2 2024, up from 23% three years earlier.

There has also been a noticeable increase in the number of consumers regularly buying sustainable clothing over this period, the proportion rising from around one-in-seven to around one-in-five.

The survey found that more people are trying to minimise home energy use than was the case before the energy crunch in 2021-22. However, at 62% on average in the second half of 2024, the proportion has fallen slightly from a peak of 65% in H2 2023. Minimising home energy use remained the second most commonly practiced green lifestyle choice of those surveyed, behind only minimising food waste (71%) [Exhibit 9].

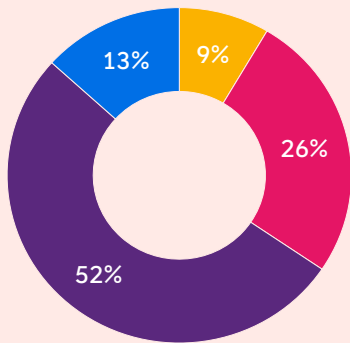
Green banking products offer another opportunity for consumers and banks to work together to tackle environmental issues. Latest data indicates that, while uptake remains low, there is a sizeable proportion of adults that are currently considering taking out products such as a green mortgage and green investments or savings [Exhibits 7&8].

Find out more about NatWest [Green Mortgages](#) (eligibility & exclusions apply).

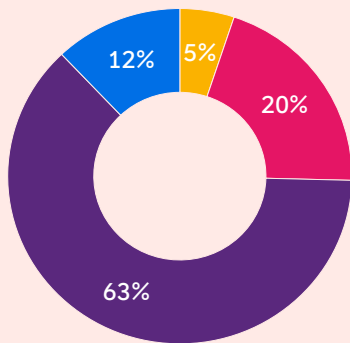
Exhibits 7 & 8:

Do you currently have, or are you considering taking out, any of the following 'green' banking products or not?

Green savings or investments



Green mortgage



- I already have this product
- I do not have this product but I am currently considering taking out this product
- I do not have this product and I am not currently considering taking out this product
- Don't know

Notes: All adults surveyed in H2 2024.

Sources: NatWest, S&P Global Market Intelligence.



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Exhibit 9:

Do any of the following apply to you or not?



Notes: All adults surveyed in H2 2024.
Sources: NatWest, S&P Global Market Intelligence.



Survey methodology

The NatWest Greener Homes Attitude Tracker survey was first conducted in May 2021 and is compiled by S&P Global. The survey is intended to accurately anticipate changing consumer behaviour. The questionnaire is designed to be quick and easy to complete, incorporating a small number of key questions, which encourages regular participation among even high-level respondents.

Ipsos MORI technical details (H2 2024 survey)

Ipsos interviewed 9,000 adults aged 18-64 across the United Kingdom from its online panel of respondents and partner panels. Interviews were conducted online on a monthly basis between July 2024 – December 2024 to an approximate monthly sample of 1,500 adults. Respondents were excluded from taking part again in the survey for a 3 month period. A representative sample of adults was interviewed with quota controls set on gender, age and region and the resultant survey data was weighted to the known UK profile of this audience by gender, age, region and household income. Ipsos was responsible for the fieldwork and data collection only and not responsible for the analysis, reporting or interpretation of the survey results.

For further information on the survey methodology, please contact economics@spglobal.com.

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