

How we live

Executive report

April 2021



Introduction

“ Aviva’s first **How We Live report** was published in **September 2020** when the world was firmly in the grip of a **global pandemic**.

In the UK, we are still living under rules and restrictions to try to control Covid variants, but the vaccination programme is well underway and the mood of the nation is hopeful.

This latest How We Live report looks at the long-term effects of the Coronavirus outbreak and considers its impact on our future behaviours.

We interviewed 4,000 adults across the UK to gather their views on a wide range of lifestyle decisions including property priorities, home-working, green living, career paths, vehicle choices and holiday plans.

We also asked whether people had experienced any positive outcomes from the Covid pandemic. This report considers the practical and emotional skills which have been fostered as a result.

Since the beginning of 2020, the UK has seen immense change. As we look forward to a sense of “normality” it remains to be seen which aspects of life will return to their previous states, and where we can expect changes to become permanent fixtures. ”

Gareth Hemming,
MD, Personal Lines, Aviva



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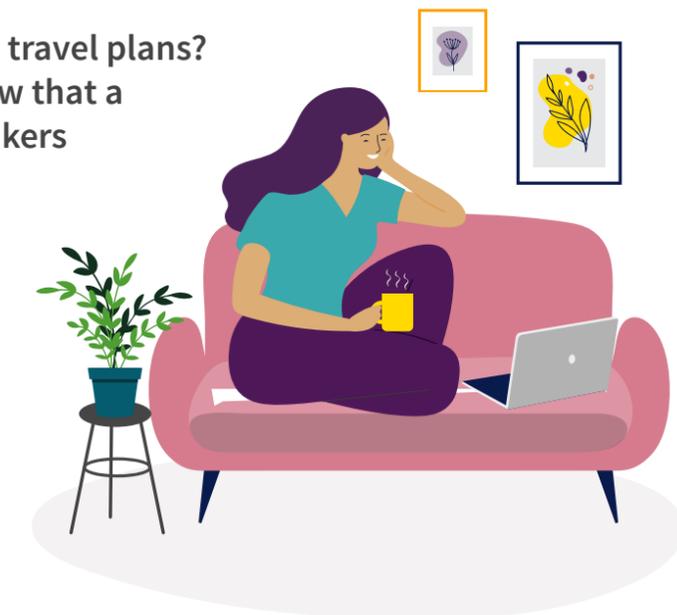
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Chapter one:

Property plans and home-working:

The following chapter looks at **house prices, property aspirations** and the **future of working from home**.

Chapter one:

Homes and home-working

House prices and homeowners' valuations

There has been much discussion throughout the course of the pandemic about its impact on UK house prices. Initially the market slowed at the start of the Covid outbreak, in response to widespread uncertainties. It then recovered steadily over the course of last year, reaching an all-time high in December 2020.

However, people's perceptions of their property values appear to be out of line with reality. When a previous How We Live study was carried out in July 2020, UK homeowners believed their houses were worth £288,263 on average – more than £50,000 above the £235,673 average, according to official Government figures.

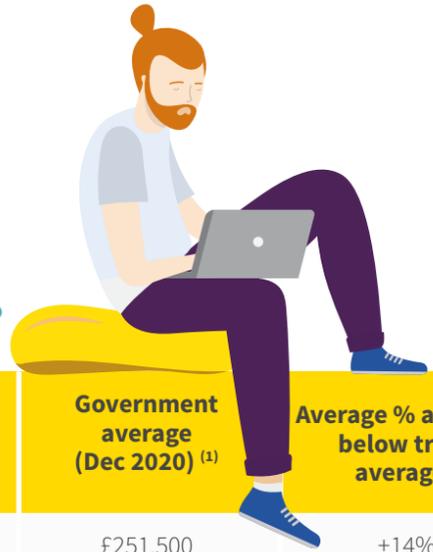
While expectations have fallen slightly overall, this latest study reveals people are still optimistic about their property values, with an average UK estimate of £285,470, still considerably higher than the £251,500⁽¹⁾ average revealed by Government data.

There are some fluctuations of people's estimates in different regions: the average owner valuation in Wales increased by 9% compared to July 2020, while the North East saw a 7% increase. But people reined in their expectations in other parts of the country: In the North West, people's valuations fell by 11% compared to July 2020 and 4% in the West Midlands over the same period.

Regardless of these fluctuations, in almost all regions, estimated values are significantly higher than official figures. This again suggests that people are emotionally attached to their homes and may be inherently hopeful about their values as a result. The only exception is Greater London, where it appears homeowners may underestimate their property values.



Chapter one: Homes and home-working



What do homeowners think their homes are worth?

	Homeowners' average valuation July 2020	Homeowners' average valuation Feb 2021	% increase / decrease	Government average (Dec 2020) ⁽¹⁾	Average % above / below true average
All	£288,263	£285,470	- 1.0%	£251,500	+14%
East of England	£326,653	£338,490	+3.6%	£310,912	+9%
Greater London	£454,764	£436,760	-4.1%	£496,066	-12%
East Midlands	£231,268	£242,034	+4.7%	£215,046	+13%
West Midlands	£261,518	£250,389	-4.3%	£216,950	+15%
North East	£187,533	£199,791	+6.5%	£141,154	+42%
North West	£242,449	£216,357	-10.8%	£183,727	+18%
N. Ireland	£177,454	£249,562	+40.6%	£147,593	+69%
Scotland	£189,844	£187,445	-1.3%	£162,983	+15%
South East	£375,201	£374,490	-0.2%	£341,007	+10%
South West	£304,387	£305,035	+0.2%	£282,388	+8%
Wales	£224,068	£243,166	+8.5%	£184,195	+32%
Yorks / Humber	£216,749	£223,504	+3.1%	£182,907	+22%



Chapter one:

Homes and home-working

Property hopes and aspirations

The latest How We Live study also suggests people's desire to purchase properties or make changes to their homes has stayed more or less static since July 2020.

However, closer scrutiny reveals some interesting views within certain sub-groups.

Around a fifth (18%) of people currently living with family say they plan to buy a home in the next 12 months, compared to 13% in July 2020. This may indicate that after months of intermittent lockdown and shared living, some people are desperate for their own space.

The idea of trading up to buy a bigger home is most popular amongst younger residents, but appears to have been put on hold for some within these age groups, falling from 14% to 11% amongst those aged 25-34 and 9% to 7% for people aged 35-44, between July 2020 and February 2021.

This particular study also asked for the first time whether people planned to buy a second home or an investment property. One in 20 (5%) said they planned to buy an investment property, rising to 9% amongst those aged 35-44.

One in 25 UK adults (4%) plan to buy a second home. This aspiration appears to be particularly marked in London, with 6% of residents expressing this intention.



Chapter one:

Homes and home-working

A spotlight on home-working

ONS data shows that 46.6% of UK people in employment were doing some work at home in April 2020. Within this group, 86% were doing so as a result of the pandemic, equating to roughly 13 million UK workers.⁽¹⁾

An Aviva study carried out in October/November 2020⁽²⁾, found that on the whole, people viewed working from home as a positive move. The study, which interviewed almost 1,400 UK workers who were home-based as a result of the pandemic, discovered almost half (48%) found it less stressful than being based wholly at another location. They cited a range of benefits including the lack of commuting (57%), more time with family (29%) and even not having to worry about what to wear (42%).

In contrast, just one in five (19%) people questioned said they found working from home more stressful. Amongst their complaints, these people stated that they struggled to switch off (43%), they missed their colleagues (36%) and didn't have a suitable space to work (27%).



(1) Source: ONS data, based on 32.5 million people in employment, 46.6% of whom were home-based in April 2020, of whom 86% were working from home as a result of the Covid outbreak.

(2) Source: A survey of 1,364 UK employees who started working from home as a result of the Covid pandemic, carried out by Censuswide Research in October / November 2020.

Chapter one: Homes and home-working

A room of one's own

Many reasons given by those who don't enjoy homeworking, highlight the importance of having a suitable room or designated space in which to concentrate. One in five (19%) home-workers who found the arrangement stressful said they were competing for space with other people, while a similar number (18%) said it was too noisy at home – although one in seven (14%) actually complained it was too quiet.

This latest How We Live study gives an insight into exactly where people locate themselves when working from home. While around a third (34%) actually have a home office within their home and one in 10 use a converted shed, summerhouse or outbuilding, many more are making do from tables, sofas and even beds.

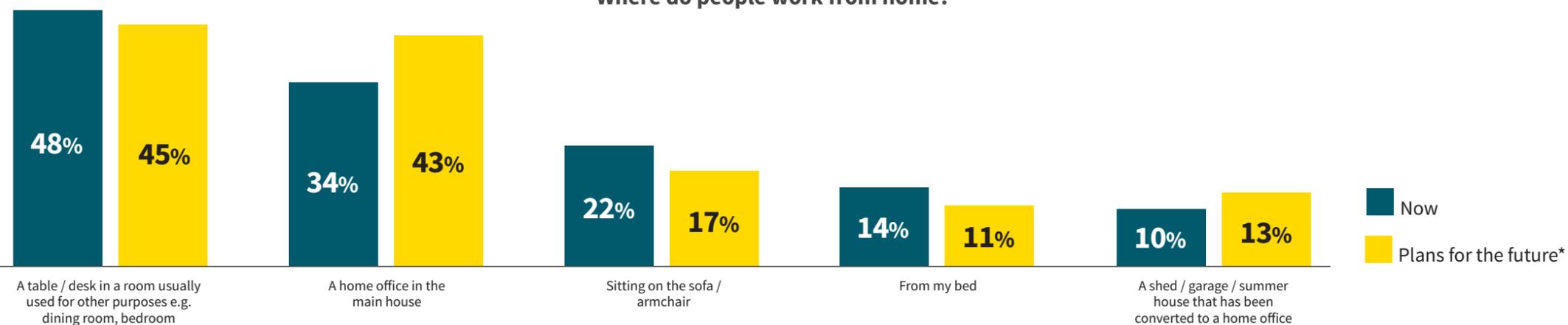
In fact, almost a third (31%) of home-workers aged under 25 admit that they work from their beds on some occasions.

But as remote working continues to become an integral part of modern employment, Aviva's research suggests more people are planning to set up designated spaces at their homes. While 34% of homeworkers use a home office inside their property presently, 43% are planning to do so in the future, suggesting people may be adapting rooms or even building extensions.

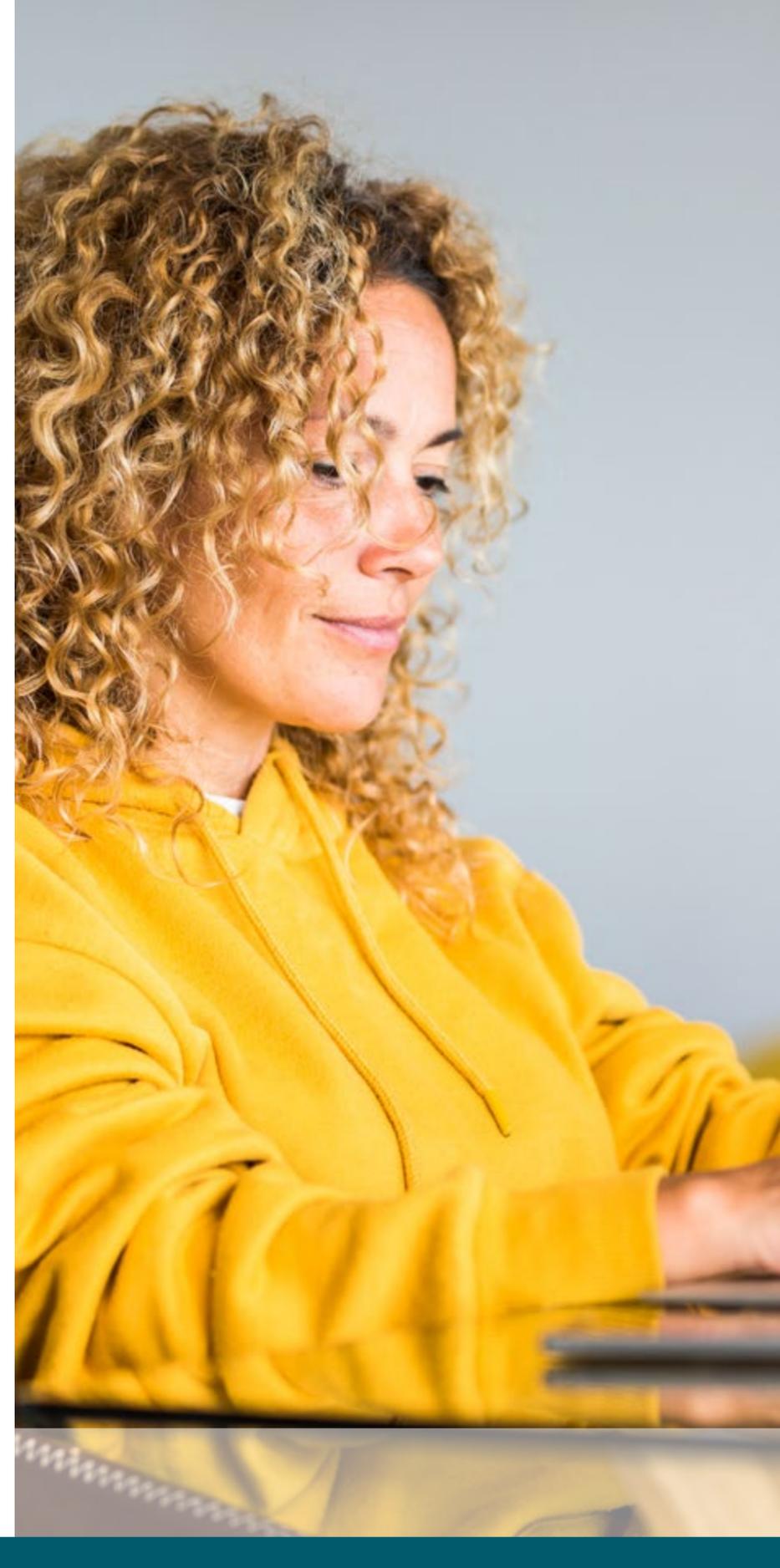
Similarly, the number of homeworkers operating from converted sheds and outbuildings is expected to increase in the future to 13%, compared with 10% currently.

In line with this, the number of people working from beds, sofas and dining tables is expected to fall

Where do people work from home?



*Excludes people who do not plan to work from home in the future. People were able to choose more than one option.



Chapter one: Homes and home-working

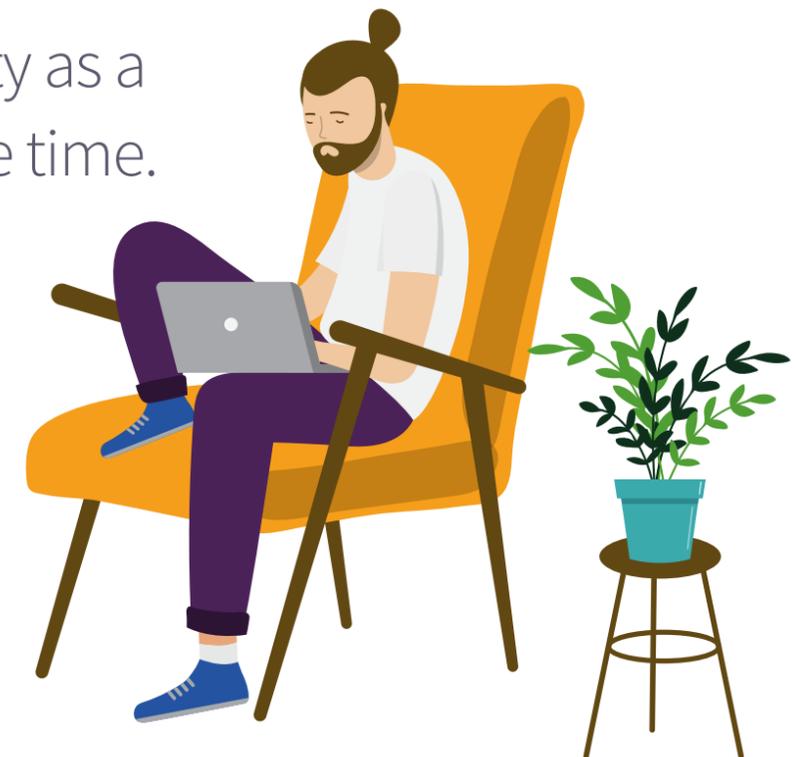
“ **Flexible working** and **home-working practices** have been around for some time, but they have really come into their own in the last year.

Many employees report they have been **less stressed** and **more productive** as a result of working from home. They have had the **flexibility** to work around their **personal lives** and they have been trusted to work in a way which suits them.

While home-working is not the choice of every individual, we are likely to see more flexibility as a basic benchmark for the future, with many people **working remotely**, at least some of the time.

Many **insurance providers** adapted their **home products** during the pandemic to allow people to **work from home** without making any changes to their policies. If customers are unsure about their cover, they should speak to their insurer to check it is suitable for their circumstances. ”

Gareth Hemming,
MD, Personal Lines, Aviva



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Chapter two: Lockdown learnings

This chapter investigates what the UK has learned as a **nation under lockdown** and considers whether there are any **positive outcomes** from the Covid pandemic.

Chapter two: Lockdown learnings

There is no denying that the Covid pandemic has been incredibly challenging on a whole host of fronts. Across the UK, people have been forced to stay away from loved ones, work in new environments and home-school their own children.

But communities have proved their resilience and many individuals report having learned valuable lessons and useful practical skills over the last year.

Practical skills

Seven out of 10 (68%) UK adults report they have learned new practical skills or improved on existing abilities as a result of time spent during lockdown.

Video calls are a big winner, with 28% of individuals saying they got to grips with them during lockdown. More than a fifth of people (22%) have enhanced their cooking / baking skills (22%), while the same (22%) have found their way around online shopping.

Sports and hobbies have also provided a new outlet for millions of individuals. One in eight (13%) UK adults have adopted or improved relaxation techniques such as yoga or meditation, while one UK adult in 10 has taken up running. Five per cent have honed their talents with a musical instrument and 7% have tried to learn a new language.

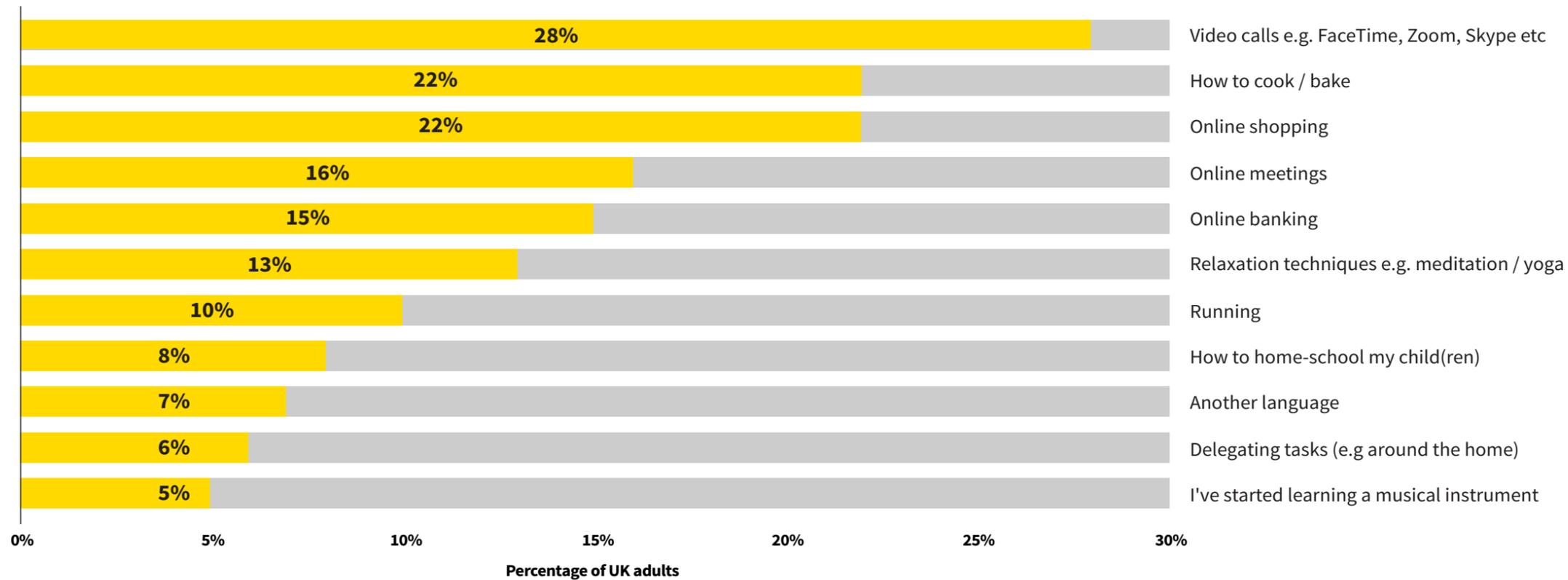


Chapter two: Lockdown learnings

The study also unearths a range of less mainstream hobbies which have flourished during lockdown, including: bee keeping, riding a trike, astronomy, macrame, brewing, coding, cryptocurrency trading, French plaiting, dog training, video editing and web design.

Refreshingly, the majority of people (69%) who have learned a new skill or started a new hobby during lockdown have kept up with it. Although 12% of the population admit they had intended to learn something new, but never quite got around to it.

Skill learned or improved during lockdown



Chapter two: Lockdown learnings

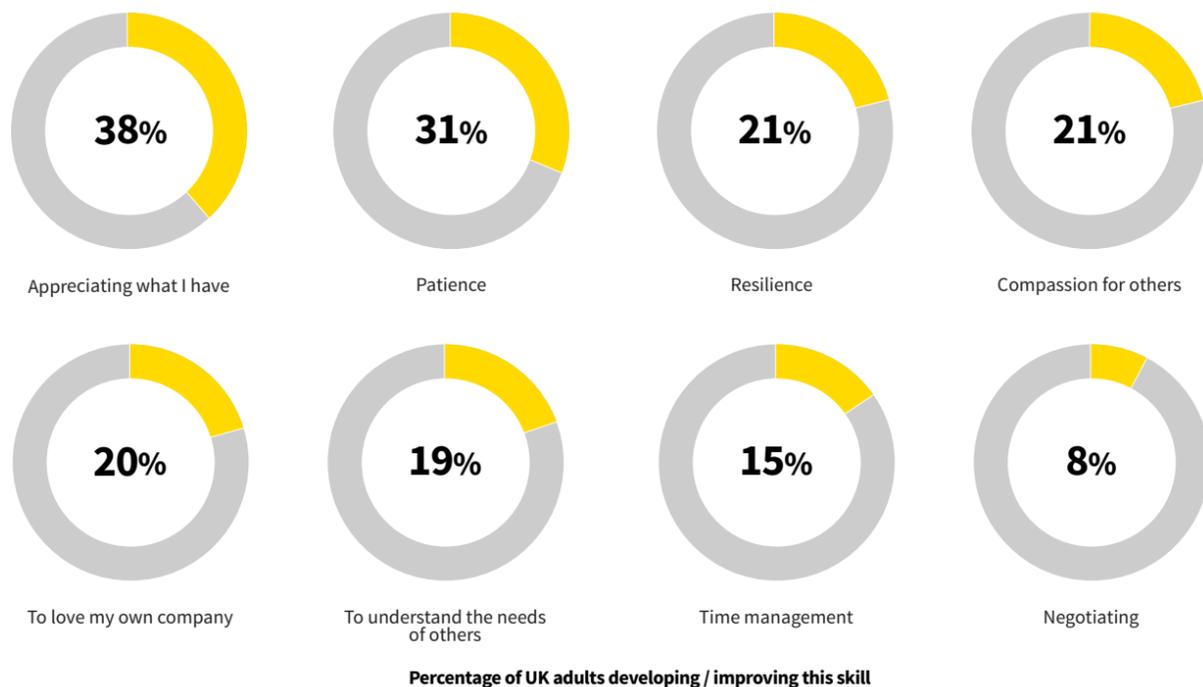
Emotional advantages

On top of these practical points, people have picked up a variety of soft skills while adjusting to lockdown life.

Two fifths (38%) of people say the pandemic has enabled them to appreciate what they have. Almost a third (31%) have learned to be more patient, while a fifth (21%) have become more resilient.

Younger age groups are most likely to have found some emotional benefits over the past year, with four fifths (78%) of under-35s saying they have developed or improved their emotional skills.

Emotional skill developed / improved during lockdown



Percentage of UK adults developing / improving this skill



Chapter two: Lockdown learnings

Lockdown regrets

It should come as no surprise however, to find that not every aspect of lockdown has been plain sailing. While people have learned both practical and emotional skills, almost half of the UK population (49%) has some regrets about their decisions during lockdown.

Far and away, the biggest regret during lockdown relates to food choices, with 22% of people bemoaning poor eating habits. The tensions of lockdown are clear, as 10% of people regret arguing with family, while 7% feel remorse because they weren't as kind as they could have been.

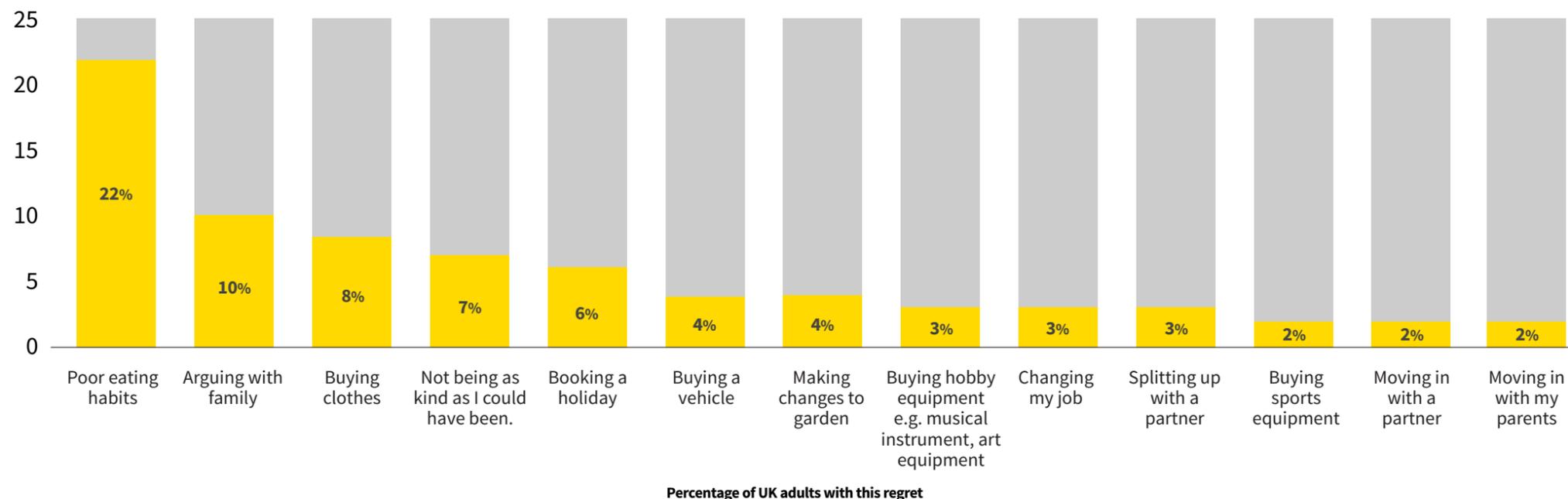
Impulse purchases also feature on this list: 8% of people (rising to 10%

of women) regret buying clothes during lockdown, and 7% are sorry they booked a holiday.

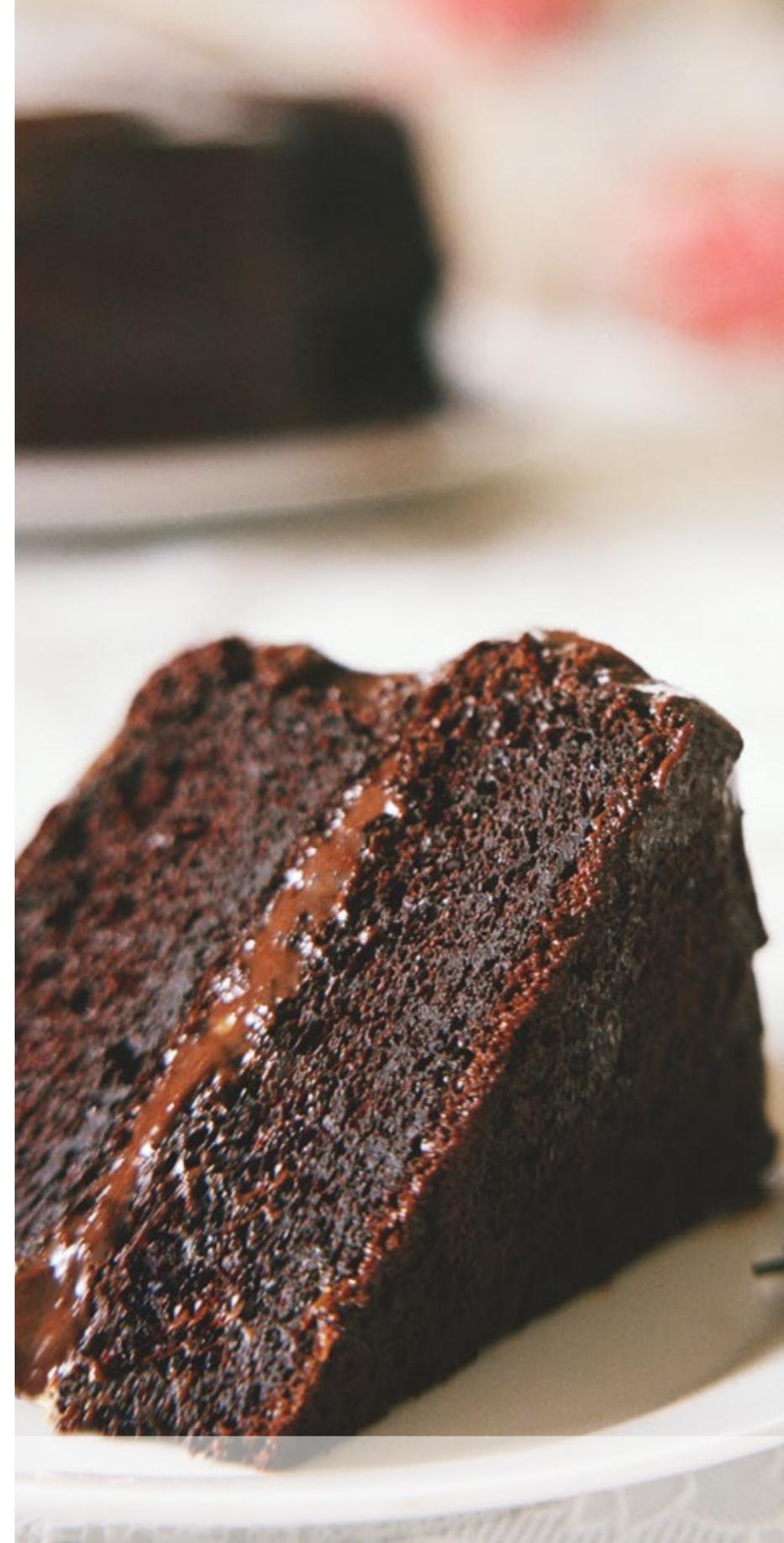
A small number of people regret their lockdown living arrangements. Two per cent wish they hadn't moved in with a partner – rising to 6% of under-25s. Poignantly however, people are more likely to regret splitting up with a partner (3%).

Further regrets include drinking too much alcohol, not maintaining a routine, not saving money and not getting a haircut before the third lockdown!

Regretted behaviour during lockdown



Percentage of UK adults with this regret



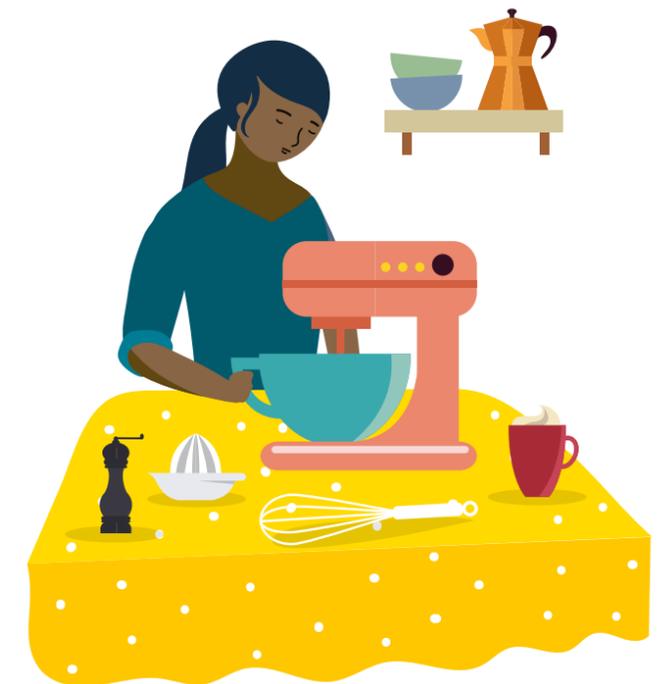
Chapter two: Lockdown learnings

“ The pandemic has taken its toll in many ways, so it’s reassuring to learn there are **positives coming out** of this extraordinary time. On a practical level, people have taken up **new hobbies** and **honed new skills**, enjoying everything from **baking to bee-keeping!**

Arguably, of even more importance are the emotional skills that people have picked up since the start of 2020. Everyone will relate to the **tensions** and **frustrations** of **lockdown**, but seven out of 10 individuals feel they have become stronger in other ways, improving their **resilience**, **compassion** and **learning** to appreciate what they have.

These are hugely important **transferable skills**, so we can be thankful there are **valuable life lessons** to come out of the Covid pandemic. ”

Gareth Hemming,
MD, Personal Lines, Aviva



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Chapter three: Green living

The following chapter looks at UK residents' **environmentally-conscious behaviours** and considers whether the pandemic has **hindered** the **nation's green ambitions**.

Chapter three: Green living

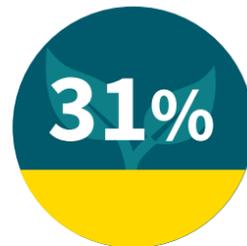
More than half of UK residents say the coronavirus situation has made them more environmentally-conscious, but their actions tell a different story. According to the latest Aviva How We Live study, people are taking considerably fewer 'green' actions than they were in December 2019, before pandemic restrictions were put in place.

Aviva's latest research finds more than half of UK adults (52%) say they are more environmentally-conscious than pre-pandemic, two fifths of whom say they are 'a lot' more so. Only four per cent say they are less environmentally-conscious than before the Covid outbreak.

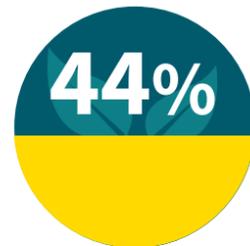
Has the pandemic made UK people more environmentally-conscious?



A lot more environmentally-conscious



A bit more environmentally-conscious



Neither more nor less environmentally-conscious



A bit less environmentally-conscious



A lot less environmentally-conscious



Chapter three:

Green living

However, if actions speak louder than words, people may be less “green” than they think. The How We Live study suggests many people are taking fewer environmentally-conscious steps than they were before the pandemic took hold.

Green behaviour	Percentage of people doing Dec '19	Percentage of people doing Feb '21
Recycling through local bin collections	73%	51%
Giving unwanted items to charity shops	67%	43%
Avoiding single-use plastic items	61%	36%
Turning down the thermostat at home	59%	27%
Reducing how often you use your car	34%	26%
Eat local/seasonal vegetables/fruit to reduce food miles	37%	25%
Reducing the amount of meat eaten in your household	32%	21%
Buying second-hand items / up-cycling	40%	20%
Reducing how often you travel by plane	22%	17%
Becoming vegan	5%	4%



Chapter three:

Green living

Older people lead the way in green living

The latest How We Live study also reiterates a trend which was first seen in [2019 Aviva data](#) – that overall, older people are more likely to undertake environmentally-friendly actions than their younger counterparts.

People were asked whether they take a number of “green” steps in their households. The study finds people aged 65+ are most likely to recycle their waste through local bin collections, buy seasonal fruit and vegetables, and - along with those aged 55-64 – avoid single-use plastic.

As a rule of thumb, the likelihood of adopting certain green behaviours appears to increase with age. In all but two categories considered, under-25s are least likely to be undertaking these actions.

Notable exceptions relate to people adopting a vegan diet. Over-65s are least likely to be vegan, at just 1% of this age group, while 9% of under-25s say they eat a purely plant-based diet.



Chapter three:

Green living

Green behaviour February 2021	All ages	16-24	25-34	35-44	45-54	55-64	65+
Recycling through local bin collections	51%	26%	36%	41%	52%	67%	73%
Giving unwanted items to charity shops	43%	25%	31%	33%	44%	55%	61%
Avoiding single-use plastic items	36%	22%	29%	29%	36%	47%	47%
Turning down the thermostat at home	27%	16%	19%	22%	30%	37%	32%
Reducing how often you use your car	26%	14%	21%	23%	25%	32%	38%
Eat local/seasonal vegetables/fruit to reduce food miles	25%	18%	20%	21%	24%	31%	34%
Reducing the amount of meat eaten in your household	21%	16%	20%	18%	23%	24%	20%
Buying second-hand items / up-cycling	20%	20%	21%	19%	23%	22%	15%
Reducing how often you travel by plane	17%	14%	13%	10%	16%	20%	25%
Becoming vegan	4%	9%	7%	5%	3%	2%	1%



Chapter three:

Green living

Eco initiatives decrease in homes and gardens during lockdown – but the future is greener

The research also suggests green aspirations have taken a step back, in terms of products and services used around people's homes. Energy-saving light-bulbs and compost bins are lower in their usage compared to December 2019, suggesting that some people's priorities have lain elsewhere during lockdown.

The number of people planning to use various initiatives in the future has also fallen in most areas, although again, it remains to be seen if this is a temporary state of affairs during the pandemic.

However, in spite of an apparent dip in people's green behaviours, some progress is still being made. Compared to previous research carried out in December 2019, more households are using solar panels (13% vs 8% previously) and wind energy (10% vs 4% previously) to power their homes and gardens.



Chapter three:

Green living

Which green initiatives are UK residents considering?

Green initiative	How many UK households own / would use in the future?	Dec 2019	Feb 2021
Use solar panels to power my home/garden	Have now	8%	13%
	Would use in the future	58%	45%
Use wind power to power my home/garden	Have now	4%	10%
	Would use in the future	52%	40%
Use LED energy saving bulbs	Have now	78%	70%
	Would use in the future	16%	20%
Use sustainable building materials	Have now	15%	17%
	Would use in the future	58%	49%
Buy from local suppliers	Have now	54%	51%
	Would use in the future	34%	33%
Install smart meter	Have now	38%	40%
	Would use in the future	40%	35%
Use a compost bin	Have now	42%	38%
	Would use in the future	35%	33%



Chapter three: Green living

“ This latest How We Live study suggests that **green ambitions** are still strong within the UK, but they appear to have **taken a knock** as many people have focused on simply getting through the pandemic. **More than half of UK adults** say they are even **more environmentally-conscious** as a result of Covid-19 conditions, but the steps taken to **support green living** have **fallen considerably** since pre-pandemic days. This may be a result of **practical limitations** as the **closure of shops** and **services** may have **hampered** their **environmental efforts**, and we can hope that once people exit ‘**survival mode**’, their green behaviours will be boosted again. ”

Gareth Hemming,
MD, Personal Lines, Aviva

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Chapter four: Career ambitions

The following chapter examines the impact of the pandemic on **people's career plans**, including any attitudinal changes which have occurred since July 2020.

Chapter four:

Career ambitions

Aviva's inaugural [How We Live](#) study reported that 53% of UK workers wanted to make some changes to their careers as a result of the global pandemic. This figure refers to research carried out in July 2020.

Updated comparative data finds that this proportion has increased, and at February 2021, three fifths (60%) of UK workers intended to make changes to their careers, in response to the Covid situation.

These transformations come in many forms and, as the table on page 28 shows, ambitions are creeping up in a number of different areas.

The proportion of workers intending to follow a completely different career path has increased from 7% to 9%, while those planning to find a role which helps others has risen from 6% to 8%, perhaps as a result of what people have witnessed during the pandemic.

While these increases may appear to be relatively small, growing by just two percentage points in both cases, they account for nearly 700,000⁽¹⁾ workers on both counts – a not insignificant number if these switches are to be made.

Again, the most popular change which people would like to introduce to their career is the ability to work from home. This figure stayed static since July 2020 at 10%, suggesting that home-working has proved a benefit of the pandemic for some. For further information about home-working plans, see page 9.



Chapter four:

Career ambitions

Career aspiration	Percentage of workers July 2020	Percentage of workers February 2021
I plan to find a role which will allow me to work from home	10%	10%
I plan to retrain / learn new skills	9%	10%
I plan to gain more academic qualifications	8%	8%
I plan to follow a completely different career path	7%	9%
I plan to find a role which helps others / makes a difference to those in need	6%	8%
I plan to set up my own business / work for myself	6%	8%
I plan to increase my working hours (e.g. part time to full time)	6%	7%
I plan to reduce my working hours (e.g. full time to part time)	6%	7%
I plan to move companies but stay in the same industry/role	5%	6%
I plan to find employment after losing my job	4%	4%
I plan to retire	4%	6%
I plan to find a new role but with the same organisation	4%	6%



Chapter four: Career ambitions

Covid and careers within different age groups

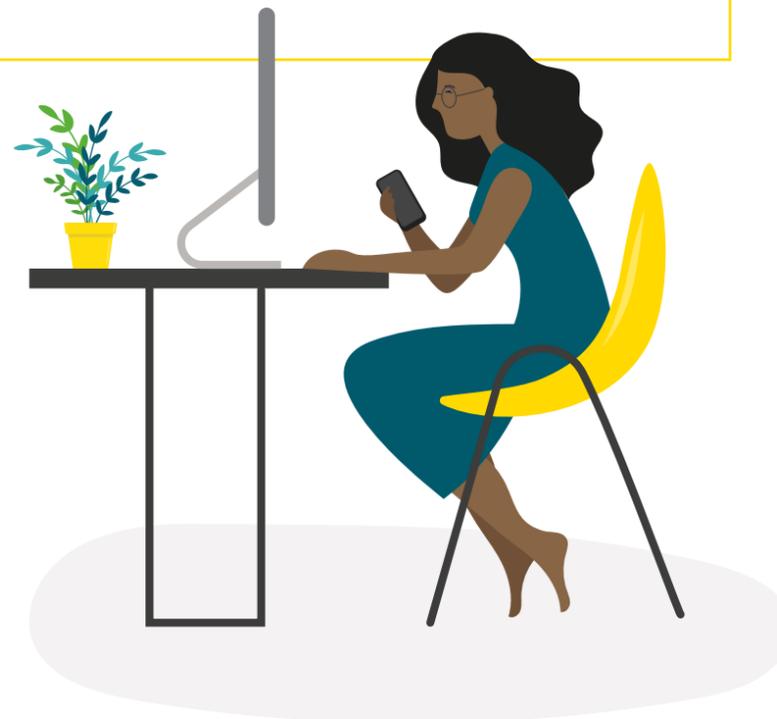
Drilling deeper, there are some interesting insights amongst different age groups. People aged under 25 are most likely to want to make changes to their work plans in the next 12 months as a result of the pandemic, with 87% re-evaluating their careers.

Under-25s are more likely than any other age group to want a role where they can work from home (13%). They are also the age group most likely to be seeking a job which helps others (13%) and – perhaps predictably – to hope to gain more academic qualifications (17%).

Those in the 25-34 age group are most likely to want to retrain (14% compared to 10% across all age groups) or follow a completely different career path (14% vs 9% all ages).

At the opposite end of the working age spectrum, people are even more likely to want to retire as a result of the pandemic, than they were in July 2020. One in seven (14%) workers aged 55 and above say the pandemic has escalated their retirement plans to within the next 12 months, compared to 11% in July 2020.

The **desire to work from home** still appears to be **strongest in London** where **one in six (16%)** of workers intend to find a role which will allow them to **work remotely**. This figure has stayed static since July 2020. The proportion of would-be homeworkers is **lowest in Scotland** now, where just **5% plan to find a role** which will accommodate home-working.



Chapter four: Career ambitions

Hobbies into careers

This latest research also suggests there are an increasing number of people who plan to turn hobbies into income streams.

In July 2020, the first How We Live study discovered 6% of people planned to turn a hobby into a career, while a further 9% saw their hobby as a way of generating a second income stream. The latest data reveals that both of these intentions have increased during the pandemic: now 12% of UK adults say they plan to turn a hobby into a second source of income, while 8% hope that a hobby will become a career.

This is equivalent to 10.8 million⁽¹⁾ UK adults, who plan to add to their incomes or make a full-time career from what started out as a hobby.

Career / hobby intention	Proportion of UK adults saying this July 2020	Proportion of UK adults saying this February 2021
I intend to turn a hobby into a second source of income	9%	12%
I intend to turn a hobby into a career	6%	8%



(1) Based on ONS population estimates of 53.8 million adults aged 16 and above.

Chapter four: Career ambitions

“ As the pandemic has continued, an increasing number of people have given thought to what they want from their **careers** and now **three fifths of workers** would like to make **changes** to their **working lives**.

The extent of these changes varies: in some instances people want **more flexibility**, such as the **ability to work from home**, while others wish to **change their career paths** completely.

For those who plan to become **home-workers**, it's always sensible to check that they have suitable cover for their circumstances. Many home insurance policies include cover for office equipment. However, a standard home insurance policy may not be adequate if someone wishes to run a business from their home, particularly if they have stock on site or customers visiting their property. To be absolutely certain, it's always best for people to **check with their insurance provider**, to make sure they have the **right level of cover** for their **buildings, contents** and **business** if this is required. ”

Gareth Hemming,
MD, Personal Lines, Aviva

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Chapter five: Driving and electric vehicles

The following chapter looks at **people's attitudes** towards **vehicles** and **driving**, with a particular focus on **electric models**.

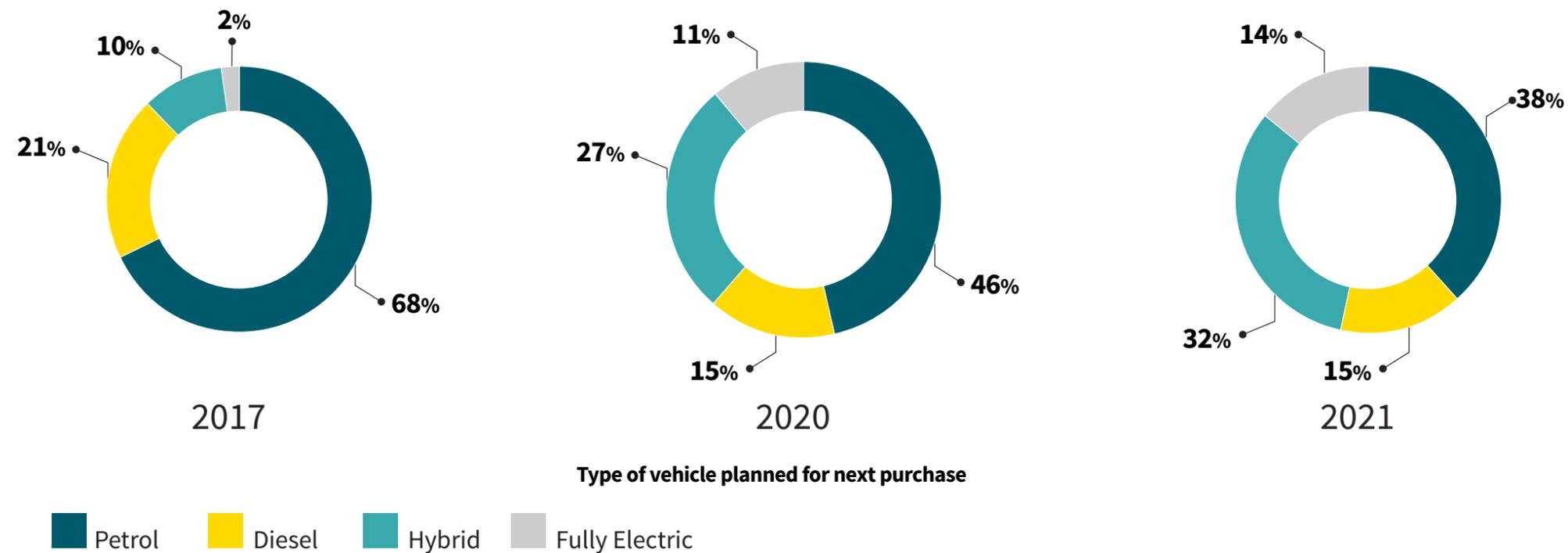
Chapter five: Driving and electric vehicles

Aviva has tracked UK motorists' attitudes towards electric vehicles over a number of years and the appetite for these models has grown considerably in a short space of time.

In July 2017, an Aviva survey of UK drivers found that 10% expected to buy a hybrid model as their next vehicle and just 2% planned to buy a fully electric vehicle.

When a similar study was carried out in June 2020, propensity to purchase had increased dramatically to 27% (hybrid model) and 11% (fully electric model) of motorists' next vehicles.

And over the past few months, the desire for hybrid and electric vehicles has only intensified further, and now almost half of UK drivers (46%) say their next vehicle will be at least partly powered by electricity. The latest How We Live data finds 32% of UK motorists intend to opt for a hybrid model next time and 14% plan to buy a fully electric vehicle.



Chapter five:

Driving and electric vehicles

What is influencing drivers' purchasing decisions?

The inclination towards electric and hybrid choices is perhaps unsurprising, particularly given the Government's announcement in February 2020 that new diesel, petrol or hybrid cars will be banned from 2030.

And as more models are produced by manufacturers and prices come down, it is likely that more electric and hybrid cars will be owned by more 'typical' UK households.

But the How We Live study suggests the Covid pandemic has had an impact too. A third of motorists planning to buy a hybrid / electric model as their next vehicle say the Covid outbreak has had a bearing on their decision. Reasons appear to be both practical and environmental.

Amongst those planning to buy a hybrid / electric model for their next vehicle, one in five (18%) say they won't be driving as much in the future, while 6% say their household doesn't need as many vehicles so they plan to invest in a 'greener' model.

Moreover, as outlined in chapter three, 52% of UK adults say the global pandemic has made them more environmentally-conscious. Correspondingly, 41% of people choosing an electric / hybrid vehicle, feel this is a better decision for the environment.



Chapter five: Driving and electric vehicles

Not everyone is ready to go electric

But while the enthusiasm for electric vehicles is growing rapidly, not everyone is quite ready to make the jump. Amongst those who are planning to buy a petrol or diesel model for their next vehicle, there are a number of common concerns.

Among those who say they wouldn't consider an electric / hybrid vehicle yet, the main concerns are around the cost of the vehicle and limited charging points. Both are considerations for 49% of drivers in this bracket. This is followed by worries about the length of time taken to charge vehicles (37%) and limited range (37%).

When compared to previous Aviva research, the number of people concerned by each of these reasons has fallen marginally over time.

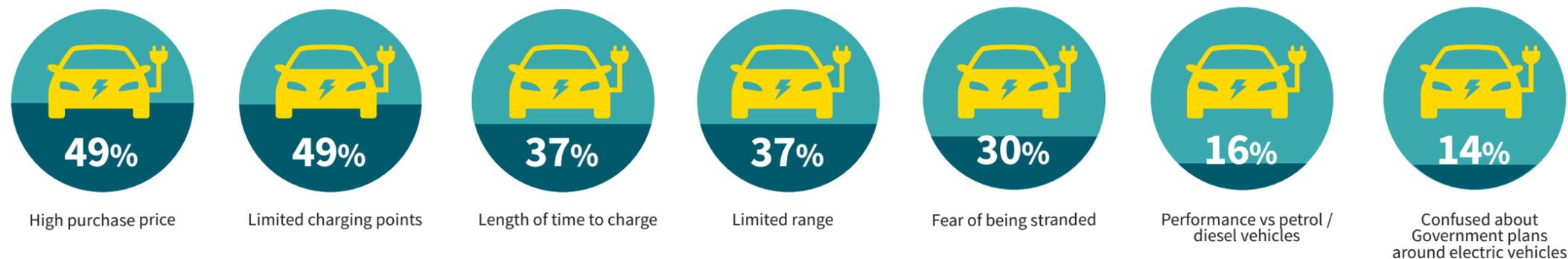
However, the numbers are still significant and it is apparent that millions of drivers are yet to be converted to hybrid / electric models.

Could financial incentives pave the way to “greener” roads?

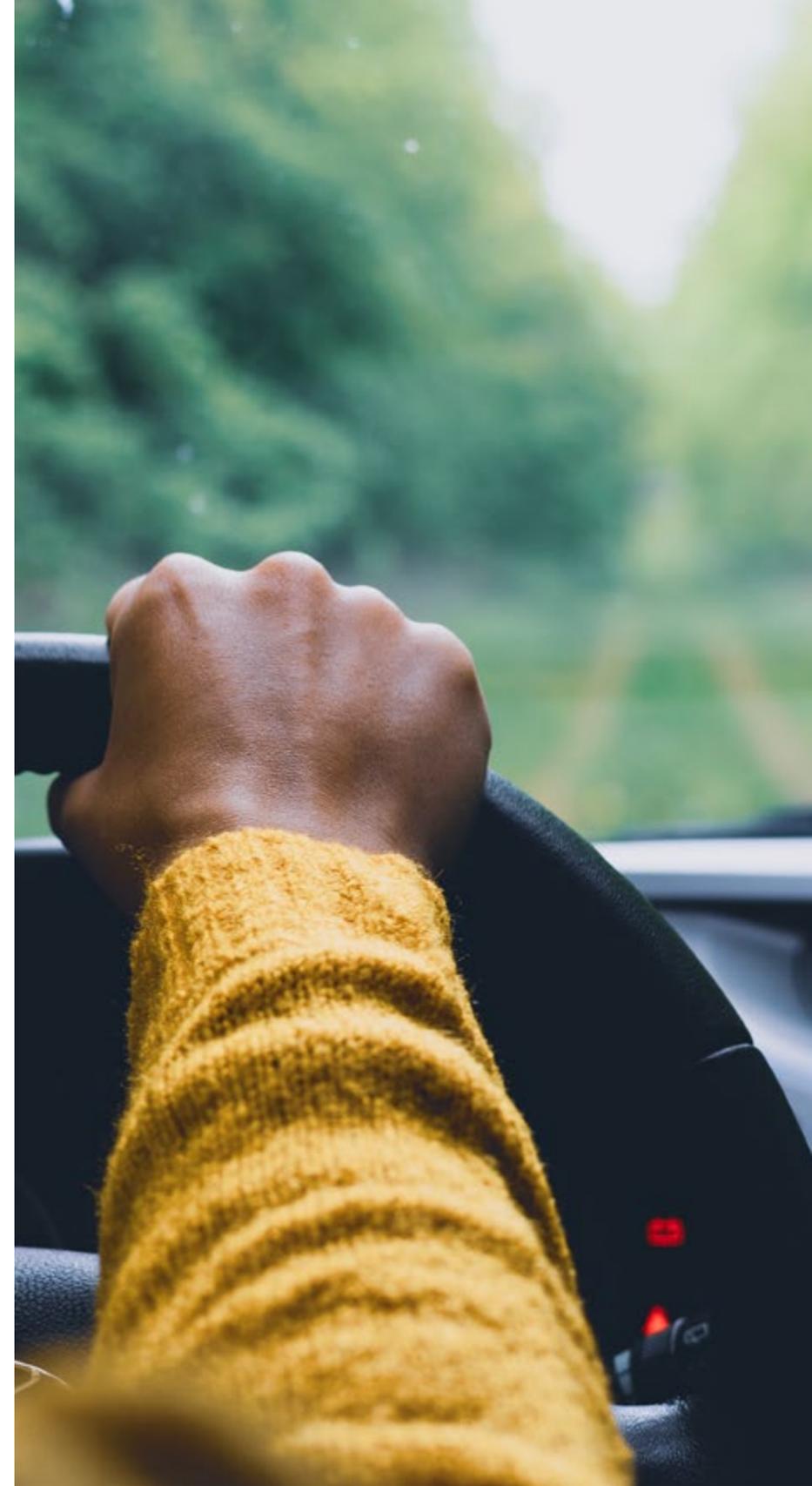
The How We Live study also suggests that even more people would be open to the idea of an electric vehicle if greater financial incentives were available. A fifth of drivers who plan to buy a hybrid / electric model as their next purchase say they want to take advantage of the Government grant available on low-emissions vehicles.

Significantly, two thirds of all drivers say they would be more likely to buy an electric / hybrid vehicle if they were cheaper or subsidised.

Reason for not choosing a hybrid / electric vehicle for next motor purchase



Percentage of drivers (who wouldn't choose a hybrid / electric vehicle) who gave this response



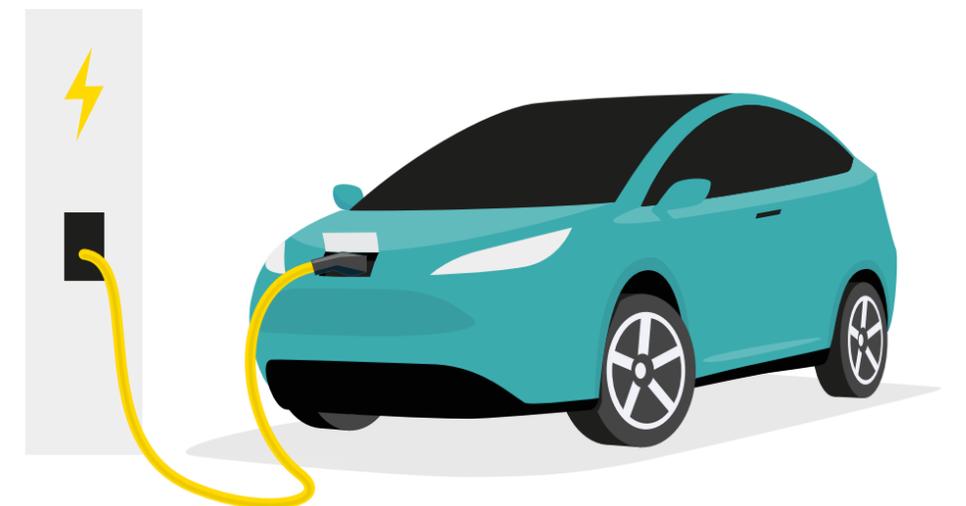
Chapter five: Driving and electric vehicles

“ Our research shows the appetite for **electric and hybrid models** is growing rapidly, but many **motorists** still have **concerns** and there is work to be done to convince everyone that the **benefits outstrip** any **downsides**.

The pandemic and its resulting **lockdowns** have naturally affected how **frequently** people use their **vehicles** and this is having an **impact on people’s purchasing decisions**. Our research suggests **some households** may be **trading in their cars** – sometimes more than one vehicle – in order to **buy an electric model**.

There is no doubt that the demand for **electric and hybrid vehicles** will **increase** as we get closer to the **2030 ban**, but it will be interesting to see whether the Covid pandemic speeds up the process as people rethink how they use their cars. ”

Gareth Hemming,
MD, Personal Lines, Aviva



6

Chapter six:

The future of the Great British holiday

The following chapter looks at UK residents' **holiday plans** within the context of a **world recovering from a global pandemic**.

Chapter six:

The future of the Great British holiday

The travel industry was hugely disrupted by the Covid outbreak in 2020 and holidaymakers' plans were universally affected.

According to How We Live data from December 2019, two thirds (66%) of UK adults planned to take a holiday abroad in the twelve months ahead, while three quarters (75%) expected to enjoy a UK break during 2020.

By November 2020, the proportion of UK people planning holidays in the next 12 months had almost halved to 35% (abroad) and 38% (UK).

Numbers are slowly beginning to increase and in March 2021⁽¹⁾, 53% of UK residents said they planned to enjoy a break in the UK in the 12 months ahead. However, people are still cautious about travel and the proportion of UK people planning overseas trips only increased marginally to 37%.

UK holidays

While the desire for all types of UK breaks understandably fell in the last year, there are signs of green shoots as people plan holidays on their home turf.

Plans for camping and caravanning breaks are back up to pre-pandemic levels with 13% intending to take such a break in the next 12 months, while self-catering cottages are also climbing in popularity (16% compared to 19% pre-pandemic).

The appetite for city stays / short hotel breaks - previously the most popular type of UK holiday - has fallen considerably, but latest data shows interest in spa breaks is climbing. This perhaps suggests that recent events have taken a toll on people's wellbeing and they are keen to relax and enjoy some well-deserved "me time".



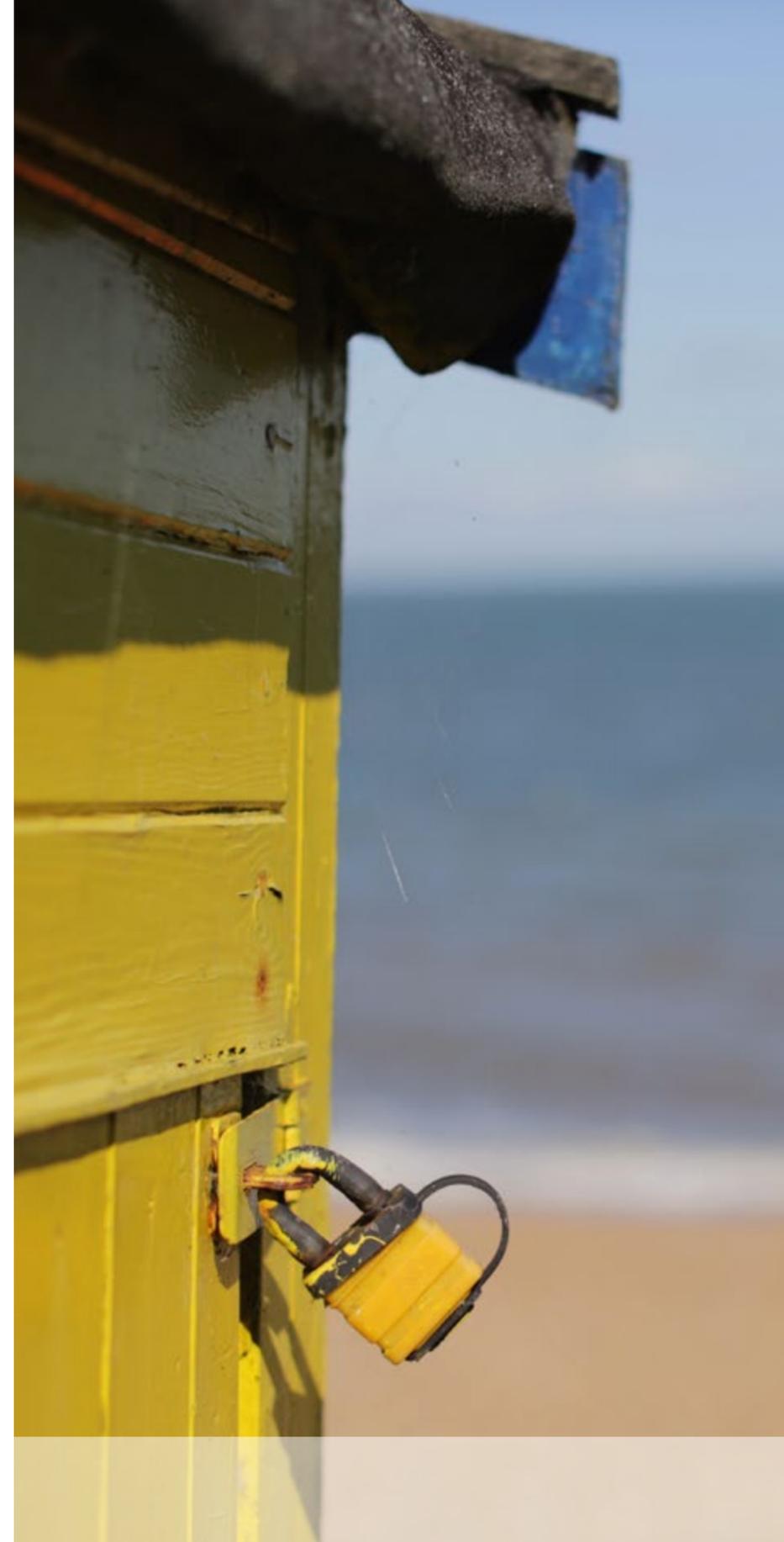
Chapter six:

The future of the Great British holiday

Percentage planning a holiday of this type in the next 12 months

Type of UK break	Dec 2019	July 2020	November 2020	February 2021
City breaks / hotel short stay	35%	16%	13%	17%
Visit family and friends	28%	11%	11%	12%
Cottage/apartment/villa (e.g. self-catering)	19%	15%	13%	16%
Beach holiday	19%	9%	10%	14%
Camping / caravanning	13%	10%	8%	13%
Theme parks	10%	1%	4%	2%
Spa break	8%	2%	4%	5%
Driving tour	5%	3%	4%	4%
Coach tour	4%	1%	3%	3%
Cruise	3%	1%	2%	4%

People were able to select more than one option, suggesting that some people plan to take more than one type of holiday.



Chapter six:

The future of the Great British holiday

Overseas holidays

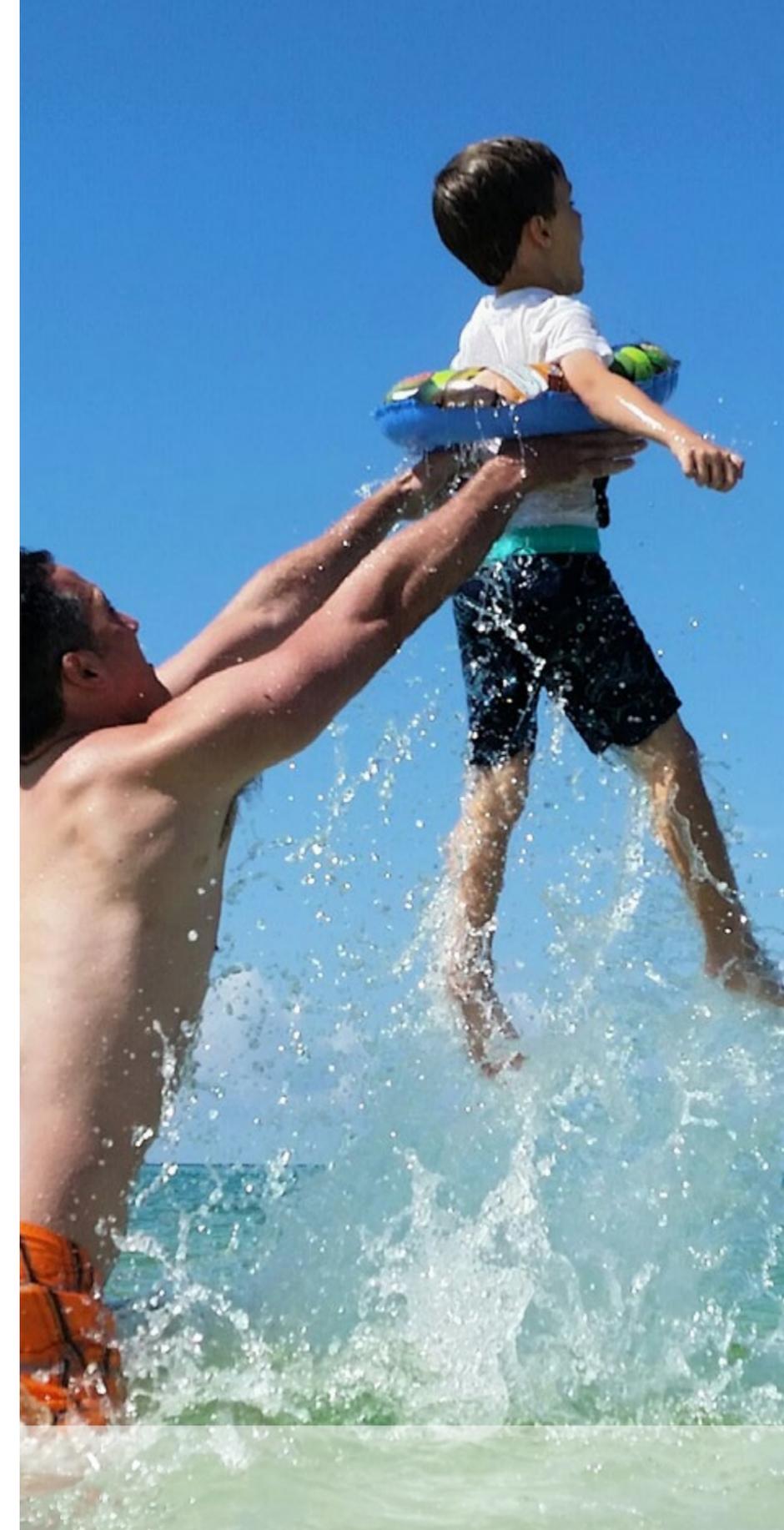
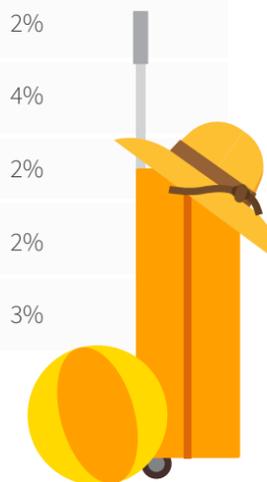
With regard to plans for overseas breaks, there has been very little change between July 2020 and February 2021. Overall there has been a huge reduction in plans for holidays abroad of all types, compared to December 2019.

Beach breaks are still the most popular type of vacation amongst would-be overseas travellers, the choice of nearly a fifth (18%) of holidaymakers for the next 12 months. However, this proportion has almost dropped by half since December 2019, when 34% hoped to hit the beaches abroad within the year.

Percentage planning a holiday of this type in the next 12 months

Type of overseas break	Dec 2019	July 2020	November 2020	February 2021
Beach holiday	34%	17%	17%	18%
City breaks / hotel short stay	25%	11%	10%	10%
Visit family or friends	14%	8%	8%	9%
Cruise	8%	4%	5%	6%
Cottage/apartment/villa (e.g. self-catering)	8%	5%	5%	5%
Theme parks	6%	1%	3%	2%
Activity (e.g. safari, sailing)	5%	2%	3%	4%
Backpacking / touring	5%	2%	2%	2%
Driving tour	3%	2%	2%	2%
Skiing / winter sports	3%	2%	2%	3%

People were able to select more than one option, suggesting that some people plan to take more than one type of holiday.



Chapter six:

The future of the Great British holiday

Holiday plans – a long-term view

Since the UK Government's post pandemic roadmap was revealed in February 2021, holiday companies have reported that overseas bookings have skyrocketed. Indeed, an Aviva study⁽¹⁾ carried out in February 2021 also found holidays were one of the things people were most looking forward to, once Covid restrictions were lifted.

However, this view is not universal and the How We Live study finds many people are cautious about travelling overseas in the future.

Four out of five (80%) UK adults say the Covid pandemic has affected their attitudes towards travelling. While many people are excited about the prospect of going abroad, others are still nervous.

A fifth (20%) of UK adults say the pandemic has made them less keen on travelling overseas, and the same proportion (20%) specifically say they are worried about becoming ill abroad. Around one in seven (15%) say they are worried holiday destinations “just won't be the same” in the future.

Sadly, one in 12 (8%) UK adults don't think they will travel abroad again. This rises to 16% of those aged 65-74 and 20% of people aged 75 and above.

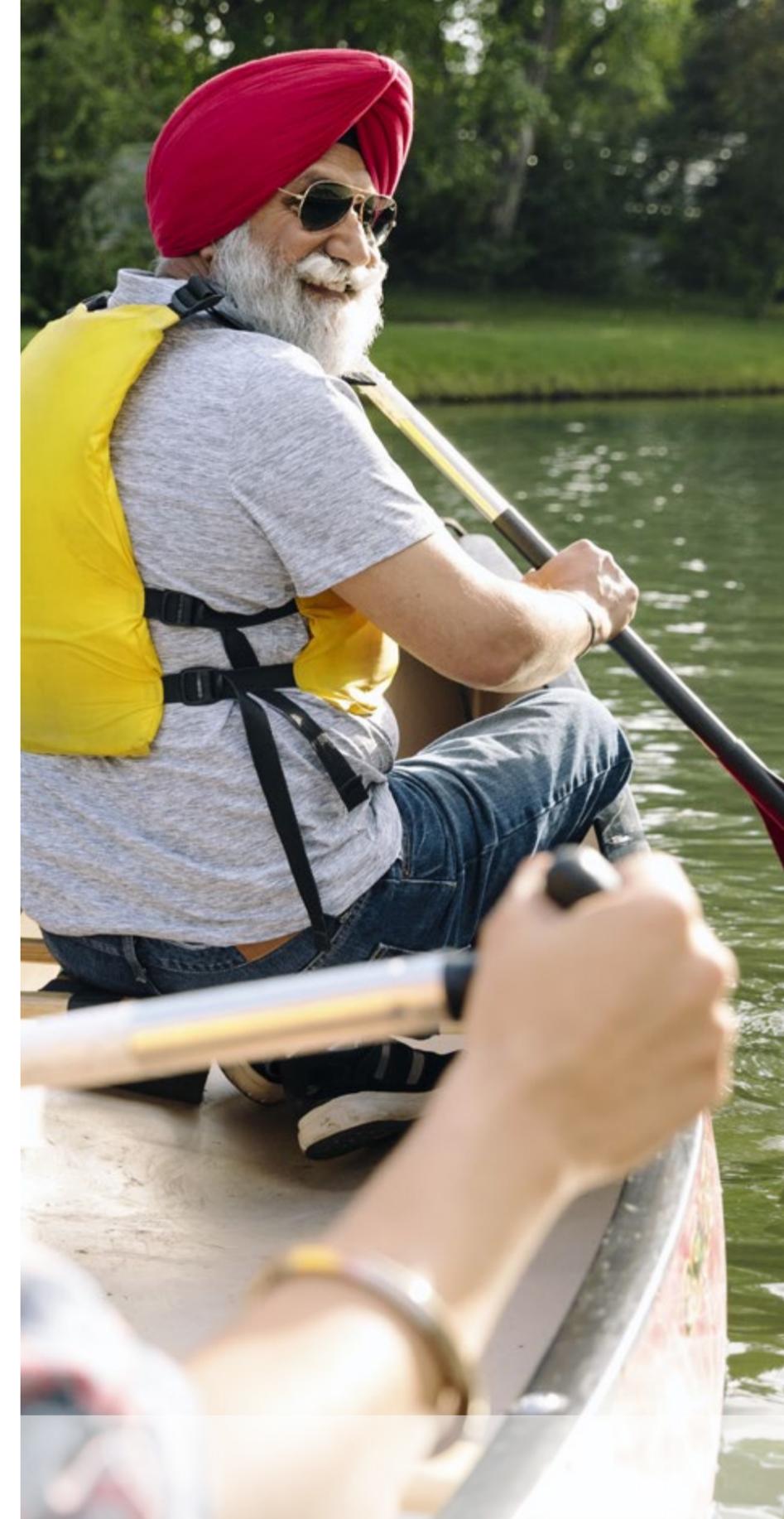
How will a vaccine change holiday plans?

On a more positive note, the Covid vaccination programme is bringing some comfort to UK residents, so we can expect optimism around holiday plans to increase.

When asked in July 2020 why they did not plan to take a holiday overseas in the next 12 months, almost half (47%) of respondents in this group said they didn't want to travel for fear of catching a disease, while 41% were worried about getting stuck overseas as a result of Covid.

But in March 2021, 41%⁽²⁾ of UK adults reported they would be more likely to travel now that a Covid vaccine is available, so as the roll-out continues, this suggests a more optimistic outlook for the travel industry.

This is also good news for the 12% of UK residents who are “keener than ever” to travel, due to trips missed during the pandemic, and the 9% who want to visit friends and family overseas.



(1) Source: Online survey of 2,032 UK adults in February 2021, carried out by Censuswide Research on behalf of Aviva.

(2) Source: Online survey of 2,000 UK adults in March 2021, carried out by Censuswide Research on behalf of Aviva.

Chapter six: The future of the Great British holiday

“ We are very aware that **people look forward to a well-earned break**. Having **missed** out on **holidays during 2020**, many individuals will be even more keen to travel when they can. But they are **still nervous** about the **implications of Covid**, both in terms of having to **cancel holidays** or **falling ill overseas**.

However, **two fifths** of UK people say they are **more likely to travel overseas**, now that a **Covid vaccine is available**, so we can hope that there is **positive news on the horizon**, both for the **tourism industry** and for **individuals** as they see the **return of the Great British Holiday**. ”

Gareth Hemming,
MD, Personal Lines, Aviva

Conclusion

“ **Adapting, learning** and **evolving** are the messages that come through loud and clear in this latest **How We Live study**.

The last year has been one of constant change and even though there is hope on the horizon, we are still getting to grips with new ways of living and working.

In all walks of life, the expectations set at the start of 2020 were dramatically disrupted. Property plans, holidays, working schedules and career ambitions were thrown into disarray.

But the last year has shown that people are incredibly resilient and there have been positive outcomes for individuals and communities. They have embraced new modes of working, learned new skills and made beneficial changes to their lifestyles.

As this report series develops, we will continue to monitor the transformations in people's lives; their highs and lows, their set-backs and aspirations.

And at Aviva, we will follow the changing needs of our customers and we will continue to modify our products and services to meet their lifestyles. ”

Gareth Hemming,
MD, Personal Lines, Aviva



Methodology:

Unless stated otherwise, all data relates to a survey of 4,000 randomly selected UK adults aged 16 and upwards, carried out by Censuswide Research on behalf of Aviva between 10-15 February 2021. Where a comparative study from July 2020 is referenced, this relates to a similar survey of 4,002 UK adults, carried out by Censuswide Research between 10-17 July 2020. Where a comparative study from December 2019 is referenced, this relates to a similar survey of 4,003 UK adults, carried out by Censuswide Research between 4-13 December 2019.

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