

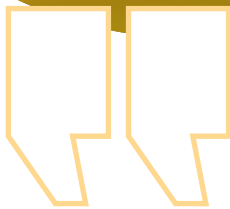
propertymark

Auctions Barometer

Q1

2024

PROPERTYMARK PERSPECTIVE



2024 has started well. In the Residential and Commercial property sectors there seems to be a return of confidence, probably helped by the hold in interest rates. Catalogue numbers remain strong and registered bidder levels are also high. Results from early sales this year show a strong appetite for well-priced properties of all types with buyers out in force for good quality properties. The Plant & Machinery/ Business Assets side of the sector continues to expand.



Richard Worrall
NAVA Propertymark
President

Our Fine Art & Chattels members report that 2024 has started buoyantly with plenty of bidders keen to get out of the blocks and acquire lots at all price levels and across all fields of collecting and furnishing. For more than a decade now there is always a 'feel good' factor at the start of the year. Reports suggest that 2024 has started slowly in terms of enquiries over the telephones but there has been no slowdown in the number of lots being consigned at the regional salerooms. Perhaps that is a positive combination as people are simply acting and delivering their goods rather than enquiring and just thinking about it?



It is encouraging to see our members' performance improve in tandem with the overall economy. This quarter, 58% said that the number of lots available (for all auction types) increased, and 39% reported that the number of lots exceeding their reserve price had also increased.

Despite this positivity challenges remain, including increasing costs. Our members are also working hard to manage the expectations of buyers and sellers and secure new lots. Overall, our members are cautiously optimistic about the remaining 2024 outlook.



Nathan Emerson
Propertymark CEO

Economic outlook

BASE RATE REMAINS UNCHANGED

The Bank of England base rate remains unchanged at 5.25% in March 2024, but remains considerably higher than in earlier periods. (Figure 1).

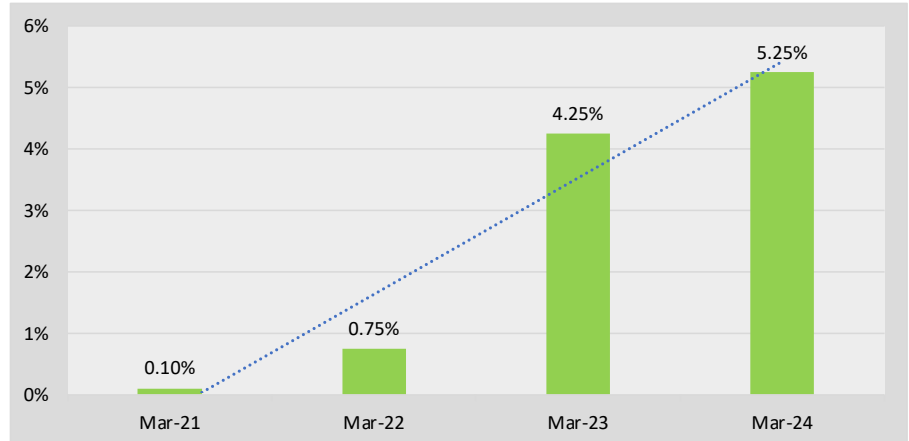
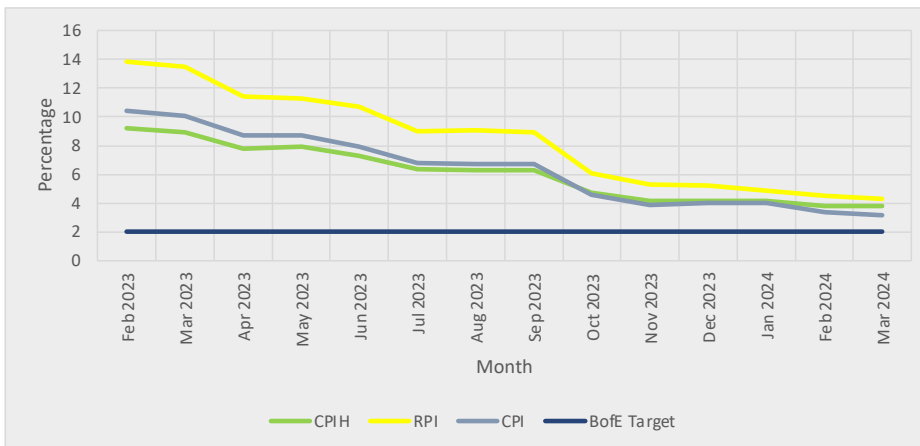


Figure 1: Bank of England base rate

Source: Bank of England

Figure 2: Inflation percentage change over 12-month period



Source: Office of National Statistics

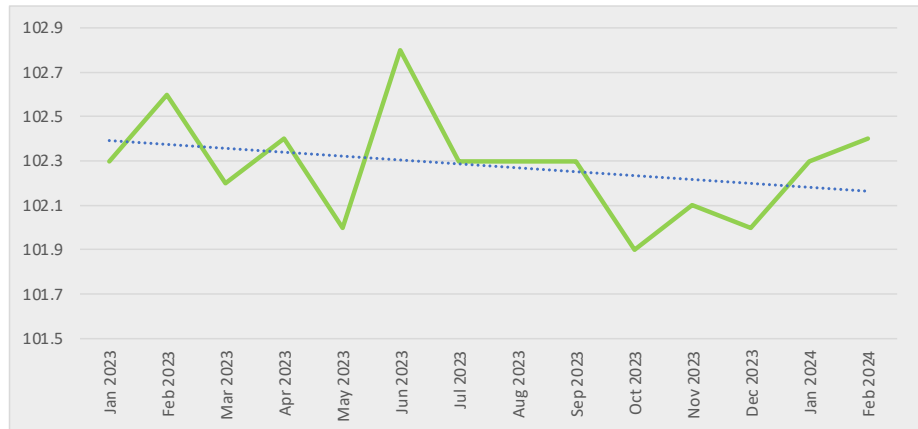
INFLATION CONTINUES TO TREND DOWNWARDS

Depending on the measure selected, inflation remained static or continued to trend downward in March 2024. Specifically, in the 12 months to March 2024, inflation was 3.8% as measured by CPIH, 3.2% as measured by CPI and 4.3% as measured by RPI (Figure 2).

GDP INCREASES FOR THE SECOND MONTH IN A ROW

The latest figures estimate that GDP grew by 0.1% in February 2024 (Figure 3).

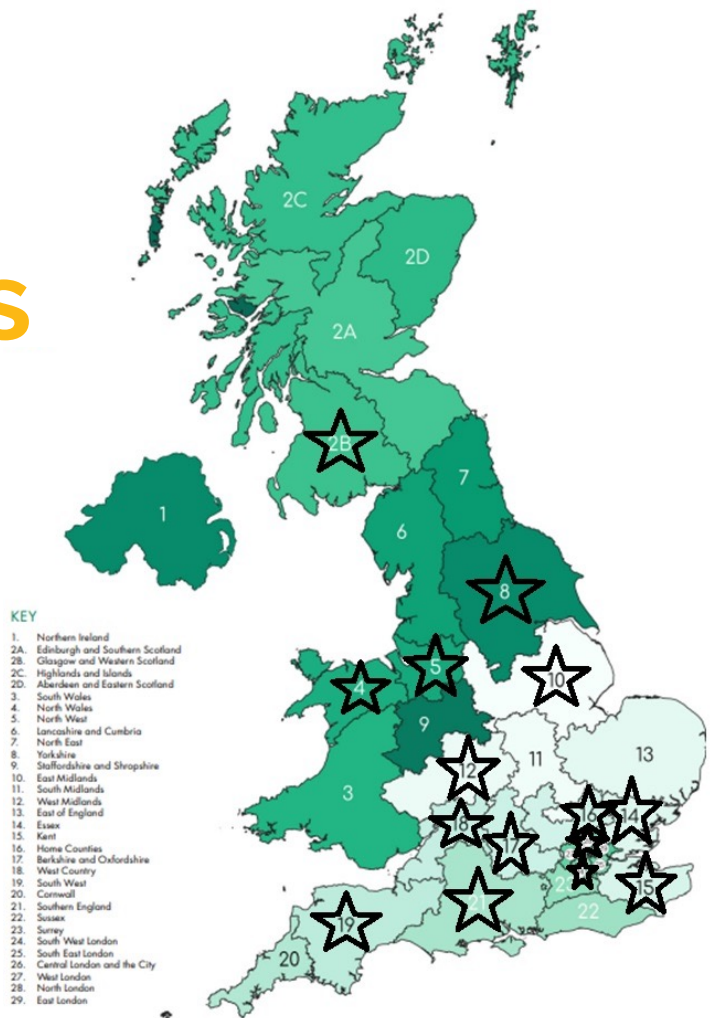
Figure 3: UK GDP (Index, 2019 = 100)



Source: Office for National Statistics

Location of survey participants

This quarter's survey responses came from across the country. Respondent locations are denoted by black stars on the Propertymark regional map opposite (Figure 4).



Source: Propertymark

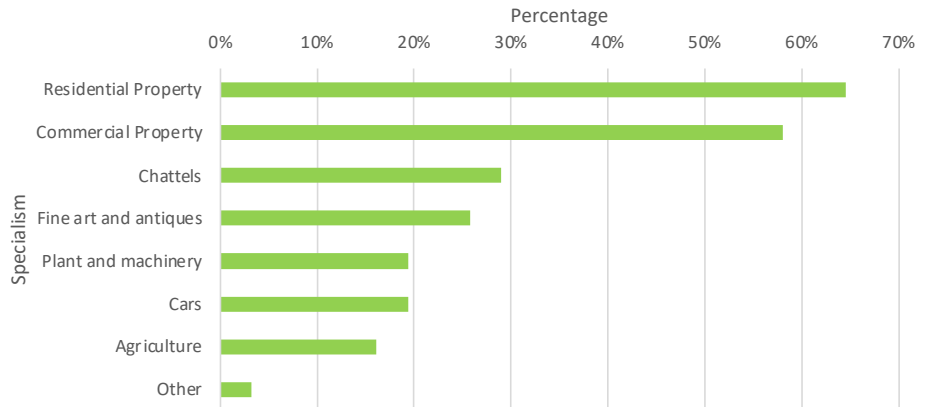
Figure 4: Location of Survey Responders

Our Members' activities

SECTORS OUR MEMBERS OPERATE WITHIN

Members with a variety of auction specialisms provided our survey responses. *Figure 5* shows the breadth of activities of our members and highlights that many operate in multiple sectors.

Figure 5: Respondent auction market sector participation



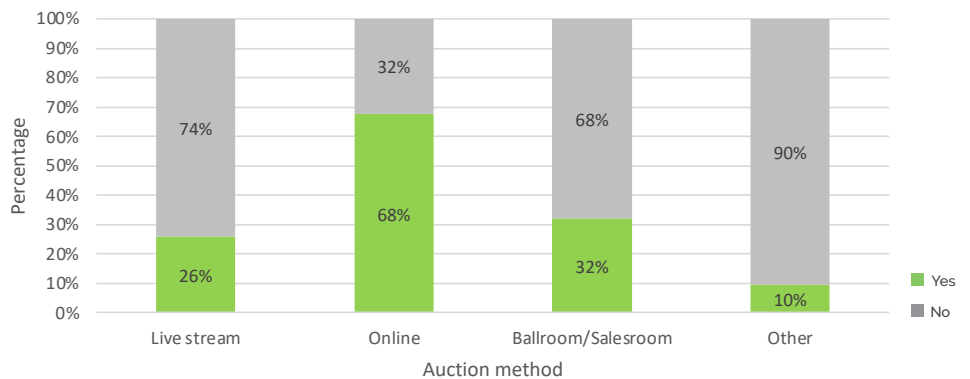
Source: Propertymark

Operational overview

AUCTION FORMATS UTILISED

We asked our members how they conduct their auctions. As can be seen in *Figure 6*, online auctions continue to dominate. However, traditional ballroom/salesroom auctions remain popular.

Figure 6: Respondent auction formats

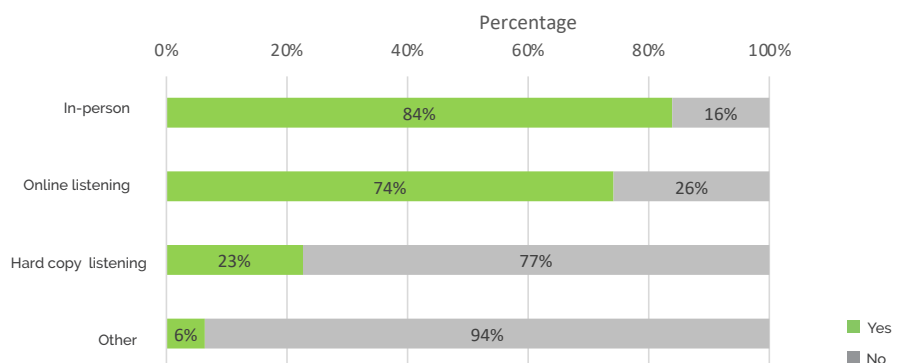


Source: Propertymark

HOW ARE LOTS FOR SALE VIEWED?

We also asked how lots for sale are viewed. Despite the growing popularity of online auctions, in-person viewings still play a significant role in the auction process (*Figure 7*).

Figure 7: How lots for sale are viewed



Source: Propertymark

Performance overview

NUMBER OF LOTS

The majority of members (58%) said that the number of lots available (for all auction types) increased in Q1 2024 in comparison to Q4 2023 (Figure 8).

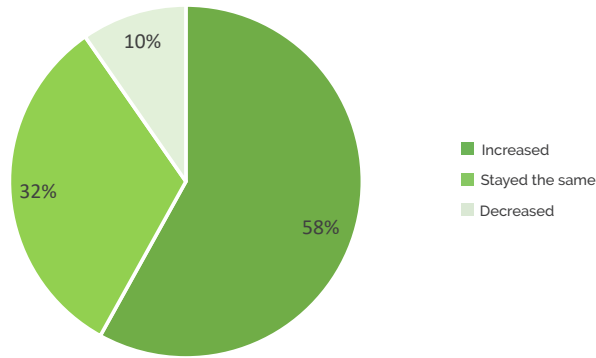


Figure 8: The number of auctions lots in Q1 2024 compared to Q4 2023

Source: Propertymark

NUMBER OF LOTS ACHIEVING THEIR RESERVE PRICE

94% of members said that the number of lots achieving their reserve price stayed the same or increased in Q1 2024 in comparison to the previous quarter (Figure 9).

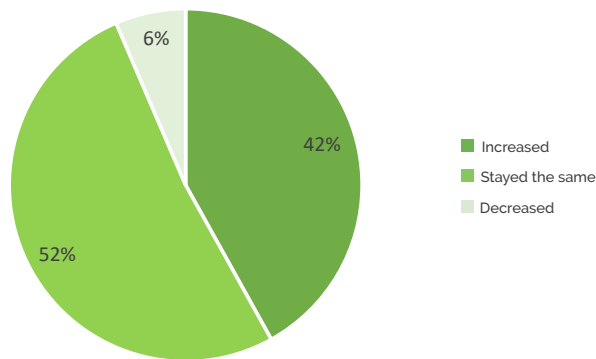


Figure 9: The number of auctions lots achieving their reserve price in Q1 2024 compared to Q4 2023

Source: Propertymark

NUMBER OF LOTS EXCEEDING THEIR RESERVE PRICE

39% of members said that the number of lots exceeding their reserve price increased in Q1 2024 in comparison to the previous quarter (Figure 10).

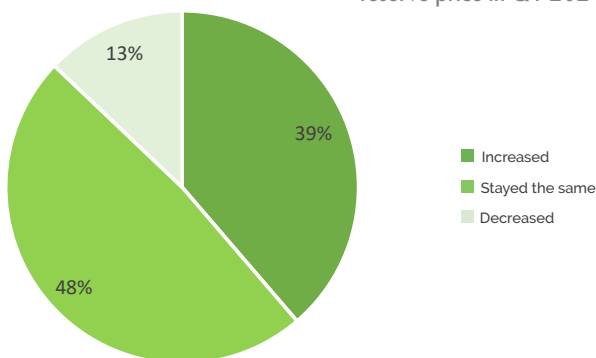


Figure 10: The number of auctions lots exceeding their reserve price in Q1 2024 compared to Q4 2023

Source: Propertymark

Biggest issues

facing auctioneers

We asked our members what issues they faced in Q1 2024. A variety of themes emerged. For example, some members reported staffing challenges including a 'shortage of staff', difficulties 'recruiting experienced qualified staff' and 'high wage costs'. Others reported 'managing client expectations' was a key issue with a gap emerging between seller and buyer expectations:



"Sellers wanting too much money for their properties"

"Sellers and buyers' expectations on price still some distance away - I'd say around 10-15%."

"Getting sellers to be realistic in the face of estate agents over valuing the property."

However, by far and away the largest issue facing auctioneers/valuers in Q1 2024 relates to securing 'good stock' for sale:

"The biggest issue is getting the stock into auction and valuers are having to keep figures realistic whilst trying to manage client expectations."

"Finding good items is proving very difficult; lots of bread and butter but meaningful items are elusive."

"Availability of good stock [is an issue]... A lot of sellers are keeping their powder dry, and the market doesn't appear to be as active as it was 12 months ago."

Interesting lots

While all our member's lots are interesting, each quarter we highlight a few that really stand out.



SOLD
£169K



Clive Emson Land and Property Auctioneers sold this former public convenience in Cornwall for £169k against a guide price of £20k.



Jones and Jacob Fine Art Auctioneers sold this mid-18th century agate ware cream jug, on lion mask and paw feet for £3.1k (guide £80-£120).



SOLD
£3.1K



This Apollo 11 presidential invitation ephemera from The White House (President Nixon) addressed to Frank Jorgensen celebrating the Apollo 11 mission was sold by **Rosan Reeves Auctions** for £1K.



SOLD
£1K



This artwork (nude study of a young man) in the manner of Henry Scott Tuke RA RWS (British, 1858-1929), sold for £20k (£24,800 including 24% BP).

Stephen Drake Valuations



SOLD
£20K

"It sold to a UK collector who will be trying to pin down a firm attribution but is nonetheless extremely pleased to have fought off stiff competition to 'win' it. This painting was the most watched lot across all platforms in this sale, with nearly fifty 'watchers' on the-saleroom.com, it opened bidding at £520, and with eight different bidders, including one phone line, it took 88 bids and about 6 minutes to reach it's wonderful total! It is the most expensive painting Batemans has ever sold (the previous being £12,000 for a large Trajan Hughes oil), and is also the third most expensive lot we've ever sold."

ABOUT THIS REPORT

This report is based on responses to a survey of Propertymark member agents conducted in Q1 2024. The analysis is based on data provided by around 30 agents across the UK. The report also contains a variety of third-party data including data from the Bank of England, the Office for National Statistics and HM Land Registry. Where relevant the data is used under the Open Government Licence v3.0 and is referenced at the point of use. Each of these sources has its strengths, limitations and caveats and we would recommend visiting the sources directly to evaluate these further. Where the data includes estimates that are subsequently updated, we reflect these updates in subsequent reports. Rounding errors are due to computation methods. Figure 10 Photos and descriptions were obtained from member agent websites.

EDITOR NOTES

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ABOUT PROPERTYMARK






Propertymark is the leading professional body for estate and letting agents, commercial agents, auctioneers, valuers, and inventory providers comprising over 17,500 members. We are member-led with a board which is made up of practising agents and we work closely with our members to set professional standards through regulation, accredited and recognised qualifications, an industry-leading training programme and mandatory Continuing Professional Development.

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¹ Bank Rate history and data | Bank of England Database

² Consumer price inflation tables - Office for National Statistics

³ GDP monthly estimate, UK - Office for National Statistics (ons.gov.uk)