

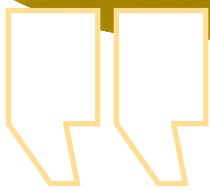
propertymark

# Auctions Barometer

# Q2

2024

## PROPERTYMARK PERSPECTIVE



### Richard Worrall

Propertymark Board  
Director and NAVA  
Propertymark Immediate  
Past President

Q2 in the residential and commercial property auction sectors continued to see the return of confidence we saw in Q1. There has been a significant increase in the number of lots sold at residential auctions, and the amount raised compared to 2023. The same is true in the commercial property sector. Indications are that we could continue to see similarly strong figures for Q3.

In the chattels, fine arts and antiques sectors members report that good items continue to sell well and are achieving good prices. Overall, the first 2 quarters of the year have shown a strong demand from sellers with catalogue numbers high. Pricing, as always, is key to delivering the best result for the client.



### Nathan Emerson

Propertymark CEO

The auction sector is buoyant with 38% of agents reporting increased lot numbers in Q2 2024. Despite this positivity, challenges remain. The economic outlook remains mixed; our members are concerned about the cost of doing business. Positively, the quarter ended with inflation in line with the Bank of England's target, a precursor to a long-awaited reduction in the base rate.

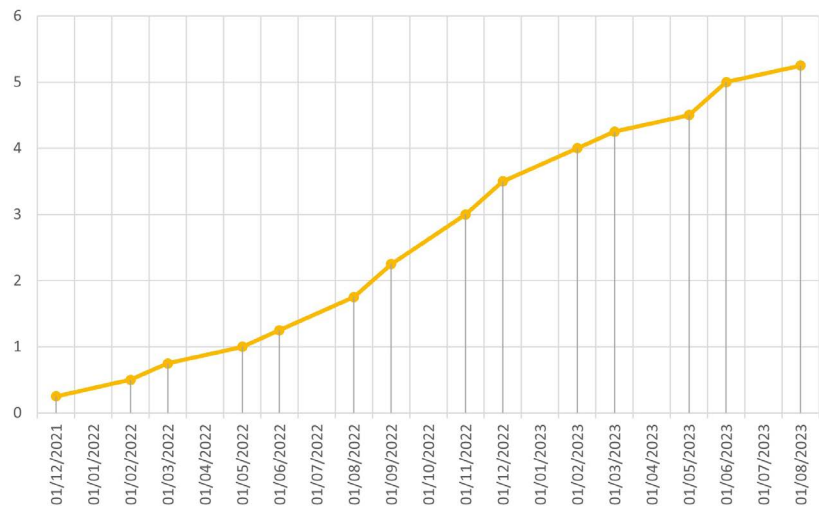
Our members also remain concerned about unnecessary 'red tape' but continue to support the professionalisation of the sector through regulation and qualification. These are areas that Propertymark will continue to champion with the next government.

# Economic outlook

## BASE RATE REMAINS UNCHANGED

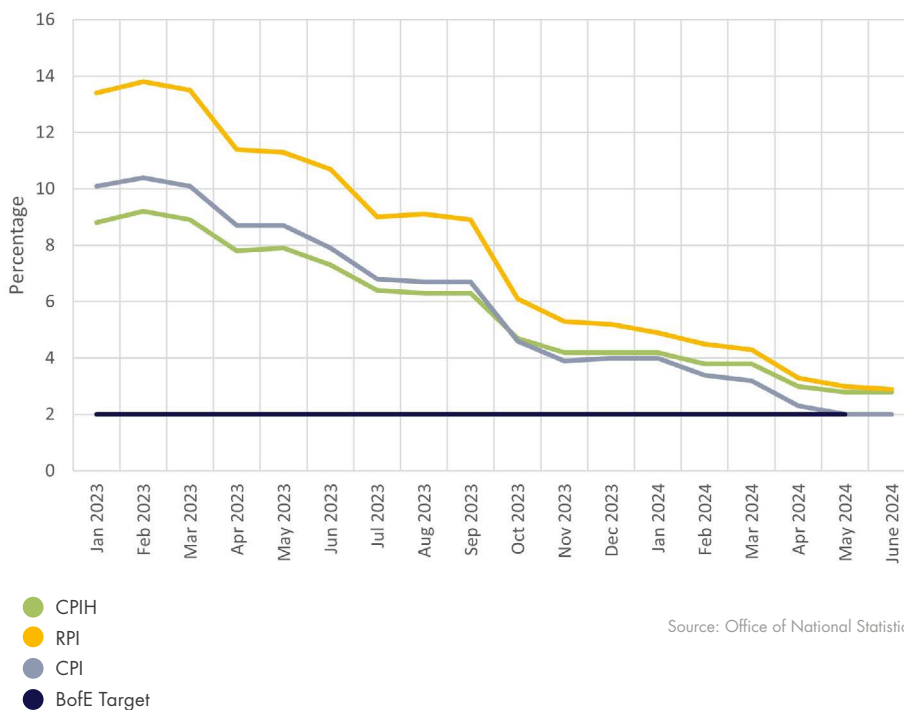
At the end of the quarter (June 2024), the Bank of England base rate remained at 5.25%. (Figure 1).

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

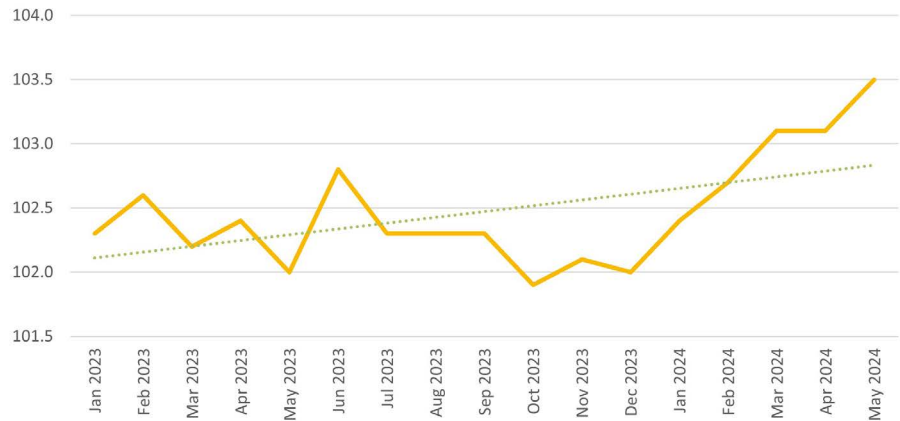
## INFLATION LITTLE CHANGED

In the 12 months to June 2024, inflation remained static at 2.8% as measured by CPIH, static at 2% as measured by CPI, and trended downward to 2.9% as measured by RPI (Figure 2).

## GDP GROWS IN MAY 2024

The latest figures estimate that GDP grew in May 2024 (Figure 3). Driven largely by the services sector, GDP grew over the three months to May 24.

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 below (Figure 4).

Figure 4: Location of Survey Responders



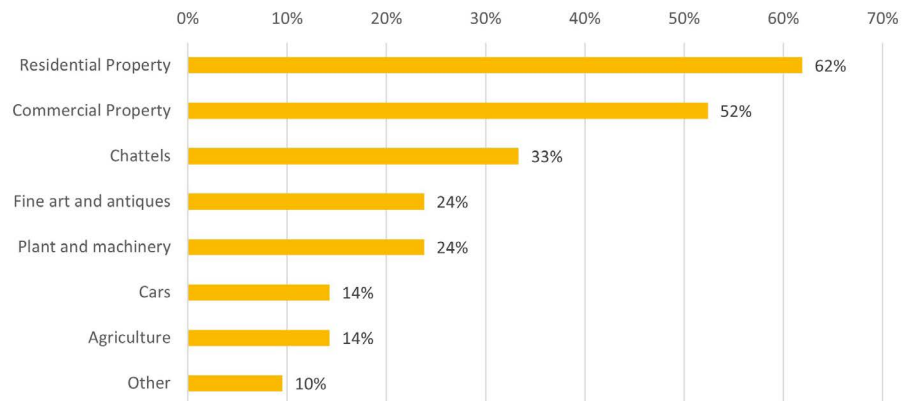
Source: Propertymark

# 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 in this quarter's sample.

Figure 5: Respondent auction market sector participation



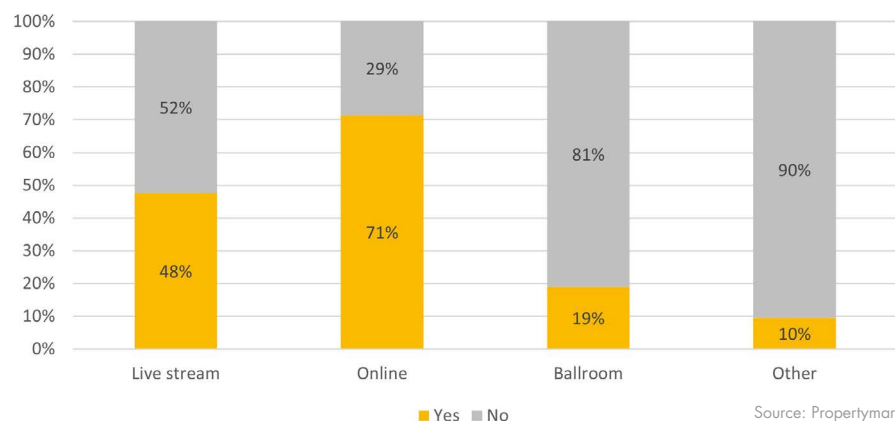
Source: Propertymark

# Operational overview

## AUCTION FORMATS UTILISED

How members conduct their auctions showed that this quarter there has been a slight growth in the percentage of members utilising online auctions. However, traditional ballroom/salesroom auctions continue to play an important role (*Figure 6*).

Figure 6: Respondent auction formats

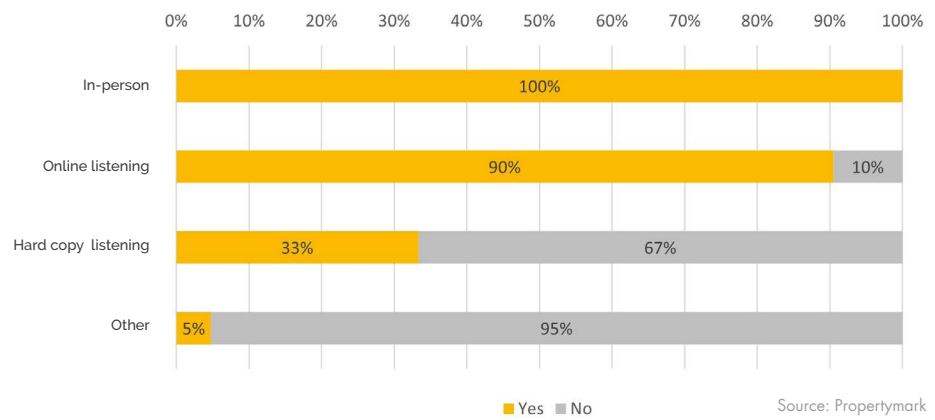


Source: Propertymark

## HOW ARE LOTS FOR SALE VIEWED?

Figure 7: How lots for sale are viewed

In-person viewings continue to play a significant role in the auction process (Figure 7).

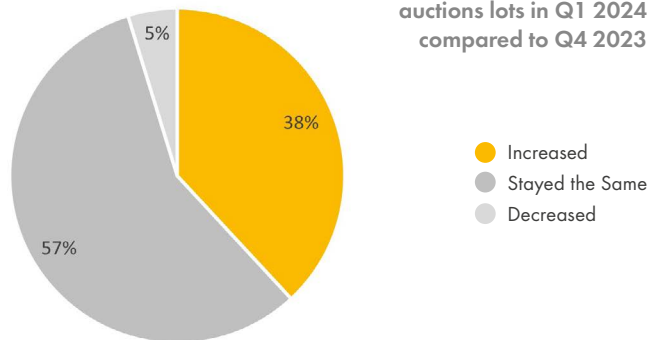


# Performance overview

## NUMBER OF LOTS

Many members (57%) reported that the number of lots available in Q2 2024 (for all auction types) remained the same as in Q1 (Figure 8). However, 38% reported that the number of lots had increased.

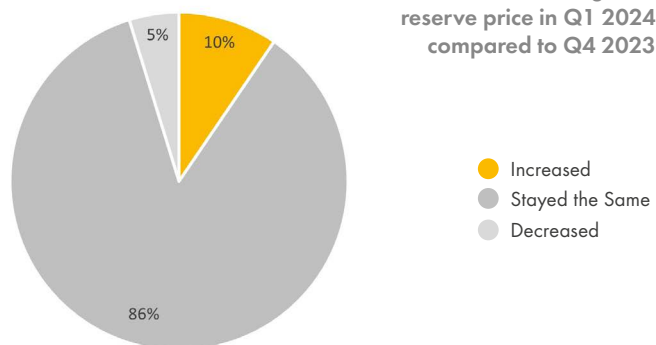
Figure 8: The number of auctions lots in Q1 2024 compared to Q4 2023



## NUMBER OF LOTS ACHIEVING THEIR RESERVE PRICE

96% of members said that the number of lots achieving their reserve price stayed the same or increased in Q2 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



## NUMBER OF LOTS EXCEEDING THEIR RESERVE PRICE

29% of members said that the number of lots exceeding their reserve price increased in Q2 2024 in comparison to the previous quarter (Figure 10).

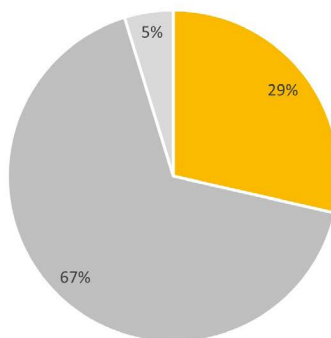


Figure 10: The number of auctions lots exceeding their reserve price in Q1 2024 compared to Q4 2023

- Increased
- Stayed the Same
- Decreased

Source: Propertymark

# Market Predictions

Members were asked to share their market predictions for the remainder of 2024:

## PROPERTY

"I believe auctions will continue to increase its market share as both buyers and sellers look for secure sales rather than the convoluted private treaty route which seems to be taking longer and longer."

## CHATTELS, FINE ART AND ANTIQUES

"The price of brown antique furniture will decrease making selling a Victorian chest of drawers unprofitable."

## CHATTELS, FINE ART AND ANTIQUES

"The market will remain reasonably static, until political changes take place- increased taxation on "mid-range" earners is likely to reduce buyer numbers but increase sellers, leading to lower prices (and further pressure on margins)."

# Biggest issues

## facing Auctioneers and Valuers

A variety of themes emerged as the biggest issues members faced in Q2 2024. For example, some members reported staffing challenges including a lack of supply, high costs, and finding qualified staff. Several reported concerns regarding red tape, increasing legislation or legislative changes. There were specific concerns around the increasing burden associated with Anti-Money Laundering (AML) Regulations and AML awareness amongst buyers and non-regulated agents.

**Members also provided interesting insights into changes in consumer behaviours:**

“There is a generational shift in collector's items, meaning many of the items that were highly collectable to a certain demographic is changing dramatically and prices are reflecting that.”

“Some people are searching for items on the internet and have idealised prices when looking at places like eBay, which makes valuing their items difficult when eBay tells them their 50p is worth 20k.”



# Actions for the next government

We asked our members what the new government can do to improve the 'lot' of auctioneers and valuers. Many broadly focused on **legislation** and **regulation**:

Keep the minimum wage at a level realistic for business, reduce/maintain red-tape levels (including basic business red-tape, art market requirements, money laundering etc) and stop applying blanket legislation unnecessarily across the industry.

Reduce the amount of material information required on a property listing and retain the section 21 no fault evictions.

Others focused on the regulation and licensing of agents and their qualifications:

Make it a requirement to be qualified and regulated.

Don't let anyone auction a property unless they are qualified - same as surveyors, mortgage lenders and solicitors.

Members also have specific requests for the sectors they operate within:

## Residential property auctions

Tax incentives on properties to do up, make it easier for first time buyers to bid on properties in need of modernisation.

## Fine art and antique auctions

Less ridiculous rules for the sale of ivory, and if they keep these rules make sure all are abiding by it.

## Commercial property auctions

Offer stamp duty relief specifically for auction sales to help bring certain assets back into use.



# Interesting lots



While all our member's lots are interesting, we highlight some that stand out.



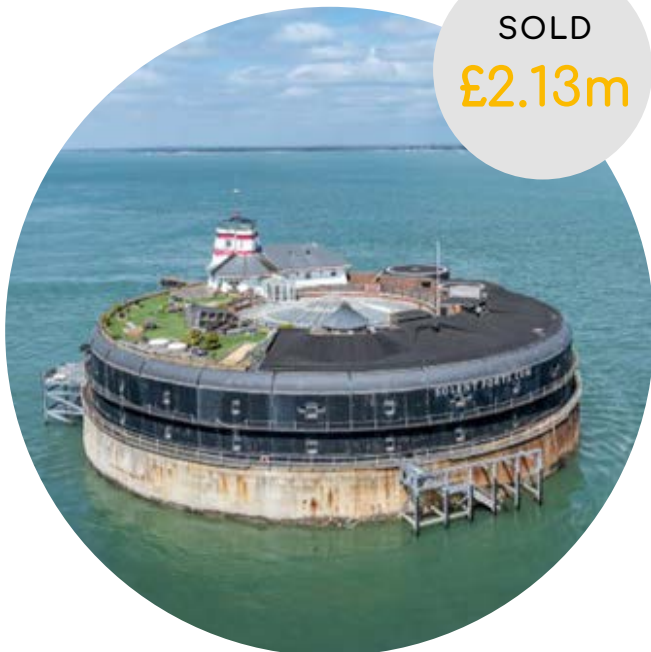
SOLD  
£46K

This 2009 LAND ROVER Defender 90 County with just 135 miles on the clock was sold by Cheffins for £46k.



SOLD  
£22K

Two Friends scripts, rescued from a bin, sold for £22k against a £600-800 estimate. Stephen Drake Valuations.



SOLD  
£2.13m

Savills sold No Mans Land Fort and Spitbank Fort for a combined £2.13m.

## 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 from around 30 agents across the UK. The report also contains third-party data and 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. 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






valuers, and inventory providers comprising over 18,000 members. We are member-led with a board that 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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