

Housing Insight Report

propertymark

AUGUST 2022

KEY FINDINGS

 47%

increase in number of homes available for sale per member branch since December last year.

 79%

increase in new prospective homebuyers registering per member branch since December last year.

 188%

increase in new prospective tenants registering per member branch since December last year.

 98%

rise in the average number of properties available to let per member branch since December last year.

SALES

Market still underpinned by high demand

The number of available properties per member branch has risen by 47 per cent since the depths of winter last year but demand has risen by 79 per cent over the same period. The number of agents reporting average price agreed at or above asking has held steady since July when we saw a minor fall compared to June. This shows that the winds are still blowing in the seller's favour, if not quite as strongly as before.

Month-on-month we have also seen a slight increase in new prospective tenants registered and instructions, suggesting the autumn market may have started a little early.

DEMAND FROM HOUSE HUNTERS

The start of the autumn season?

The number of new buyers registering per member branch in August rose slightly over July potentially indicating the start of a pickup for the autumn season. There was 86 new prospective homebuyers registered per member branch in August—a 79 per cent increase since December last year.

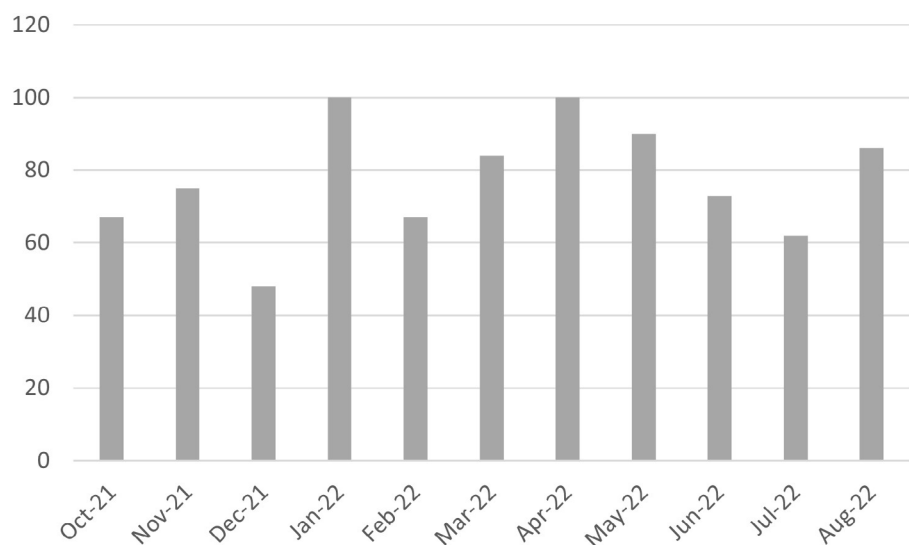


Figure 1: Average number of new prospective buyers registered per member branch.

SUPPLY

Supply starting to recover?

There were 11 new instructions on average per member branch in August. New instructions have been fairly steady since December last year.

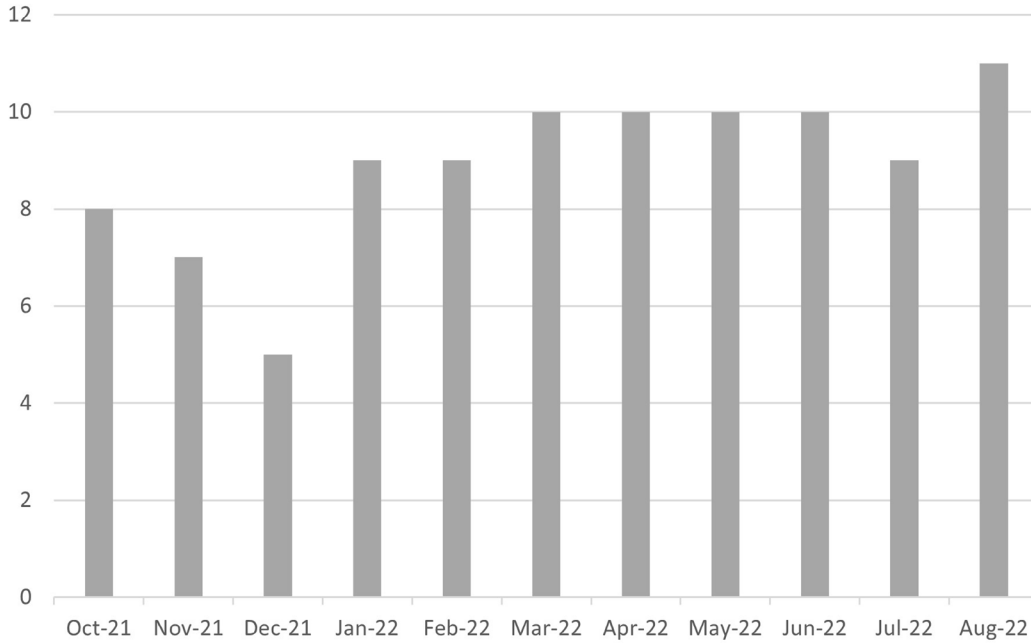


Figure 2: Average number of new instructions per member branch.

The average number of properties available to buy per member branch was 28 in August. Marginally up since the winter dip but still well below the pre-pandemic average of 40 properties available in August (based on 2015–2019 figures). Nevertheless, 28 properties represents an increase of nine per member branch since December 2021—a rise of 47 per cent.

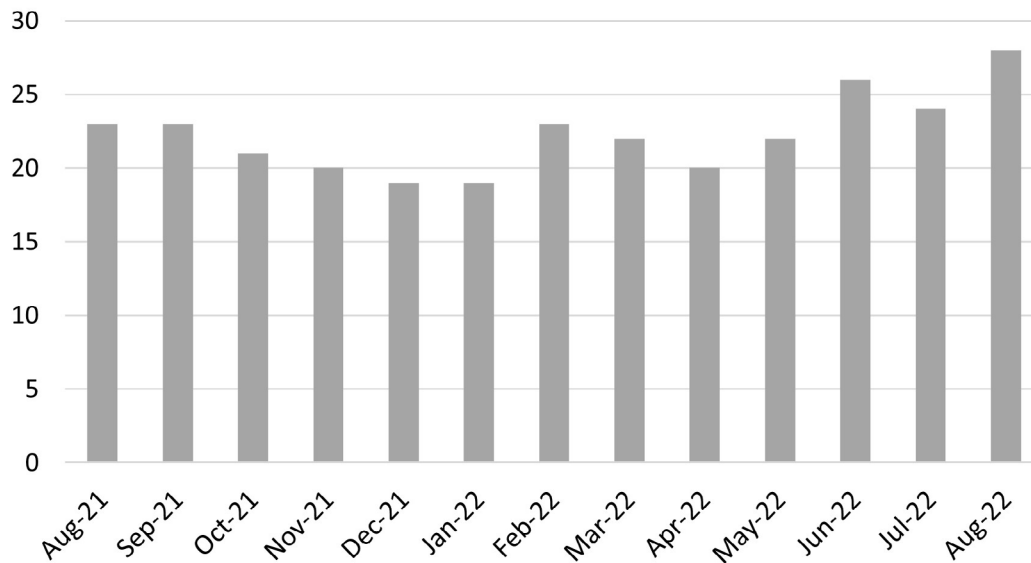


Figure 3: Average number of properties for sale per member branch over the past year.

PRICE AGREED TO ASKING

The market holds

Last month we reported that some buyers were starting to secure homes under the asking price, with 27 per cent of branches now reporting that most sales were completed below asking price compared to a low of just 15 per cent in March. August figures show no further slide.

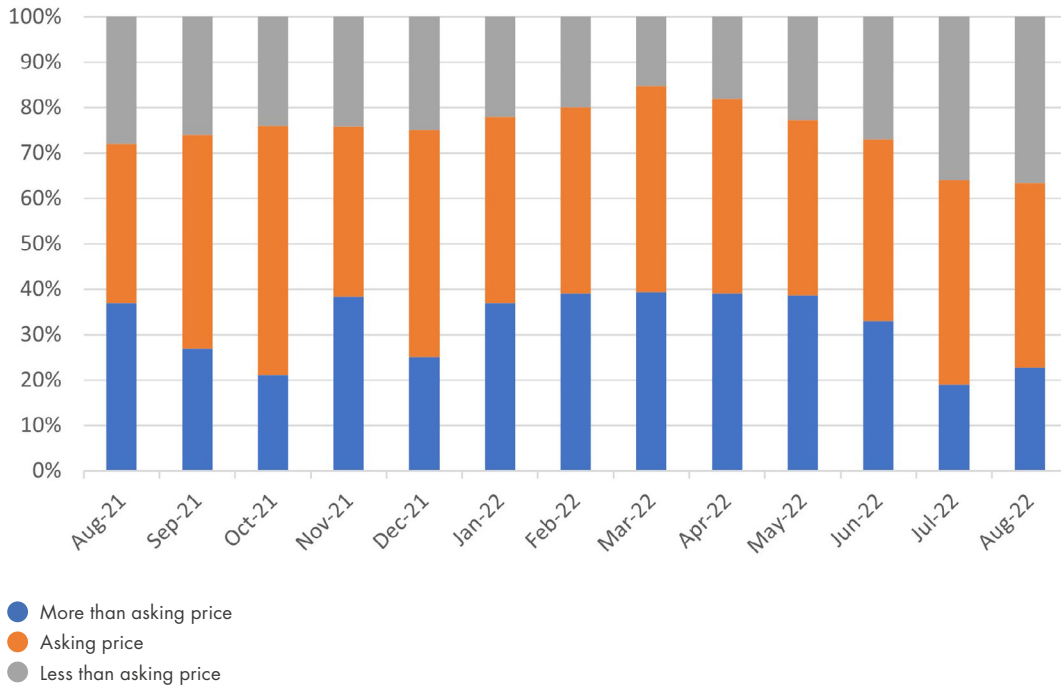


Figure 4: Percentage of members reporting average price agreed to asking for their branch over the past year.

Upward pressure on rents set to continue

The number of new tenants registered on average per member branch reached a new peak at 141 in August but supply of available homes to rent has not risen in the last three months. With a growing mismatch between supply and demand, pressure on rents will rise even further.

DEMAND | NEW TENANTS REGISTERED

Demand continues to rise

An average of 141 new applicants were registered per member branch in August. This number has been creeping up since the winter and now stands 188 per cent higher than in December.

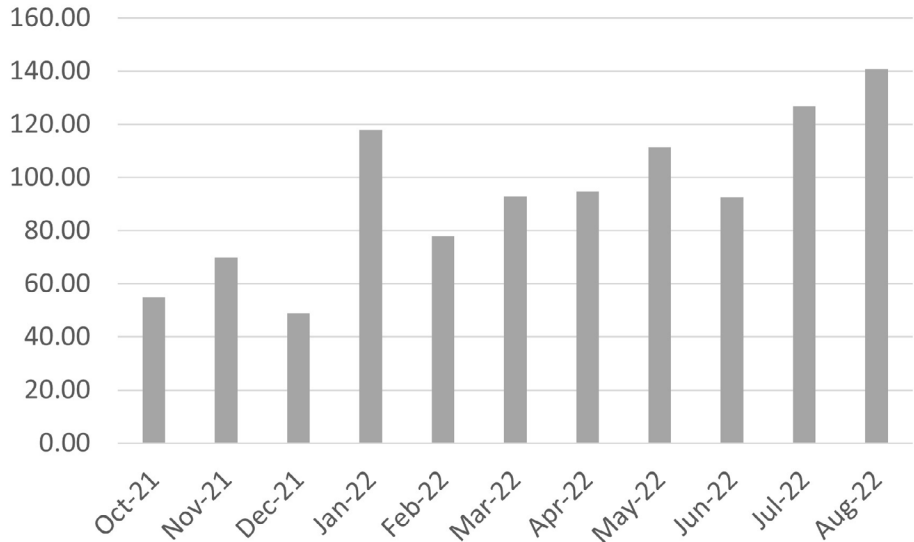


Figure 5: Number of new applicants registered per member branch.

SUPPLY | WHAT DOES STOCK LOOK LIKE?

Supply of available homes remains constant

Our members reported having 10.9 properties on average per member branch that were available to rent in August—the same figure as the last two months. 10.9 properties is 98 per cent above the December figure of 5.5.

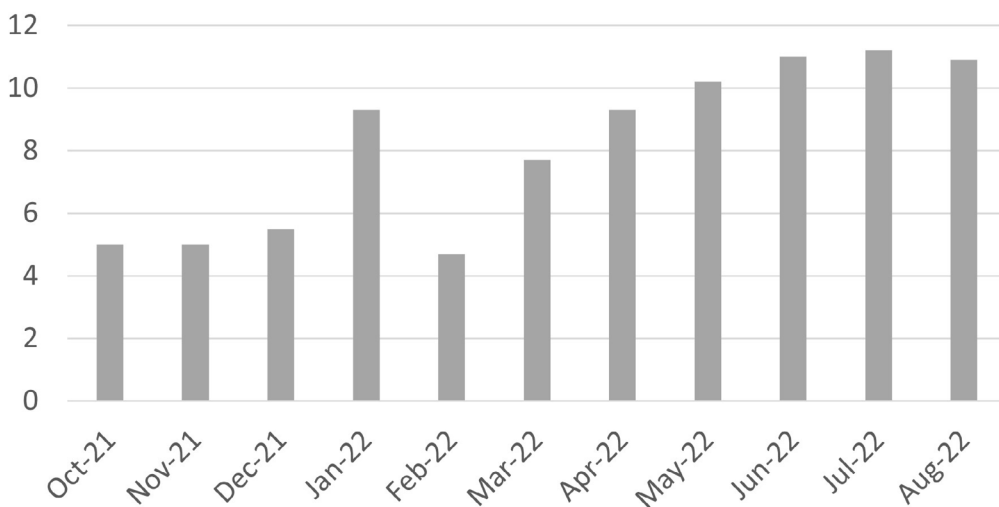


Figure 6: Properties available to rent per member branch.

RENTS

Rents continue to rise

77 per cent of member agents reported month-on-month rent prices increasing in August. With a growing mismatch between supply and demand, pressure on rents is likely to become even more acute.

77 per cent



Nathan Emerson
CEO | PropertyMark

“ The number of people wanting to buy is still good, and the number of properties available to buy is recovering from the mad dash we had before. Buyers and sellers alike are aware of cost-of-living increases and interest rate rises, there are those of a generation who will remember much higher rates but there is a new wave of buyers who won't have seen these levels before that will become more cautious with their budget. What we have today however, is the ability to be flexible on location due to remote working which has a large impact on price. This new dynamic will help home movers and is a factor that hasn't previously existed.

In the rental market, we see a pressure cooker getting hotter. The government seem to be missing every opportunity to re-evaluate costs for landlords, whilst this isn't the most sentimentally attractive conversation for politicians it must be understood that if investment doesn't work for landlords, ultimately tenants are severely impacted by a lack of choice and high rent prices.

ENDS

ABOUT PROPERTYMARK



PropertyMark is the leading professional body for estate and letting agents, commercial agents, auctioneers, valuers, and inventory providers comprising nearly 18,000 members. We are member-led with

a Board which is made up of practicing 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.

EDITOR NOTES

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ABOUT THIS REPORT

This report is based on responses to a survey of PropertyMark member agents conducted between 5–22 September 2022. Analysis is based on data provided by agents specific to 194 sales branches and 189 letting branches. We thank the following organisations who contributed data to this report.

