

Housing Insight Report

propertymark

SEPTEMBER 2022

KEY FINDINGS



7

new prospective buyers registering per member branch for every new instruction in September.



52%

of agents report majority of sales agreed below asking price in September.



13

prospective tenants registering per member branch for every one available property in September.



74%

of agents report month-on-month rent price rises in September.

SALES

Homes for sale increase by 50 per cent

Since April, the number of homes for sale per member branch has risen from 20 to 30—an increase of 50 per cent. The number of new applicants registering per member branch held steady at 83 in September—up from the summer dip and what we would expect in the Autumn market.

The number of agents reporting average price agreed at or above asking price has fallen to 48 per cent, suggesting some of the intense heat is coming out of the market. But this is also well above the pre-pandemic average of only 22 per cent.

DEMAND FROM HOUSE HUNTERS

Autumn market shows resilience

The number of new buyers registering per member branch in September held at 83 (very similar to last month). Numbers registering were up slightly last month over July, indicating the start of an uptick for the autumn season. While the pickup has held, it has not increased any further, suggesting there may be some hesitancy among new buyers given rising interest rates.

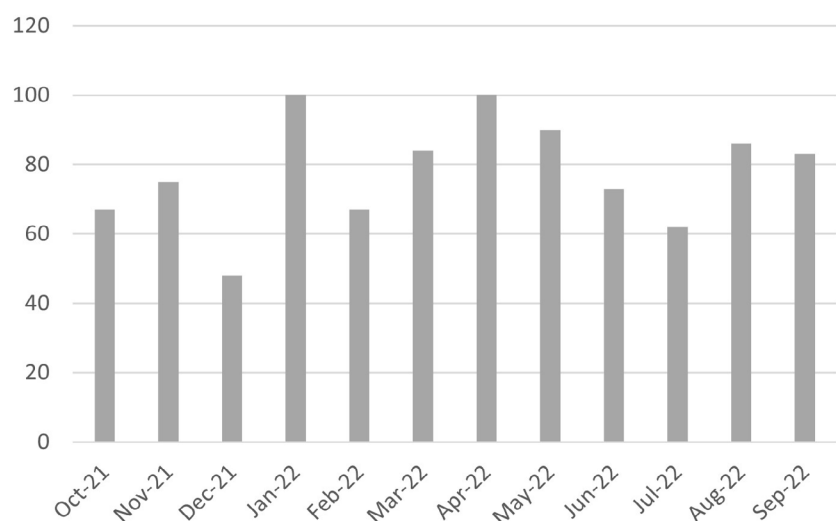


Figure 1: Average number of new prospective buyers registered per member branch.

SUPPLY

Supply on the rise

New instructions were up slightly to an average of 12 per member branch in September, having remained fairly steady since January.

12

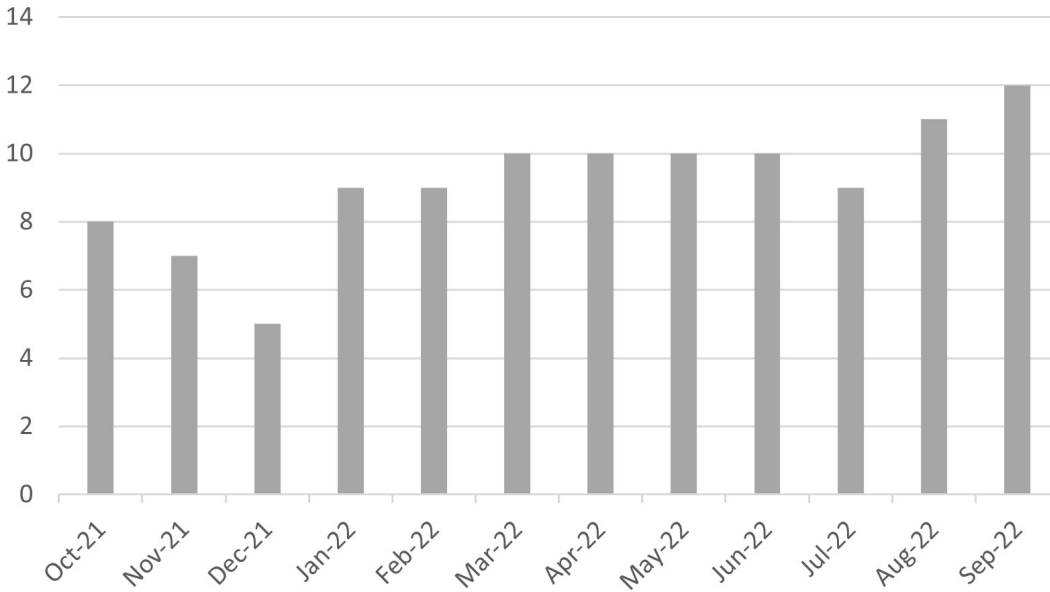


Figure 2: Average number of new instructions per member branch.

The average number of properties available to buy per member branch rose to 30 in September. The total number has been on the rise since April and represents a 50 per cent increase over the period.

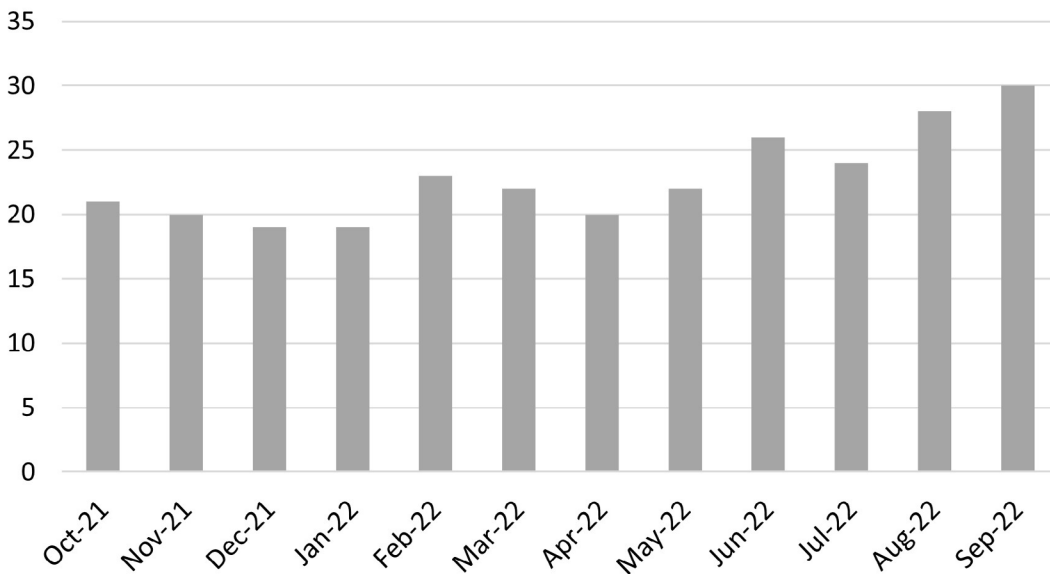


Figure 3: Average number of properties for sale per member branch.

PRICE AGREED TO ASKING

Demand and supply starting to re-balance

52 per cent of branches had most sales completed below asking price in September. This compares to a low of just 15 per cent in March. This still leaves 48 per cent of sales agreed at or above asking price and compares to a pre-pandemic average for sales below asking price at 78 per cent (2015–2020). The extreme pressure may be coming off the market, but it has a long way to go yet before we see it return to normal.

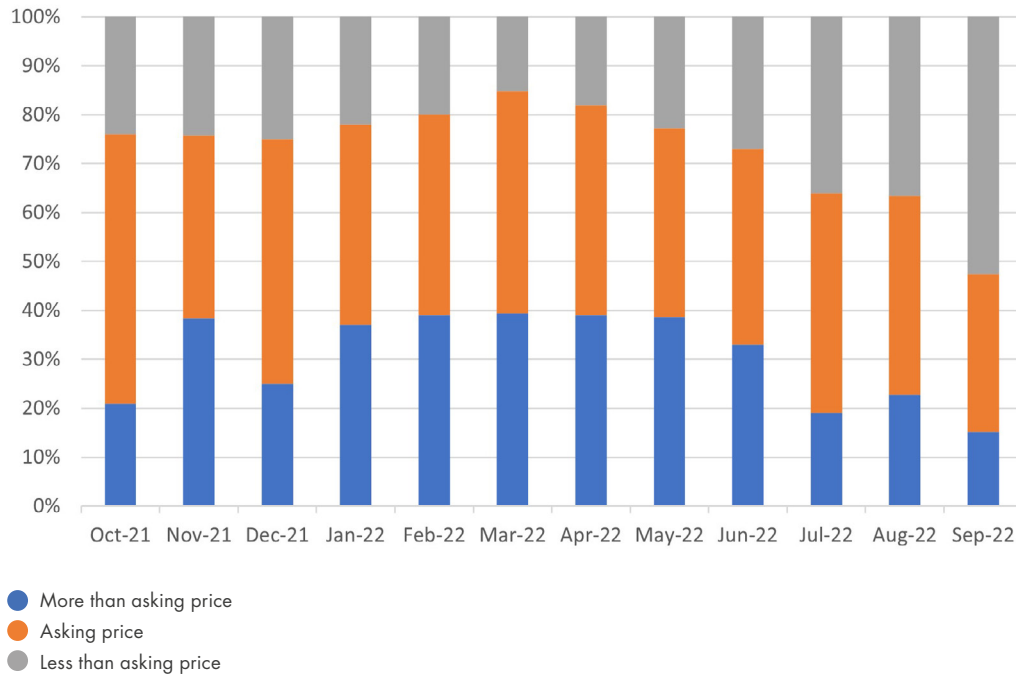


Figure 4:
Percentage of
members reporting
average price
agreed to asking
for their branch.

High demand not letting up

The number of new tenants registered reached a new peak at 147 on average per member branch in September but supply of available homes to rent has not risen in the last four months.

NEW TENANTS REGISTERED

Demand remains high

An average of 147 new applicants were registered per member branch in September. This number has continued to rise despite the recent rise in rents.

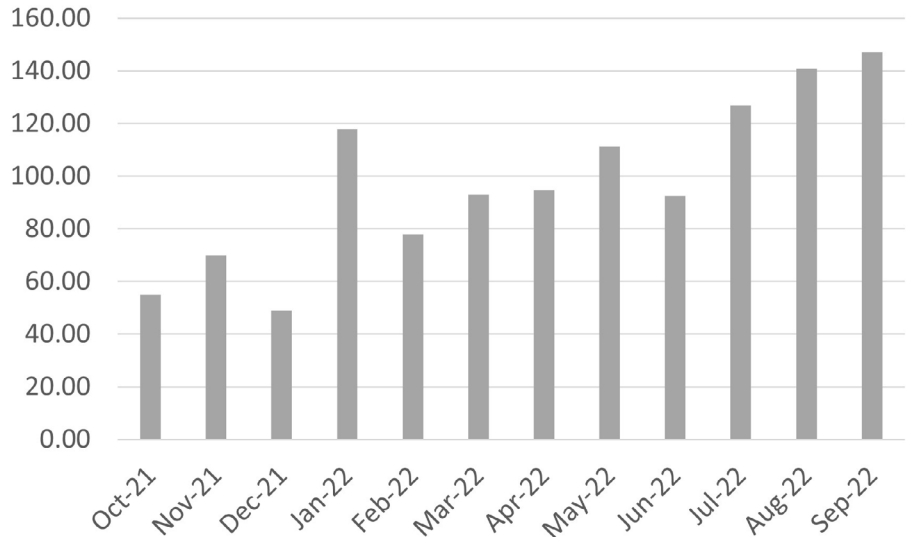


Figure 5: Number of new applicants registered per member branch.

WHAT DOES STOCK LOOK LIKE?

Supply of available homes continues to hold

Our members reported having 11 properties on average per member branch that were available to rent in September—the same figure as the last three months.

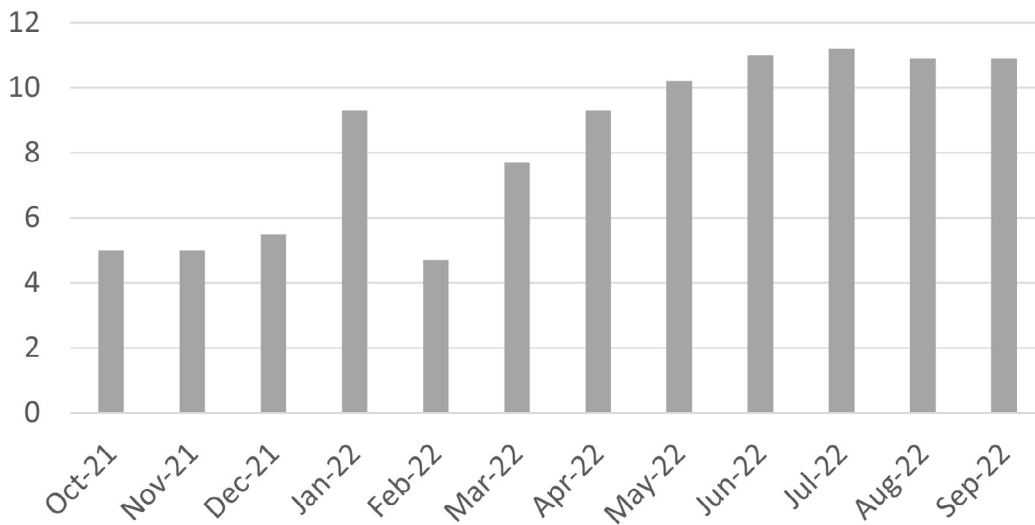


Figure 6: Properties available to rent per member branch.

Rents continue to rise

74 per cent of member agents reported month-on-month rent prices increasing in September. This is down slightly since a high of 82 per cent in July but is still much higher than the pre-pandemic average for September of 34 per cent (2015–2019).

74 per cent



Nathan Emerson
CEO | Propertymark

“ The sales market is continuing to rebalance after the intense demand of the past two years. The number of new instructions was up slightly in September with new buyers registering with our member agents remaining the same, and they’re being more cautious with sales agreed at or above asking prices coming down albeit from a very high bar. Sellers will need to be more realistic about the price their home will achieve as the uncertainty of the wider economic landscape begins to cool the previously very hot market, while at the same time remembering prices have risen by 20 per cent since pre-pandemic.

The rental market continues to be fueled by high demand and low supply. The number of our agents reporting rent increases is down but the UK-wide reform of this part of the market is continuing to affect the sentiment of landlords. Add into the mix rising costs that are impacting their annual yields means we do not anticipate an end to affordability issues until we see many more homes introduced to the market.”

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 3–17 October 2022. Analysis is based on data provided by agents specific to 205 sales branches and 214 lettings.

