

# Housing Insight Report

propertymark

OCTOBER 2022

## KEY FINDINGS



31%

of sales agreed at or above asking price in October



5%

fall in new buyers registering per member branch in October compared to last year.



42%

fall in new prospective tenants registering per member branch in October compared with last month.



9

properties available to rent on average per member branch in October.

## SALES

## Market softens following economic and political turmoil

The number of new applicants registering per member branch and the number of viewings per branch has fallen slightly in October when compared with September, while the number of new properties put up for sale also dipped. In a month that saw average two-year fixed mortgage rates rise over six per cent as a result of Truss' economic policies, demand pulled back.

It is unsurprising that the number of people looking to sell their property also fell during this period of uncertainty. With a new Prime Minister and Chancellor at the helm, along with statements from the Bank of England that base rates will not rise as high as expected during October, industry professionals are hopeful to see increased activity into November.



Nathan Emerson  
CEO | Propertymark

For the first time, our figures indicate that we are on the cusp of seeing the sales market hand back purchasing power to buyers which is a trend we haven't seen in months as the market was very much in the seller's favour. Signs of balance within the market is also being seen as competition for homes starts to slow which will allow the number of properties available to buy to fall back in line and a return to a more realistic and sustainable market.

As for lettings, we are now seeing a slight decrease in the number of prospective tenants registered per branch as due to the ongoing lack of supply, a hike in rent prices was seen across the UK. This should start to ease pressures on rents at a crucial time for many as the cost of living crisis continues to pinch at people's finances.

## DEMAND FROM HOUSE HUNTERS

### Demand softens

The number of new buyers registering per member branch dipped to 64 in October – down from 83 the month before.

Still, this number is very close to last October's figure of 67 and represents only a five per cent drop year-on-year.

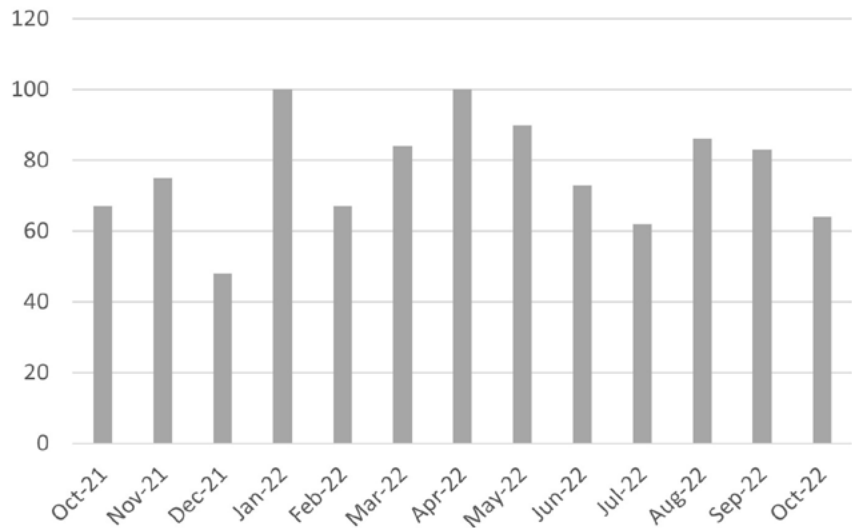
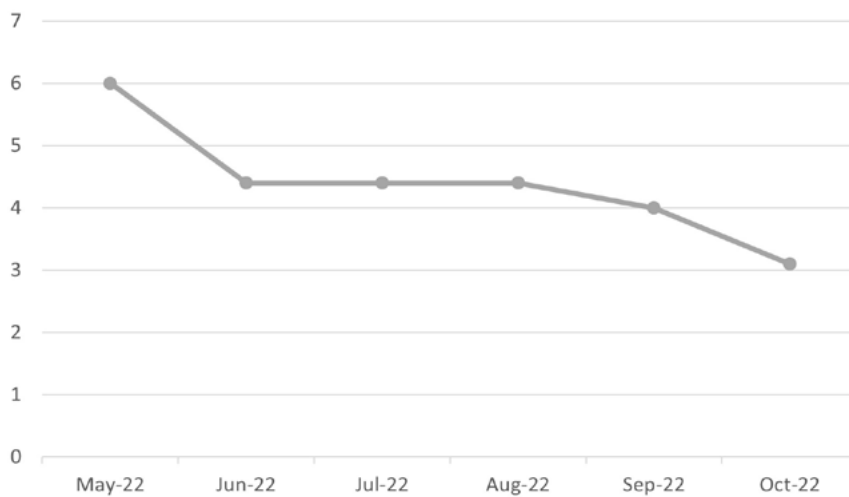


Figure 1: Average number of new prospective buyers registered per member branch.



The average number of viewings per property were also down in October to just over three.

Figure 2: Average number of viewings per property per member branch.

## SUPPLY

### Supply falls back in pace with demand

New instructions were down on average to nine per member branch in October, after rising to 12 last month. Nine is the average for the last 12 months, suggesting no dramatic change but rather a contraction in line with demand. As supply and demand move together, we are likely to see only small changes in prices.

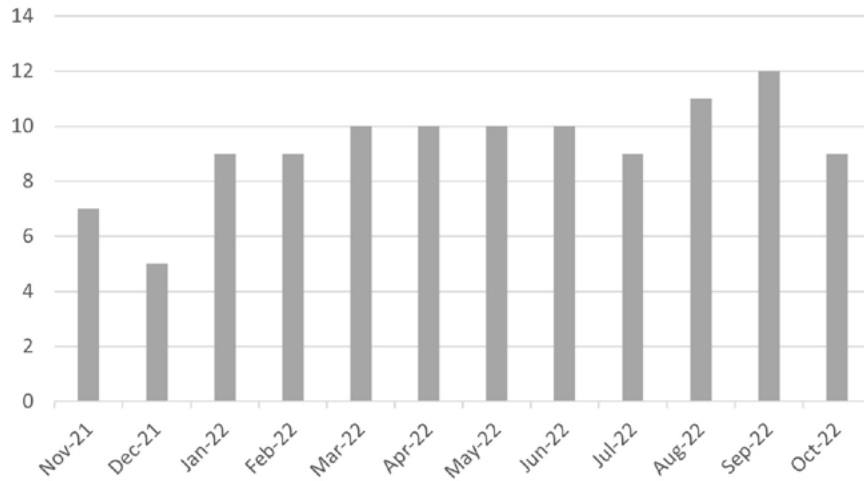
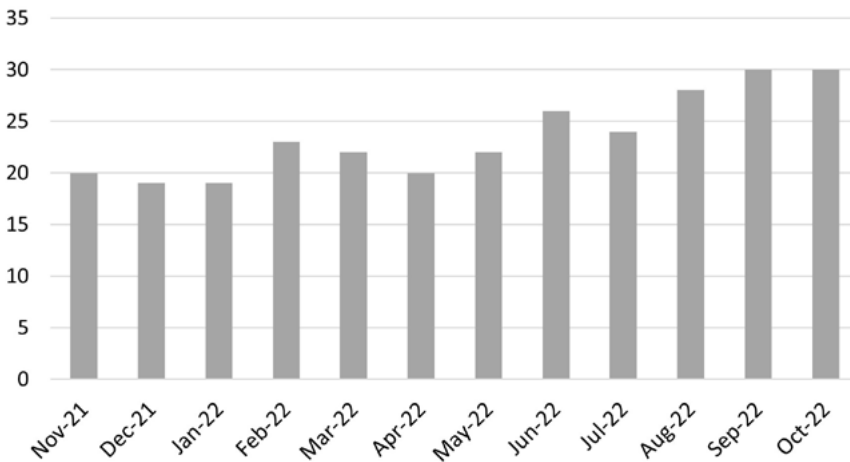


Figure 3: Average number of new instructions per member branch.



# 30

The average number of properties available to buy per member branch held steady at 30 in October.

Figure 4: Average number of properties for sale per member branch over the past year.

## SALES AGREED

### Fewer sales in October after September rush

The average number of sales agreed per member branch dropped to seven in October—down from ten in September when many rushed to purchase ahead of future anticipated rate rises.



Figure 5: Average number of sales agreed per member branch over the past year.

69 per cent of branches had most sales agreed below asking price in October. This compares to a low of just 15 per cent in March but to a pre-pandemic average of 78 per cent (2015-2020), suggesting we are still not back to the normal market balance—demand is still relatively higher than usual.

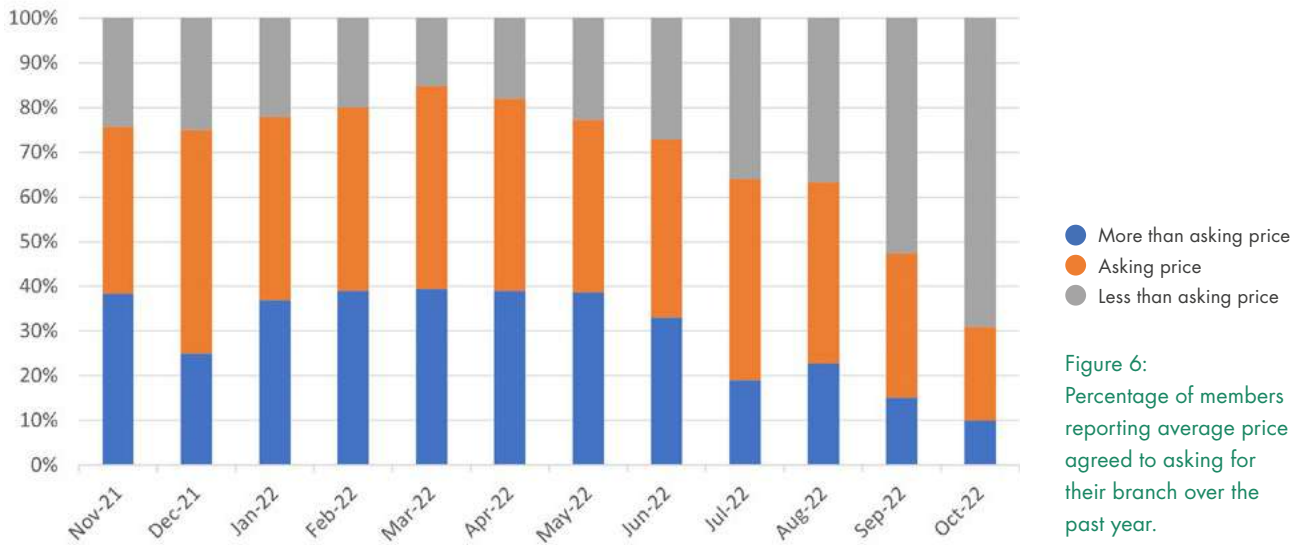


Figure 6: Percentage of members reporting average price agreed to asking for their branch over the past year.

## LETTINGS

# Pressure on rents easing

The average number of new prospective tenants registered per member branch in October fell by 42 per cent on the month before. This drop in demand will reduce pressure on rents, with another fall this month in the number of agents reporting month-on-month rent price rises.

### Demand drops during economic uncertainty

An average of 85 new applicants were registered per member branch in October. This number is down significantly since last month's high of 147 (down 42 per cent); however, it is still above the pre-pandemic average for October of 72 (2018–2019).

### NEW TENANTS REGISTERED

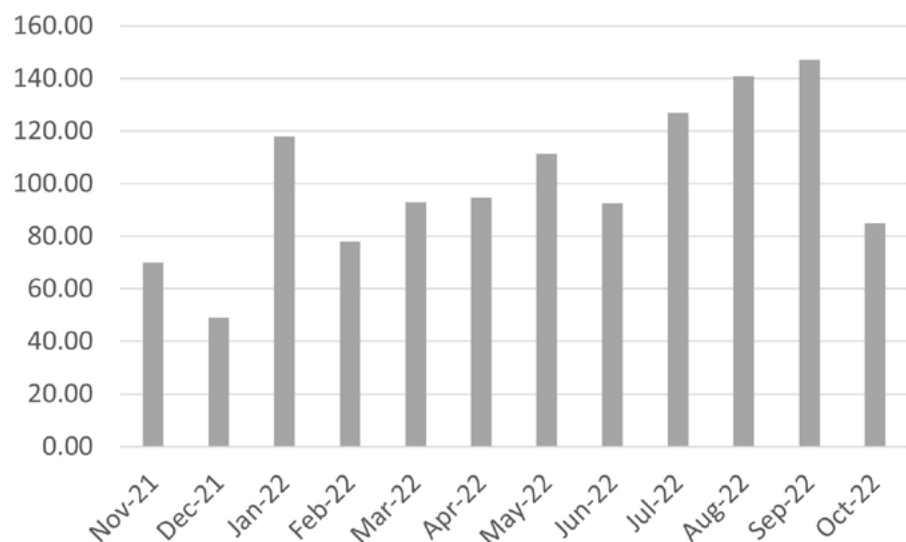


Figure 7: Number of new applicants registered per member branch.

## WHAT DOES STOCK LOOK LIKE?

### Supply of available homes continues to hold

Our members reported having nine properties on average per member branch that were available to rent in October—down slightly from last month’s figure of 11.

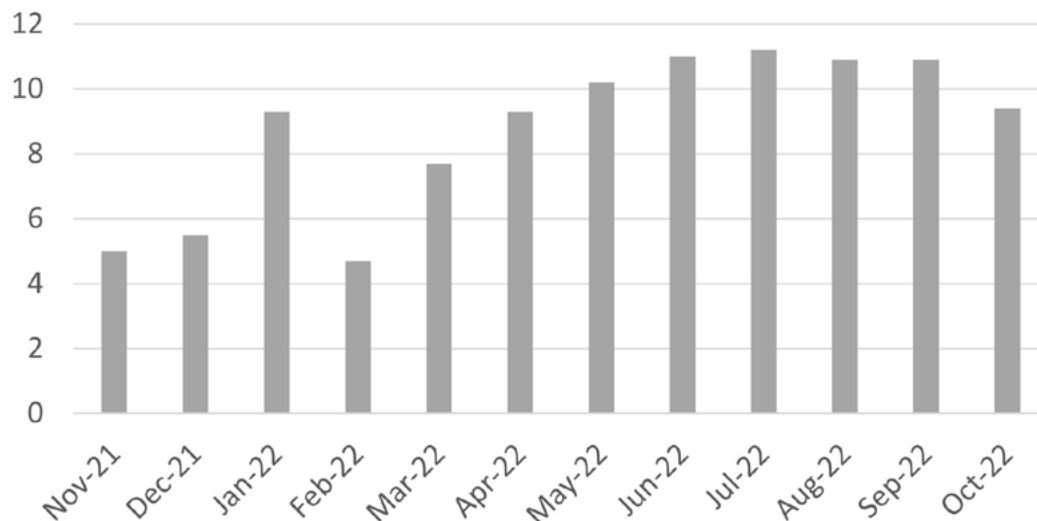


Figure 8: Properties available to rent per member branch.

### Rents' rises less common

68 per cent of member branches reported month-on-month rent prices increasing in October. This is down again since a high of 82 per cent in July.

68 per cent

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 31.10.22–10.11.22. Analysis is based on data provided by agents specific to 146 sales branches and 186 lettings.



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