

Housing Insight Report

propertymark

NOVEMBER 2022

KEY FINDINGS



36%

decrease in buyer competition



72%

of sales agreed below the asking price



51%

of agents report rents falling or staying the same month-on-month



7

prospective tenants register in member branches for each available property

SALES

Savvy buyers snap up a Christmas bargain as competition drops by a third

Good things come to those who wait, and it seems that this is true in today's housing market. 72 per cent of sales agreed were secured below the asking price in November. This is because competition has dropped by over a third, from a high of 11 new buyers to every new property instructed, now to just 7 buyers to every new property for sale in a member branch.

Buyers who were caught in bidding wars are now back in the driving seat as total available properties on the market continues to rise to an average of 33 properties per estate agent branch. That is a 74 per cent increase in homes to choose from since the start of the year.

DEMAND FROM HOUSE HUNTERS

Demand softens

The number of new buyers registering per member branch dropped again to 52 in November—down from a high of 86 in August.

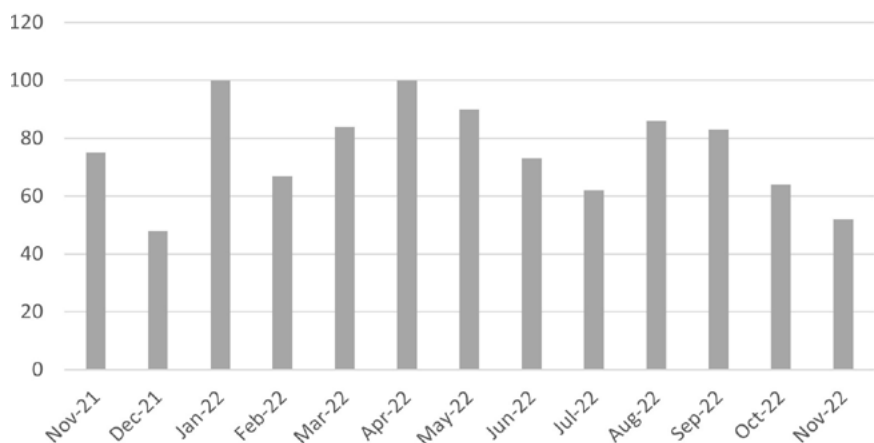
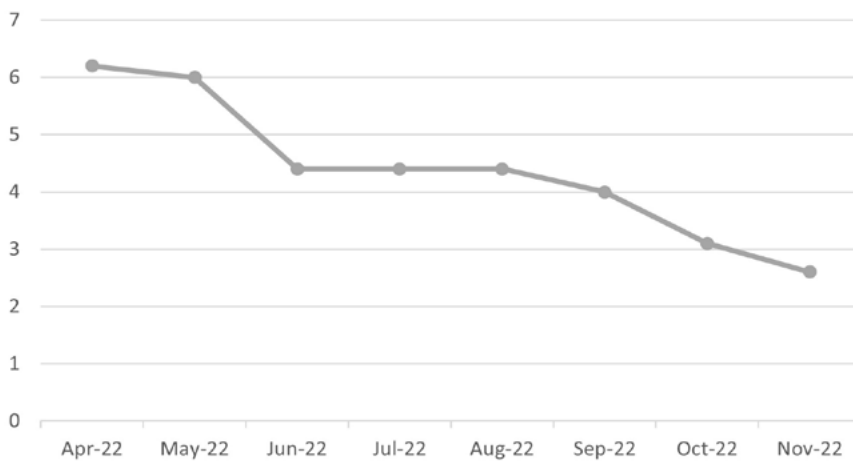


Figure 1: Average number of new prospective buyers registered per member branch.



The average number of viewings per property continued to fall in November and now stands at 2.6.

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 eight per member branch in November.

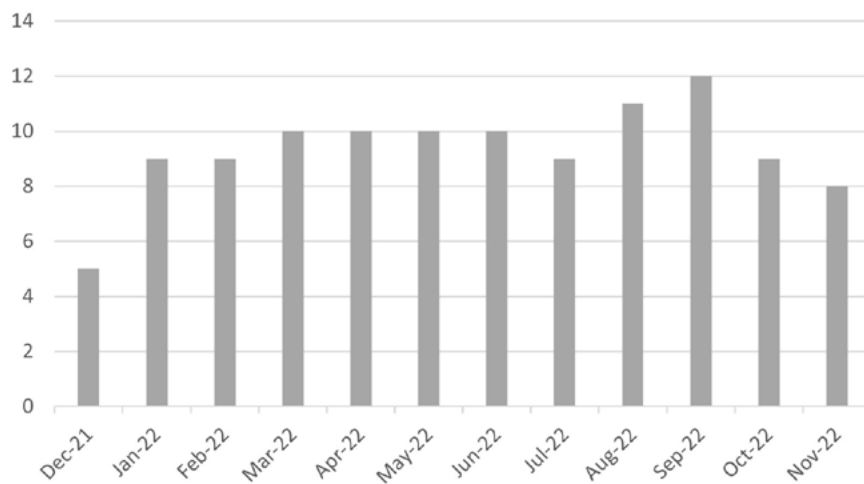


Figure 3: Average number of new instructions per member branch.

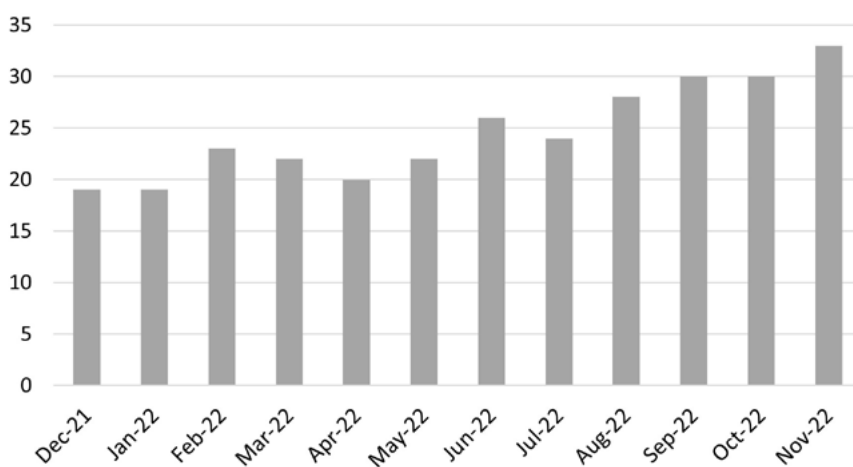


Figure 4: Average number of properties for sale per member branch over the past year.

33

The average number of properties available to buy per member branch rose slightly to 33 in November. This compares to a pre-pandemic average for November of 38 (2015–2019).

SALES AGREED

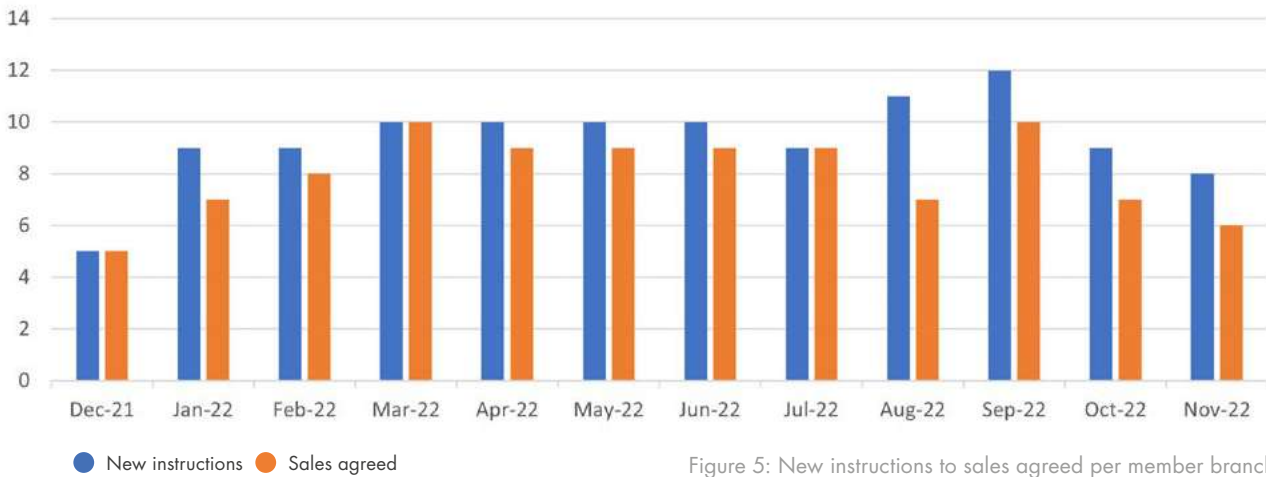


Figure 5: New instructions to sales agreed per member branch.

Sales drop in line with new instructions

The average number of sales agreed per member branch dropped to six in November—down from 10 in September. While this fall is in line with new properties being put up for sale (new instructions), a persistent gap has developed between the two evidencing that properties are less frequently snapped up as soon as they hit the market. Through the first half of the year, sales agreed kept up with new properties coming to market.

72 per cent of branches had most sales agreed below asking price in November. This compares to a low of just 15 per cent in March but to a pre-pandemic average of 78 per cent (2015–2020).

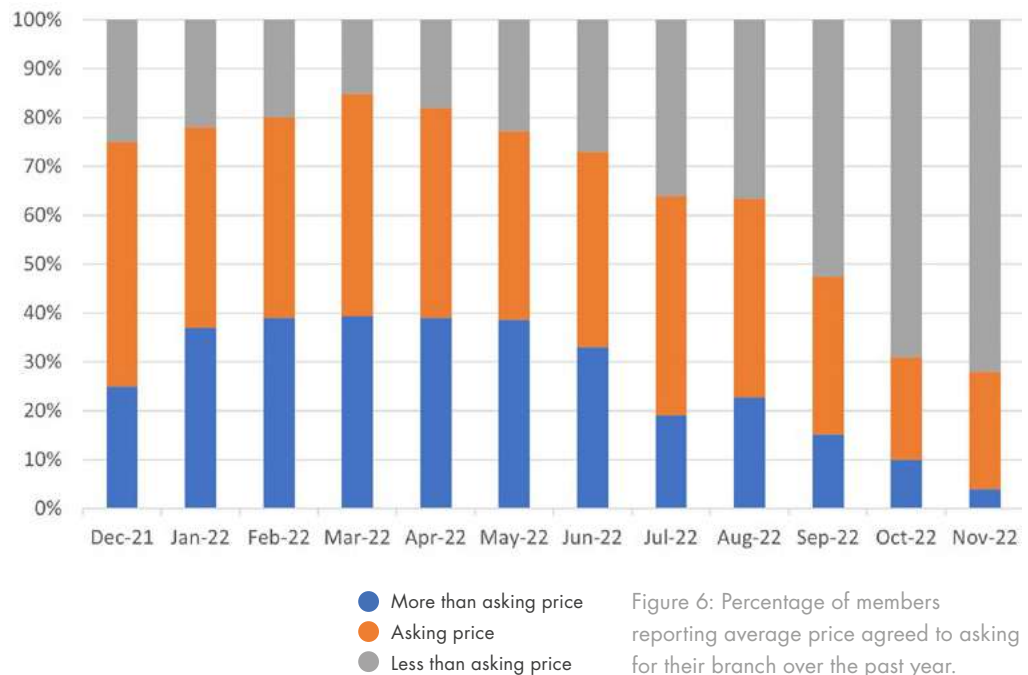
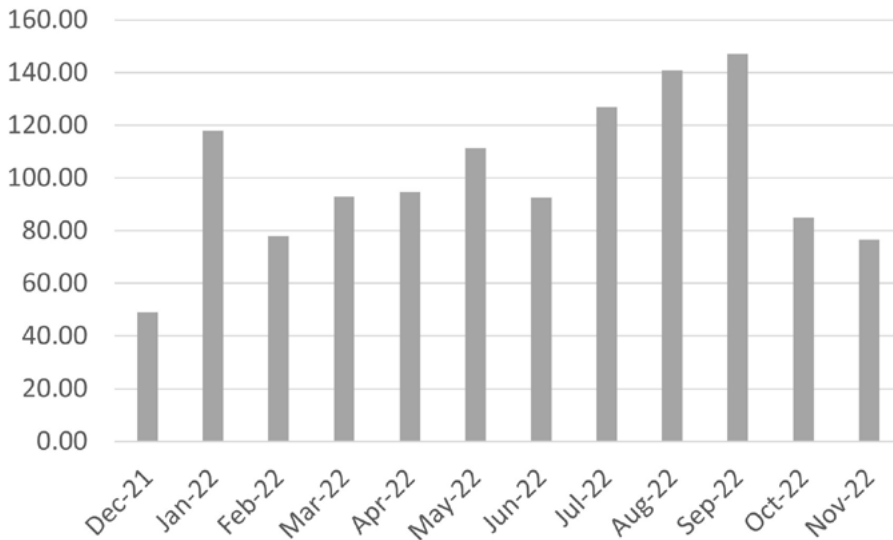


Figure 6: Percentage of members reporting average price agreed to asking for their branch over the past year.

Pressure continues to come down on rents

The average number of new prospective tenants registered per member branch remained low in November, while the number of available properties rose slightly. The rise in supply over demand has reduced pressure on rents, with the number of agents reporting month-on-month rent price rises falling below 50 per cent for the first time since February 2021.

DEMAND — NEW TENANTS REGISTERED



Demand lowers again but still above average for time of year

An average of 77 new applicants were registered per member branch in November. This number has continued the drop off since September's high of 147; however, it is still above the pre-pandemic average for November of 61. (2018–2019).

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

SUPPLY — 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 November—up slightly from last month's figure of nine.

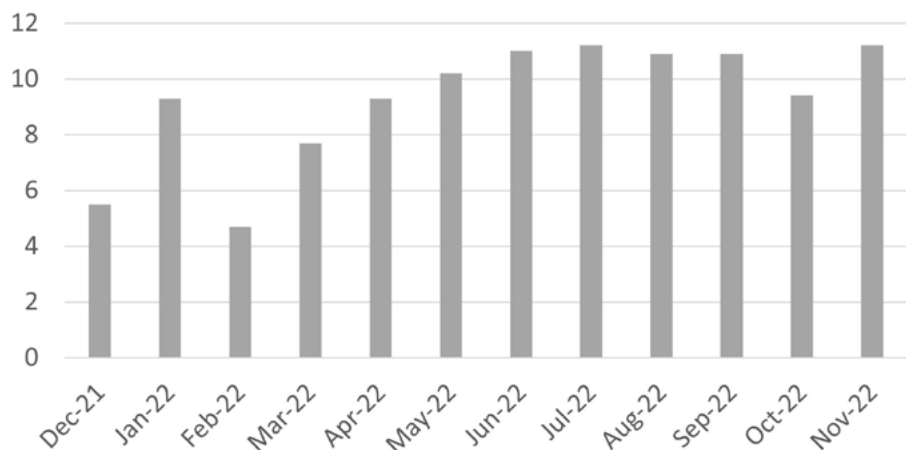


Figure 8: Properties available to rent per member branch.

RENTS

Rent rises no-longer the norm

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

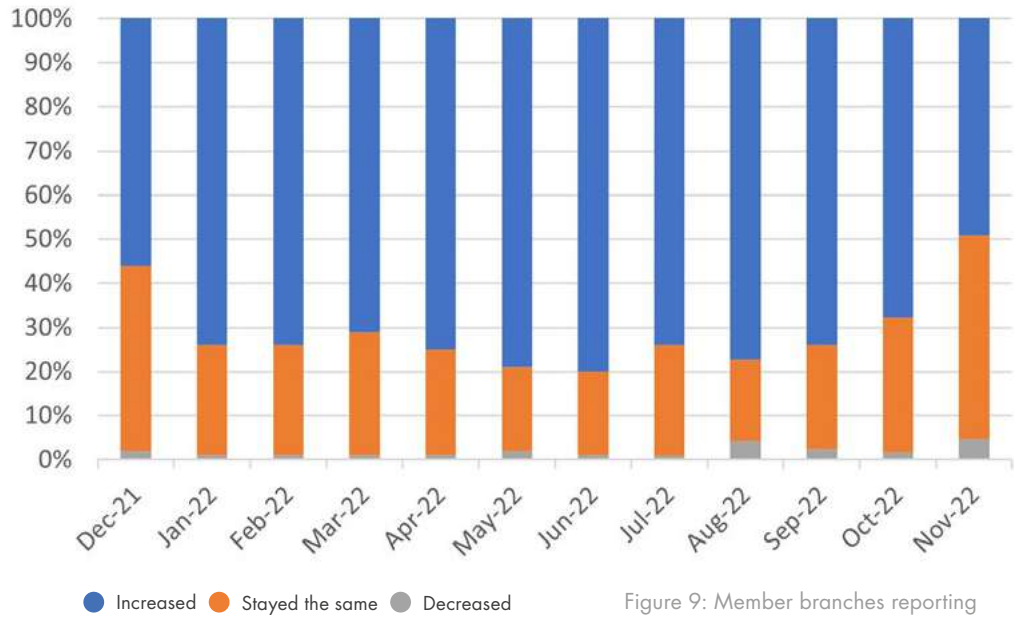


Figure 9: Member branches reporting month-on-month changes in rents.



Nathan Emerson
CEO | Propertymark

“ The sales market is firmly back in the hands of buyers who have been on the back foot for 18 months. More property is available but the competition between those looking has cooled substantially. For those motivated to sell, good, solid buyers are still prominent.

As for lettings, we are starting to see a decrease in demand, the knock on effect is that less agents are seeing rent rises. It's possible that prices have peaked, and landlords are well aware that any more rises won't necessarily be achieved. This is not all good news however, as landlords costs are still rising, leaving many facing a very real possibility of making a loss.

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 30 November through to 12 December 2022. Analysis is based on data provided by agents specific to 171 sales branches and 195 lettings.



