



# Residential Market Review

DECEMBER 2022

# Key Statistics



Average UK property price  
£294,559



Buyer demand up 4%



Annual UK property prices  
increased 9.5%



First-time buyer demand  
down 26%



Annual property prices in Wales  
increased 12.9%



Price reductions rising  
by 85%



# Residential Market Overview



As the UK welcomes a buyers' market, we are seeing a shift in pricing as sellers have to contend with price-sensitive buyers and seasonal impacts on demand. According to TwentyCi, new sales agreed fell 12% between October and November, yet sale completions remained high as buyer sought to complete before their mortgage offers at lower rates expired.

## Average price by property type

Property	August 2022	August 2021	Difference
Detached	£463,150	£415,681	11.4%
Semi-detached	£286,654	£258,268	11.0%
Terraced	£241,880	£221,471	9.2%
Flat or maisonette	£232,987	£222,368	4.8%
All	£294,559	£269,003	9.5%

# Number of Transactions

Month and year	Non-seasonally adjusted	Seasonally adjusted*
October 2013	101,920	94,910
October 2014	114,990	100,790
October 2015	119,950	107,040
October 2016	98,070	95,690
October 2017	107,560	101,380
October 2018	109,020	100,580
October 2019	107,100	99,200
October 2020	121,740	108,350
October 2021	85,890	78,600
October 2022 (Provisional estimates)	110,850	108,480

\*Measures and removes the influence of predictable seasonal patterns



# Regional Overview



## 1. England

Price: £314,278  
Monthly Change: 0.0%  
Annual Change: 9.6%

## 2. Northern Ireland (Quarter 2-2022)

Price: £176,131  
Monthly Change: 4.1%  
Annual Change: 10.7%

## 3. Scotland

Price: £191,941  
Monthly Change: -0.9%  
Annual Change: 7.3%

## 4. Wales

Price: £223,798  
Monthly Change: 2.0%  
Annual Change: 12.9%

## 5. East Midlands

Price: £252,982  
Monthly Change: 0.0%  
Annual Change: 11.3%

## 6. East of England

Price: £362,197  
Monthly Change: 0.1%  
Annual Change: 10.4%

## 7. London

Price: £544,113  
Monthly Change: -0.6%  
Annual Change: 6.9%

## 8. North East

Price: £163,768  
Monthly Change: 0.3%  
Annual Change: 5.8%

## 9. North West

Price: £219,005  
Monthly Change: 0.6%  
Annual Change: 9.1%

## 10. South East

Price: £403,515  
Monthly Change: -0.2%  
Annual Change: 10.3%

## 11. South West

Price: £336,583  
Monthly Change: 0.3%  
Annual Change: 11.9%

## 12. West Midlands Region

Price: £253,864  
Monthly Change: -0.3%  
Annual Change: 10.1%

## 13. Yorkshire and The Humber

Price: £212,593  
Monthly Change: 0.0%  
Annual Change: 8.5%





BLOG

# Your guide to the property market



By Neil Thorpe, Group Managing Director

If you are looking to buy or sell a home, you are no doubt curious about what is happening within the property market. Liz Truss's mini-budget certainly rocked the market and, according to latest research from Bloomberg Intelligence, it 'spooked' as many as 44% of prospective buyers. With the latest House Price Index recently being released by Rightmove, we felt it was the ideal time to share, before the festive season kicks in, to give you an insight into what the state of the industry and is predicted. Therefore, here is November's guide to the property market from your local estate agent team.

### Buyer demand

The challenges caused by the rising cost of mortgages combined with the cost of living crisis were bound to have an impact on buyer demand. The latest House Price Index by Rightmove showed that demand by buyers fell by 2% in October compared with a year ago. Bloomberg Intelligence found that 56% of potential buyers still intend to purchase a house within 1–2 years.

**Iwona Hovenko, Real Estate Industry Analyst at Bloomberg Intelligence:** *"Our survey suggests most prospective UK homebuyers haven't been deterred by mounting economic pressure. Crucially for homebuilders such as Barratt, Persimmon, Taylor Wimpey, Bellway and Berkeley, many people have shown significant flexibility, considering cheaper homes or making other sacrifices to counter rising interest rates."*

Talking to prospective buyers, their main concerns are the increasing economic uncertainty and the soaring costs of borrowing. First-time buyers are the most nervous, which is understandable, as moving home can be overwhelming without adding the current additional financial pressures. This is possibly why in October new buyer inquiries fell for the sixth month in a row, as revealed by research from the Royal Institution of Chartered Surveyors.

Yet despite this, we need to put this into perspective, especially as the market since the pandemic has been incredibly buoyant. If we compare these figures in buyer demand with 2019's pre-pandemic levels, Rightmove stated demand is still up by 4%.

*"The era of historically low interest rates and the buying frenzy are over, which could make way for a more normal market that opens up potential opportunities for those who were put off entering the frantic market over the past two years,"* said Tim Bannister Rightmove's Director of Property Science.

### Sellers Aware

Many sellers are aware that things have changed within the property market and are willing to take steps to see their home sold. As estate agents, we have to acknowledge what the local market is telling us, and house prices are lower than they were a few months ago, which means that we may recommend that we drop your house price to be in line with the market conditions and

to attract potential buyers. Remember, if you are buying as well as selling, any drop in price will no doubt be reflected in the price of the home you wish to purchase.

What is the data telling us? Rightmove's House Price Index states that there has been a 1.1% drop in the average price of a property. This is in line with 2015–2019 pre-pandemic years which also recorded an average of 1.1% drop in November. Again, if we compare the number of unsold properties on Rightmove in October, 8% were reduced last month compared with 7.5% of properties in October 2019. This suggests it could be a seasonal shift as many turn their focus from moving home to preparing for Christmas.

*"The plethora of predictions about what might happen to prices next year comes at a time when much is still uncertain, but what is certain is that the exceptional price growth of the last two years is unsustainable against the economic headwinds and growing affordability constraints. Home-owners who come to market in the final few months of the year tend to price lower to attract buyers in the lead-up to Christmas, and we're hearing from agents that both existing and new sellers understand that to sell in the current market they need to price competitively. During the market frenzy many agents said that they had to rip up the rule-book on valuing properties due to bidding wars, but now they're back in more familiar territory, and pricing right first time is even more critical to securing a quick sale."* Tim Bannister Rightmove's Director of Property Science.

### The price has to be right

In this market it is essential that you choose an estate agent that completely understands the property market trends to ensure that your property is correctly priced for sale. If you would like a realistic valuation for your home, call your local estate agent team today.



A warm, cozy Christmas scene. In the background, a Christmas tree is decorated with lights and ornaments. In the foreground, there's a wooden crate filled with toys, including a red gift box, and a burlap sack. The overall atmosphere is festive and inviting.

BLOG

# How your home can improve your wellbeing

By Neil Thorpe, Group Managing Director



Who can believe we are already in December? The lack of sunlight reduces our production of serotonin, which is the hormone that affects your mood, appetite and sleep. Design can have a positive affect on mental health; at NEXA we have put together some ideas on how your home can improve your well-being.

### Neuroarchitecture

Back in the 1950s an American doctor was one of the first to observe how spaces can influence your emotions. Whilst spending some time in Italy, he realised that he became more creatively inspired whenever he visited the Basilica of St Francis of Assisi. Today, studies in neuroarchitecture aid architects to design buildings based on emotions, creating spaces that make people happy and, as a result, improve their well-being.

### Having order

When it comes to our homes, having control is crucial. It is a place where we can decide how our furniture is arranged, add items that give us comfort, and personalise to our own tastes. Yet with this control there needs to be order, as homes which are filled with clutter or mess can make us feel overwhelmed and release the hormone cortisol, which makes us stressed. You may know yourself that when your home is in a state of disorganisation, it can make you a little anxious, and yet when it is all organised and looking beautiful there is an ultimate sense of pride.

### Bring the outdoors in

It has been well documented how spending time in nature can improve our mental well-being, it improves our memory, reduces stress and even makes us more creative. In these winter months when we are not spending as much time in our gardens, it is important that we still find ways to connect with nature and this brings the outdoors in. It isn't just by adding some plants to your home décor, but you may even decide to add some colour to your walls. According to colour psychology, the colour green promotes healthy living and is associated with optimism.

The right shade of green can help you to recharge; when paired with cosy textures and natural materials it creates a comforting space within which you can't help but unwind. You may not wish to change the entire colour of a wall, but adding artwork that reflects nature or your favourite landscape will bring your exterior and interior together.

### Let in the light

Exposure to sunlight during the day is important for helping to maintain our body's natural circadian rhythm and regulates our sleep and wakefulness. Daylight is more powerful than artificial light, as this causes changes to our circadian rhythm and as a result can lead to sleep disorders and, notably, depression. Therefore, how you make the most of your home's natural light in these darker months is essential for your own personal well-being. Where possible, move furniture around so you make the most of the morning sunlight through your windows, and if you work from home make sure your desk is close enough to a window so you can take a moment or two during the day to enjoy the view and also take in some sun.

### Shut out the noise

Sounds have the ability to evoke memories and cause distractions, but they are also a way we communicate and can aid productivity and happiness. Silence is not always calming: for many it can increase that feeling of isolation and, as such, result in a decline in mental well-being. Therefore, it is all about balance, cutting out the noise that provides negative emotions and adding positive sounds or music to improve our mood. Maybe it is putting on your favourite hits and dancing in the kitchen, and why not, when you listen to your favourite songs your brain releases dopamine, which improves your mood and, consequently, reduces stress and anxiety.

### It's all about the senses

We know that our homes may bring us stress over the coming months due to the pressures caused by the cost-of-living crisis, which is why it is essential to focus on what changes you can make to ensure that your home has a positive impact on your well-being. Whether that is by having a really good sort out (and what an ideal time with Christmas around the corner), by bringing the outdoors in through colour and plants, by letting in light, by considering where furniture is placed and making the most of your home's natural sunlight, and by shutting out negative noises and bringing in music that makes you happy and relaxed.

If you are wanting a clear picture of what is in store for the property market over the coming months, give your local estate agent team a call today.



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