



# Residential Market Review

MAY 2022



# Key Statistics



Average UK property price  
£276,755



Annual UK property prices  
increased 10.9%



Annual property price in Wales  
increased 14.2%



Asking prices hit another record  
high of £360,101



53% of properties selling at or over  
asking price



Sales agreed 17% higher than Q1  
2019

# Residential Market Overview



For the third consecutive month, properties prices have reached a new record high. Month-on-month prices have increased by an average of £5,537 and over the last three months they have increased by £19,082. Comparatively, according to research by TwentyCi, the whole of England and Wales (asides from Inner London), at a regional level, has just under two months' worth of property stock to sell and overall, the available months of stock are down by almost half of historical norms.

Lack of property stock remains a key issue for the UK market and a prominent factor in pushing prices higher, despite inflation, fuel costs and the subsequent impact of household incomes. It is likely that without an increase in properties being sold, the property market could see a significant slowdown this year.

## Average price by property type

UK Region	YOY Change
Northern Ireland	£438,523
North East	£265,915
South West	£222,930
West Midlands	£228,003
Scotlands	£276,755
Outer London	£276,755
East of England	£276,755
Wales	£276,755
North West	£276,755
East Midlands	£276,755
Inner London	£276,755
Yorkshire and The Humber	£276,755

## The lack of property stock

Property	February 2022	February 2021	Difference
Detached	£438,523	£383,236	14.4%
Semi-detached	£265,915	£238,733	11.4%
Terraced	£222,930	£204,543	9.0%
Flat or maisonette	£228,003	£210,953	8.1%
All	£276,755	£249,586	10.9%

# Transcations

Month and year	Non-seasonally adjusted	Seasonally adjusted
March 2013	79,000	81,290
March 2014	91,570	102,410
March 2015	91,490	98,740
March 2016	171,370	175,530
March 2017	105,640	104,120
March 2018	95,870	93,660
March 2019	95,660	98,500
March 2020	86,920	92,060
March 2021	174,080	178,320
March 2022 (Provisional estimates)	110,990	114,650



# Regional Overview



## 1. England

Price: £295,888  
Monthly Change: 0.9%  
Annual Change: 10.7%

## 2. Northern Ireland (Quarter 4-2021)

Price: £159,151  
Monthly Change: 0.1%  
Annual Change: 7.9%

## 3. Scotland

Price: £180,822  
Monthly Change: -1.7%  
Annual Change: 11.7%

## 4. Wales

Price: £205,114  
Monthly Change: -0.7%  
Annual Change: 14.2%

## 5. East Midlands

Price: £235,993  
Monthly Change: -0.4%  
Annual Change: 10.9%

## 6. East of England

Price: £345,652  
Monthly Change: 1.3%  
Annual Change: 12.5%

## 7. London

Price: £529,882  
Monthly Change: 2.2%  
Annual Change: 8.1%

## 8. North East

Price: £152,551  
Monthly Change: 1.2%  
Annual Change: 9.4%

## 9. North West

Price: £203,538  
Monthly Change: 1.6%  
Annual Change: 10.2%

## 10. South East

Price: £380,528  
Monthly Change: -0.3%  
Annual Change: 12.0%

## 11. South West

Price: £312,697  
Monthly Change: 1.2%  
Annual Change: 12.5%

## 12. West Midlands Region

Price: £237,757  
Monthly Change: 0.3%  
Annual Change: 10.0%

## 13. Yorkshire and The Humber

Price: £198,599  
Monthly Change: 1.2%  
Annual Change: 9.5%

# The property market and what to do if you're a homeowner looking to move



House prices have risen every month for the past 9 months, with annual growth of over 10% and average prices at an all-time high as demand has continued to surge in the face of a lack of properties available for sale. The property market has essentially become detached from economic reality. But things are starting to change. And it's a good thing.

**This current trajectory of price growth hasn't been since the pre 2007 global financial crisis, so a gradual levelling out is exactly what the market needs.**

With the back drop of unprecedented political, social and economic crises it has been quite incredible that the property market has sustained such strong levels of performance for so long. And this wasn't just a UK trend, it's been global. The pandemic delivered some unforeseen demand drivers such as a requirement for more space, more time in our homes and greater savings due to a lack of things to actually spend money on (ie holidays / travel / restaurants). This, together with economic stimulus and industry tax breaks has propelled the property market forward to the levels we now see today. But, the pressure of the wider economic and political landscape is starting to have an impact. And as long as that impact is felt gradually and moderately, it is very welcome.

**So what's actually happening, and what might happen?**

Price increases are not exclusive to the property market. Inflation hit a 30 year high of 7% in March, potentially going to 8% in April, with the costs in food and energy soaring. Inflation was already a problem post-pandemic and this has been exacerbated by the War in Ukraine. There is a clear cost of living crisis for everyone to see and there is simply no way that basic wages can keep up in 'real terms'. This economic shift has led to a drop in consumer confidence; people will have less money to spend and will also be more inclined to sit on their savings even as they see the value of their saving reduce. These behaviour changes will likely mean a fall in demand and / or aspiration to move home. Furthermore, higher inflation is generally brought under control using higher interest rates, meaning mortgage payments will be higher. Now,

the Government is reluctant to act too swiftly here as they will be concerned about slowing economic growth and with interest rates at already relative historic lows the real affect on the housing market and mortgage affordability will likely be minimal to moderate.

The lack of available properties for sale, fuelled by the reluctance of home owners to put their property on the market until they have found what they want to buy has also been a key factor in driving up house prices as many buyers compete for fewer properties. However, this trend is starting to shift downward with properties staying on the market for longer and less active buyers per property for sale. This trend will hopefully boost available properties available at any one time which will further ease the pressure on house prices.

**So, what to do if you're a homeowner wanting to move?**

Be realistic and vigilant. It is proven that overvalued homes take longer to sell, and in fact sell for less money than if it was priced correctly in the first place because once a property has been on the market for more than 4-6 weeks it becomes stale and buyers conclude that there must be an issue with it. The approach of overvaluing may have had some short term success in the last 12 months when the market was booming and buyer competition was red hot, but in today's climate you want to ensure your home is listed at fair market level or even strategically just below to generate as much interest as possible from a smaller buyer pool which now has more choice in the market place.

You also want to ensure your Agent is properly incentivised to get the best price possible, in the quickest time possible. Any property sale commission structure where the Agent is paid more for achieving you a higher price ensures that both you and the agent have perfectly aligned goals. For example, a structure whereby an Agent gets paid say 1% for achieving a sale price of £300,000 but gets paid 1.5% for achieving a sales price of £315,000 ensures your goals and objectives are fully aligned. Also bare in mind that a low fee agent has very little incentive to get your property sold quickly and the service standards through the journey are likely to be poor, leading to unnecessary stress.

You may also want to ensure that the individual agent actually selling your home is properly incentivised to do so and in the quickest time possible. For example, knowing that the individual agent receives a high % of the commission that's paid to the Agency means that both the Agency and the Agent will be fully aligned to achieving your objectives as a seller.

Act quickly. Time kills deals and unfortunately we are in a property market where it can take months and months to actually complete on a sale or purchase. The first thing you need to is ready your property for sale, and be prepared to go to market even if you haven't found what you're looking for. Having a confirmed sale puts you in the strongest possible position as a buyer, as the seller knows you're proceedable. And even if you haven't found what you're looking for – you can just fall into an open chain whilst you continue to search. The sheer act of homeowners not putting their home on the market until they find what they want is what has led to there being such a shortage in homes for sale – it's a self-fulfilling prophecy.

Don't wait for a drop in prices, it may never come. And if you're a homeowner it will affect the value of your home just as much as it will affect value of the property you're buying so your net gain is likely to be zero. Predicting perfect times to buy and sell is near impossible, and what is more important than saving a few quid is that you find the home you love.

We also need to accept that the market is the market. No one can fully control and predict it but our actions need to somewhat reflect what's happening around us. With the current market outlook and with what is happening on a macro level we are likely to see a rebalancing of the market in 2022-2023 which should mean a moderate downward trend in house prices, reflected by a moderate downward trend in buyer demand. And given where we've been for the last 12 months; growing at unsustainable levels – this is not a bad thing.

If you'd like to find out more about the state of the property and advice on selling your home, [contact our friendly team today.](#)







**Which DIY upgrades will  
add value to your home?**



**Spring is upon us. It's also the season of bank holiday weekends, which for many of us means a chance to do some DIY and upgrade our home. You want to ensure any changes you make create a better environment for your family but also add value to your home should you decide to sell in the future.**

DIY can be a blessing and also a curse: it has the ability to enhance our homes but also destroy them. According to independent inspection body RISA, homeowners have spent over £6 billion trying to resolve DIY disasters. At a time where every penny counts, you won't want a DIY SOS rather than an upgrade that will add value to your home.

### **Know your limitations**

Before you pick up a hammer, knock down a wall or rip out the bathroom, be honest with yourself; we know that DIY can save you money and we relish the challenge and sense of achievement when the task is completed and looks fantastic. But what happens if you are out of your depth, and the small job uncovers another issue? Know when to get a professional in, as bad DIY can quickly knock thousands off the value of your home.

### **Start with first impressions**

There will always be that house on a street that stands out from the rest: the home whose exterior shines, it may be minimalist chic, beautifully adorned with hanging baskets, or just give off that warm welcome that shows the home is loved. First impressions really do count and set the tone for the rest of your home; therefore, when it comes to where to start your DIY jobs, start from the very beginning with kerb appeal.

Your front door is the focal point of your home's kerb appeal, a quick wash or a fresh coat of paint can really make a huge difference. Jet wash any paving. A healthy lawn and tubs and beds full of colour and life with seasonal planting will show that this home is loved and cared for. Potentially, having an attractive kerb appeal could add 2% -3% onto the value of your home.

### **Don't forget the small stuff**

It is easy to pay attention to the big jobs you wish to undertake and neglect those little jobs for another day. But it can often be the little things that ring the biggest alarm bells for potential buyers: dirty walls, mouldy sealant, broken lightbulbs all say that this home is not cared for and buyers will wonder what bigger issues lie beneath the surface.

### **Bathrooms**

At some point you may wish to upgrade your bathroom, especially if it is starting to look tired, as this is a space in our homes where we can relax. The bath vs shower debate is one only you can decide, but bear in mind that, should you decide to sell in the future, not having a bath could turn some buyers off your home. Whatever you decide, it is essential to get it right and keep to your budget. You may wish to seek professional advice, or even ask them to undertake some of the work. As they say, kitchens and bathrooms sell houses, but most importantly create a bathroom that you will love to spend time in.

### **Your outdoor space**

Your garden or terrace is an extension of your home; it is another 'room' in your property that, as the warmer weather starts to appear, you will want to spend a lot of time in. During lockdown we know that gardens were a DIY favourite, and the passion for having a garden that works for your family has not diminished. Every member of your family can potentially have a hand in upgrading your outside space, whether it is choosing the plants and shrubs or doing some heavy lifting as required. Our tip would be to make sure that your different zones flow into each other and that your choice of materials creates a cohesive style that defines and elevates your garden into a stylish haven you all can enjoy.

## Upgrades on a budget

There are many jobs you can do that will potentially help the value of your property but will also not require a large investment like a new kitchen or extension would. From decluttering to decorating, organising and freshening your home's décor can make a huge difference to how you enjoy your space as a family but also can increase your home's attraction to potential buyers. There are plenty of 'organising' shows on TV to give you some inspiration, from Netflix's *The Home Edit* to Stacey Solomon's *Sort Your Life Out*, with some simple changes your home can be transformed.

## A word of caution

We would be remiss if we didn't advise you that not all renovations and home upgrades will add value to your home, therefore, if you are thinking of undertaking a big project, please talk to your local estate agent to ensure that the works you do will add value and not exceed the ceiling price for a property in the area.

If you would like any advice on simple or big DIY upgrades that will add value to your home, please [call our team](#) today!





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