

RESIDENTIAL MARKET REPORT

OCTOBER 2021





KEY STATISTICS

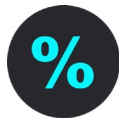
UNITED KINGDOM



Average UK property price
£338,462



Average UK property price decreased
0.1% from Aug - Sept



UK residential transactions
32% higher than July 2020



Buyer demand
35% higher than past 5 years



Average time on market
less than 30 days



Homes for sale
28% lower 2020



RESIDENTIAL MARKET OVERVIEW

The housing market is moving at its fastest pace for 5 years. With the time between listing a property and selling averaging less than 30 days: a consistent average each month since May. A surprising figure, when considering the average listed to sale agreed process at this time of year has historically taken 40 days.

Demand also continues to outpace supply, with buyer demand per property for sale double that of pre-pandemic levels. With the search for space still fuelling the decision to buy, demand is 35% higher than past 5-year average, while properties for sale are still 28% lower compared to the average for 2020.

Last year, we saw house prices increasing by £30 per day, an impressive figure that has now increased to £44 per day in the last 6 months along, despite initial predictions that there would be a drop in property prices. This steady increase suggests that although price increases are slowing, as long as we still see demand outstrip supply, we can expect property prices to remain high despite stabilisation.

Rise of the power buyer

As we remain in a sellers' market, we are beginning to see a power increase to buyers that are more 'prepared' to engage with a property sale. Buyers who have already sold their home or have cash in the bank are benefitting from being the preferred purchaser for sellers. This increase in buyer attributes can be linked to the influx of affluent buyers as we have seen a greater use of equity, with the average LTV falling 69%, down 73% from last June. First time buyers with a mortgage agreed are also finding themselves in a more powerful position and with 8% of homes currently listed being previously rented by landlords, there is an uplift in choice for them, as we typically see first time buyers and landlords purchasing the same types of homes.





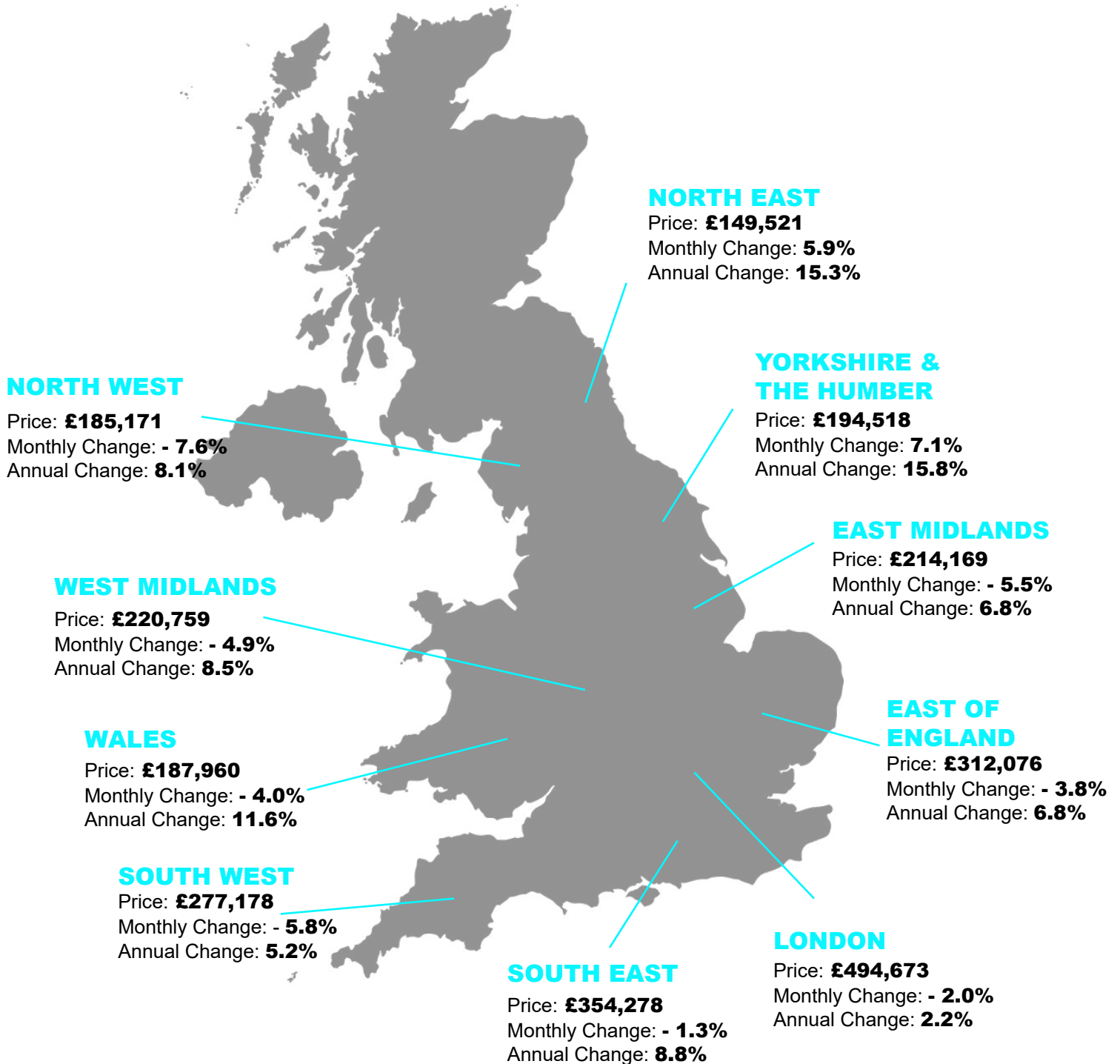
TRANSACTIONS

Key statistics:

Month and year	Non-seasonally adjusted	Seasonally adjusted
August 2012	90,440	76,350
August 2013	105,630	91,180
August 2014	114,720	101,950
August 2015	109,480	103,950
August 2016	108,110	97,170
August 2017	112,820	102,010
August 2018	117,600	99,950
August 2019	111,600	97,060
August 2020	85,040	81,340
August 2021 (Provisional)	106,150	98,300



REGIONAL OVERVIEW





HOUSE PRICES ARE ON THE UP

With Rightmove announcing a national drop of 0.3% in average asking prices in August, some are asking if the steam has been let out of the property market. Yet with the gains we have seen in the last 12 months, is this just a minor bump in the road? Alarm bells normally ring when new homeowners coming to the market for the first time are having to lower their initial asking price when compared to the market as a whole.

So, what is actually happening in the national and local property market to asking prices and the number of properties for sale, and where does that leave homeowners and landlords?

1 in 7.4 homes already on the market today have reduced their asking price in the last two weeks.

That means new sellers bringing their property to the market for the first time, are having to curtail their initial asking price to remain competitive. Normally, this should ring alarm bells, particularly when this is the first time this has happened in 2021. Therefore, it's vital to 'look under the bonnet' of the figures and see what, exactly, is happening locally.

There are currently just 285,970 properties for sale in the UK, which means 1 in 67 British homeowners are presently on the market – interesting when compared to 2005, it was 1 in 13.5 homeowners on the market.

With such little supply of properties for sale nationally, demand remains robust. Yet the property buyers in the market are being a little more reserved with the offers they are making compared to the Stamp Duty holiday frenzy times seen earlier in the year. They will pay handsomely, and yet top dollar won't offer the 'crazy price' levels some buyers were offering in the spring – hence the recent reduction in asking prices to a more realistic level.

A modern dining room with a white round table and four white chairs with wooden legs. In the background, there is a black metal shelving unit with glass doors, containing books, a black bird figurine, and a potted plant. The room has a white ceiling with recessed lighting and a wooden floor.

NEXA

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