

RESIDENTIAL

MARKET REPORT

SEPTEMBER 2021





KEY STATISTICS

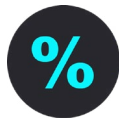
UNITED KINGDOM



Average UK property price
£284,000



Average UK property price increased
13.2% from May – June



UK residential transactions
4.2% higher than July 2020



Demand for homes up
21% YTD v 2020



Supply constraints prominent in
properties up to £350,000



New Homes
completion down 11%



RESIDENTIAL MARKET OVERVIEW

As typically seen over the summer holidays, there was a decrease in activity with a particular change to the demand in properties at the higher end of the market as buyers are no longer making significant stamp duty savings. Similarly, the total stock of homes for sale is down 26% compared to 2020 and the market is moving twice as quickly as 2016 with properties taking a mere 26 days to sell on average.

It is predicted that Autumn will bring a bounce in seller activity and prices, which indicates homeowners looking to sell should act quickly to utilise the fast market and be in their new homes in time for Christmas. Research by Rightmove has outlined a 'sell before you buy' tactic is the most successful in the current market, giving sellers even more power.

Price growth capacity in 2022

After property prices have excelled in 2020 and 2021 and interest rates start to increase earlier than previously anticipated, it is expected that there will be little room for further price increases after 2021 as affordability remains at the centre of concern.

Despite this and other initial concerns surrounding the speed of the market change, it is predicted that it will 'reduce' at a sensible rate rather than experiencing dramatic corrections in the short term. The pace of economic recovery means unemployment levels have been contained and interest rates are expected to be gradual. Similarly, the change in buyer profile to those who are typically more equity-rich as opposed to first-time buyers means less reliance on mortgage debt and average loan-to-income ratios have not moved dramatically.

Confidence in the London market

After seeing soaring demand for country living during the pandemic and affordability pressures, the London market is performing better with a growth of 4.8% in the first half of 2021 and predictions to finish the year up on previous years. Notably, property type in London has been specifically impacted by new market behaviours with the bulk of growth being driven by family homes as opposed to urban flats.





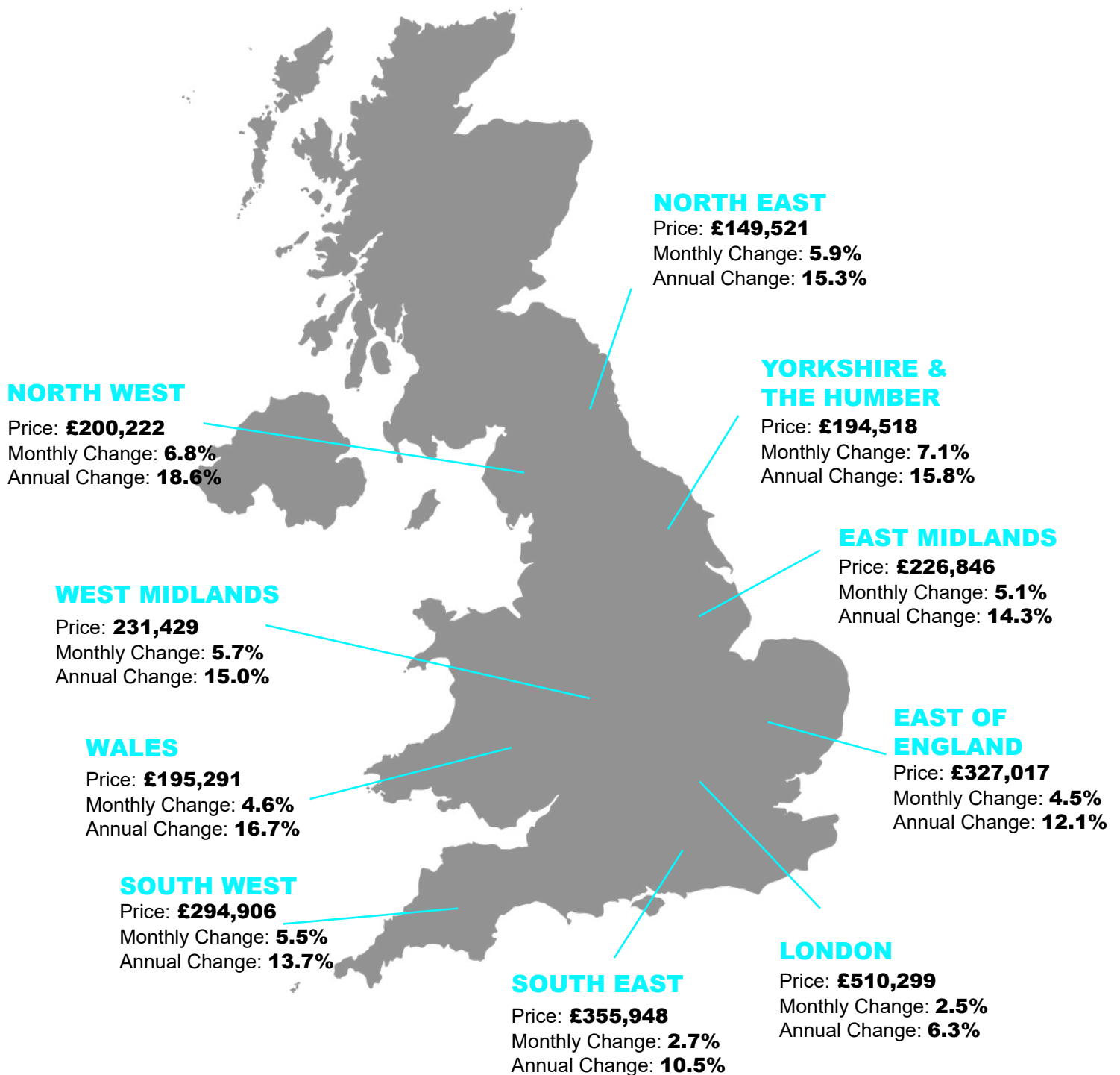
TRANSACTIONS

Key statistics:

- o **82,110** transactions in July 2021
- o Forestalling in June 2021 impacted initial figures

Month and year	Non-seasonally adjusted	Seasonally adjusted
July 2012	81,880	76,030
July 2013	98,710	89,810
July 2014	110,280	101,200
July 2015	120,610	104,260
July 2016	106,040	96,730
July 2017	105,610	103,220
July 2018	103,690	98,400
July 2019	104,780	97,290
July 2020	80,650	70,790
July 2021 (Provisional)	82,110	73,740

REGIONAL OVERVIEW





HOW TO SURVIVE HOMEBUYERS REMORSE

Defined by psychologists as a type of cognitive dissonance and a battle of consumption, buyers' remorse is ever increasing in the current sellers' market. With some properties going from listed to under offer in a matter of hours, the heightened activity has seen buyers battling for homes and in some cases making rushed decisions just so they can purchase somewhere to call home.

The limited experience many have in buying and selling a property is undoubtedly causing a level of anxiety about making such a huge life and economic decision. When you are thinking of buying something, there will be a war of opposing forces battling inside your head. The avoidance system will tell you to avoid taking risks, whereas the approach system is pushing you to do whatever makes you happy. When you have made your decision, you will go through a period of mental discomfort caused by these two conflicting sides.

- I wonder if I really wanted this house?
- I wonder whether I should have bought this house at all?
- I wonder if I have made the right choice?
- I wonder if I rushed into making a decision?

Your discomfort is going to be more severe buying a house than a phone, due to the size of the financial investment. As humans, we tend to rationalise the purchases we have made, telling ourselves it was the right financial decision, the house is in the ideal location. When we struggle to find a post-purchase rationalisation, we develop remorse. At NEXA, we understand how soul-destroying these negative feelings can be, but we hope by looking at common issues in a different light, you will start to see you made the right decision after all.



NEXA

**LIKE AN ESTATE AGENT.
ONLY MUCH BETTER.**

