



TWENTYCI PROPERTY & HOMEMOVER REPORT

Q2 – 2022

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INTRODUCTION

Welcome to the latest edition of the TwentyCi Property & Homemover Report, providing a comprehensive review of the UK residential property market, created from the most robust property change sources available.

This publication provides a comparison between Q2 2022 and Q2 2019, which is considered the most valid indicator of the property market after the abnormal level of activity and transactions that occurred as consequence of the pandemic.

ABOUT THE REPORT

Our report provides a real-time review of the UK residential market, covering 99.6% of all sale and rental property moves. This state of the nation report provides unique insight including:

- **Factual data (not modelled or sentiment-based)**
- **Full market coverage**
- **Property sales data**
- **Property rental data**
- **Real-time data**

“The real-time data and analysis provided by TwentyCi has provided invaluable insight into the performance of different sectors of the UK housing market in a fast-changing market. It has allowed us to stay on top of market trends, at a time when other sources of data have been lagging what has been happening on the ground”.

Lucian Cook
Director, Residential Research Savills

EXECUTIVE SUMMARY

- **Sales Agreed**

Q2 saw 358k sales agreed which is nearly 10% greater than the same period in 2019. With this level of sustained activity, volumes remain on track for 1.2 million transactions in 2022.

- **Average Asking Price**

The average property asking price has increased by nearly 20% since 2019.

- **The Lack of Residential Property Stock**

Property stock levels are slowly rising but

the available months of stock are still down by almost half on historical norms.

- **Hybrid/Online Agents**

Market share now stands at 7.4% with polarisation maintained to the lower value properties.

- **Mitigating the Retail Recession**

The inevitability of a retail recession is palpable with a slew of negative trading updates. However, with over 1.4 million households having moved in the last

12-months and a further 1.2 million forecast to move in the next 12-months, homemovers offer a significant lifeline of expenditure as new owners transform their home. Brands should consider adjusting their marketing to have a greater focus on the value of this consumer group.

Colin Bradshaw TwentyCi's Managing Director, adds: "Our previous observation that the owner-occupied sector appears to be detached from the woes that are befalling the wider economy continues to hold true. Transactional levels remain greater than 2019 and we are yet to see a sharp re-calibration of the residential property market in either price or volume".

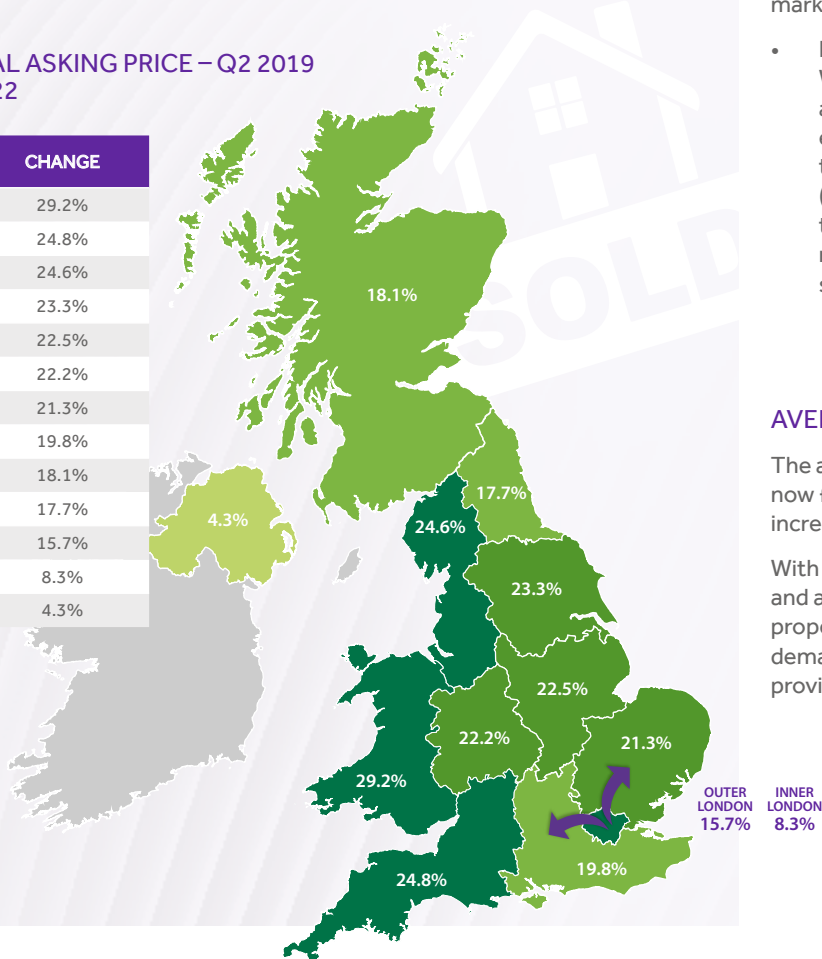
"The supply side issue of the right stock at the right price persists and buyers and sellers are desperate to keep chains intact or indeed willing to break chains to keep their buyer or seller happy. How much longer can it last? Perhaps this is now the new normal?"

THE OWNER OCCUPIED PROPERTY MARKET

	Q2 2022	Q2 2019	CHANGE
New Instruction	428,935	455,593	-5.9% ↓
Sale Agreed	358,149	324,847	10.3% ↑
Exchanged	244,611	215,007	13.8% ↑
Fallen Through	78,042	71,155	9.7% ↑
Price Changed	140,715	256,168	-45.1% ↓
Withdrawn	123,531	190,735	-35.2% ↓

CHANGES IN REGIONAL ASKING PRICE – Q2 2019 COMPARED TO Q2 2022

UK REGION	CHANGE
Wales	29.2%
South West	24.8%
North West	24.6%
Yorkshire and The Humber	23.3%
East Midlands	22.5%
West Midlands	22.2%
East of England	21.3%
South East	19.8%
Scotland	18.1%
North East	17.7%
Outer London	15.7%
Inner London	8.3%
Northern Ireland	4.3%



THE KEY INDICATORS

Our report provides a comparison with 2019 which we consider to be the last “normal” performance of the residential property market. The rollercoaster of the pandemic and the fiscal policy changes effected through the Stamp Duty holiday make a comparison to 2020 and 2021 of little value.

The table opposite highlights the key events across a property transaction.

The key observations in comparing the current market with 2019 are as follows :

- New instructions are down by nearly 6%. We continue to attribute this to the lack of available residential stock inhibiting sellers entering in the market if they are unable to find a corresponding property purchase (please see the separate analysis later in the report). The pressure on households may also be tipping us closer to a market slowdown because of the pressures on

household finances brought about by inflation, a rise in interest rates and the significant increase in energy prices.

- Sales Agreed are up by 10% and exchanges by nearly 14% compared to 2019 highlighting the continued higher levels of transactions that have persisted post-pandemic.
- The increase in Fall Throughs is a consequence of higher transactional levels, but the more interesting observation is the significant drop in Price Changes whereby a seller’s market removes the need for discounting whilst the number of properties Withdrawn is also down as sellers can achieve a quicker sale than in prior years negating the need to remain in their existing property.

AVERAGE PRICE – NATIONAL & REGIONAL

The average asking price across the UK is now £433k compared to £360k in Q2 2019, an increase of nearly 20% in two years.

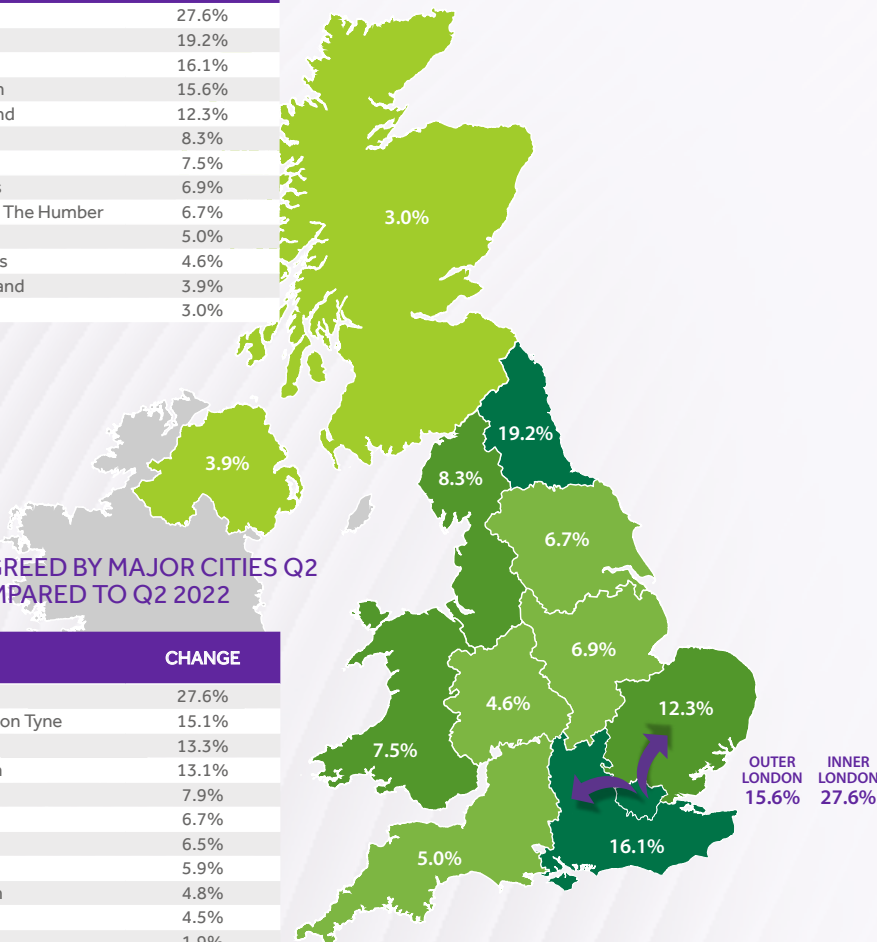
With a sustained high level of Sales Agreed and a lack of properties coming to market property prices are continuing to rise, as demand currently significantly exceeds supply, providing for a sellers’ market.

All regions of the UK have benefited from the increase in property asking prices with the lower performance of Inner & Outer London a direct consequence of the impact of the pandemic.

THE OWNER OCCUPIED PROPERTY MARKET

SALES AGREED BY REGION Q2 2019 COMPARED TO Q2 2022

UK REGION	CHANGE
Inner London	27.6%
North East	19.2%
South East	16.1%
Outer London	15.6%
East of England	12.3%
North West	8.3%
Wales	7.5%
East Midlands	6.9%
Yorkshire and The Humber	6.7%
South West	5.0%
West Midlands	4.6%
Northern Ireland	3.9%
Scotland	3.0%



SALES AGREED BY MAJOR CITIES Q2 2019 COMPARED TO Q2 2022

UK CITY	CHANGE
Inner London	27.6%
Newcastle upon Tyne	15.1%
Norwich	13.3%
Peterborough	13.1%
Sheffield	7.9%
Birmingham	6.7%
Plymouth	6.5%
Bristol	5.9%
Southampton	4.8%
Nottingham	4.5%
Manchester	1.9%
Cardiff	1.5%
Leeds	1.2%
Edinburgh	-0.3%
Glasgow	-4.0%

OUTER LONDON 15.6%
INNER LONDON 27.6%

SALES BY REGION & MAJOR CITIES

Sales Agreed across the whole of the United Kingdom for Q2 2022 are now on average 10% greater than Q2 2019 highlighting the continued, high level of transactions that continue to persist. Inner London, in particular, now shows both a significant re-bounce compared to the start of the pandemic as well as considerable growth compared to Q2 2019.

Aside from Glasgow and Edinburgh all key cities also show growth with the momentum having been shared nationally.

As a reminder the residential property market in 2018 & 2019 was overshadowed by Brexit and a hiatus on the terms associated with the UK leaving the EU. Whilst the subsequent momentum injected into the market has primarily been a consequence of the pandemic, on reflection the subdued market prior to 2020 had potentially resulted in significant pent-up demand.

THE LACK OF PROPERTY STOCK

Months of Stock Left per Region YoY



THE LACK OF RESIDENTIAL PROPERTY STOCK

The lack of residential property stock coming to the market persists, however we are starting to see a small increase in the number of properties coming to the market.

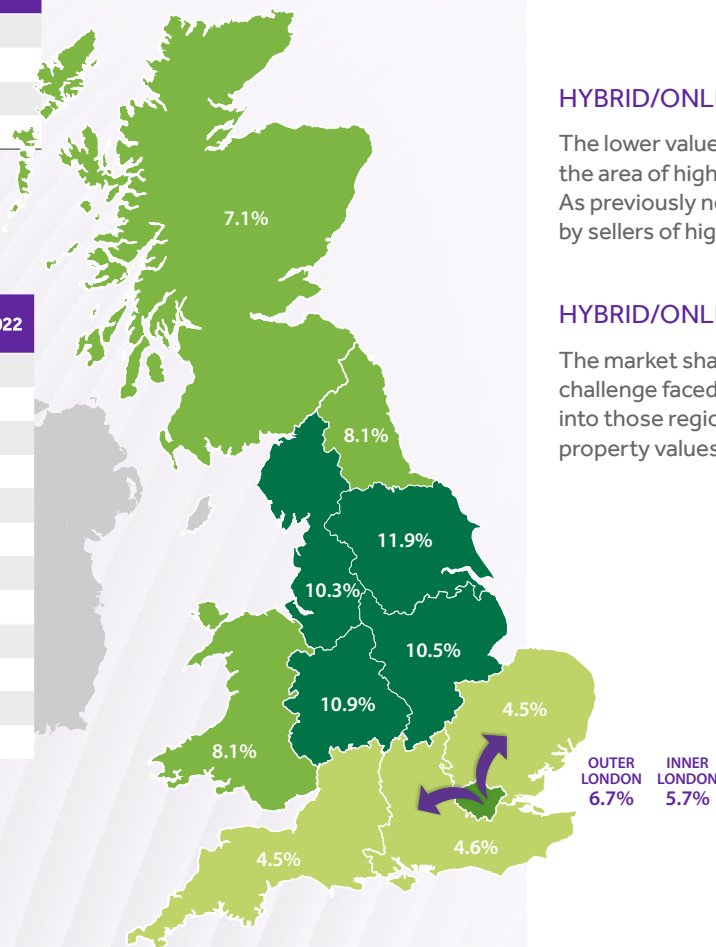
The graph left highlights the level of stock availability. Aside from Inner London, the whole of England and Wales at a regional level has around two months' worth of property stock left to sell and overall, the available months of stock are down by almost half on historical norms.

As we have previously noted without a significant and sustained uplift in the volume of New Instructions the residential property market is at risk of a slowdown in 2022.

HYBRID/ONLINE AGENTS

PROPERTY VALUE	MARKET SHARE Q2 2022
Less than £200k	9.7%
£200-£350k	7.6%
£350k-£1m	5.2%
£1m+	1.2%

UK REGION	MARKET SHARE Q2 2022
Yorkshire and The Humber	11.9%
West Midlands	10.9%
East Midlands	10.5%
North West	10.3%
North East	8.1%
Wales	8.1%
Scotland	7.1%
Outer London	6.7%
Inner London	5.7%
South East	4.6%
East of England	4.5%
South West	4.5%



MARKET SHARE – EXCHANGES

Q2 2022 has seen the market share of the Hybrid/Online agents for exchanges increase to 7.4%. This represents a small increase quarter on quarter, but still significantly down from the high of 8% in 2020.

Purplebricks, Yopa and Strike continue

to remain the dominant online brands representing over 70% of all activity.

With a sea of executive changes at Purplebricks, including the appointment of a new CEO, will 2022 bring the seismic shift in market penetration previously heralded?

HYBRID/ONLINE AGENTS – MARKET SHARE BY PRICE BAND

The lower value properties are consistently the area of highest penetration by the online's. As previously noted, the failure to be adopted by sellers of higher value properties will

inhibit the ability of these agents to establish significant market share in London and the South East, where the property value and density of housing is greatest.

HYBRID/ONLINE AGENTS – MARKET SHARE BY REGION

The market share by region confirms the challenge faced by these agents in breaking into those regions of the UK with higher property values.

THE LETTINGS PROPERTY MARKET

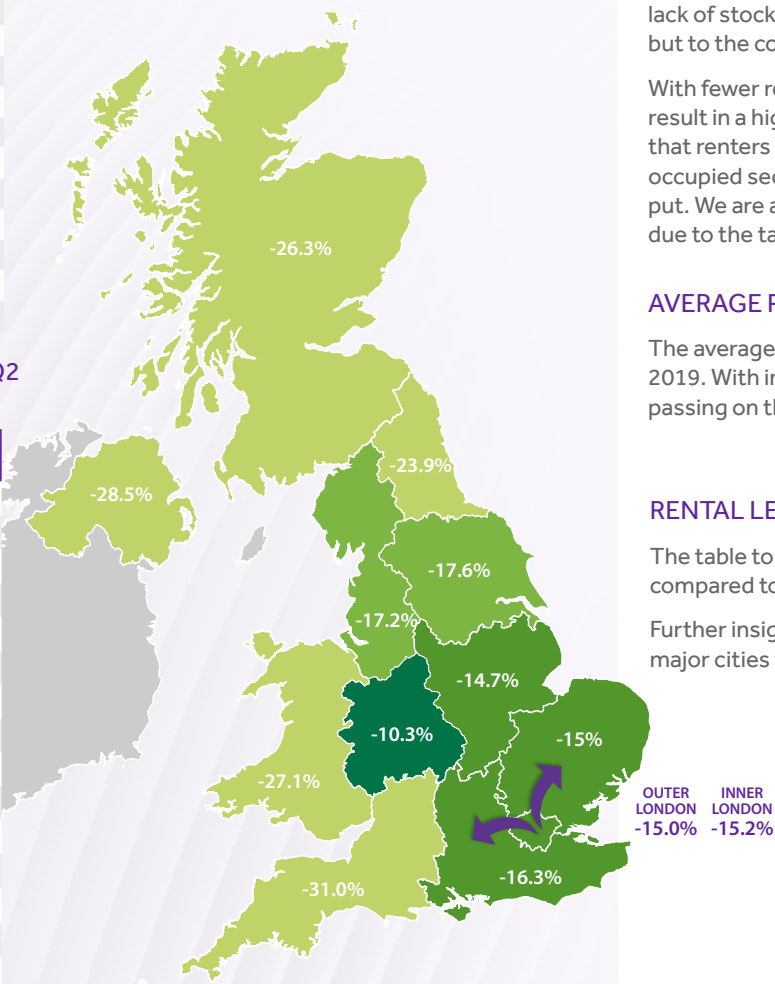
RENTAL LETS AGREED BY REGION Q2 2022 COMPARED TO Q2 2019

UK REGION	CHANGE
West Midlands	-10.3%
East Midlands	-14.7%
East of England	-15.0%
Outer London	-15.0%
Inner London	-15.2%
South East	-16.3%
North West	-17.2%
Yorkshire and The Humber	-17.6%
North East	-23.9%
Scotland	-26.3%
Wales	-27.1%
Northern Ireland	-28.5%
South West	-31.0%

	CHANGE
New Instruction	-27.1%
Let Agreed	-18.1%
Let	-12.1%

RENTAL LETS AGREED BY CITY Q2 2022 COMPARED TO Q2 2019

UK CITY	YOY CHANGE
Edinburgh	8.7%
Birmingham	-3.7%
Manchester	-8.4%
Leeds	-10.2%
Nottingham	-13.10%
Southampton	-13.3%
Inner London	-15.2%
Peterborough	-17.3%
Bristol	-17.3%
Sheffield	-17.5%
Cardiff	-19.4%
Glasgow	-20.8%
Norwich	-22.4%
Newcastle upon Tyne	-29.6%
Plymouth	-42.6%



THE KEY INDICATORS

When comparing the lettings sector in Q2 2022 with Q2 2019 the whole segment has declined significantly

- New instructions are down by over 27% compared to Q2 2019 highlighting a lack of activity determined by a lack of rental stock available
- Let Agreed - the volume of Lets agreed is down by 18%

The rental market in comparison to the owner-occupied sector remains in the doldrums. With a lack of stock in the residential owner-occupied sector one might expect a buoyant rental sector, but to the contrary this sector has not returned to pre-pandemic levels.

With fewer rental properties coming to the market, one would expect an excess in demand to result in a higher level of lets occurring, but perversely this is not the case. One might surmise that renters are staying put, with few alternative options available, the step to the owner-occupied sector extending and the pressure on household incomes encouraging people to stay put. We are also undoubtedly seeing some effect from the shrinkage in the number of Landlords due to the tax changes put in place in 2019.

AVERAGE PRICE – NATIONAL & REGIONAL

The average asking price across the UK is now £1,520 per month an increase of 10% from Q2 2019. With interest rates rising and energy costs rocketing we would expect to see Landlords passing on these increases through rent rises.

RENTAL LETS AGREED BY REGIONS & MAJOR CITIES

The table to the left starkly highlights the downbeat performance of the lettings sector when compared to Q2 2019.

Further insight is provided in the table to the left highlighting the rental performance across the major cities with only Edinburgh outperforming Q2 2019.

THE HOMEMOVER WAVE

JULY 2022

	Want to move 402,011 households		DIY Flooring Windows and doors
	Moving soon 348,840 households		Furniture Electricals Tech Home furnishings Garden
	Moving now 257,248 households	Furniture Electricals Tech Home furnishings Garden	
	Just moved 223,292 households	Furniture Electricals Tech Home furnishings	Garden Baby and nursery Toys Sport and leisure
	Settling in 225,315 households	Furniture Electricals Tech Home furnishings Garden	Baby and nursery Toys Sport and leisure Kitchens and Bathrooms

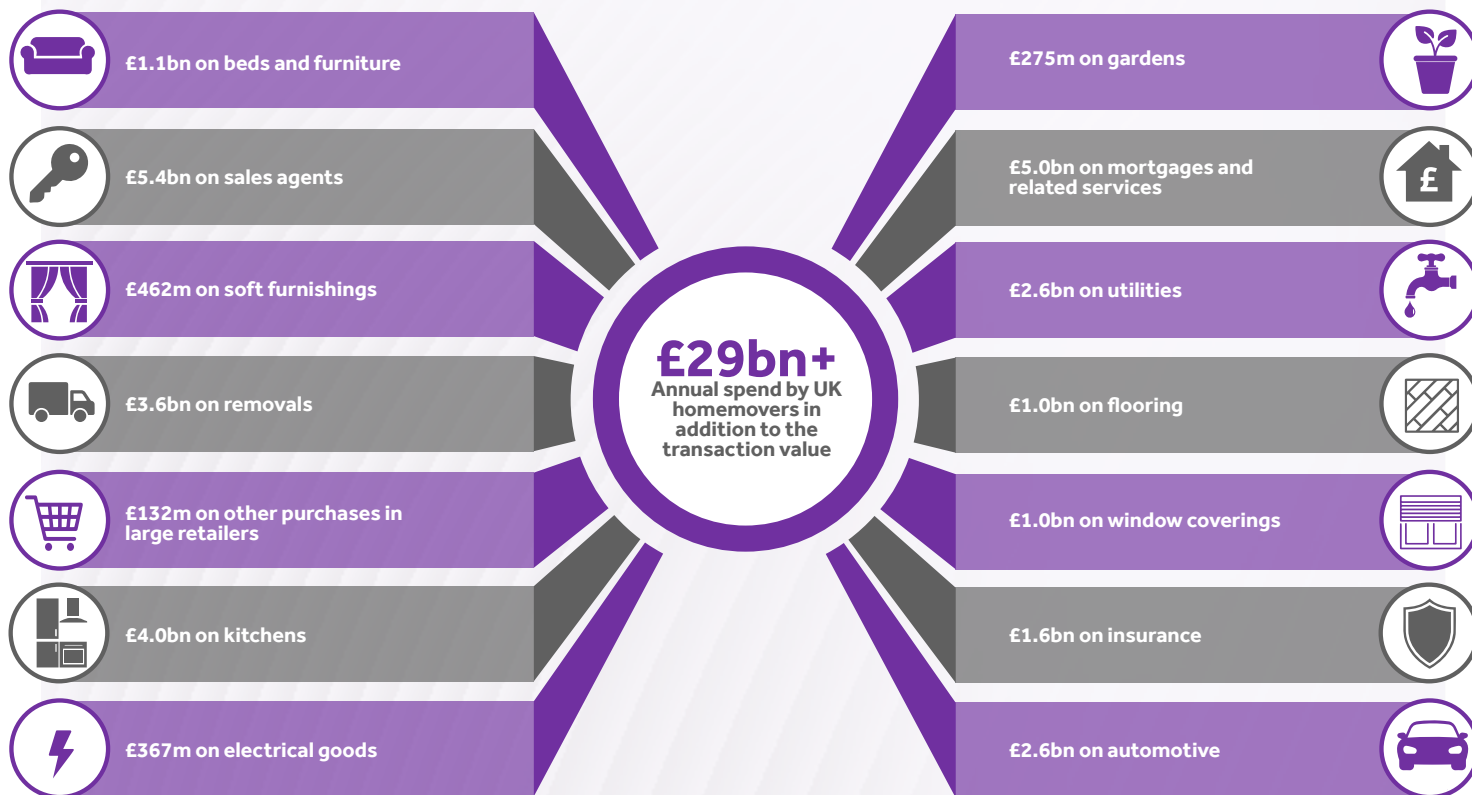
IN THE MARKET FOR

Our extensive property data tracks homemovers as they make their way through the buying and selling process. Known as the Homemover Wave, this journey can last several months and is broken down into the specific stages to the left and triggered by activity such as online property searches, surveys and EPC reports.

At the beginning of July 2022 there are nearly 1.45 million households progressing through the home move owner occupied journey, reflecting a continued buoyancy in the sector in contrast to the broader economic woes occurring.

The spending power associated with this massive volume of movers can bring huge revenue gains and strong ROI across multiple sectors and categories, particularly as our economy and retailers start to experience a slowdown in consumer expenditure.

OPINION PIECE BY NICK MCCONNELL, COMMERCIAL DIRECTOR



RECESSION PROOFING - WHY HOMEMOVERS SHOULD BE A KEY PILLAR FOR CONSUMER MARKETING

A consumer spending crisis is upon us. A combination of rampant inflation, higher fuel costs and the changes to the energy price cap is pressing hard on the finances of many households.

For many sectors, the consumer spending burst that occurred as we progressed through the pandemic has come to a shuddering halt, just as logistic and supply chain issues resolve themselves. Key retailers are already issuing updates reporting challenging trading conditions.

For businesses to successfully navigate a potential recession, adapting strategy quickly is essential. With less disposable income consumers will adopt their own personal "lockdown", only spending on the necessities.

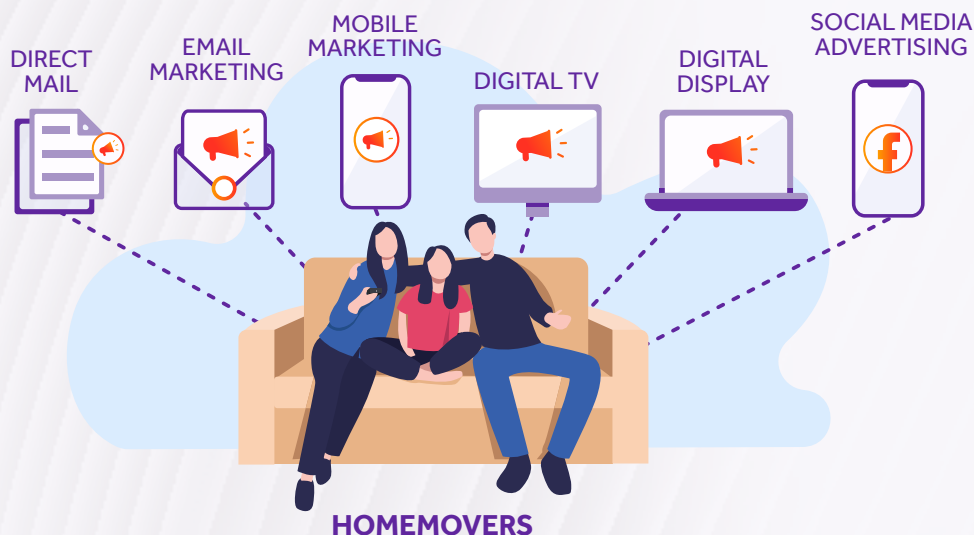
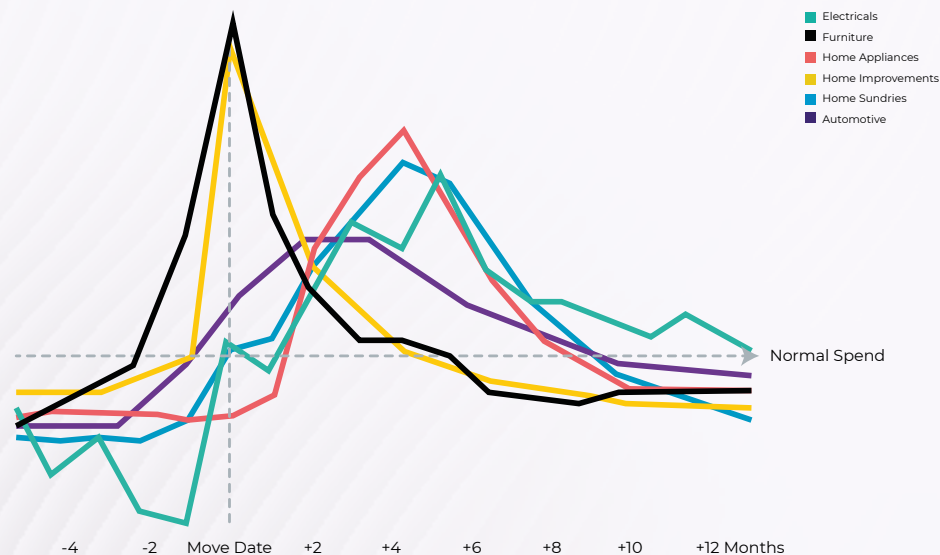
In such times, adjusting a business focus to those consumer groups with available disposable income and a need to spend should be a priority.

THE SPENDING POWER OF HOMEMOVERS

Homemovers represent a group who are compelled to spend throughout the moving journey. As the graphic to the left highlights, there is over £29 billion spent by homemovers annually outside of the property transaction.

For the majority of homemovers, deferring expenditure during a move on items such as flooring, beds, sofas or kitchens is not an option. This makes targeting homemovers an obvious business choice. Furthermore, based on our 10 years' experience of the residential property market a homemovers average order value is significantly greater than a non-homemover, with the return on investment derived from a focus on movers typically generating a return of £20 for every £1 invested.

OPINION PIECE BY NICK MCCONNELL, COMMERCIAL DIRECTOR



THE TIMING OF HOMEMOVER EXPENDITURE

The graphic to the left provides an indication of the timing of homemover expenditure across several sectors and why targeting these consumers can act as a catalyst to those businesses experiencing a consumer slowdown.

THE VOLUME OF HOMEMOVERS

Our recent blog outlined the number of properties currently in the home moving buying & selling journey – **Homemover Pulse**

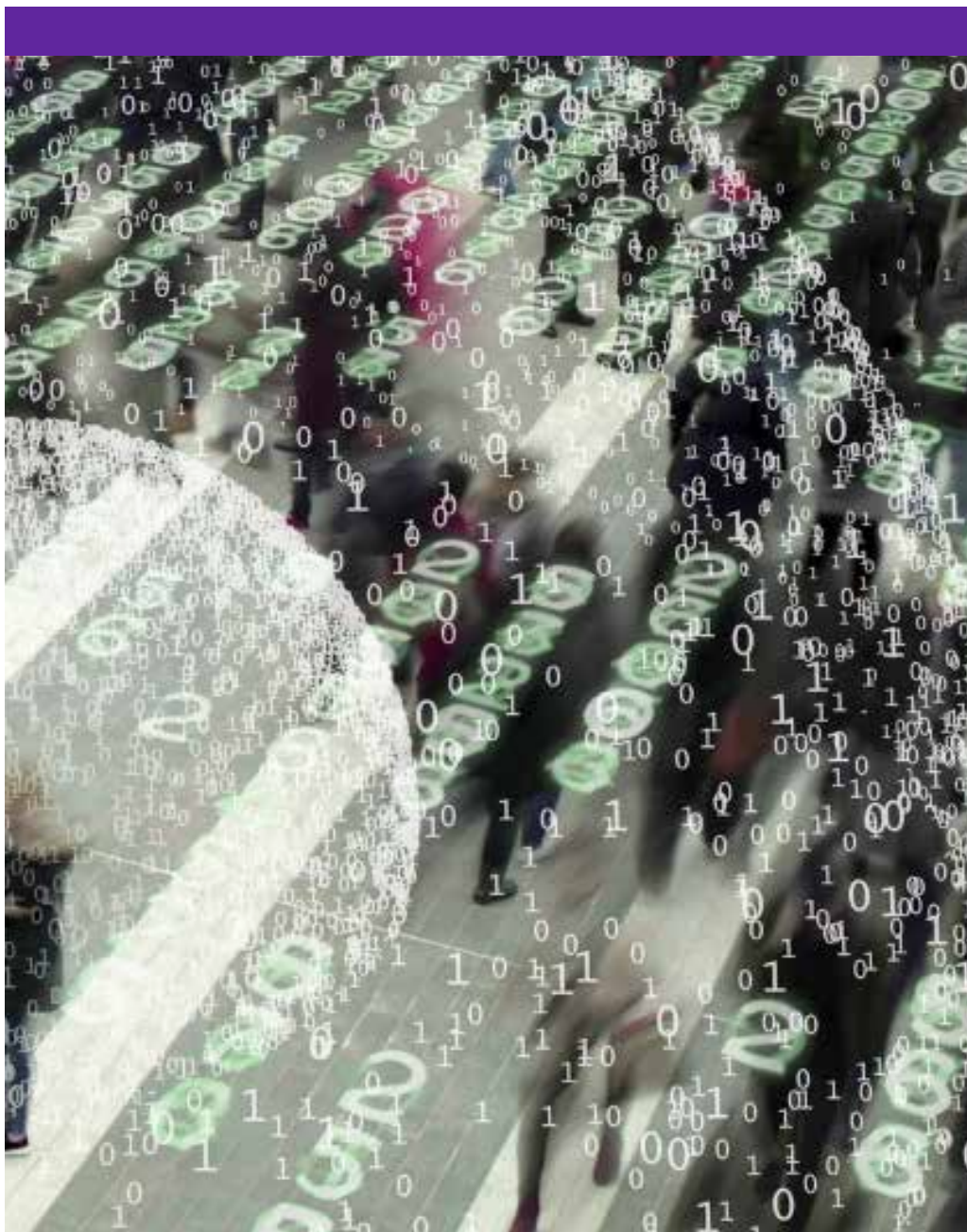
Currently, there are 197,466 residential properties available for sale and 361,605 properties with sales agreed across the country. There have also been 298,289 completions in the last three months.

HOW TO ENGAGE WITH HOMEMOVERS

We specialise in acquisition marketing and can create bespoke multi-channel marketing campaigns, including traditional and digital marketing to support businesses.

Many of our clients use our data to deploy mobile and social advertising campaigns to raise brand awareness followed by direct mail or email to drive a purchase.

If you would like to know more about our capability please **get in touch**.



CATCH-UP ON OUR LATEST HOMEMOVER INSIGHTS

In addition to our Property and Homemover Report publication, we are regularly featured in leading publications including The Times, The Sunday Times and the Financial Times as an authority on the UK residential property market.

We publish a regular range of articles and special features to our blogs which can be found on our TwentyCi and TwentyEA websites here

news.twentyci.co.uk/blog

news.twentyea.co.uk/blog

ABOUT TWENTYCI

TwentyCi is an information and marketing services company that provides UK residential property data, analytics & insight for marketing and other key strategic purposes. Our experience and client portfolio encompasses multiple sectors and categories, including property and estate agency groups, retailers, financial services, automotive and utilities.

Holding the UK's largest and richest resource of factual homemover data compiled from more than 29 billion qualified data points, TwentyCi works with advertisers and their agencies to create contextually targeted marketing programmes that cut through by reaching consumers at the exact moment that they need a company's product or service, through the best media channel for that individual.

CONTACT US

For more information, please contact Nick McConnell – nick.mcconnell@twentyci.co.uk

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