



TWENTYCI PROPERTY & HOMEMOVER REPORT

Q1 2023

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Executive Summary

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 Q1 2023 and Q1 2019 which is considered the last calendar year of normal residential property market conditions. The key headlines for Q1 2023:

Sales are down 7.5% in Q1 2023 compared to Q1 2019, but the ratio of Sales Agreed to New Instructions remains at pre-pandemic levels. Q1 2023 saw 269k residential sales and nearly 70% of all properties listed have sold so far in 2023.

The average asking price remains at £420k, 24% higher than in Q1 2019. The significant fall in asking prices anticipated by many commentators has not materialised.

The availability of Residential Property Stock has improved and is only 9% below pre-pandemic levels.

Hybrid / Online Agents have failed to capitalise on the cost-of-living challenges. The average market share overall has fallen to 6.5%, down from a high of 8.2% in 2019. They continue to congregate in lower value brackets and have yet to break significantly into the South East.

The residential rental market is under significant stress. Supply levels are at historic lows, where most regions have less than 1.5 months stock. Continuing fiscal and regulatory disincentives to private landlords mean the situation is unlikely to ease in the near to medium term.



COLIN BRADSHAW
CEO
TWENTYCI

“As the dust settles from recent shocks, the residential market is emerging in remarkably robust shape. Whilst doomsday scenarios can’t be ruled out, it seems there is room for that old phrase ‘cautious optimism’. As energy prices ease and interest rates and inflation look set to be near peaks or trending downwards, stable or upside scenarios have certainly started to look more credible”.

The Owner-Occupied Property Market

The Key Indicators

Our Q1 2023 report provides a comparison with 2019 which is widely considered to be the last period in which normal market conditions operated. The intervening period is peppered with quantum shocks including the rollercoaster of the pandemic, the fiscal policy changes effected through the Stamp Duty holiday, monetary policy pushing up interest rates to tackle inflation and the short but damaging tenure of Liz Truss as Prime Minister.

Many media commentators would have us believe the property market is in free fall. Whilst the level of transactions and price increases is not matching the volumes or inflation seen in the last 3 years, a re-calibration was always likely. In reality the property market has demonstrated a robust performance against significant and determined headwinds.

Volumes are only marginally down in Q1 2023 when compared to 2019. Significantly, nearly 70% of all properties listed have sold so far in 2023, in an environment where prices are still 24% above pre-pandemic levels. In other words, most properties are selling and at prices which have locked in gains since 2019.

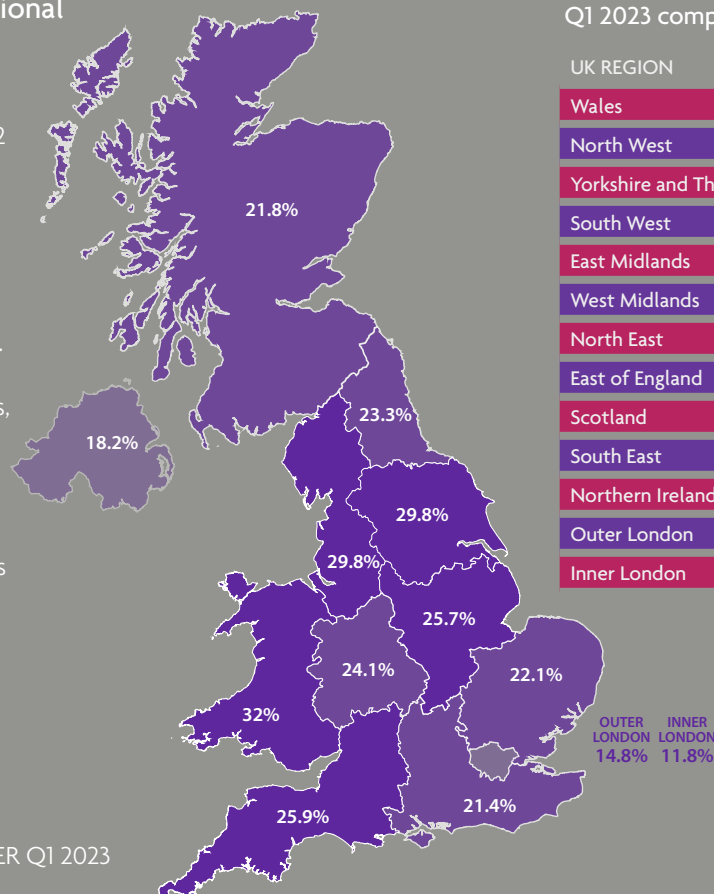
- New Instructions are down on the quarter, but this disguises a significant injection of new supply into the market in March. As energy costs ease and the potential for a sharp and protracted recession recedes, we expect consumer confidence to return and for this metric to trend higher.
- Sales Agreed and Exchanges are also lower but based on March activity we also see this as about to start an upward trend. Should inflation begin to slide, the prospect of interest rate reductions will also support market momentum.
- Fall Throughs, Price Changes and Withdrawals have all increased but remain remarkably low considering the unprecedented coincidence of economic and geo-political shocks.

| | Q1 2019 | Q1 2023 | CHANGE |
|-----------------|---------|---------|----------|
| New Instruction | 427,509 | 401,587 | -6.06% ↓ |
| Sale Agreed | 291,295 | 269,506 | -7.48% ↓ |
| Exchanged | 217,343 | 197,676 | -9.05% ↓ |
| Fallen Through | 60,265 | 63,970 | 6.15% |
| Price Changed | 215,242 | 226,056 | 5.02% |
| Withdrawn | 190,427 | 172,080 | -9.63% |

Average Price – National & Regional

The average asking price across the UK has remained stable at £420k, and although off the peaks recorded in Q2 2022, this represents an increase of 24% compared to 2019.

All regions have increased over the period but not all have benefitted equally, with gains varying between 11.8% in Inner London to 32% in Wales. The imprint of the flight to rural and remote is still visible in these numbers, where changes to working practices caused by the pandemic prompted a demand for increased home space and consequently a spike in demand for properties further away from cities and traditional commuter belts. This trend is waning, however, as will be seen in the sales volumes.



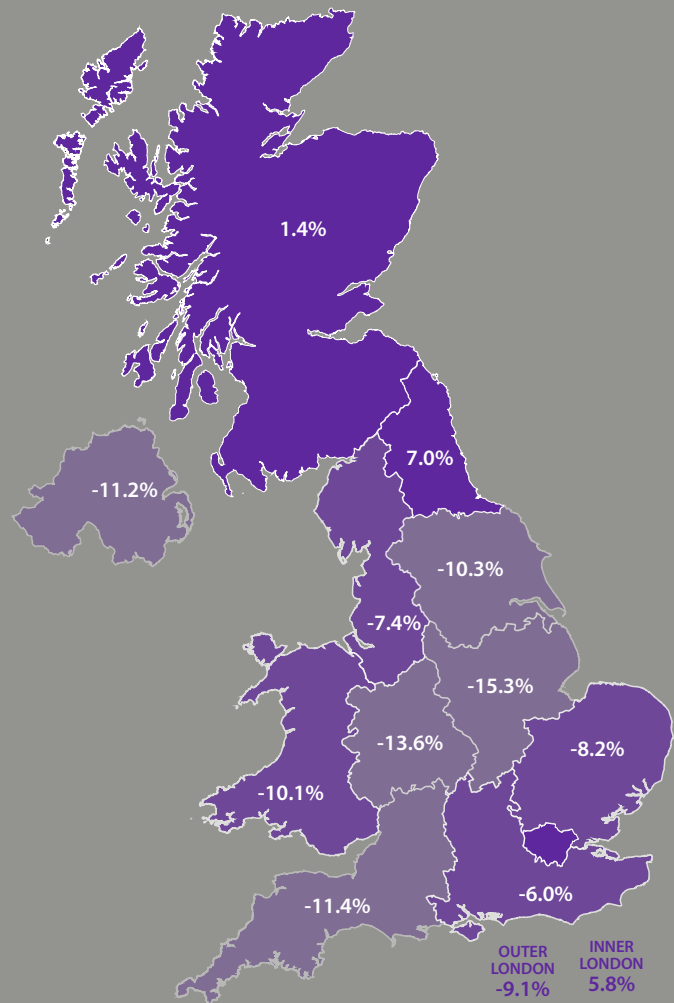
The Owner-Occupied Property Market

Sales by Region & Major Cities

Sales Agreed across the whole of the UK were on average 7.5% lower in Q1 2023, compared to Q1 2019. Our graphics highlight the broad picture across the regions and cities, with only the North East, Inner London and Scotland avoiding negative numbers.

Inner London was the region slowest to recover post-pandemic but is now proving to be the most robust, as the strong US dollar supports foreign investors seeking pricing opportunities and the trend to remote working reverses somewhat and urban centres once again become popular.

The South East is the powerhouse and bellwether of the UK property market, so the 6% fall speaks to the headwinds endured recently. That said these results are not clear evidence of a market in freefall. In reality transactions reflect the recalibration to more normal market conditions.



7.5% LOWER SALES IN Q1 2023 COMPARED TO Q1 2019

Sales Agreed by Region Q1 2023 compared to Q1 2019

| Region | CHANGE |
|--------------------------|--------|
| North East | 7.0% |
| Inner London | 5.8% |
| Scotland | 1.4% |
| South East | -6.0% |
| North West | -7.4% |
| East of England | -8.2% |
| Outer London | -9.1% |
| Wales | -10.1% |
| Yorkshire and The Humber | -10.3% |
| Northern Ireland | -11.2% |
| South West | -11.4% |
| West Midlands | -13.6% |
| East Midlands | -15.3% |

Sales Agreed by Major Cities Q1 2023 compared to Q1 2019

| City | CHANGE |
|---------------------|--------|
| Newcastle upon Tyne | 6.6% |
| Inner London | 5.8% |
| Edinburgh | 3.3% |
| Manchester | -3.8% |
| Sheffield | -5.6% |
| Bristol | -8.7% |
| Peterborough | -9.6% |
| Southampton | -10.4% |
| Cardiff | -10.8% |
| Norwich | -11.3% |
| Glasgow | -11.6% |
| Leeds | -12.4% |
| Birmingham | -12.7% |
| Plymouth | -13.3% |
| Nottingham | -17.7% |

The Availability of Residential Sale Stock

Residential sale stock close to normal levels

Despite a fall in Instructions, almost all regions in England and Wales have 3 or more months of residential stock to sell and levels are now only 9% away from historical norms. This is a significant improvement on 2021, when fiscal and monetary policy had driven excess demand and created record stock lows.

now only 9% away from historical norms

Months of Residential Sale Stock Available



Hybrid / Online Agents

Market Share – Exchanges

Cost-of-living challenges would presumably have encouraged sellers to seek lower-cost options, however our analysis shows the opposite. The market share of Hybrid / Online agents overall was 6.5% declining from 7.3% in 2022 and down from the peak of 8.2% in 2019.

Purplebricks, Yopa and Strike remain the dominant brands, together representing over 70% of this sector. We wait to see the outcome of the strategic review that Purplebricks are currently engaged in, with a change in ownership a likely outcome.

Q1 2023

| | |
|-----------------|------|
| Less than £200k | 7.2% |
| £200k - £350k | 6.3% |
| £350k - £1m | 4.5% |
| £1m + | 1.3% |

6.5% OVERALL MARKET SHARE OF HYBRID/ONLINE AGENTS IN Q1 2023

Market Share by Price Band

Online / Hybrid business continues to congregate in the lower value categories, barely touching the powerhouse of the South East. It appears that in a more difficult market for sales, sellers may prefer to tolerate higher prices in favour of higher service levels.

Market Share by region

As previously noted, the failure to be adopted by sellers of higher-value properties will inhibit these agents in establishing a significant market share in London and the South East, where the property value and density of housing are greatest. It remains to be seen what further the Onlines can do to gain market share, especially in a market in which achieving a sale may become more challenging.

Hybrid/Online Agents – Market Share by Region

Q1 2023

| | |
|--------------------------|------|
| Yorkshire and The Humber | 9.2% |
| North West | 8.4% |
| East Midlands | 8.1% |
| West Midlands | 8.1% |
| North East | 6.2% |
| Wales | 5.9% |
| Scotland | 5.6% |
| Outer London | 4.7% |
| Inner London | 4.4% |
| South West | 3.9% |
| South East | 3.6% |
| East of England | 3.2% |

The Lettings Residential Property Market

Key Indicators

The residential rental sector is undergoing significant stress.

- New Instructions are down by 24% and Lets Agreed are down by 11.5% compared to Q1 2019.
- Landlords are withdrawing from the market as the tax and regulatory environment has become less favourable.
- Lack of supply is compounded on the demand side as tenants are undoubtedly deferring decisions to buy as a result of higher house prices, inflation and interest rates.

Average Price – National & Regional

The lack of supply has inevitably translated into higher asking prices, which on average are now at £1,651 per month, an increase of almost £300 since 2019.

- Lack of rental stock has significantly impaired transactional levels across the UK.
- This trend is likely to continue as higher interest rates and inflation may be passed on by landlords in higher rents.

Rental Lets Agreed by Regions & Major Cities

Further insight is provided in the table below highlighting the rental performance across the major cities.

| | CHANGE |
|-----------------|--------|
| New Instruction | -24.3% |
| Let Agreed | -11.5% |
| Let | 0.0% |

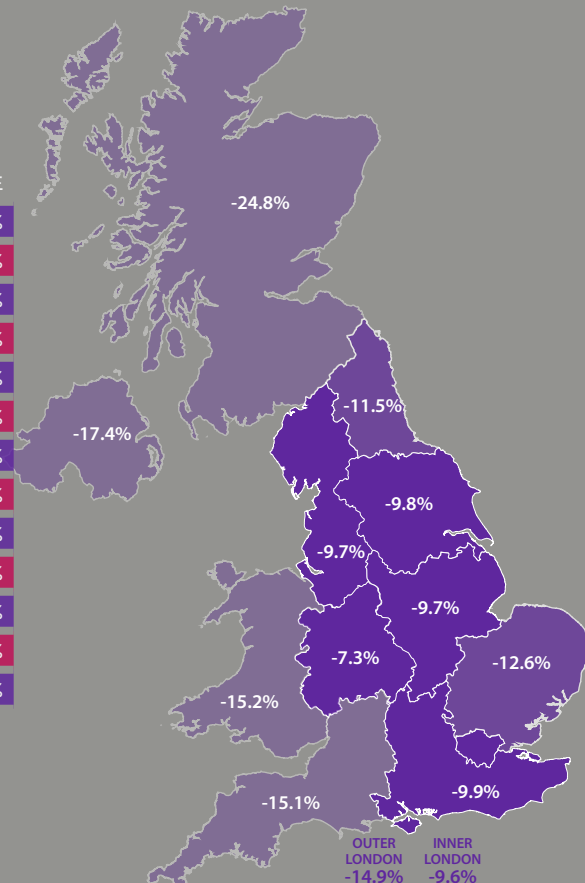
LACK OF SUPPLY HAS INEVITABLY TRANSLATED INTO HIGHER ASKING PRICES

AVERAGE MONTHLY ASKING PRICE

£1,651

Rental Lets Agreed by Regions & Major Cities Q1 2023 compared to Q1 2019

| MAJOR CITIES | CHANGE | UK REGION | CHANGE |
|---------------------|--------|--------------------------|--------|
| Edinburgh | 1.4% | West Midlands | -7.3% |
| Manchester | -0.4% | Inner London | -9.6% |
| Birmingham | -2.5% | East Midlands | -9.7% |
| Nottingham | -5.4% | North West | -9.7% |
| Leeds | -8.8% | Yorkshire and The Humber | -9.8% |
| Bristol | -8.9% | South East | -9.9% |
| Inner London | -9.6% | North East | -11.5% |
| Peterborough | -9.9% | East of England | -12.6% |
| Southampton | -10.7% | Outer London | -14.9% |
| Newcastle upon Tyne | -11.2% | South West | -15.1% |
| Cardiff | -11.4% | Wales | -15.2% |
| Sheffield | -12.0% | Northern Ireland | -17.4% |
| Norwich | -14.6% | Scotland | -24.8% |
| Glasgow | -21.4% | | |
| Plymouth | -30.4% | | |



The Availability of Residential Rental Stock

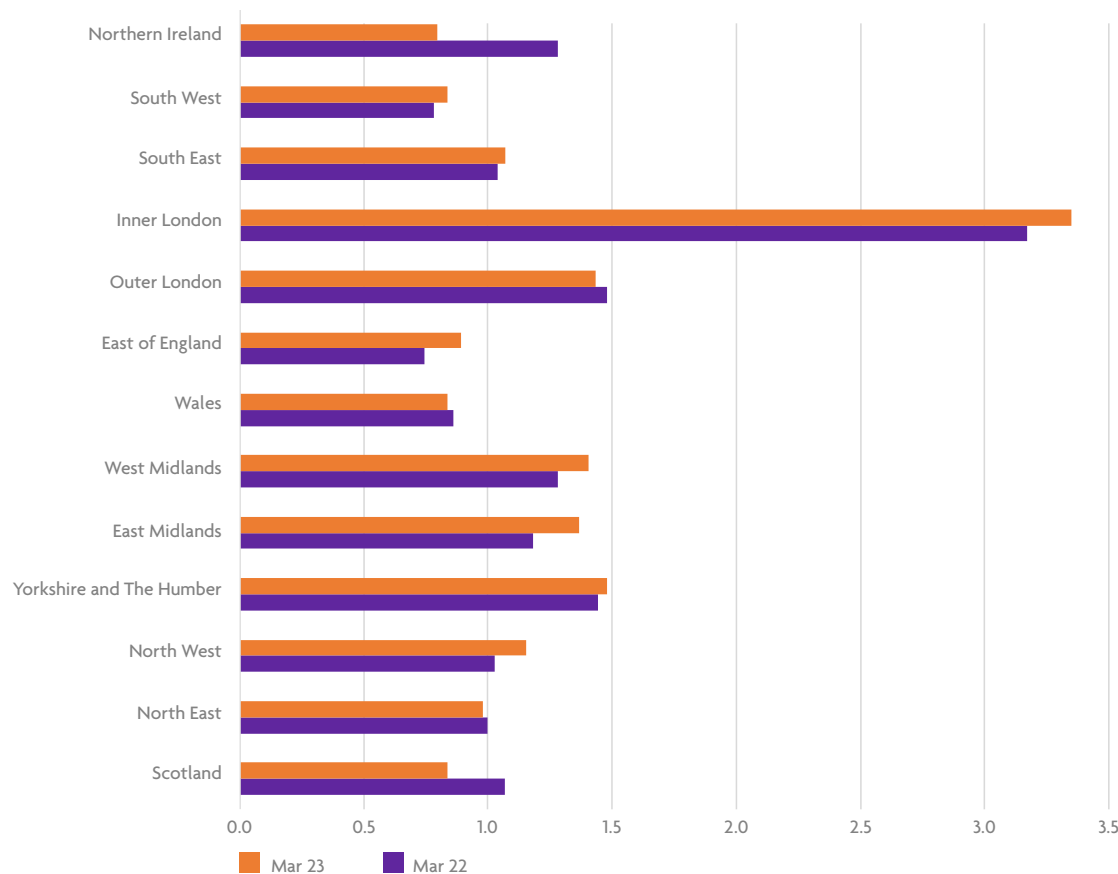
The Lack of Residential Rental Property Stock

Our graphic highlights the continued pressure on the rental sector with a distinct lack of rental properties in all regions. Aside from Inner London, all regions have 1.5 months of stock or less.

With interest rates having further scope to rise and a squeeze on the availability of mortgages (particularly buy-to-let), compounded by the fiscal and legislative changes making it less enticing to be a landlord, an improvement in supply appears unlikely in the near to medium term.

Aside from Inner London, all regions have 1.5 months of stock or less.

Months of Residential Rental Stock Available



The Homemover Wave

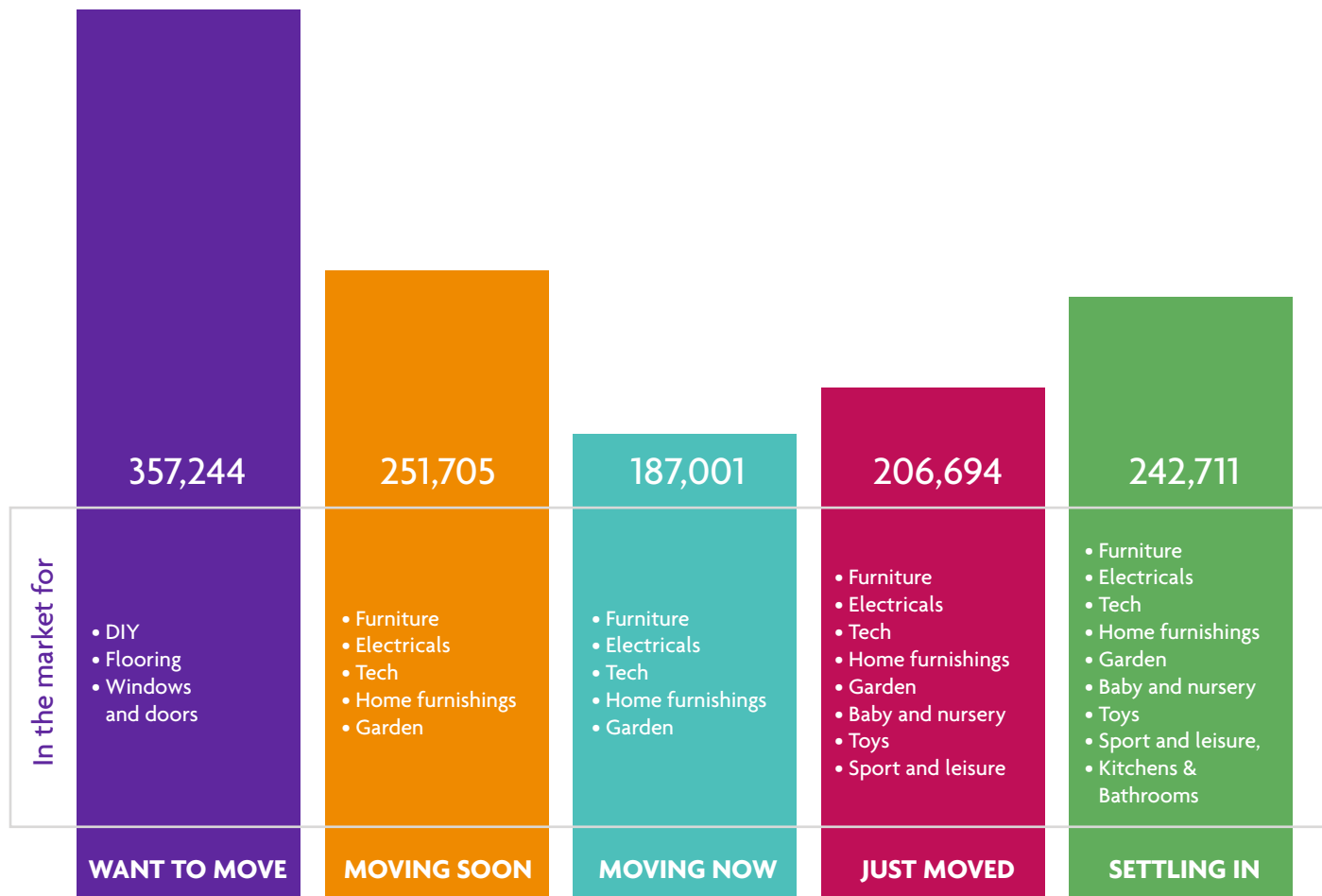
Homemovers are the most economically valuable consumer group. Understanding when households are on the move and at what stage can drive huge revenue and ROI gains across multiple sectors and categories.

The Homemover Wave is a key insight powered by billions of data points in our property data product, tracking this vital group in their journey through the specific stages of the buying and selling process.

At the beginning of April 2023 there were nearly 1.25 million households progressing through the home-move owner-occupied journey with a jump of 60k since Q4 2022 in those who want to move or plan to move soon.

At the beginning of April 2023 there were nearly 1.25 million households progressing through the owner-occupied Homemover Wave.

HOMEMOVER WAVE SEGMENT APRIL 2023



Retail Intelligence Report Q1 2023

Our Retail Intelligence Report provides a summary of the key homemover market metrics important to retailers and showcases how we helped our clients to generate more revenue through smart data analytics combined with powerful marketing solutions.



[Download the report](#)

OUR DATA IS TRUSTED BY AND REGULARLY FEATURED IN

THE SUNDAY TIMES

Bloomberg

THE TIMES

The Telegraph

FT FINANCIAL TIMES



The TwentyCi Insights Blog

Catch up on our Latest Homeowner 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. Furthermore, we post a regular range of articles and special features to our blog which can be found here - [here](#).

About TwentyCi & This Report

About the Report

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.

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

About TwentyCi

TwentyCi is a market intelligence and marketing services company that provides UK residential property data, analytics & insight for marketing and other key strategic purposes. Our experience and client portfolio encompass 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 organisations and their agencies to create contextually targeted advertising and marketing programmes that cut 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

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LUCIAN COOK
HEAD OF UK RESIDENTIAL
RESEARCH SAVILLS

“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 conditions. 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”