

Jason Tebb
President

April 2024

(reporting on March 2024 data)

Confidence prevails as housing market activity and stock levels improve

65% of active buyers in the UK were confident that they would purchase a property within the next 3 months

60% of sellers in the UK were confident that they would sell their property within the next 3 months

45% of properties were Sold Subject to Contract (SSTC) within 30 days of first being advertised for sale, compared with 45% in March 2023

Buyers and sellers wise to transact before the distraction of a general election

The housing market continued to stabilise in March, with an early Easter, clocks going forward and promise of better weather (even if it doesn't feel as though we are quite there yet) boosting activity levels and boding well for the traditionally busier months of April and May. With stock levels at their highest level for at least two years and a more optimistic outlook with regard to interest rates, there are opportunities for buyers and sellers keen to move, although price sensitivity remains an issue.

Our data shows that buyer and seller confidence were unchanged in March. Some 65% of UK buyers were confident they'd purchase a property within the next three months, unchanged from January and February. Meanwhile, 60% of vendors were confident they'd sell within three months, also consistent with February. However, it is worth remembering that there is no single picture when it comes to the housing market, with regional variations proving to be significant. Hence the 13 percentage-point drop in buyer confidence in the North East (from 56% to 43%), while seller sentiment saw a 7 percentage-point increase in London (from 60% to 67%). These regional ups and downs underline the importance of sellers taking advice from an experienced local agent who really understands the ins and outs of their local market, particularly when it comes to pricing.

Average national property prices dipped slightly in March compared with February, according to both Nationwide and Halifax house price indices, suggesting that we haven't returned to the runaway housing market of the past, with buyers still impacted by affordability concerns and not prepared to pay any price to secure a home. With more stock coming to

market, and buyers having to get used to higher borrowing costs, this should hold prices in check, which will be good news for first-time purchasers in particular.

With the fifth rate hold in as many meetings of the Monetary Policy Committee in March, the conviction that there will be no further increase in rates and that the next move will be downwards, is growing all the time. Borrowers grew slightly more concerned about mortgage pricing in March, with 9% very worried or concerned compared with 8% in February but this could be down to the perception that the first cut in interest rates may not happen as soon as many thought at the start of the year. As inflation continues to move in the right direction, there are reports that some buyers are holding off and waiting until that first rate reduction before making a move.

While this approach may be understandable, there is a limited timeframe to transact before the general election. History tells us that market activity tends to slow the closer we get to a general election, with the uncertainty resulting in buyers and sellers holding off until the outcome is known. Those keen to buy or sell this year may therefore want to get on with it sooner rather than later, particularly as the first quarter is already behind us and transactions can take longer than expected. While the prospect of lower interest rates is tempting, no-one knows when this will happen and hesitating now could mean missing out on the best time of year to buy and sell property. It may make sense to pay a little more on the rate and make hay while the sun shines, rather than worrying about a quarter-point reduction at some point and attempting to transact in quarters three or four when there is also the distraction of a general election to contend with.

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State of the Nation

Once again, we're delighted to include views from agents across the country in this month's Property Sentiment Index (see from page 8), which reaffirm a cautious optimism in March as buyers remain price sensitive.

Mike Cleary of Sheldon Bosley Knight in the West Midlands believes buyers are waiting for an interest rate reduction before making their move. "The forecast remains positive, however, with inflation falling which will surely be followed by interest rates. The optimist says people are waiting for the first drop in rates in the hope of being able to borrow more," he says.

Over in Scotland, David Corrie of Galbraith notes that the

market is picking up, along with the weather: "New listings are accelerating rapidly and the early Easter at the end of March appears to have spurred sellers into taking action early." But he warns sellers to be sensible on pricing: "Pricing is key. Where a price point is missed because of high comparable data from the heady 2021/22 period or over ambition, property can linger on the market longer than expected."

Andrew Cardwell of Cardwells Estate Agents in the North West, agrees: "The March sales market... has been shaped by an underlying element of cautious optimism juxtaposed with a tangible price sensitivity to demand. In the most basic terms, sellers and buyers either want (or need) to move, and are getting on with it, but not at any cost."

Seller Sentiment – how confident were sellers in March 2024?

March 2024 Headlines

From our sample of sellers surveyed, UK average rates of confidence over the last month were as follows:

- 60% of sellers were confident that they would sell their property within the next 3 months, unchanged when compared to February 2024 (60%)
- 29% of sellers were confident that they would sell their properties within the next 6 months, a slight decrease when compared to February 2024 (30%)
- 5% of sellers were confident that they would sell their properties within the next 9 months, a slight increase when compared to February 2024 (4%)
- 6% of sellers were confident that they would sell their home within the next 12 months, unchanged when compared to February (6%)

The OnTheMarket Property Sentiment Survey asks sellers across the UK how confident they feel about selling their home in order to provide a 'temperature check' of market sentiment both on a national and regional basis.

Sellers are asked to indicate how confident they are that they will sell their home:

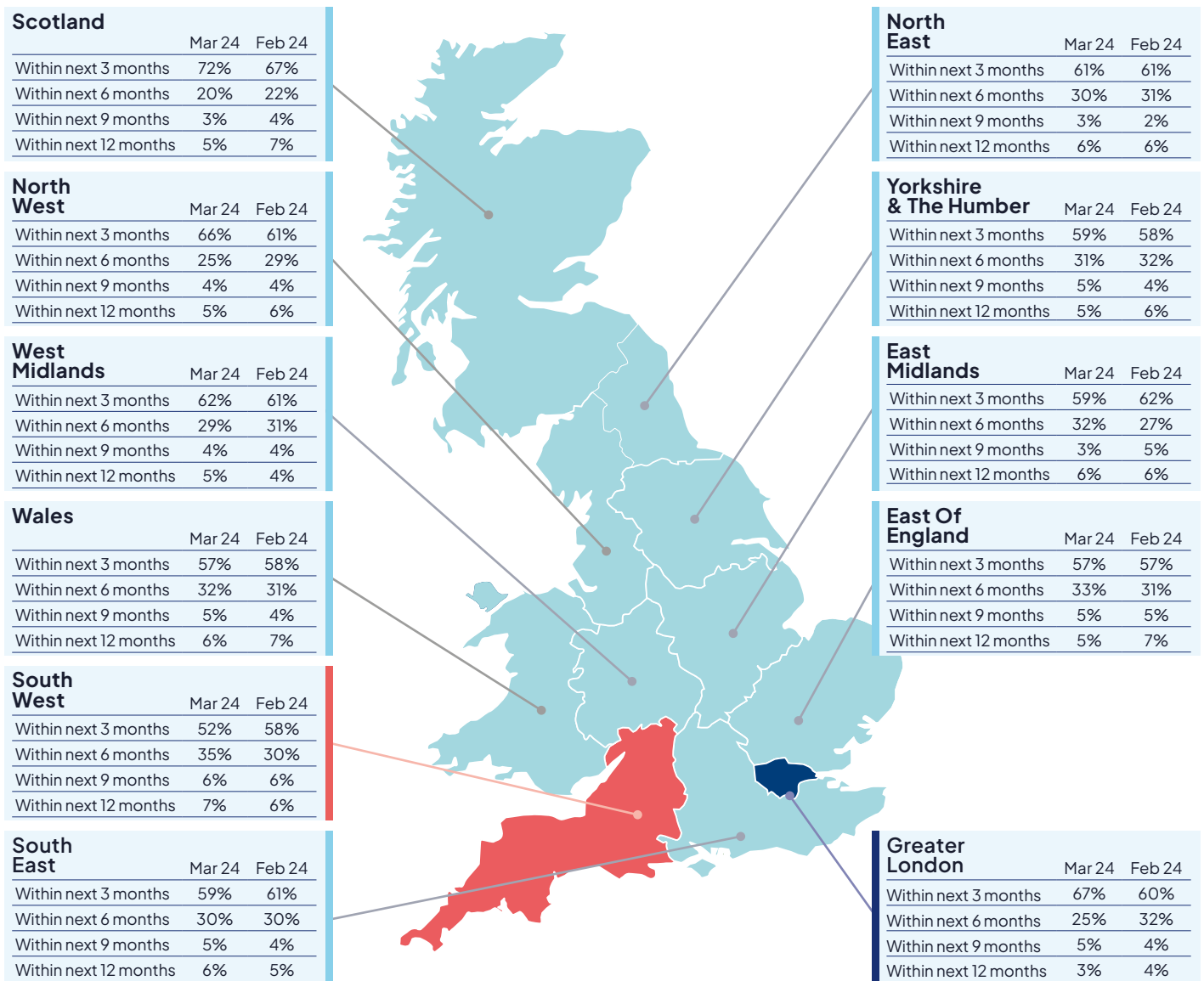
- Within the next 3 months
- Within the next 6 months
- Within the next 9 months
- Within the next 12 months

 >5% increase on previous month

 <5% increase and <5% decrease on previous month

 >5% decrease on previous month

(based on Seller confidence within next 3 months)



Buyer Sentiment – how confident were buyers in March 2024?

March 2024 Headlines

From our sample of buyers surveyed, UK average rates of confidence over the last month were as follows:

- 65% of buyers were confident that they would purchase a property within the next 3 months, unchanged when compared to February 2023 (65%)
- 24% of buyers were confident that they would purchase a property within the next 6 months, a slight decrease when compared to February 2024 (25%)
- 4% of buyers were confident that they would purchase a property within the next 9 months, unchanged when compared to February 2024 (4%)
- 7% of buyers were confident that they would purchase a property within the next 12 months, a slight increase when compared to February 2024 (6%)

 >5% increase on previous month

 <5% increase and <5% decrease on previous month

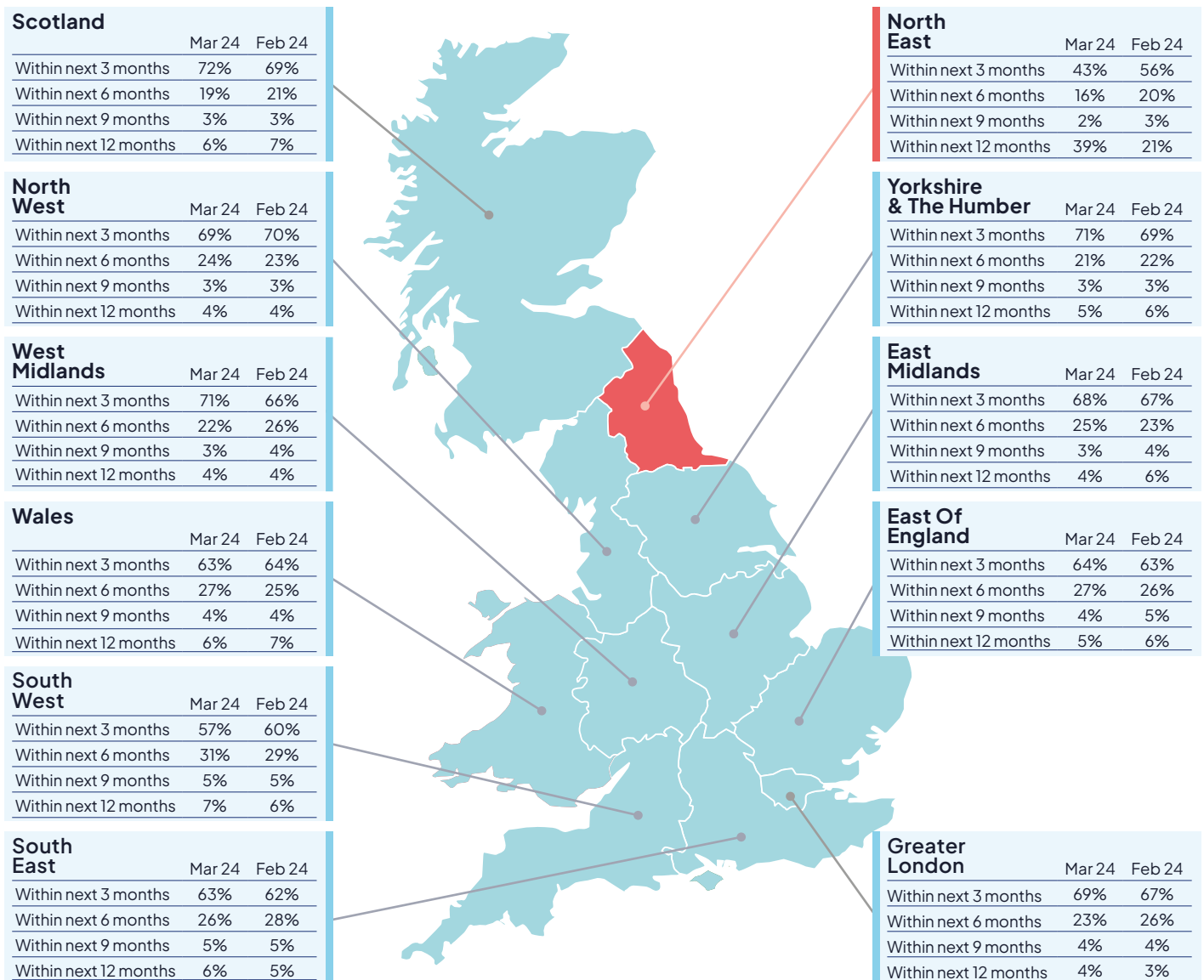
 >5% decrease on previous month

(based on Buyer confidence within next 3 months)

The OnTheMarket Property Sentiment Survey asks buyers across the UK how confident they feel about purchasing their next property in order to provide a ‘temperature check’ of market sentiment both on a national and regional basis.

Buyers are asked to indicate how confident they are that they will purchase their next property:

- Within the next 3 months
- Within the next 6 months
- Within the next 9 months
- Within the next 12 months



Mover attitudes towards mortgage availability in March 2024







March 2024 headlines:

- As a UK average, in March 2024 only 9% of movers were concerned (either very worried or slightly concerned) about securing a mortgage to fund the purchase of their next property, a slight increase when compared to February 2024 (8%)
- Wales had the highest number of respondents who already had their mortgage Agreement In Principle in place prior to starting their search for a property (11%). The North East had the lowest number of respondents who already had a mortgage Agreement In Principle in place before starting their property search (6%)
- As a UK average, 28% of movers hadn't considered applying for a mortgage before starting their property search, with buyers in Greater London the least likely to have considered applying for a mortgage before starting their search for a property (31%)
- As a UK average, 20% of buyers surveyed said that they didn't need a mortgage in order to purchase a property. Greater London and the North East jointly had the lowest number of respondents who indicated that they wouldn't require a mortgage to purchase a property (17%). Wales and Scotland jointly had the highest number of respondents who indicated that they didn't need a mortgage to buy their next home (26%)

The OnTheMarket Property Sentiment Index provides insights in terms of how confident movers across the UK feel about securing a mortgage in order to fund the purchase of their next property. Since increased affordability assessments were introduced by lenders in 2014 as part of the Mortgage Market Review, the ability to both successfully secure a mortgage and borrow enough to fund a property purchase are key factors which can have a significant impact on home mover sentiment.

Respondents to the OnTheMarket survey are asked to indicate how they feel about raising the necessary funds to purchase their next property by choosing from the following options:

- I'm very worried
- I'm slightly concerned
- I'm sure it will be fine
- I have a mortgage Agreement in Principle already
- I don't need a mortgage to buy a property
- I've not thought about it yet

	 I'm very worried		 I'm slightly concerned		 I'm sure it will be fine		 I've already got a mortgage AIP		 I don't need a mortgage		 I've not thought about it yet	
	Mar 24	Feb 24	Mar 24	Feb 24	Mar 24	Feb 24	Mar 24	Feb 24	Mar 24	Feb 24	Mar 24	Feb 24
Grand Total	4%	3%	5%	5%	34%	24%	9%	16%	20%	23%	28%	29%
London	5%	3%	5%	5%	32%	22%	10%	19%	17%	17%	31%	34%
South East	3%	2%	5%	5%	33%	20%	10%	18%	21%	25%	28%	30%
South West	3%	2%	5%	4%	33%	21%	8%	13%	24%	32%	27%	28%
East of England	4%	3%	5%	5%	33%	23%	9%	13%	20%	23%	29%	33%
West Midlands	4%	3%	5%	5%	37%	26%	9%	15%	18%	21%	27%	30%
East Midlands	4%	4%	6%	6%	36%	24%	8%	14%	19%	24%	27%	28%
Yorkshire and The Humber	3%	3%	5%	4%	38%	26%	8%	16%	19%	22%	27%	29%
North East	2%	2%	3%	3%	51%	34%	6%	13%	17%	23%	21%	25%
North West	4%	3%	5%	5%	35%	28%	9%	15%	19%	22%	28%	27%
Wales	2%	2%	4%	4%	31%	21%	11%	18%	26%	28%	26%	27%
Scotland	3%	2%	3%	4%	29%	21%	9%	14%	26%	29%	30%	30%

Average asking prices in March 2024

Average asking prices – March 2024

UK Average (excl. Greater London)

Type	Mar 24	Feb 24	Mar 23
Detached	£556,826	£546,581	£561,230
Semi-detached	£353,958	£349,104	£352,818
Terraced	£279,093	£274,744	£273,843
Flat/maisonette	£233,953	£231,773	£234,511
Grand Total	£401,717	£393,453	£395,001

Greater London

Type	Mar 24	Feb 24	Mar 23
Detached	£1,753,415	£1,725,198	£1,834,840
Semi-detached	£1,084,235	£1,064,875	£1,133,383
Terraced	£1,216,592	£1,199,310	£1,222,746
Flat/maisonette	£858,038	£860,136	£860,185
Grand Total	£997,587	£991,577	£1,000,906

Time to Sold Subject to Contract (SSTC) in March 2024

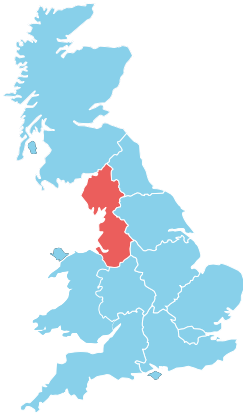
From analysis of OnTheMarket.com's data compiled from estate agents' listings across the UK, we're able to track where properties are Sold Subject to Contract (SSTC) the quickest and where they take the longest.

- In March 2024, as a UK average 45% of properties were SSTC within 30 days of first being listed for sale, an increase when compared to February 2024 (43%) and unchanged when compared to March 2023 (45%)
- In March 2024, Scotland was the fastest selling region, with 68% of homes SSTC within 30 days of first being listed for sale. Wales had the lowest number of properties which were SSTC within 30 days (37%)
- In March 2024, the region with the most number of properties which had taken 120 days or longer to SSTC was Wales (31%) compared to Scotland which had the lowest number of properties that had taken 120 days or more to move to SSTC status (11%)

March 2024 Headlines

Region	% of homes first listed and SSTC within 30 days			% available homes first listed for sale over 30 days ago but were SSTC within 60 days			% available homes first listed for sale over 30 days ago but were SSTC within 90 days			% available homes first listed for sale over 30 days ago but were SSTC within 120 days			% available homes first listed for sale over 30 days ago but were SSTC within 150 days		
	Mar 24	Feb 24	Mar 23	Mar 24	Feb 24	Mar 23	Mar 24	Feb 24	Mar 23	Mar 24	Feb 24	Mar 23	Mar 24	Feb 24	Mar 23
UK average	45%	43%	45%	20%	14%	19%	8%	9%	8%	6%	9%	7%	21%	25%	21%
Greater London	42%	39%	38%	21%	17%	20%	9%	9%	9%	6%	10%	7%	22%	25%	26%
South East	41%	41%	42%	21%	16%	19%	10%	9%	9%	6%	9%	7%	22%	25%	23%
South West	42%	42%	42%	21%	14%	20%	8%	8%	8%	5%	8%	8%	24%	28%	22%
East of England	44%	43%	42%	21%	15%	21%	9%	9%	9%	6%	9%	7%	20%	24%	21%
West Midlands	45%	43%	45%	20%	15%	20%	8%	9%	8%	6%	9%	6%	21%	24%	21%
East Midlands	46%	42%	42%	19%	15%	20%	8%	8%	8%	5%	8%	8%	22%	27%	22%
Yorkshire & The Humber	43%	43%	48%	20%	12%	19%	8%	9%	7%	6%	9%	7%	23%	27%	19%
North East	51%	49%	48%	18%	11%	18%	6%	10%	9%	6%	8%	7%	19%	22%	18%
North West	44%	44%	45%	20%	14%	19%	9%	9%	7%	6%	8%	8%	21%	25%	21%
Wales	37%	38%	41%	18%	11%	17%	7%	8%	8%	7%	10%	7%	31%	33%	27%
Scotland	68%	63%	65%	13%	8%	13%	4%	7%	4%	4%	7%	5%	11%	15%	13%

**Andrew Cardwell,
Managing Director,
Cardwells Estate Agents**



North West

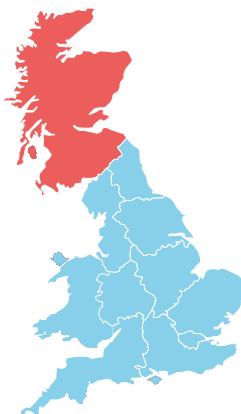
The March sales market in the North West, and particularly Bolton and Bury, has been shaped by an underlying element of cautious optimism juxtaposed with a tangible price sensitivity to demand. In the most basic terms, sellers and buyers either want (or need) to move, and are getting on with it, but not at any cost.

One or two mortgage lenders reducing their rates to gain the “First Mover Advantage” in the hopeful anticipation that the Bank of England will drop the base rate soon, has helped push the optimism that lower cost borrowing is coming over the horizon soon. The current high interest rates are contributing to the upper mid and lower upper price points of the sales market being a little slower than the lower price bracket sales, which are moving briskly and in a number of cases are oversubscribed.

The sales instructions remain strong, and the property choice on the market is beginning to grow slowly and steadily as we progress through 2024. The rental market is still plagued by a shortage of supply, which continues to put pressure on the monthly rental prices to increase, sometimes landlords can have a choice of multiple tenants even following a notable increase from 12 months or so earlier.

We continue to see the sales market stock increase by a drip of landlords placing their rental investment properties on the market at the end of leases, as they step away from the business model, usually because of tax changes and concerns about the Section 21 changes.

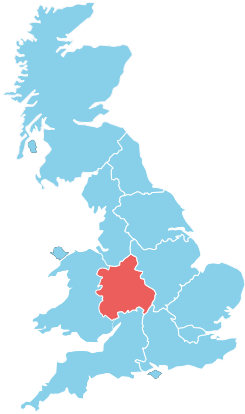
**David Corrie,
Partner and Head of
Estate Agency,
Galbraith**



Scotland

Despite continued economic uncertainty, the property market in Scotland appears to be emerging from its spring cocoon rapidly as the spring days get longer. New listings are accelerating rapidly and the early Easter at the end of March appears to have spurred sellers into taking action early. Multiple examples of property in the mid-price range bracket (£200k - £500k) are finding buyers swiftly. Higher value premium property is also in demand and buyers still seek the unique features that Scottish Rural property can offer. However, pricing is key. Where a price point is missed because of high comparable data from the heady 2021/22 period or over ambition, property can linger on the market longer than would be expected. Agents and clients should not shy away from honest conversations about adjusting the price and marketing to attract the buyers who are active albeit possibly more reserved than during the previous year’s heady activity.

Mike Cleary,
Director,
Sheldon Bosley Knight



West Midlands

March has been unusually subdued after a strong January and February. This is all the more surprising given the earlier than normal Easter and down to lower disposable incomes. Properties being appraised and coming to market are about 70% of the volume this time last year and at a lower typical value. These trends are mirrored in viewings, offers and sales and it could be that a relative lack of new instructions is the reason behind older stock shifting. We've seen offers accepted on the equivalent of 116% of new stock this March, up from 101% last March. Our unsold stock has an average value of almost 25% more than the value of those sold this month indicating that the bottom of the market moving well already.

The forecast remains positive however with inflation falling which will surely be followed by interest rates. The optimist says people are waiting for the first drop in rates in the hope of being able to borrow more.

Methodology

Sentiment data (Buyer sentiment, Seller sentiment and Mover attitudes towards mortgage availability) are collected via questions on the OnTheMarket website monthly. With over 80,000 total consumer responses on average per month, it is believed by OnTheMarket to be the largest monthly consumer sentiment index to date in terms of buying and selling residential property in the UK.

Data on time to Sold Subject to Contract (SSTC), Average Asking Prices and Most Popular Property Types is drawn from OnTheMarket's data compiled from thousands of estate agent branches and housebuilders who list their properties with the portal every month.

Regions referred to are as classified by the Nomenclature of Territorial Units for Statistics (NUTS) geocode standard.

Breakdown of regions

- **Greater London:** All
- **South East:** Buckinghamshire, Oxfordshire, Berkshire, Surrey, Hampshire, Kent, West and East Sussex, Isle of Wight
- **South West:** Gloucestershire, Wiltshire, Somerset, Devon, Dorset, Cornwall, Bristol
- **East of England:** Norfolk, Suffolk, Cambridgeshire, Essex, Hertfordshire, Bedfordshire
- **West Midlands:** Shropshire, Staffordshire, West Midlands, Warwickshire, Herefordshire, Worcestershire
- **East Midlands:** Derbyshire, Nottinghamshire, Lincolnshire, Leicestershire, Northamptonshire, Rutland
- **Yorkshire and The Humber:** North, South and West Yorkshire, East Riding
- **North East:** Northumberland, Tyne & Wear, County Durham
- **North West:** Lancashire, Greater Manchester, Merseyside, Cumbria, Cheshire
- **Wales:** All
- **Scotland:** All

About OnTheMarket

OnTheMarket operates OnTheMarket.com, a leading UK residential property portal provider.

The company's objective is to deliver a tech-enabled portal, offering a first-class service to agents and new homes developers at sustainably fair prices, establishing itself as the go-to portal for serious property seekers.

Agent support enables OnTheMarket to display Only With Us properties to serious property seekers either exclusively* or 24 hours or more before agents release these properties to Rightmove or Zoopla.

OnTheMarket is owned by CoStar Group (NASDAQ: CSGP), an S&P500 leading provider of online real estate marketplaces, information, and analytics.

* Exclusive properties are properties advertised at OnTheMarket.com by customers who do not list their properties with either Rightmove or Zoopla.

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