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(reporting on January 2023 data)

Reasons to be positive as clarity from government and Bank of England on rates and inflation rebalances the market

69% 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

Growing feeling that base rate is nearing its peak

Experienced local agents essential in setting an achievable price

Despite another base-rate rise at the tail end of last year, there was no big shift in terms of buyer and seller confidence in January. This may be explained by the clear direction that the government and Bank of England have set out in terms of curtailng inflation and its impact on interest rates, with most buyers and sellers now aware of the aims of policymakers.

Uncertainty can be debilitating for the market as those looking to transact sit on their hands and adopt a 'wait and see' attitude, so the clarity that is emerging is hugely welcome. It enables potential buyers and sellers to make an informed choice.

A lot can change in a few short months. The upheaval of September and October on the back of the mini-Budget, when government policy was unpredictable, has given way to increased calmness. The government has taken clear and decisive steps to bring inflation under control, with the Prime Minister declaring his intention to halve it within a year.

Indeed, it looks as though inflation may have peaked, and is starting to fall. Interest rates continue to rise as part of this plan, but the markets are suggesting that they are close to their peak, if not there already. In the short term, the effects have been significant, with those who rely on mortgage finance to fund their purchase inevitably finding it more difficult to secure a home loan.

But while rate rises might affect buyer confidence and ability to purchase property, the prospects in the medium-to-long

term are not quite as bad as forecasters were thinking, even as recently as November and December. The market is rebalancing, with 60% of sellers confident they would sell their property within the next three months versus 64% in December, and 69% of buyers confident they would purchase a property in the next three months versus 73% the previous month.

Unsurprisingly, rising interest rates had more of an impact on seller confidence in London than elsewhere. 66% of London sellers were confident they'd sell within three months in January, a significant drop from 82% in December. Given that the capital has the highest average house price, it stands to reason that it will be the most affected by rising rates. More expensive mortgages make life even harder for buyers, many of whom will already be stretching themselves to purchase a property.

All this underlines the importance of sellers pricing their homes correctly in the first instance. There has never been a better time to find a knowledgeable local agent to price your home realistically and accurately. This will ensure it appeals to motivated buyers and fetches an achievable price. There will always be people who need to move but properties must still be priced correctly, now more than ever.

Seller Sentiment – how confident were sellers in January 2023?

January 2023 Headlines

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

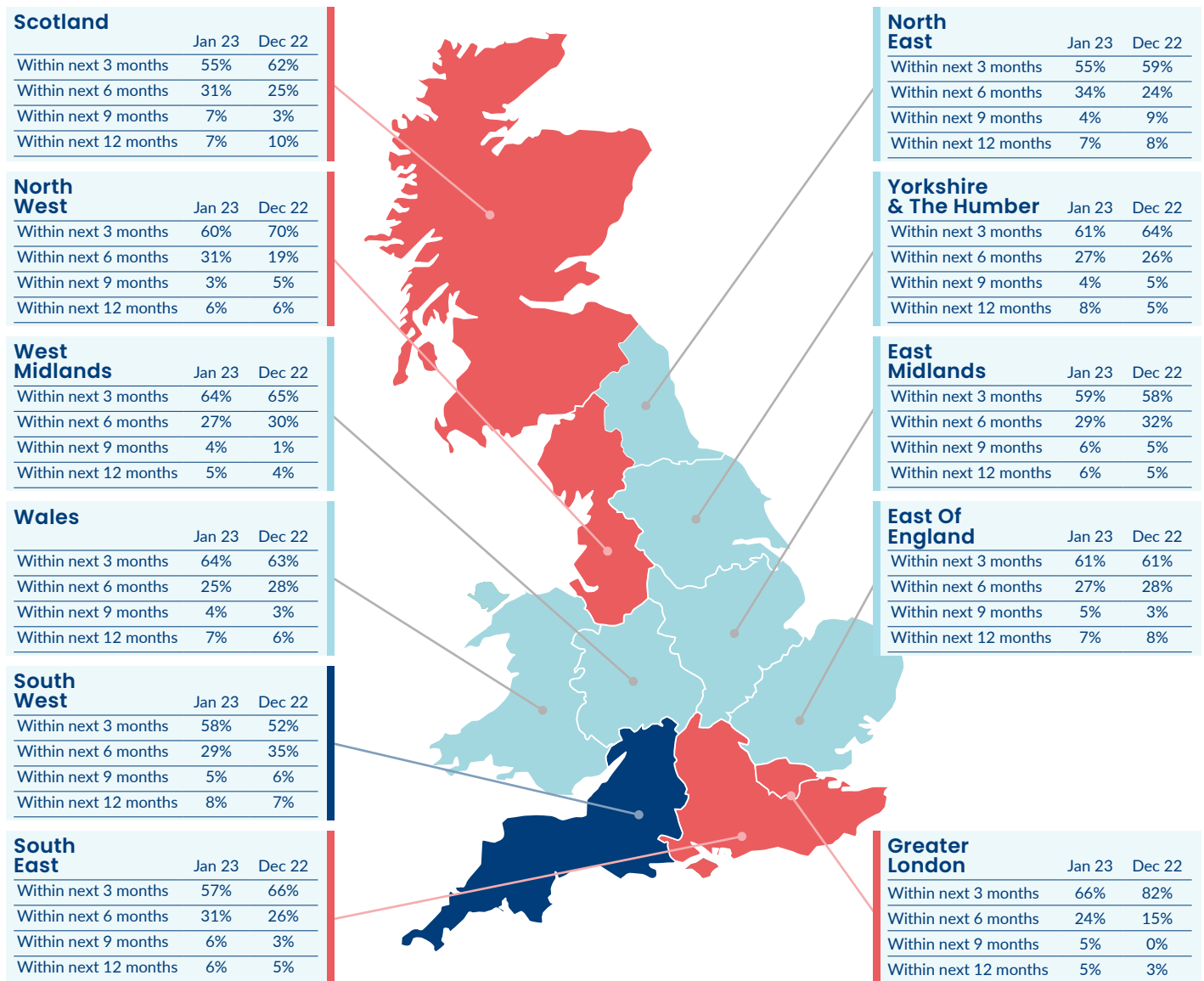
- 60% of sellers were confident that they would sell their property within the next 3 months, a slight decrease when compared to December 2022 (64%)
- 29% of sellers were confident that they would sell their properties within the next 6 months, a slight increase when compared to December 2022 (26%)
- 5% of sellers were confident that they would sell their home within the next 9 months, a slight increase when compared to December 2022 (4%)
- 6% of sellers were confident that they would sell their home within the next 12 months, unchanged when compared to December 2022 (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 January 2023?

January 2023 Headlines

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

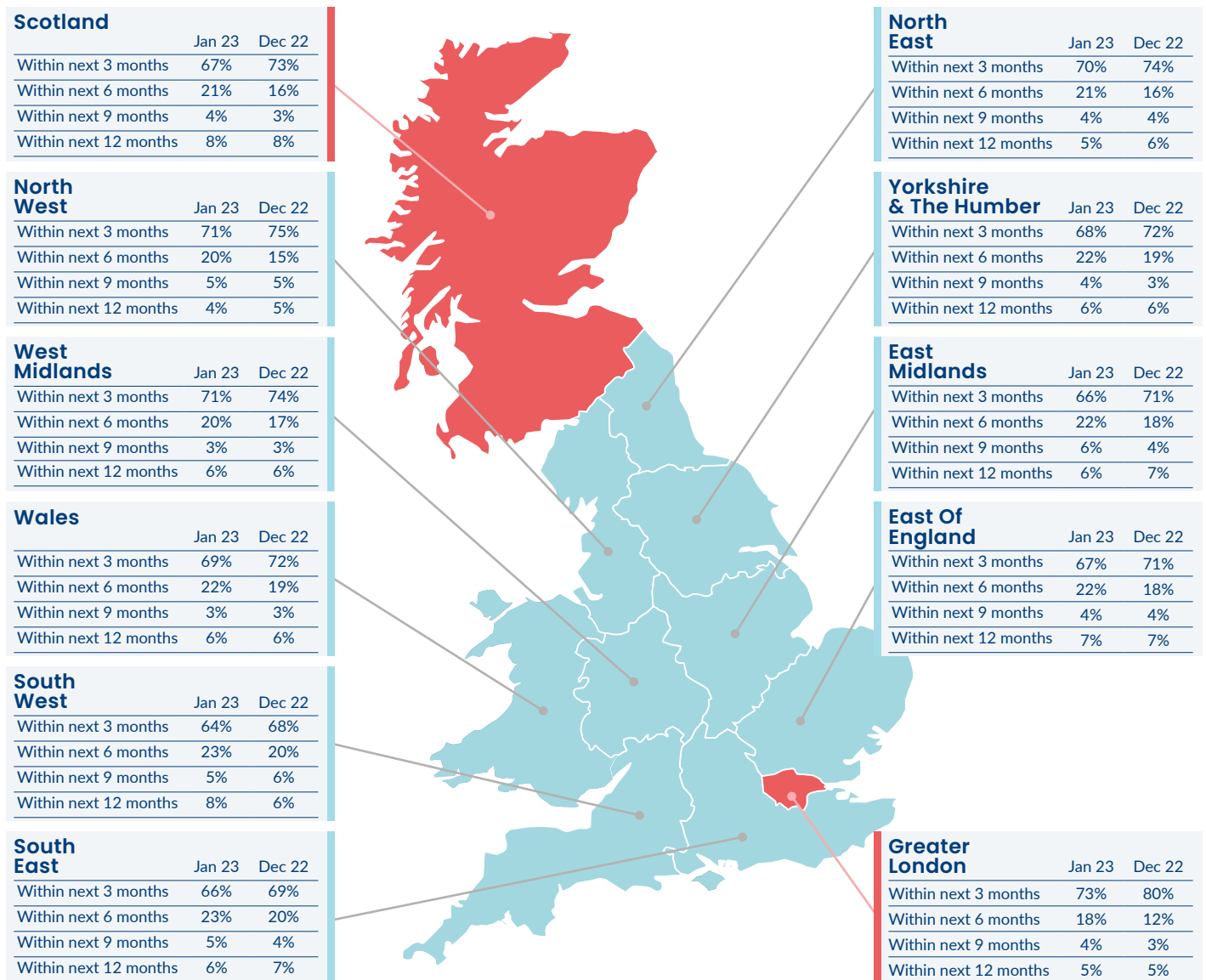
- 69% of buyers were confident that they would purchase a property within the next 3 months, a decrease when compared to December 2022 (73%)
- 21% of buyers were confident that they would purchase a property within the next 6 months, an increase when compared to December 2022 (17%)
- 4% of buyers were confident that they would purchase a property within the next 9 months, unchanged when compared to December 2022 (4%)
- 6% of buyers were confident that they would purchase a property within the next 12 months, unchanged when compared to December 2022 (6%)

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

● >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)



Mover attitudes towards mortgage availability in January 2023







January 2023 headlines:

- As a UK average, in January 2023 only 6% of movers were concerned (either very worried or slightly concerned) about securing a mortgage to fund the purchase of their next property, unchanged when compared to December 2022 (6%).
- Greater London and the North West jointly had the highest number of respondents who already had their mortgage Agreement In Principle in place prior to starting their search for a property (24%). The South West and East of England jointly had the lowest number of respondents who already had a mortgage Agreement In Principle in place before starting their property search (16%).
- As a UK average, 27% 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 (34%).
- As a UK average, 35% of buyers surveyed said that they didn't need a mortgage in order to purchase a property. Greater London had the lowest number of respondents who indicated that they wouldn't require a mortgage to purchase a property (21%). The South West had the highest number of respondents who indicated that they didn't need a mortgage to buy their next home (43%).

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

	 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	
	Jan 23	Dec 22	Jan 23	Dec 22	Jan 23	Dec 22	Jan 23	Dec 22	Jan 23	Dec 22	Jan 23	Dec 22
UK average	2%	2%	4%	4%	12%	14%	20%	18%	35%	36%	27%	26%
Greater London	2%	3%	5%	5%	14%	17%	24%	18%	21%	23%	34%	34%
South East	1%	2%	5%	5%	10%	14%	19%	18%	36%	34%	29%	27%
South West	2%	2%	4%	4%	10%	12%	16%	16%	43%	42%	25%	24%
East of England	2%	3%	4%	5%	11%	14%	16%	16%	40%	36%	27%	26%
West Midlands	2%	3%	4%	5%	11%	13%	22%	21%	33%	31%	28%	27%
East Midlands	2%	3%	3%	4%	11%	14%	19%	15%	35%	36%	30%	28%
Yorkshire & The Humberside	2%	2%	4%	5%	15%	15%	19%	17%	34%	36%	26%	25%
North East	1%	2%	3%	2%	16%	15%	21%	13%	33%	39%	26%	29%
North West	2%	2%	4%	4%	14%	15%	24%	20%	31%	33%	25%	26%
Wales	1%	1%	3%	2%	9%	13%	23%	19%	41%	42%	23%	23%
Scotland	3%	1%	3%	3%	12%	10%	18%	17%	39%	47%	25%	22%

Most popular Wish List searches and average asking prices in January 2023

Most popular Wish List searches

Using data collated from our Wish List tool on OnTheMarket.com, which allows property seekers to enter features they'd like in their next property to return search results most suited to their requirements, we're able to look at the top five most popular search terms per region and the top three searches as a UK average.

Top 5 Wish List searches per region

	East Midlands		East of England		London		North East		North West		Scotland		South East		South West		Wales		West Midlands		Yorkshire and the Humber	
	Jan 23	Dec 22	Jan 23	Dec 22	Jan 23	Dec 22	Jan 23	Dec 22	Jan 23	Dec 22	Jan 23	Dec 22	Jan 23	Dec 22	Jan 23	Dec 22	Jan 23	Dec 22	Jan 23	Dec 22	Jan 23	Dec 22
1																						
2																						
3																						
4																						
5																						

Top 3 Wish List searches UK average

	January 23	December 22
1		
2		
3		

Key

	Garden		Parking		Garage
	Large Garden		Off-street parking		Rural
	Double Garage		Character Property		With Land

Average asking prices - January 2023

UK Average (excl. Greater London)

Type	January 23	December 22	January 22
Detached	£559,662	£571,115	£552,332
Semi-Detached	£347,943	£350,768	£333,869
Terraced	£270,207	£267,581	£261,097
Flat	£234,213	£248,695	£230,584
Average	£389,842	£396,916	£363,620

Greater London

Type	January 23	December 22	January 22
Detached	£1,790,271	£1,970,483	£2,108,608
Semi-Detached	£1,132,703	£1,192,443	£1,309,523
Terraced	£1,207,865	£1,316,134	£1,301,894
Flat	£877,292	£903,999	£881,966
Average	£1,004,063	£1,050,568	£1,023,106

Methodology

Sentiment data (Buyer sentiment, Seller sentiment and Mover attitudes towards mortgage availability) are collected via questions on the OnTheMarket website monthly. With over 120,000 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.com

OnTheMarket.com is a leading UK residential property website, providing consumers with a simple way to search for their perfect home. The website and its apps list hundreds of thousands of homes for sale and to rent, and aim to provide all potential buyers, sellers, landlords and tenants with an exceptional property search service. This includes the opportunity to set-up personalised property alerts to help find a new home quickly and easily.

OnTheMarket.com displays thousands of Only With Us properties every month, 24 hours or more before they're advertised on Rightmove or Zoopla, to give serious home movers an edge in their property search. With thousands of estate and letting agents advertising their properties on the website, together with many of the UK's major house builders offering consumers a wide selection of new build homes, OnTheMarket.com provides a choice of properties at all price points. It also offers Overseas and Commercial search services.

OnTheMarket.com is owned by OnTheMarket plc, which was admitted to the Alternative Investment Market (AIM) in February 2018.

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