

Jason Tebb
President

January 2024

(reporting on December 2023 data)

Market remains resilient against headwinds despite uncertainty

71% of active buyers in the UK were confident that they would purchase a property within the next 3 months

55% of sellers in the UK were confident that they would sell their property within the next 3 months

32% of properties were Sold Subject to Contract (SSTC) within 30 days of first being advertised for sale, compared with 38% in December 2022

Mortgage rate reductions bolster confidence and improve buyer affordability

Housing market activity tends to be muted in December. While those needing to buy or sell plough on regardless, those who don't have the same urgency tend to take their foot off the gas and enjoy the festivities. However, the market remained surprisingly resilient this time around. Buyer sentiment continued to be strong in December with 71% of UK buyers confident they'd purchase a property within the next three months, consistent with November. Although vendors can become gloomy at this time of year if their property hasn't sold ahead of the New Year, 55% of sellers remained confident that they would sell within three months, only one percentage point lower than the previous month.

Regionally, sentiment among buyers remained fairly consistent. However, there were significant variations in seller sentiment, highlighting that the market is made up of many local markets which operate independently from one another. Seller confidence saw a 7 percentage-point increase in Scotland in December (68% compared with 61% in November), compared with a 7 percentage-point decrease in Wales (51% in December compared with 58% in November).

The biggest variation was in London, which saw a 15 percentage-point decrease in seller confidence to 51% (compared to 66% in November). This may just be a Christmas blip, however, as our numbers (at the time of writing) for January 2024 suggest that seller confidence has picked up again. Anecdotally, some London agents are reporting that vendors whose properties had been

on the market for a few months became less confident about their chances of finding a buyer as activity dipped in December.

On the mortgage front, 8% of movers were either very worried or slightly concerned about getting a loan in December, unchanged from November. This suggests borrowers have become more relaxed about the outlook for lending after three consecutive holds in base rate seem to indicate that the painful increases are over and that the next move by the Bank of England may be downwards. The reduction in Swap rates, which underpin the pricing of fixed-rate mortgages, has enabled lenders to reduce rates accordingly, resulting in a welcome return of sub-4 per cent five-year fixes, among other cheaper deals.

Although we might have expected a December dip in confidence, the data tells a different story. Those who forecasted a significant, double-digit drop in house prices may be proven wrong. Challenging macro-economic conditions mean property prices are off their peak but that's not necessarily a bad thing for the overall health of the market and will bring some cheer for first-time buyers. Buyers who have been waiting to return to the market may well decide to get on with it, rather than continuing to put plans on hold. Although there will be a general election this year, many have already factored in a potential change of government and rather than worrying about what may or may not happen, are getting on with their own lives and taking advantage of more competitive mortgage rates.

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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).

As the North East geared up for Christmas, adverse weather conditions resulted in a 'scarcity of new homes entering the market, disrupting the usual flow of stock,' according to John Nicholson at Down Auctions, Sales & Lettings. 'Prospective buyers faced limited options [which] created an environment of heightened competition for the available properties, potentially influencing pricing dynamics.'

Unsurprisingly activity was also quieter in Scotland, reports Alan Cumming of Aberdeen Considine, as seasonal factors came into play. That said, 'viewing activity remained strong across the central belt where, despite the challenges with higher interest rates, the market for all types of properties remains buoyant'. Encouragingly, he remains positive for the year ahead as pent-up demand in the market comes to fruition.

In Wales, a more optimistic outlook has been noticed by Melfyn Williams at Williams & Goodwin, although he advises sellers to continue to be cautious: 'Property prices remain sensitive and now more than ever property entering the market needs to be at a realistic level. Overpricing at the outset could lead to longer selling times and inevitably a lower price in the long run.'


Finally, in Richmond, south west London, Alex Lyle of Antony Roberts, says: 'If you asked sellers in December how confident they were about finding a buyer, they would have been pretty gloomy about their prospects. There is a fair chance they would have been on the market for some time as few choose to launch in December, so it would be likely that their property had been for sale since September or October, when the market was busier. Come December and if they haven't sold by then, they may be thinking their chances have slipped.'

Seller Sentiment – how confident were sellers in December 2023?

December 2023 Headlines

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

- 55% of sellers were confident that they would sell their property within the next 3 months, a slight decrease when compared to November 2023 (56%)
- 33% of sellers were confident that they would sell their properties within the next 6 months, unchanged when compared to November 2023 (33%)
- 5% of sellers were confident that they would sell their properties within the next 9 months, unchanged when compared to November 2023 (5%)
- 7% of sellers were confident that they would sell their home within the next 12 months, a slight increase when compared to November 2023 (6%)

 >5% increase on previous month

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

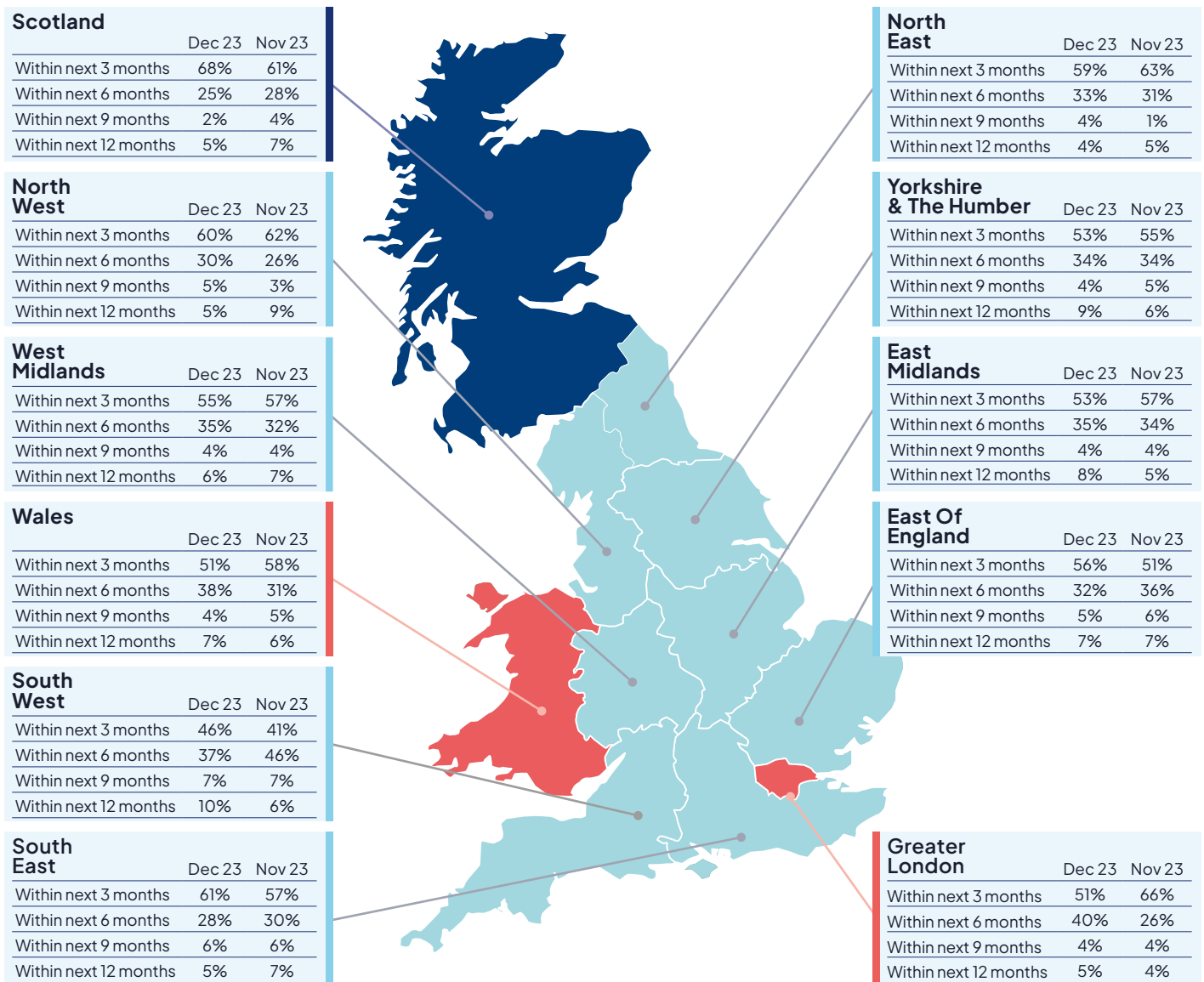
 >5% decrease on previous month

(based on Seller confidence within next 3 months)

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




Buyer Sentiment – how confident were buyers in December 2023?

December 2023 Headlines

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

- 71% of buyers were confident that they would purchase a property within the next 3 months, unchanged when compared to November 2023 (71%)
- 18% of buyers were confident that they would purchase a property within the next 6 months, unchanged when compared to November 2023 (18%)
- 4% of buyers were confident that they would purchase a property within the next 9 months, unchanged when compared to November 2023 (4%)
- 7% of buyers were confident that they would purchase a property within the next 12 months, unchanged when compared to November 2023 (7%)

 >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)

Scotland	Dec 23	Nov 23
Within next 3 months	74%	73%
Within next 6 months	16%	17%
Within next 9 months	3%	3%
Within next 12 months	7%	7%

North West	Dec 23	Nov 23
Within next 3 months	73%	70%
Within next 6 months	16%	15%
Within next 9 months	5%	7%
Within next 12 months	6%	8%

West Midlands	Dec 23	Nov 23
Within next 3 months	74%	73%
Within next 6 months	17%	17%
Within next 9 months	3%	4%
Within next 12 months	6%	6%

Wales	Dec 23	Nov 23
Within next 3 months	69%	71%
Within next 6 months	21%	20%
Within next 9 months	4%	3%
Within next 12 months	6%	6%

South West	Dec 23	Nov 23
Within next 3 months	64%	64%
Within next 6 months	24%	22%
Within next 9 months	5%	5%
Within next 12 months	7%	9%

South East	Dec 23	Nov 23
Within next 3 months	70%	69%
Within next 6 months	19%	20%
Within next 9 months	5%	4%
Within next 12 months	6%	7%

North East	Dec 23	Nov 23
Within next 3 months	67%	69%
Within next 6 months	15%	14%
Within next 9 months	3%	2%
Within next 12 months	15%	15%

Yorkshire & The Humber	Dec 23	Nov 23
Within next 3 months	74%	73%
Within next 6 months	17%	16%
Within next 9 months	3%	4%
Within next 12 months	6%	7%

East Midlands	Dec 23	Nov 23
Within next 3 months	68%	67%
Within next 6 months	21%	21%
Within next 9 months	5%	5%
Within next 12 months	6%	7%

East Of England	Dec 23	Nov 23
Within next 3 months	73%	71%
Within next 6 months	18%	19%
Within next 9 months	3%	4%
Within next 12 months	6%	6%

Greater London	Dec 23	Nov 23
Within next 3 months	74%	77%
Within next 6 months	15%	15%
Within next 9 months	4%	3%
Within next 12 months	7%	5%

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 December 2023







December 2023 headlines:

- As a UK average, in December 2023 only 8% 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 November 2023 (8%)
- The North West 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%). Scotland had the lowest number of respondents who already had a mortgage Agreement In Principle in place before starting their property search (15%)
- As a UK average, 29% 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 (35%)
- As a UK average, 31% 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 (20%). 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	
	Dec 23	Nov 23	Dec 23	Nov 23	Dec 23	Nov 23	Dec 23	Nov 23	Dec 23	Nov 23	Dec 23	Nov 23
Grand Total	3%	3%	5%	5%	13%	13%	19%	18%	31%	31%	29%	30%
London	4%	4%	6%	6%	15%	13%	20%	20%	20%	21%	35%	36%
South East	3%	2%	4%	6%	10%	12%	18%	17%	33%	32%	32%	31%
South West	2%	2%	4%	4%	10%	14%	16%	16%	43%	39%	25%	25%
East of England	3%	3%	5%	5%	13%	11%	17%	16%	32%	34%	30%	31%
West Midlands	4%	4%	5%	5%	14%	13%	23%	21%	26%	27%	28%	30%
East Midlands	5%	3%	4%	4%	14%	14%	17%	18%	28%	30%	32%	31%
Yorkshire and The Humber	2%	3%	5%	5%	12%	16%	20%	18%	30%	28%	31%	30%
North East	3%	2%	6%	5%	25%	25%	13%	16%	27%	28%	26%	24%
North West	2%	3%	4%	5%	14%	15%	24%	20%	28%	29%	28%	28%
Wales	3%	3%	4%	3%	9%	8%	20%	20%	38%	41%	26%	25%
Scotland	7%	3%	4%	4%	12%	11%	15%	18%	36%	37%	26%	27%

Most popular Wish List searches and average asking prices in December 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		
	Dec 23	Nov 23	Dec 23	Nov 23	Dec 23	Nov 23	Dec 23	Nov 23	Dec 23	Nov 23	Dec 23	Nov 23	Dec 23	Nov 23	Dec 23	Nov 23	Dec 23	Nov 23	Dec 23	Nov 23	Dec 23	Nov 23	
1																							
2																							
3																							
4																							
5																							

Top 3 Wish List searches UK average

	December 23	November 23
1		
2		
3		

Key

	Garden		Parking		Garage		Outbuildings
	Large Garden		Off-street parking		Rural		Outside Space
	Double Garage		Character Property		With Land		Sea view

Average asking prices – December 2023

UK Average (excl. Greater London)

Type	Dec 23	Nov 23	Dec 22
Detached	£558,512	£569,384	£571,115
Semi-detached	£347,049	£351,594	£350,768
Terraced	£270,116	£272,890	£267,581
Flat/maisonette	£231,492	£231,384	£248,695
Grand Total	£398,786	£404,597	£396,916

Greater London

Type	Dec 23	Nov 23	Dec 22
Detached	£1,883,588	£1,908,233	£1,970,483
Semi-detached	£1,033,243	£1,048,083	£1,192,443
Terraced	£1,262,390	£1,262,494	£1,316,134
Flat/maisonette	£888,719	£884,677	£903,999
Grand Total	£1,020,740	£1,027,039	£1,050,568

Time to Sold Subject to Contract (SSTC) in December 2023

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 December 2023, as a UK average 32% of properties were SSTC within 30 days of first being listed for sale, a slight decrease when compared to November 2023 (33%) and a decrease when compared to December 2022 (38%)
- In December 2023, Scotland was the fastest selling region, with 50% of homes SSTC within 30 days of first being listed for sale. London had the lowest number of properties which were SSTC within 30 days (24%)
- In December 2023, 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 (12%)

December 2023 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		
	Dec 23	Nov 23	Dec 22	Dec 23	Nov 23	Dec 22	Dec 23	Nov 23	Dec 22	Dec 23	Nov 23	Dec 22	Dec 23	Nov 23	Dec 22
UK average	32%	33%	38%	19%	20%	22%	14%	13%	15%	10%	10%	9%	25%	24%	16%
Greater London	24%	29%	29%	21%	21%	23%	17%	14%	16%	11%	11%	11%	27%	25%	21%
South East	27%	29%	34%	20%	21%	23%	15%	15%	16%	11%	10%	10%	27%	25%	17%
South West	27%	31%	37%	21%	20%	21%	14%	14%	16%	11%	10%	10%	27%	25%	16%
East of England	30%	31%	34%	21%	21%	23%	14%	14%	17%	11%	10%	10%	24%	24%	16%
West Midlands	35%	34%	38%	19%	22%	24%	14%	13%	15%	9%	9%	8%	23%	22%	15%
East Midlands	32%	29%	36%	18%	21%	24%	13%	14%	15%	11%	11%	9%	26%	25%	16%
Yorkshire & The Humber	31%	33%	40%	19%	20%	21%	14%	14%	14%	11%	9%	10%	25%	24%	15%
North East	39%	37%	43%	18%	19%	22%	14%	11%	14%	8%	10%	9%	21%	23%	12%
North West	34%	34%	39%	18%	20%	23%	14%	13%	15%	10%	9%	8%	24%	24%	15%
Wales	29%	32%	35%	17%	19%	22%	14%	12%	15%	9%	10%	9%	31%	27%	19%
Scotland	50%	55%	51%	19%	18%	21%	12%	10%	12%	7%	6%	7%	12%	11%	9%

London

**Alex Lyle,
Director,
Antony Roberts**
Richmond, south west London

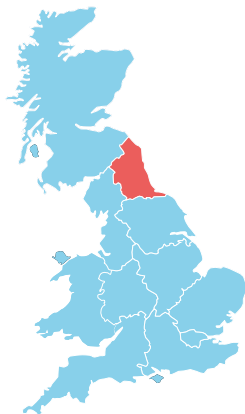


If you asked sellers in December how confident they were about finding a buyer, they would have been pretty gloomy about their prospects. There is a fair chance they would have been on the market for some time as few choose to launch in December, so it would be likely that their property had been for sale since September or October, when the market was busier. Come December and if they haven't sold by then, they may be thinking their chances have slipped. It's worth noting that the picture is quite different since the turn of the year with a significant increase in buyers registering and a surge in activity which means our agents' diaries are full.

There was little good news before Christmas, aside from another hold in base rate from the Bank of England. That was the start of something but not significant enough to motivate buyers and sellers as lenders hadn't really started reducing their mortgage rates. Last year we noted a real return to seasonality: December tends to be quieter as you are fighting against Christmas, there are few new buyers, little new stock and people who are toying with the idea of moving sit on their hands and wait for the new year.

North East

**John Nicholson,
Managing Director,
Down Auctions,
Sales & Lettings**



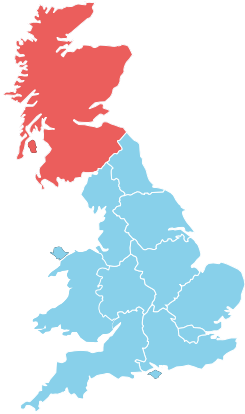
In December 2023, the housing market conditions in the North East of England exhibited unique characteristics, influenced by a combination of factors that deviated from the usual trends. The region experienced a traditional Christmas market, typically associated with festive decorations and seasonal cheer. This early onset of holiday feel meant potential buyers and sellers didn't engage in the market as we expected.

The festive spirit was accompanied by unexpected challenges, with snow and adverse weather conditions affecting the region. The inclement weather contributed to a scarcity of new homes entering the market, disrupting the usual flow of stock. The unfavourable weather conditions posed logistical challenges for both buyers and sellers, impacting property viewings and the overall pace of transactions.

Therefore, the scarcity of fresh listings created a bottleneck in the housing market, leading to a temporary decline in the number of new sales. Prospective buyers faced limited options, as the usual influx of homes typically observed during this period was hindered by the weather-related disruptions. This scenario created an environment of heightened competition for the available properties, potentially influencing pricing dynamics in the local estate agency landscape.

In summary, the North East of England's housing market in December 2023 experienced a blend of festive enthusiasm and weather-induced constraints, resulting in a temporary shortage of fresh listings and a distinct impact on the overall market dynamics.

**Alan Cumming,
National Estate Agency
Director,
Aberdein Considine**



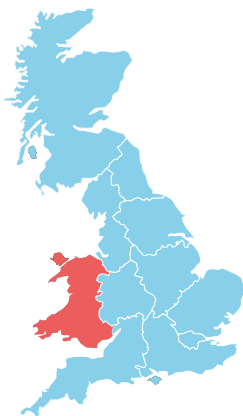
Scotland

December as expected was a quieter month in terms of activity but not unusual given the seasonal nature of the property market. That said, viewing activity remained strong across the Central Belt where, despite the challenges with higher interest rates, the market for all types of properties remains buoyant.

In the North East, we experienced a late burst of sales activity however similar to the rest of the country, sales of family homes continued a similar trend to previous months with home movers sitting tight and waiting to see what happens to interest rates.

We remain positive for a busy start to 2024 and are already seeing a lot of pent up demand in the market come to fruition – we fully expect 2024 to be a stronger year both in terms of new listings and sales activity.

**Melfyn Williams,
Director,
Williams & Goodwin**



Wales

As we moved to the end of 2023, activity, whilst expected to be lower due to the season festivities, remained rather pleasing with the outlook now looking more optimistic, with caution.

With news of falling inflation and the new hope of lowering interest rates this will in turn be a relief to many who are due to have their fixed rates expire in the coming months that will lead to higher monthly costs for people with mortgages.

People are thinking of moving and as we move through into 2024 we could see renewed activity in the property marketplace as people decide it's time to move on with their lives, plans and aspirations.

Property prices remain sensitive and now more than ever property entering the market needs to be at a realistic level. Over pricing at the outset could lead to longer selling times and inevitably a lower price in the long run. Our top tip for 2024 is to choose an agent who is local, has the knowledge, qualification and experience in the market and can demonstrate a record of achieving prices close to those suggested. Don't be fooled by the valuer who may over value to win your business.

We could see an increase in homes coming to the market in 2024 and hopefully the appetite from buyers will be there to meet the supply.

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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