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Chief Executive Officer

June 2023

(reporting on May 2023 data)

Rate volatility evident but buyer and seller sentiment remains strong

73% of active buyers in the UK were confident that they would purchase a property within the next 3 months

65% of sellers in the UK were confident that they would sell their property within the next 3 months

42% of properties were Sold Subject to Contract (SSTC) within 30 days of first being advertised for sale, compared with 61% in May 2022

Sellers must price sensitively if they are pricing to sell

Despite a decline in transaction numbers in April, rising transaction and mortgage approval numbers in March indicated that the market had shaken off the travails of the autumn and the fallout from the mini-Budget, with house prices continuing to soften slightly and settle into a 'new normal'. Mortgage pricing also calmed, with borrowers accepting that rates are going to be higher than has been typical over the past few years. However, it would appear that volatility in the housing market is not fully behind us, with the latest news on inflation sending Swap rates higher and increasing the price of fixed-rate mortgages once again.

That said, buyer and seller sentiment was not rocked during May. Our data for May shows 73% of UK buyers were confident that they'd purchase a property within the next three months, compared to 70% in April. Regional differences demonstrate positivity even more starkly, with 75% of London buyers confident they'd purchase a property within the next three months, up from 71% in April. Seller confidence also improved slightly, with 65% of sellers in the UK confident they'd sell their property within the next three months in May, compared with 64% in April. Some areas demonstrated even more positivity, with 72% of Scottish sellers confident they'd sell within the next three months, up from 66% in April. 42% of properties were SSTC within 30 days of first being listed for sale in May, fairly consistent with April's 43%, while 6% of buyers in need of a mortgage were either very worried or slightly concerned about mortgage availability in May compared with 7% in April.

It's no real surprise that buyer confidence is strong given that prices are softening in some areas. There's more choice of stock than has been the case for a while and if you can afford to buy, now is a great time to make a move. Although some buyers will inevitably be worried about higher mortgage rates, there seems to be a growing realisation of the need to adapt to a new, elevated level of pricing, in place of the unsustainable rock-bottom rates of the past.

We wait to see how recent volatility pans out but what it does provide is a sense check. There are people who need or want to move, but buyers also believe prices are inflated. With offers regularly being made below asking price, pricing correctly in the first instance is crucial. Sellers and their agents should be having conversations, not just about pricing but about timing. If you want to move by a certain date, ask your agent about various pricing structures and how being sensitive on price can speed up the time it takes to find a buyer. When the market is in flux, pricing competitively means pricing ultra-realistically.

The fallout from the latest inflation figures may be felt more keenly in June's data, with the impact of higher mortgage rates and potential for further base rate rises unsettling buyers and sellers alike. It looks as though the next three months might well be tougher than originally thought and there may be a negative knock-on impact on transaction levels. However, there is no reason why sellers who take advice from an experienced local agent, and price realistically under their guidance cannot still achieve a timely sale.

Seller Sentiment – how confident were sellers in May 2023?

May 2023 Headlines

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

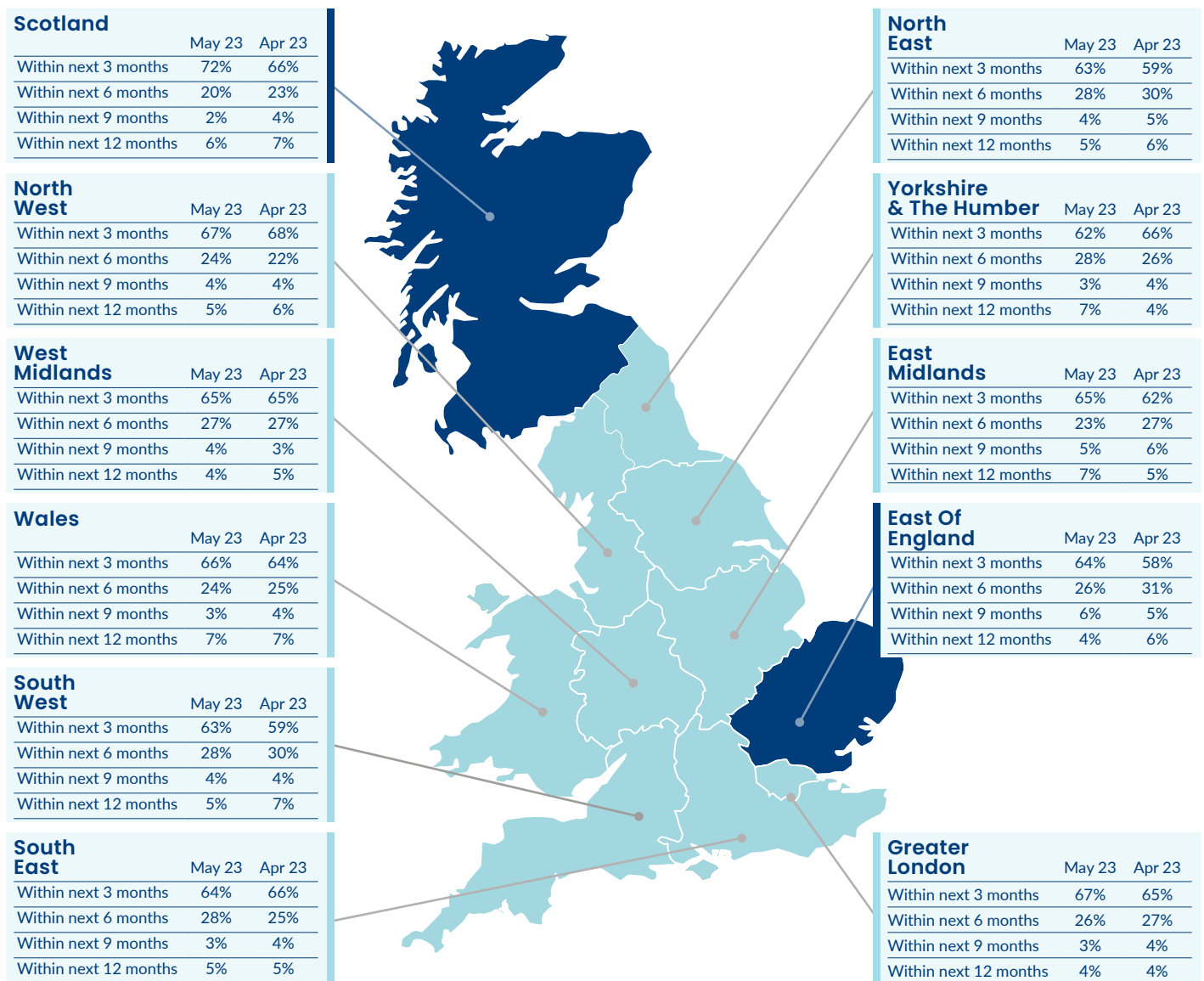
- 65% of sellers were confident that they would sell their property within the next 3 months, a slight increase when compared to April 2023 (64%)
- 26% of sellers were confident that they would sell their properties within the next 6 months, unchanged when compared to April 2023 (26%)
- 4% of sellers were confident that they would sell their properties within the next 9 months, unchanged when compared to April 2023 (4%)
- 5% of sellers were confident that they would sell their home within the next 12 months, a slight decrease when compared to April 2023 (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 May 2023?

May 2023 Headlines

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

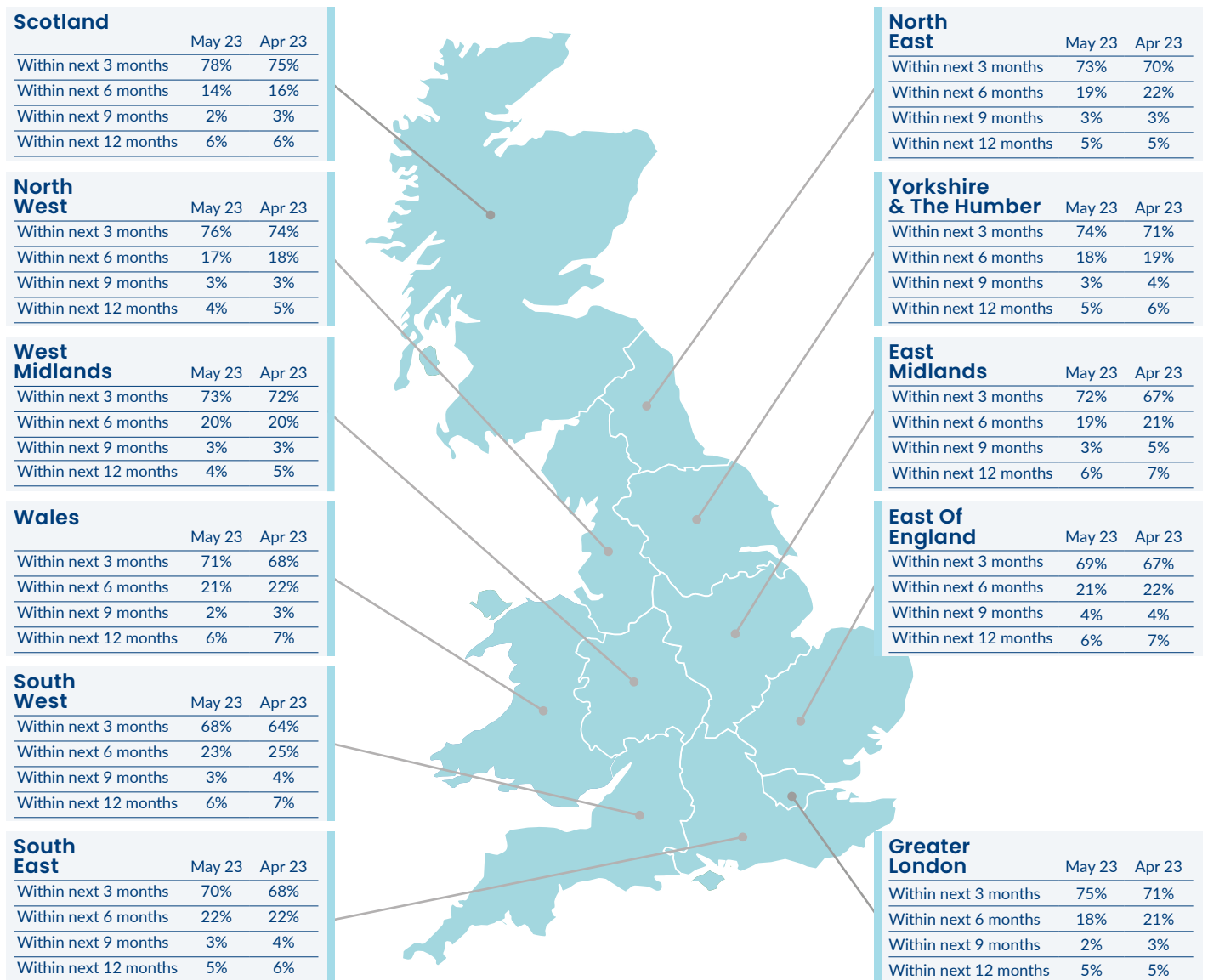
- 73% of buyers were confident that they would purchase a property within the next 3 months, a slight increase when compared to April 2023 (70%)
- 19% of buyers were confident that they would purchase a property within the next 6 months, a slight decrease when compared to April 2023 (21%)
- 3% of buyers were confident that they would purchase a property within the next 9 months, unchanged when compared to April 2023 (3%)
- 5% of buyers were confident that they would purchase a property within the next 12 months, a slight decrease when compared to April 2023 (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 May 2023







May 2023 headlines:

- As a UK average, in May 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, a slight decrease when compared to April 2023 (7%)
- The West Midlands had the highest number of respondents who already had their mortgage Agreement In Principle in place prior to starting their search for a property (27%). The South West had the lowest number of respondents who already had a mortgage Agreement In Principle in place before starting their property search (18%)
- 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 (33%)
- As a UK average, 33% 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 (22%). The South West had the highest number of respondents who indicated that they didn't need a mortgage to buy their next home (45%)

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	
	May 23	Apr 23	May 23	Apr 23	May 23	Apr 23	May 23	Apr 23	May 23	Apr 23	May 23	Apr 23
UK average	2%	2%	4%	5%	10%	9%	23%	23%	33%	33%	28%	28%
Greater London	3%	2%	4%	8%	12%	10%	26%	25%	22%	20%	33%	35%
South East	1%	1%	6%	4%	8%	9%	23%	23%	35%	35%	27%	28%
South West	2%	1%	4%	4%	8%	8%	18%	17%	45%	44%	23%	26%
East of England	2%	2%	5%	5%	9%	8%	21%	19%	35%	36%	28%	30%
West Midlands	2%	2%	5%	4%	9%	9%	27%	25%	29%	30%	28%	30%
East Midlands	2%	3%	4%	6%	9%	9%	21%	19%	33%	35%	31%	28%
Yorkshire & The Humberside	2%	2%	5%	4%	12%	12%	22%	23%	31%	34%	28%	25%
North East	1%	1%	4%	4%	13%	9%	23%	19%	33%	40%	26%	27%
North West	2%	2%	4%	5%	12%	11%	26%	27%	30%	30%	26%	25%
Wales	1%	1%	3%	3%	7%	6%	24%	25%	42%	42%	23%	23%
Scotland	3%	1%	3%	2%	9%	9%	19%	23%	40%	41%	26%	24%

Most popular Wish List searches and average asking prices in May 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	
	May 23	Apr 23	May 23	Apr 23	May 23	Apr 23	May 23	Apr 23	May 23	Apr 23	May 23	Apr 23	May 23	Apr 23	May 23	Apr 23	May 23	Apr 23	May 23	Apr 23	May 23	Apr 23
1																						
2																						
3																						
4																						
5																						

Top 3 Wish List searches UK average

	May 23	April 23
1		
2		
3		

Key

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

Average asking prices - May 2023

UK Average (excl. Greater London)

Type	May 23	April 23	May 22
Detached	£581,592	£572,583	£602,988
Semi-Detached	£363,177	£357,913	£360,696
Terraced	£281,201	£278,736	£276,281
Flat	£237,545	£236,991	£236,392
Average	£414,580	£406,067	£402,271

Greater London

Type	May 23	April 23	May 22
Detached	£1,912,769	£1,877,624	£2,120,305
Semi-Detached	£1,185,900	£1,163,934	£1,278,494
Terraced	£1,273,020	£1,268,206	£1,346,938
Flat	£881,144	£885,979	£930,626
Average	£1,038,933	£1,034,081	£1,076,160

Time to Sold Subject to Contract (SSTC) in May 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 May 2023, as a UK average 42% of properties were SSTC within 30 days of first being listed for sale, a slight decrease when compared to April 2023 (43%) and a decrease when compared to May 2022 (61%)
- In May 2023, Scotland was the fastest selling region, with 67% of homes SSTC within 30 days of first being listed for sale. Greater London had the lowest number of properties which were SSTC within 30 days (34%)
- In May 2023, the region with the most number of properties which had taken 120 days or longer to SSTC was Wales (22%) compared to Scotland which had the lowest number of properties that had taken 120 days or more to move to SSTC status (8%)

May 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		
	May 23	Apr 23	May 22	May 23	Apr 23	May 22	May 23	Apr 23	May 22	May 23	Apr 23	May 22	May 23	Apr 23	May 22
UK average	42%	43%	61%	20%	20%	17%	13%	12%	9%	8%	6%	5%	17%	19%	8%
Greater London	34%	37%	49%	22%	21%	19%	14%	13%	12%	9%	7%	7%	21%	22%	13%
South East	39%	41%	58%	21%	21%	18%	14%	12%	10%	9%	6%	5%	17%	20%	9%
South West	44%	42%	64%	20%	21%	16%	12%	12%	8%	8%	5%	5%	16%	20%	7%
East of England	40%	42%	60%	21%	20%	17%	13%	13%	9%	9%	7%	6%	17%	18%	8%
West Midlands	43%	45%	62%	21%	18%	17%	13%	12%	9%	8%	5%	5%	15%	20%	7%
East Midlands	40%	41%	59%	21%	20%	19%	12%	13%	9%	9%	6%	5%	18%	20%	8%
Yorkshire & The Humberside	44%	45%	61%	20%	20%	17%	13%	11%	9%	8%	5%	5%	15%	19%	8%
North East	46%	47%	63%	21%	19%	18%	11%	11%	8%	7%	6%	5%	15%	17%	6%
North West	42%	43%	60%	20%	20%	17%	13%	11%	9%	7%	6%	6%	18%	20%	8%
Wales	40%	39%	59%	18%	20%	18%	12%	11%	8%	8%	6%	6%	22%	24%	9%
Scotland	67%	65%	78%	15%	15%	12%	7%	7%	4%	3%	2%	2%	8%	11%	4%

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.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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