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President

June 2024

(reporting on May 2024 data)

Housing market shrugs off general election concerns as buyer confidence surges

85% of active buyers in the UK were confident that they would purchase a property within the next 3 months

63% of sellers in the UK were confident that they would sell their property within the next 3 months

43% of properties were Sold Subject to Contract (SSTC) within 30 days of first being advertised for sale, compared with 43% in April 2023

Buyers factoring in higher borrowing costs and remain sensitive on price

Despite the looming general election, the housing market is bucking the trend, apparently shrugging off any concerns about the prospect of a change in government, with no evidence of a slowdown in activity or buyers and sellers putting decisions on ice. Indeed, our data shows that May saw a significant surge in buyer sentiment to the highest level seen this year, soaring to 85% from April's 64%. It is testament to the remarkable resilience of the housing market that 85% of active buyers were confident they'd buy within three months. A surge in market activity, more stock becoming available, improving weather conditions and inflation moving in the right direction, mean buyers feel they are in a strong position and able to proceed with their purchases in a timely fashion.

The continuing decline in inflation, edging closer towards the Bank of England's 2% target, has boosted expectations of an impending interest rate cut. Whether that will come at June's meeting or later in the summer only time will tell, but there is an overwhelming sense that rates have topped out, making it easier for buyers to budget and plan, confident in what they can afford. Higher mortgage rates are being factored into budgets and affordability calculations but this does mean there is a limit on what buyers are prepared or able to pay. Various house-price indices have recently underlined this, with average prices flat or edging up slightly, reflecting the fact that buyers remain sensitive on price.

Seller sentiment, while perhaps not as buoyant as buyer confidence, nevertheless is also on the rise, with 63% of sellers confident they'd sell within three months in May compared with 61% in April and 55% in December. It is encouraging that, like buyers, sellers do not seem concerned

about a general election impacting their chances of transacting in the coming quarter. Elections are renowned for introducing uncertainty and pausing activity in the housing market, until it is known who is forming the new government and what its initial plans are. But this election does not seem to be causing indecision as the outcome is not only considered by many to be a foregone conclusion but also not one of particular concern to the market. There is a sense that many have put decisions on hold for long enough while interest rates have risen or been held, and are now understandably keen to get on with their lives.

The worst of the nervousness about the market seems to be behind us as levels of properties Sold Subject to Contract within 30 days of first being listed were slightly higher at 43% in May than April's 41% and last May's 42%. When you consider that this figure fell to a low of 32% in December, it is evident that there has been some volatility along the way. The sluggish market activity seen at the turn of the year is giving way to more optimism and an increase in purpose. We await with interest to see whether May's improvement in buyer confidence translates into improved SSTC figures in coming months as this sentiment feeds through to actual transactions.

Ultimately, this feels like quite a healthy market as we head towards summer, with activity and transactions picking up, interest rates poised to come down and property prices not running away with themselves. As far as prices are concerned, this is good news in particular for first-time buyers and sellers keen to get a foothold on the property ladder or edge up it, which in turn facilitates transactions further up the chain.

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State of the Nation

As usual, we welcome views from agents across the country in this month's Property Sentiment Index (see from page 8).

In the South West, Oliver Jenkin of Cooper and Tanner, has noticed that while there has been lots more interest in buying property this year, getting to exchange is taking longer: 'Our main issue has been getting sales through to exchange which is taking longer than I can ever remember. Average sale to exchange timescales is now exceeding 14 weeks on a regular basis.'

Over in Nottingham, Neill Millward at Robert Ellis also notes a positive outlook for the property market with 'an uptick in higher property sales, a trend typically seen with the arrival of the summer months'. However, there are potential issues ahead with 'challenges such as affordability and supply constraints' which could impact growth. He feels the upcoming election could play a significant role in shaping the property market, 'with potential changes in policies affecting housing and investment'.

Seller Sentiment – how confident were sellers in May 2024?

May 2024 Headlines

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

- 63% of sellers were confident they would sell their property within the next 3 months, a slight increase when compared to April 2024 (61%)
- 27% of sellers were confident they would sell their properties within the next 6 months, a slight decrease when compared to April 2024 (28%)
- 4% of sellers were confident they would sell their properties within the next 9 months, a slight decrease when compared to April 2024 (5%)
- 6% of sellers were confident they would sell their home within the next 12 months, unchanged when compared to April 2024 (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)

Scotland	May 24	Apr 24
Within next 3 months	69%	69%
Within next 6 months	20%	22%
Within next 9 months	4%	4%
Within next 12 months	7%	5%

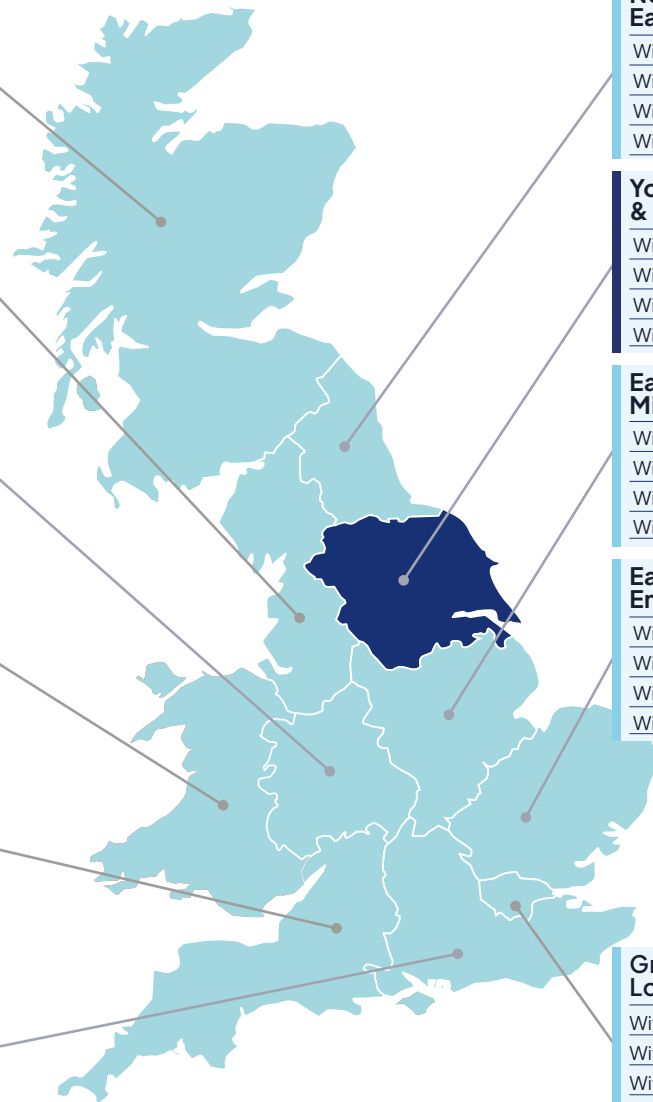
North West	May 24	Apr 24
Within next 3 months	64%	64%
Within next 6 months	26%	26%
Within next 9 months	3%	5%
Within next 12 months	7%	5%

West Midlands	May 24	Apr 24
Within next 3 months	60%	61%
Within next 6 months	29%	28%
Within next 9 months	6%	5%
Within next 12 months	5%	6%

Wales	May 24	Apr 24
Within next 3 months	62%	61%
Within next 6 months	29%	30%
Within next 9 months	5%	4%
Within next 12 months	4%	5%

South West	May 24	Apr 24
Within next 3 months	58%	55%
Within next 6 months	30%	32%
Within next 9 months	5%	7%
Within next 12 months	7%	6%

South East	May 24	Apr 24
Within next 3 months	61%	57%
Within next 6 months	29%	31%
Within next 9 months	4%	6%
Within next 12 months	6%	6%



North East	May 24	Apr 24
Within next 3 months	62%	59%
Within next 6 months	29%	31%
Within next 9 months	4%	4%
Within next 12 months	5%	6%

Yorkshire & The Humber	May 24	Apr 24
Within next 3 months	66%	58%
Within next 6 months	25%	28%
Within next 9 months	3%	5%
Within next 12 months	6%	9%

East Midlands	May 24	Apr 24
Within next 3 months	58%	60%
Within next 6 months	31%	29%
Within next 9 months	5%	4%
Within next 12 months	6%	7%

East Of England	May 24	Apr 24
Within next 3 months	59%	58%
Within next 6 months	29%	30%
Within next 9 months	6%	5%
Within next 12 months	6%	7%

Greater London	May 24	Apr 24
Within next 3 months	69%	66%
Within next 6 months	25%	27%
Within next 9 months	3%	3%
Within next 12 months	3%	4%

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 May 2024?

May 2024 Headlines

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

- 85% of buyers were confident they would purchase a property within the next 3 months, an increase when compared to April 2024 (64%)
- 7% of buyers were confident they would purchase a property within the next 6 months, a decrease when compared to April 2024 (23%)
- 1% of buyers were confident they would purchase a property within the next 9 months, a decrease when compared to March 2024 (4%)
- 7% of buyers were confident they would purchase a property within the next 12 months, a slight decrease when compared to April 2024 (9%)

 >5% increase on previous month

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

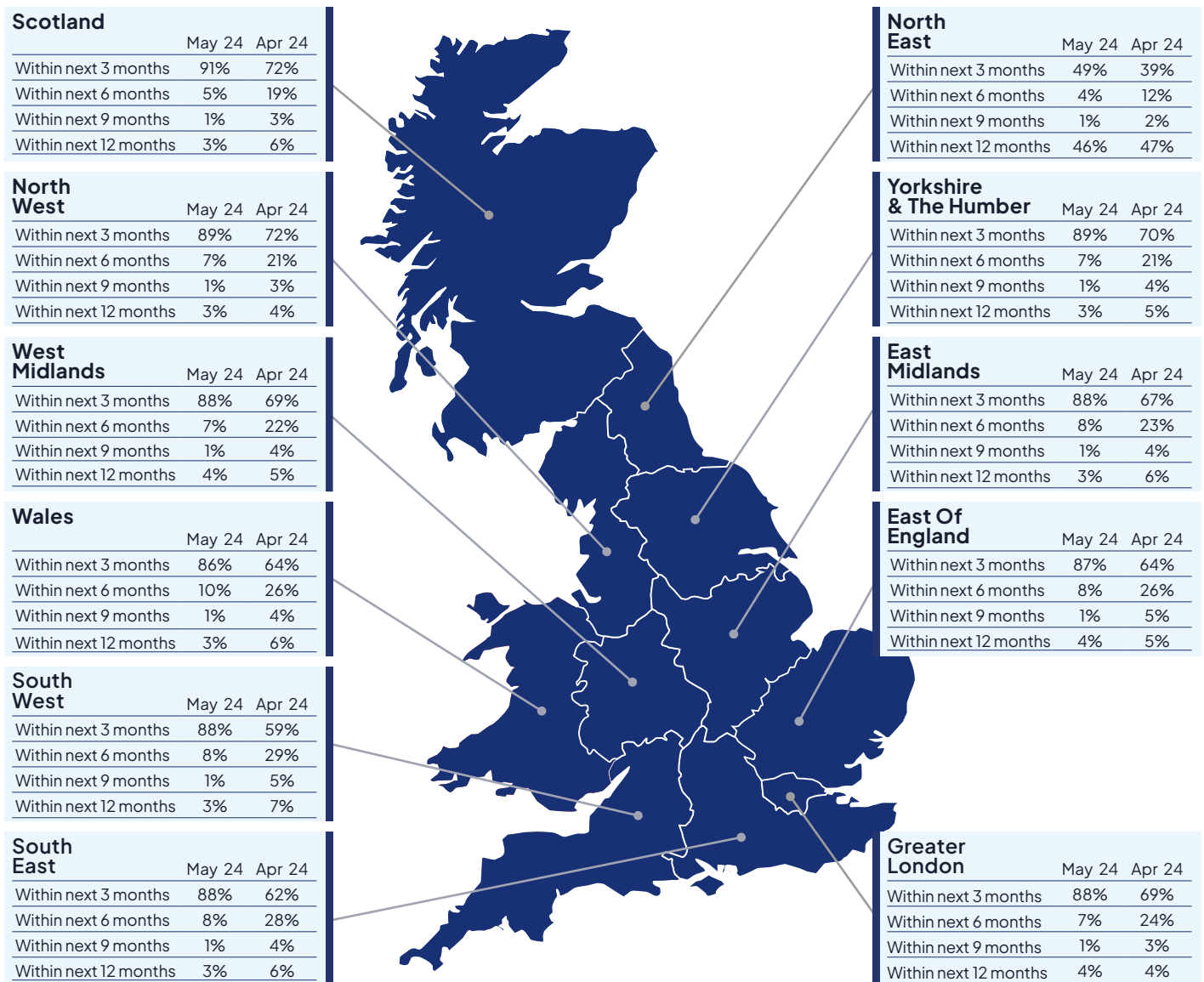
 >5% decrease on previous month

(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 May 2024







May 2024 headlines:

- As a UK average, in May 2024 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 2024 (7%)
- The South East and 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 (20%). The North East had the lowest number of respondents who already had a mortgage Agreement In Principle in place before starting their property search (7%)
- As a UK average, 27% of movers hadn't considered applying for a mortgage before starting their property search, with buyers in the North East the least likely to have considered applying for a mortgage before starting their search for a property (11%)
- As a UK average, 23% of buyers surveyed said they didn't need a mortgage to purchase a property. The North East had the lowest number of respondents who indicated that they wouldn't require a mortgage to purchase a property (11%). The South West, Scotland, and Wales jointly had the highest number of respondents who indicated they didn't need a mortgage to buy their next home (31%)

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 24	Apr 24	May 24	Apr 24	May 24	Apr 24	May 24	Apr 24	May 24	Apr 24	May 24	Apr 24
Grand Total	2%	3%	4%	4%	28%	36%	16%	9%	23%	20%	27%	28%
London	4%	5%	4%	5%	21%	32%	19%	9%	20%	18%	32%	31%
South East	2%	3%	4%	5%	20%	32%	20%	10%	25%	22%	29%	28%
South West	2%	3%	4%	5%	23%	34%	13%	7%	31%	24%	27%	27%
East of England	2%	3%	4%	5%	21%	36%	18%	9%	24%	19%	31%	28%
West Midlands	3%	4%	4%	4%	23%	37%	20%	10%	22%	18%	28%	27%
East Midlands	3%	4%	5%	5%	24%	35%	17%	9%	24%	20%	27%	27%
Yorkshire and The Humber	3%	3%	4%	4%	27%	38%	18%	9%	22%	19%	26%	27%
North East	1%	2%	1%	3%	69%	59%	7%	5%	11%	14%	11%	17%
North West	3%	3%	4%	4%	25%	39%	18%	8%	22%	18%	28%	28%
Wales	2%	2%	3%	4%	17%	32%	19%	10%	31%	25%	28%	27%
Scotland	2%	2%	3%	3%	19%	28%	14%	8%	31%	27%	31%	32%

Average asking prices in May 2024

Average asking prices – May 2024

UK Average (excl. Greater London)

Type	May 24	Apr 24	May 23	May 22
Detached	593,687	580,408	581,592	602,988
Semi-detached	363,478	357,789	363,177	360,696
Terraced	287,071	286,907	281,201	276,281
Flat/maisonette	235,408	233,315	237,545	236,392
Grand Total	422,823	414,876	414,580	402,271

Greater London

Type	May 24	Apr 24	May 23	May 22
Detached	1,842,378	1,800,690	1,912,769	2,120,305
Semi-detached	1,141,096	1,117,065	1,185,900	1,278,494
Terraced	1,255,861	1,242,473	1,273,020	1,346,938
Flat/maisonette	859,916	861,933	881,144	930,626
Grand Total	1,017,345	1,011,978	1,038,933	1,076,160

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

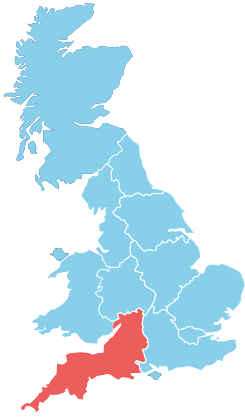
From analysis of OnTheMarket.com's data compiled from estate agents' listings across the UK, we're able to track where properties are Sold Subject to Contract (SSTC) the quickest and where they take the longest.

- In May 2024, as a UK average, 43% of properties were SSTC within 30 days of first being listed for sale, a slight increase when compared to April 2024 (41%) and May 2023 (42%)
- In May 2024, Scotland was the fastest selling region, with 66% of homes SSTC within 30 days of first being listed for sale. The East Midlands had the lowest number of properties which were SSTC within 30 days (38%)
- In May 2024, the region with the highest number of properties taking 120 days or more to SSTC was Wales (22%), compared to Scotland, which had the lowest number of properties taking 120 days or more to move to SSTC status (7%)

May 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		
	May 24	Apr 24	May 23	May 24	Apr 24	May 23	May 24	Apr 24	May 23	May 24	Apr 24	May 23	May 24	Apr 24	May 23
UK average	41%	45%	43%	21%	20%	20%	13%	8%	12%	6%	6%	6%	19%	21%	19%
Greater London	39%	39%	34%	21%	22%	22%	14%	14%	14%	9%	6%	9%	17%	19%	21%
South East	39%	39%	39%	21%	22%	21%	14%	13%	14%	9%	7%	9%	17%	19%	17%
South West	39%	40%	44%	19%	20%	20%	13%	13%	12%	10%	6%	8%	19%	21%	16%
East of England	39%	39%	40%	21%	22%	21%	14%	15%	13%	10%	6%	9%	16%	18%	17%
West Midlands	43%	41%	43%	19%	22%	21%	13%	13%	13%	9%	5%	8%	16%	19%	15%
East Midlands	38%	40%	40%	22%	22%	21%	15%	13%	12%	9%	5%	9%	16%	20%	18%
Yorkshire & The Humber	42%	41%	44%	19%	21%	20%	13%	14%	13%	8%	5%	8%	18%	19%	15%
North East	47%	46%	46%	17%	19%	21%	12%	12%	11%	8%	5%	7%	16%	18%	15%
North West	45%	43%	42%	18%	21%	20%	12%	11%	13%	8%	6%	7%	17%	19%	18%
Wales	40%	38%	40%	18%	20%	18%	12%	12%	12%	8%	4%	8%	22%	26%	22%
Scotland	66%	65%	67%	14%	17%	15%	9%	7%	7%	4%	2%	3%	7%	9%	8%

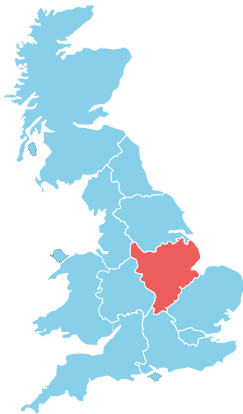
**Oliver Jenkin,
Branch Manager,
Cooper and Tanner**



South West

May finally brought some much-needed exchanges and income! Sales since the beginning of the year have been consistent, which has led to good pipeline figures, our highest as a department since the summer of 2022. However, our main issue as a firm has been getting sales through to exchange, which is taking longer than I can ever remember. The average sale-to-exchange timescale is now exceeding 14 weeks on a regular basis. Market confidence remains tentative, but realistically priced properties continue to sell. We also saw a consistent number of instructions brought to market in May, and with all branches reporting new instructions figures, we're well in double figures for the month. At this point, buyer sentiment in Somerset seems to be make hay whilst the sun shines!

**Neill Millward,
Director,
Robert Ellis**



East Midlands

Nottingham's property market has maintained a positive outlook as of May 2024. Property prices have stabilised, and there has been an uptick in higher property sales, a trend typically seen with the arrival of the summer months. This growth is fuelled by Nottingham's appeal to a wide range of buyers, including investors, first-time buyers, and families looking to relocate.

In the sales market, property prices in Nottingham have been on a level trajectory, avoiding the volatility seen in some other markets. Higher property sales are on the rise again, especially as the summer season approaches.

In the rental market, average rents have increased, mirroring national trends. However, Nottingham remains more affordable compared to larger cities like London and Manchester. The city attracts a mix of renters, including students, young professionals, and families. The presence of Nottingham's two major universities significantly influences the rental market, especially in areas close to the campuses.

Key areas and investment opportunities include Lenton and Beeston, which are particularly popular due to their proximity to the city centre and universities, making them hotspots for both investors and renters. Nottingham is attractive to investors because of its lower property prices compared to other major UK cities and its strong rental yields.

The property market in Nottingham is expected to continue growing. However, challenges such as affordability and supply constraints could impact this growth. Key factors shaping the future market include efforts to increase housing supply through new developments, including government initiatives aimed at supporting first-time buyers. The upcoming election could also play a significant role in shaping the property market, with potential changes in policies affecting housing and investment.

In summary, Nottingham's property market is poised for continued growth, supported by its appeal to a diverse range of buyers and renters, its affordability, and strong rental yields. However, addressing supply constraints and monitoring political developments will be essential for sustaining this positive trajectory.

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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