

Jason Tebb
President

May 2024

(reporting on April 2024 data)

Surprise mortgage rate rises put some buyers under pressure as spring market kicks into gear

64% of active buyers in the UK were confident that they would purchase a property within the next 3 months

61% of sellers in the UK were confident that they would sell their property within the next 3 months

41% of properties were Sold Subject to Contract (SSTC) within 30 days of first being advertised for sale, compared with 43% in April 2023

Speed of sale is holding up after sluggish market activity towards the end of last year

Housing market activity gathered momentum in April as the weather finally started to improve, stock levels rose, and new buyer enquiries picked up. However, less welcome was the increase in mortgage rates as lenders, who until now have been absorbing the rising cost of funding, passed some of this onto borrowers.

This increase in mortgage costs for those already facing affordability constraints has been confusing and unhelpful as many have been expecting a reduction in base rate after several holds at consecutive Monetary Policy Committee meetings. However, hopes of base rate cuts have rescinded in recent weeks, with markets which previously forecasted several base rate reductions this year now suggesting there may be only two or three at most. This has pushed up Swap rates, which underpin the pricing of fixed-rate mortgages, resulting in lenders increasing their mortgage rates.

Time will tell whether higher mortgage costs persist and negatively impact buyer confidence. As far as April is concerned, sentiment was remarkably stable, with seller confidence improving slightly while buyer confidence declined by the same amount. 61% of sellers were confident they'd sell within three months, a slight improvement on March's 60%. Meanwhile, 64% of UK buyers were confident they'd purchase a property within the next three months, down slightly from March's 65%.

Buyer and seller confidence has diverged over the past six months: in October, 72% of buyers were confident they'd buy within three months, compared with 58% of sellers confident they'd sell within the same timeframe. Since then, seller confidence has improved while buyer confidence has waned,

with a rebalancing from what was a bullish buyer's market in the latter part of last year to a more level playing field. Buyers appear less certain of the strength of their position, which may have something to do with the uncertainty that continues to prevail – not just with interest rates, inflation and when an election will be called in the UK – but also wider international concerns.

With Nationwide building society reporting a slowing in annual house price growth in April, buyers are not prepared, or able, to pay any price to secure a property. Nationwide also reports that half of those considering buying a home in the next five years have delayed their plans over the past year. While some agents report competition and bidding wars for desirable properties in areas where stock is scarce, others suggest buyers are bargaining hard, with those reliant on mortgages mindful that borrowing is more expensive so buying a property will cost them more. Mortgage sentiment remained steady, with 7% very worried or slightly concerned about getting a mortgage in April compared with 9% in March, suggesting this isn't the driver of waning buyer confidence.

Some (41%) of all properties were SSTC within 30 days of first being advertised for sale in April, down from 45% in March, but an improvement on six months ago, when it was 36% in October. The sluggish market at the end of last year has undergone a steady recovery, buoyed by cheaper mortgage rates and increased optimism. The boom-and-bust of old has gradually been replaced with incremental changes and adjustments, more sensible pricing and buyers prepared to negotiate hard, particularly in light of higher borrowing costs. It's a good time to buy and sell, before the date of the general election is announced and uncertainty prevails once more.

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State of the Nation

Once again, we're including views from agents across the country in this month's Property Sentiment Index (see page 8), which reaffirm a pick-up in activity in April as buyers and sellers remain broadly optimistic and pricing impacted by demand and property availability in that area.

Alan Cumming of Aberdeen Considine in Scotland remarks that most areas are seeing a "surge in new properties being listed for sale... (and) increased viewing numbers".

Prices are rising in some areas but not all. Stuart Matthews of Miller Metcalfe in the North West, says "property prices remain static with only slight increases in some of the more popular locations". He notes that the general election may cause some uncertainty so "sellers must consider and assess pricing strategies to maximise returns".

Angi Cooney at C Residential in the West Midlands has also seen a "steady increase in property prices, with an average growth of 2.5 per cent compared to the previous month". She notes that it is a "seller's market" in Staffordshire, thanks to the lack of property for sale, with "bidding wars becoming increasingly common".

Over in Wales, Melfyn Williams of Anglesey & Gwynedd, is enjoying a "vibrant and buoyant market" with properties selling well at auction: "attractively priced properties are not only selling well but achieving bids around a third over their guide price" which he attributes to "savvy buyers... ready to snap up a good deal".

In the North East, John Nicholson of Downen Auction, Sales and Lettings, points to the "looming prospect of rate cuts" which he believes "cast a shadow over prospective buyers, causing some to adopt a wait-and-see approach". A persistent shortage of properties, "coupled with sustained demand, has created a competitive environment where properties often attract multiple offers and sell swiftly".

Finally, in the East Midlands, Neill Millward of Robert Ellis is optimistic about the housing market over coming months, thanks to seasonal fluctuations: "as we move into summer, we anticipate an increase in the number of sales agreed... (presenting) both opportunities and challenges for buyers and seller alike, as heightened competition may include pricing and negotiation dynamics".

Seller Sentiment – how confident were sellers in April 2024?

April 2024 Headlines


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

- 61% of sellers were confident they would sell their property within the next 3 months, a slight increase when compared to March 2024 (60%)
- 28% of sellers were confident they would sell their properties within the next 6 months, a slight decrease when compared to March 2024 (29%)
- 5% of sellers were confident they would sell their properties within the next 9 months, unchanged when compared to March 2024 (5%)
- 6% of sellers were confident they would sell their home within the next 12 months, unchanged when compared to March 2024 (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:

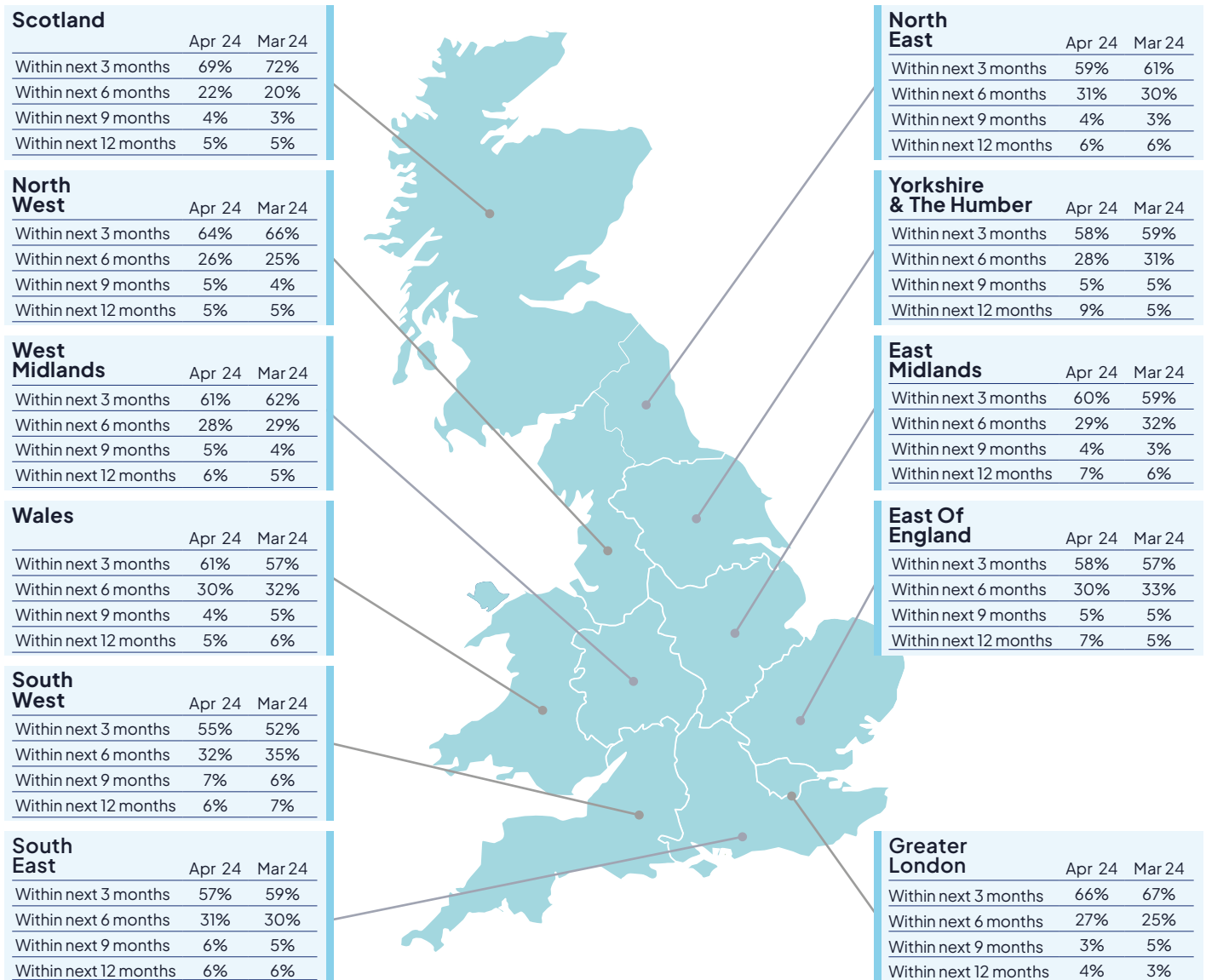
- Within the next 3 months
- Within the next 6 months
- Within the next 9 months
- Within the next 12 months

 >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 April 2024?

April 2024 Headlines

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

- 64% of buyers were confident they would purchase a property within the next 3 months, a slight decrease when compared to March 2023 (65%)
- 23% of buyers were confident they would purchase a property within the next 6 months, a slight decrease when compared to March 2024 (24%)
- 4% of buyers were confident they would purchase a property within the next 9 months, unchanged when compared to March 2024 (4%)
- 9% of buyers were confident they would purchase a property within the next 12 months, an increase when compared to March 2024 (7%)

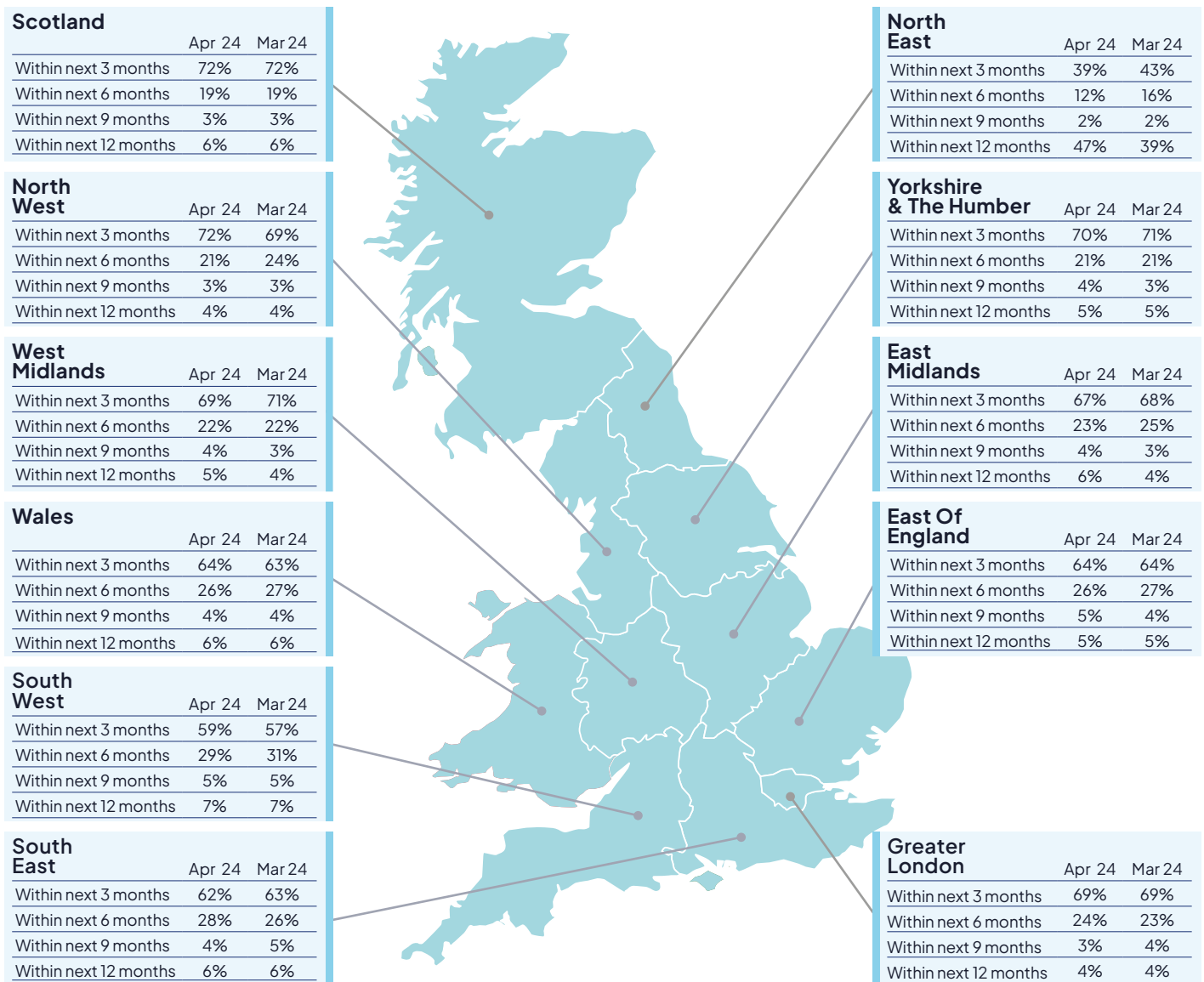
● >5% increase on previous month
 ● <5% increase and <5% decrease on previous month
 ● >5% decrease on previous month

(based on buyer confidence within next 3 months)

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 April 2024







April 2024 headlines:

- As a UK average, in April 2024 only 7% of movers were concerned (either very worried or slightly concerned) about securing a mortgage to fund the purchase of their next property, a decrease when compared to March 2024 (9%)
- The South East, West Midlands and 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 (10%). The North East had the lowest number of respondents who already had a mortgage Agreement In Principle in place before starting their property search (5%)
- As a UK average, 28% of movers hadn't considered applying for a mortgage before starting their property search, with buyers in Scotland the least likely to have considered applying for a mortgage before starting their search for a property (32%)
- As a UK average, 20% 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 (14%). Scotland had the highest number of respondents who indicated they didn't need a mortgage to buy their next home (27%)

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	
	Apr 24	Mar 24	Apr 24	Mar 24	Apr 24	Mar 24	Apr 24	Mar 24	Apr 24	Mar 24	Apr 24	Mar 24
Grand Total	3%	4%	4%	5%	36%	34%	9%	9%	20%	20%	28%	28%
London	5%	5%	5%	5%	32%	32%	9%	10%	18%	17%	31%	31%
South East	3%	3%	5%	5%	32%	33%	10%	10%	22%	21%	28%	28%
South West	3%	3%	5%	5%	34%	33%	7%	8%	24%	24%	27%	27%
East of England	3%	4%	5%	5%	36%	33%	9%	9%	19%	20%	28%	29%
West Midlands	4%	4%	4%	5%	37%	37%	10%	9%	18%	18%	27%	27%
East Midlands	4%	4%	5%	6%	35%	36%	9%	8%	20%	19%	27%	27%
Yorkshire and The Humber	3%	3%	4%	5%	38%	38%	9%	8%	19%	19%	27%	27%
North East	2%	2%	3%	3%	59%	51%	5%	6%	14%	17%	17%	21%
North West	3%	4%	4%	5%	39%	35%	8%	9%	18%	19%	28%	28%
Wales	2%	2%	4%	4%	32%	31%	10%	11%	25%	26%	27%	26%
Scotland	2%	3%	3%	3%	28%	29%	8%	9%	27%	26%	32%	30%

Average asking prices in April 2024

Average asking prices – April 2024

UK Average (excl. Greater London)

Type	Apr 24	Mar 24	Apr 23
Detached	£580,408	£556,826	£572,583
Semi-detached	£357,789	£353,958	£357,913
Terraced	£286,907	£279,093	£278,736
Flat/maisonette	£233,315	£233,953	£236,991
Grand Total	£414,876	£401,717	£406,067

Greater London

Type	Apr 24	Mar 24	Apr 23
Detached	£1,800,690	£1,753,415	£1,877,624
Semi-detached	£1,117,065	£1,084,235	£1,163,934
Terraced	£1,242,473	£1,216,592	£1,268,206
Flat/maisonette	£861,933	£858,038	£885,979
Grand Total	£1,011,978	£997,587	£1,034,081

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

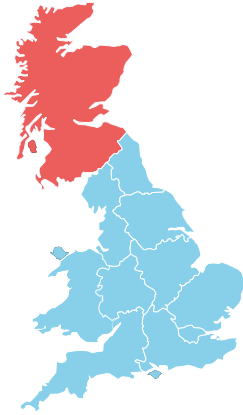
From analysis of OnTheMarket.com's data compiled from estate agents' listings across the UK, we're able to track where properties are Sold Subject to Contract (SSTC) the quickest and where they take the longest.

- In April 2024, as a UK average 41% of properties were SSTC within 30 days of first being listed for sale, a decrease when compared to both March 2024 (45%) and April 2023 (43%)
- In April 2024, Scotland was the fastest selling region, with 65% 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 (38%)
- In April 2024, the region with the highest number of properties taking 120 days or more to SSTC was Wales (26%), compared to Scotland, which had the lowest number of properties taking 120 days or more to move to SSTC status (9%)

April 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		
	Apr 24	Mar 24	Apr 23	Apr 24	Mar 24	Apr 23	Apr 24	Mar 24	Apr 23	Apr 24	Mar 24	Apr 23	Apr 24	Mar 24	Apr 23
UK average	41%	45%	43%	21%	20%	20%	13%	8%	12%	6%	6%	6%	19%	21%	19%
Greater London	39%	42%	37%	22%	21%	21%	14%	9%	13%	6%	6%	7%	19%	22%	22%
South East	39%	41%	41%	22%	21%	21%	13%	10%	12%	7%	6%	6%	19%	22%	20%
South West	40%	42%	42%	20%	21%	21%	13%	8%	12%	6%	5%	5%	21%	24%	20%
East of England	39%	44%	42%	22%	21%	20%	15%	9%	13%	6%	6%	7%	18%	20%	18%
West Midlands	41%	45%	45%	22%	20%	18%	13%	8%	12%	5%	6%	5%	19%	21%	20%
East Midlands	40%	46%	41%	22%	19%	20%	13%	8%	13%	5%	5%	6%	20%	22%	20%
Yorkshire & The Humber	41%	43%	45%	21%	20%	20%	14%	8%	11%	5%	6%	5%	19%	23%	19%
North East	46%	51%	47%	19%	18%	19%	12%	6%	11%	5%	6%	6%	18%	19%	17%
North West	43%	44%	43%	21%	20%	20%	11%	9%	11%	6%	6%	6%	19%	21%	20%
Wales	38%	37%	39%	20%	18%	20%	12%	7%	11%	4%	7%	6%	26%	31%	24%
Scotland	65%	68%	65%	17%	13%	15%	7%	4%	7%	2%	4%	2%	9%	11%	11%

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



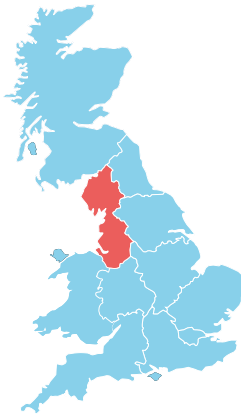
Scotland

Across Scotland, April has seen a modest uplift in sales volumes compared to last year, however sales are still running behind April 2022. Glasgow City and the surrounding regions continue to experience a very buoyant market with four out of five properties selling at a closing date, which is replicated across central Scotland.

In Edinburgh and The Lothians, first-time buyers are back in their masses but with plenty of choice - fuelled by a surge of ex-rentals coming to market as landlords look to exit - prices being offered are moderate. Most areas of the country are seeing a surge in new properties being listed for sale - a greater degree of choice is encouraging more home movers, which has resulted in increased viewing numbers. Unlike the weather, there are signs of an improving market and many homeowners who were unable to move home last year anticipate being able to do so over the course of 2024.

Agents up and down the country eagerly await the next Bank of England announcement with hope that interest rates will fall further, until then the spring market is set to perform slightly ahead of last year, which we'll take for now!

**Stuart Matthews,
Managing Director,
Miller Metcalfe**

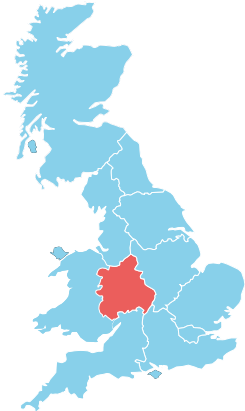


North West

As we step into what is traditionally the busier months, the housing market continues to intrigue and challenge both buyers and sellers alike. One of the key aspects this April is that property prices remain static with only slight increases in some of the more popular locations. This is driven by demand from young professionals wanting to live in the major cities like Liverpool and Manchester. Certain housing trends have emerged this year. Sustainable and energy efficient homes are increasingly sought after, reflecting a growing awareness of environmental concerns. Additionally, the rise of remote working has reshaped preferences with a greater emphasis on homes that accommodate a flexible working layout.

As we look ahead, the market is poised for further evolution with factors including government policies, interest rates and the uncertainty of when the election may be called. Sellers must consider and assess pricing strategies to maximise returns.

Angi Cooney,
Director,
C Residential



West Midlands

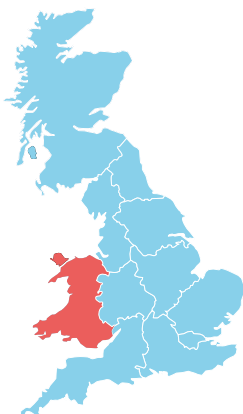
In April, the housing market in the West Midlands exhibited notable trends, particularly in Staffordshire, where buyer demand and property prices have shown significant activity. The West Midlands region has continued to attract attention due to its affordable housing options compared to other parts of the UK, and Staffordshire is leading the way with some of the most compelling market movements.

This month, Staffordshire reported a steady increase in property prices, with an average growth of 2.5% compared to the previous month. This increment is largely attributed to the heightened demand for residential property, driven by first-time buyers and those looking for family homes.

The increased connectivity and development projects in the area have enhanced its appeal, drawing more potential homeowners to the region. The inventory of available properties in Staffordshire has struggled to keep pace with demand, creating a seller's market where bidding wars are becoming increasingly common. Homes in popular areas such as Lichfield and Stafford are selling rapidly, often above the asking price. This trend reflects a broader regional pattern, but Staffordshire's growth outpaces nearby counties.

Despite the rising prices, the investment in infrastructure and local amenities continues to make Staffordshire an attractive destination for families and professionals alike. The region's robust job market and quality of life enhancements are pivotal factors supporting the housing demand. As we move into the next quarter, the outlook for Staffordshire's housing market remains positive, with predictions of continued growth. Potential buyers are advised to act swiftly, as competition for homes in prime locations is expected to intensify.

Melfyn Williams,
Director,
Anglesey & Gwynedd

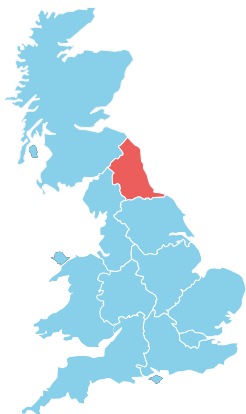


Wales

The property market in these areas is showing promising signs of activity, particularly at the lower end. Homes in this bracket are ticking over nicely, keeping the market vibrant and buoyant. With confidence gradually returning to the higher end of the market, no doubt a touch of sunny weather as we reach the seasonally active time of year for this price range will see continued activity returning. Auctions are proving to be a hot spot in the current market. Attractively priced properties are not only selling well but are achieving bids around a third over their guide price. It's a clear indication that savvy buyers are out there, ready to snap up a good deal when they see one. Meanwhile, the lettings market continues to show robust demand. Regardless of the season, the need for quality rental properties remains high in Anglesey & Gwynedd.

In summary, the property market in Anglesey & Gwynedd is showing resilience and potential. With a bit of sunshine and continued confidence, we can expect to see increased activity across the board. So, here's to a bright and bustling property market in these beautiful regions!

**John Nicholson,
Managing Director,
Down Auction,
Sales and Lettings**

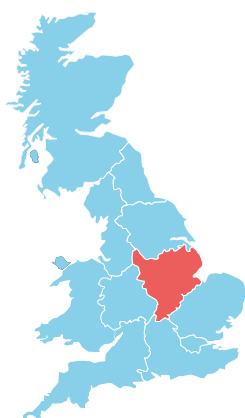


North East

In April, the housing market in the North East found itself in a delicate equilibrium, influenced by various factors that both buoyed and tempered activity. The looming prospect of interest rate cuts cast a shadow over prospective buyers, causing some to adopt a wait-and-see approach, anticipating potentially more favourable lending conditions soon. Moreover, the Easter holiday season introduced a temporary slowdown in new listings, as sellers and agents alike shifted focus towards seasonal festivities. This pause, however, was but a momentary blip in an otherwise steady market. Despite the holiday lull, the fundamental dynamics remained largely unchanged. The prevailing theme continued to be one of scarcity and demand. The North East witnessed a persistent shortage of available properties, a trend that has persisted for some time. This scarcity, coupled with sustained demand, has created a competitive environment where properties often attract multiple offers and sell swiftly.

Despite the spectre of interest rate cuts and the seasonal ebb in listings, the market remained robust. Buyers, motivated by low inventory and historically low borrowing costs, continued to vie for the limited supply of homes. Sellers, meanwhile, found themselves in a favourable position, often fielding multiple offers and achieving quick sales at or above asking prices. Overall, the housing market in the North East in April reflected a delicate balance between cautious optimism and steady demand. While the threat of interest rate cuts prompted some to bide their time, the enduring scarcity of properties and sustained buyer interest ensured that the market remained resilient, with both buyers and sellers navigating the landscape with measured confidence.

**Neill Millward,
Director,
Robert Ellis**



East Midlands

In April 2024, Nottingham's property market, as observed by Robert Ellis estate agents, remained stable and resilient despite broader economic uncertainties. Prices generally held steady, reflecting a market characterised by consistency rather than significant fluctuations. Demand for properties remained healthy, buoyed by factors such as steady interest rates, with buyers showing continued interest in securing homes, particularly those offering more spacious living arrangements.

As we transition into the summer months, it's worth noting that the property market in Nottingham, like many others, can exhibit seasonal fluctuations. Historically, the spring and summer seasons often witness an uptick in activity, with more sales agreed compared to the colder months. This trend is typically driven by factors such as improved weather conditions, which make property viewings more appealing, as well as a sense of renewal and optimism that often accompanies the warmer months. As such, as we move into the summer, we anticipate an increase in the number of sales agreed in Nottingham. This upswing in activity presents both opportunities and challenges for buyers and sellers alike, as heightened competition may influence pricing and negotiation dynamics. As experienced estate agents, we remain vigilant and adaptable to these seasonal shifts, ensuring that our clients receive the most informed and strategic guidance throughout their property transactions. In the rental market, demand remained robust from both students and professionals, supporting steady rental prices overall.

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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