



ECONOMICS



UK Residential Market Survey

January 2023

Sales volumes and prices continue to retreat across the housing market

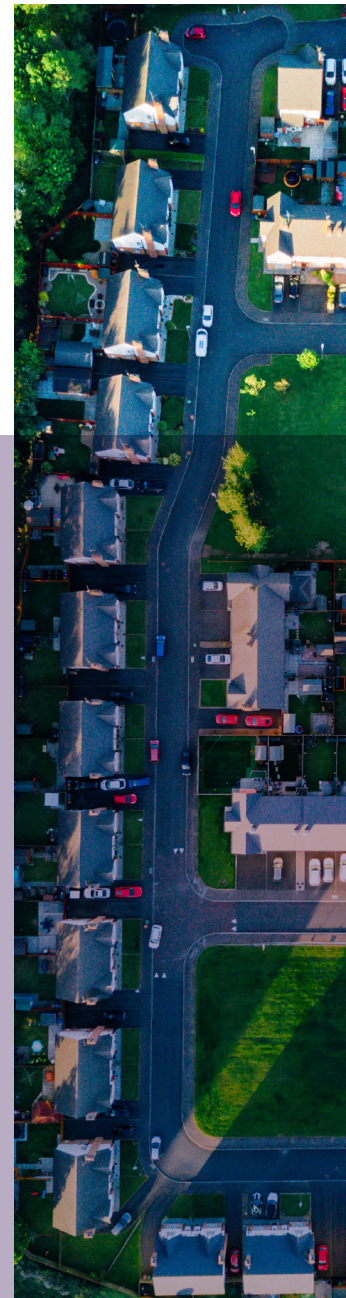
- Metrics on buyer enquiries, agreed sales and new instructions all remain negative
- House prices continue to slip at the national level
- Forward-looking indicators still point to a subdued outlook for the market
- Build to Rent only seen playing a modest role in filling the gap in the lettings market

The January 2023 RICS UK Residential Survey results continue to depict a muted market backdrop at present, with new buyer demand, sales, fresh listings and prices all reported to be on a downward trend. What's more, near-term expectations suggest this picture is likely to remain in place for a while longer as the market adjusts to the higher interest rate environment. This is despite some more sanguine anecdotal remarks from a number of contributors.

At the national level, the latest net balance for new buyer enquiries slipped to -47%, down from a reading of -40% last month. As such, this measure continues to signal a decline in demand, with the January return marking the ninth successive negative monthly reading for the new buyer enquiries series. Moreover, contributors in all parts of the UK saw either a fall in demand or a stagnant trend over the latest survey period.

Alongside this, respondents continue to see a pull-back in the volume of fresh listings coming onto the sales market, evidenced by a net balance of -14% of contributors reporting a decline in new instructions over January. Meanwhile, the number of market appraisals undertaken over the month was below that found in the equivalent period a year ago, according to a net balance of -42% of respondents. Consequently, relatively tight supply conditions appear likely to remain in place across the market in the immediate future.

At the UK aggregate level, a net balance of -39% of respondents cited a decline in agreed sales over the month. This is similar to the figure of -41% seen in December and remains consistent with a significant weakening in residential sales volumes. Looking ahead, sales are anticipated to continue to slip over the coming three months, evidenced by the near-term sales expectations net balance coming in at -49% (albeit this



is marginally less downbeat than -54% last month). At the twelve-month time horizon, the sales outlook does not appear to be quite as downcast as before (although still in negative territory), with the net balance moving to -20% compared to a much weaker reading of -42% seen back in December.

The latest feedback on national house prices points to another monthly decline, with the January net balance softening further to -47% compared to a reading of -42% beforehand. When disaggregated, all regions of England are seeing house prices retreat at present, with the sharpest declines (in net balance terms) coming across the East Midlands and the South East. By way of contrast, the survey's price indicator remains marginally positive in Scotland and Northern Ireland, even if these readings are significantly flatter than those seen six months ago.

Going forward, the near-term price expectations measure returned a net balance of -66% (more or less in-line with a figure of -65% seen previously), therefore continuing to signal further downside pressure on prices over the coming three months. On a twelve-month view, although the latest headline net balance of -40% remains firmly negative, this is somewhat less downbeat than readings of -61% and -57% posted in November and December respectively. Nevertheless, twelve-month price expectations are still negative across all parts of the UK, with the exception of Northern Ireland.

In the lettings market, tenant demand continues to increase according to a net balance of +43% of respondents nationally (part of the quarterly seasonally adjusted rental market dataset). At the same time, landlord instructions fell once again, with the latest net balance reading of -14% representing the tenth straight quarter in which a decline has been reported. As a result of this mismatch, a net balance of +51% of respondents foresee rental prices being squeezed higher (little changed from the figure of +52% seen last quarter).

On the issue of supply across the rental market, around 64% of survey participants are of the opinion that Build to Rent will play a bigger role in the product mix brought to market going forward. That said, the largest share of respondents (48%) perceive that Build to Rent will only be somewhat successful in filling the supply shortfall in the market longer term, while 44% feel it will have very little impact. Crucially, only 9% of respondents envisage Build to Rent filling the shortfall in supply across the lettings market to a significant extent.



Methodology

About:

The RICS Residential Market Survey is a monthly sentiment survey of Chartered Surveyors who operate in the residential sales and lettings markets.

Regions:

The 'headline' national readings cover England and Wales.

Specifically the 10 regions that make up the national readings are: 1) North 2) Yorkshire and Humberside 3) North West 4) East Midlands 5) West Midlands 6) East Anglia 7) South East 8) South West 9) Wales 10) London.

The national data is regionally weighted.

Data for Scotland and Northern Ireland is also collected, but does not feed into the 'headline' readings.

Questions asked:

1. How have average prices changed over the last 3 months?
(down/ same/ up)
 2. How have new buyer enquiries changed over the last month?
(down/ same/ up)
 3. How have new vendor instructions changed over the last month?
(down/ same/ up)
 4. How have agreed sales changed over the last month?
(down/ same/ up)
 5. How do you expect prices to change over the next 3 months?
(down/ same/ up)
 6. How do you expect prices to change over the next 12 months?
(% band, range options)
 7. How do you expect prices to change over the next 5 years?
(% band, range options)
 8. How do you expect sales to change over the next 3 months?
(down/ same/ up)
 9. How do you expect sales to change over the next 12 months?
(down/ same/ up)
 10. Total sales over last 3 months i.e. post contract exchange (level)?
 11. Total number of unsold houses on books (level)?
 12. Total number of sales branches questions 1 & 2 relate to (level)?
 13. How long does the average sales take from listing to completion (weeks)?
 14. How has tenant demand changed over the last 3 months?
(down/ same/ up)
 15. How have landlords instructions changed over the last 3 months?
(down/ same/ up)
 16. How do you expect rents to change over the next 3 months?
(down/ same/ up)
 17. How do you expect average rents, in your area, to change over the next 12 months?
(% band, range options)
 18. What do you expect the average annual growth rate in rents will be over the next 5 years in your area?
(% band, range options)
- Questions 6, 7, 17 and 18 are broken down by bedroom number viz. 1-bed, 2-bed, 3-bed, 4-bed or more. Headline readings weighted according to CLG English Housing Survey.

Net balance data:

- Net balance = Proportion of respondents reporting a rise in prices minus those reporting a fall (if 30% reported a rise and 5% reported a fall, the net balance will be 25%).
- The net balance measures breadth (how widespread e.g. price falls or rises are on balance), rather than depth (the magnitude of e.g. price falls or rises).
- Net balance data is opinion based; it does not quantify actual changes in an underlying variable.
- Net balance data can range from -100 to +100.
- A positive net balance implies that more respondents are seeing increases than decreases (in the underlying variable), a negative net balance implies that more respondents are seeing decreases than increases and a zero net balance implies an equal number of respondents are seeing increases and decreases.
- Therefore, a -100 reading implies that no respondents are seeing increases (or no change), and a +100 reading implies that no respondents are seeing decreases (or no change).
- In the case of the RICS price balance, a reading of +10 should not be interpreted as RICS saying that house prices are going up by 10%, but that 10% more surveyors reported increases rather than decreases in prices (over the last three months).
- A change from +30 to +60 does not mean that the variable grew by 30% in one period and by 60% in the next period, but it does indicate that twice as many surveyors reported an increase compared to a decrease than in the previous period.
- Likewise, if we get a reading dropping from +90 to +5, this still means that more respondents are reporting increases than decreases overall, but the breadth of those reporting increases has fallen dramatically; meanwhile, a shift in the reading from -90 to -5 still means that more respondents are reporting decreases than increases overall, but the breadth of those reporting decreases has fallen dramatically.

Seasonal adjustments:

The RICS Residential Market Survey data is seasonally adjusted using X-12.

Next embargo date:

February Survey: 9 March
March survey: 13 April

Number of responses to this month's survey:

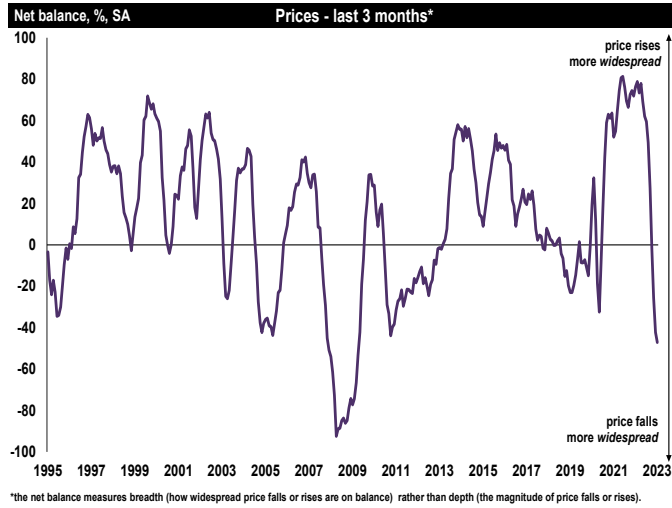
This survey sample covers 590 branches coming from 315 responses.

Disclaimer

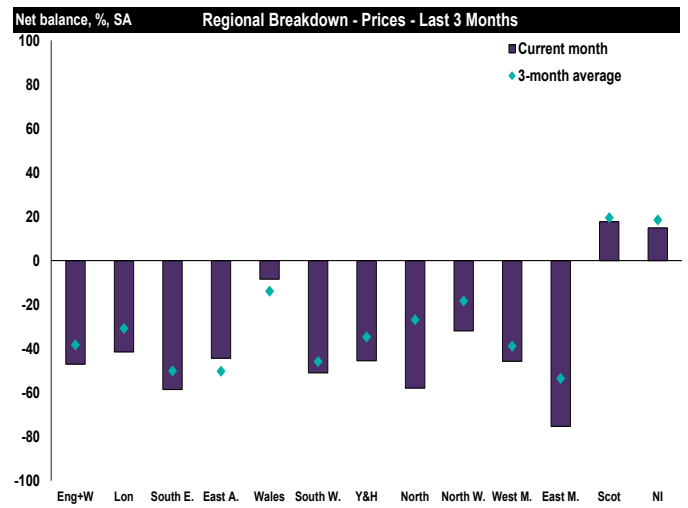
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Sales market charts

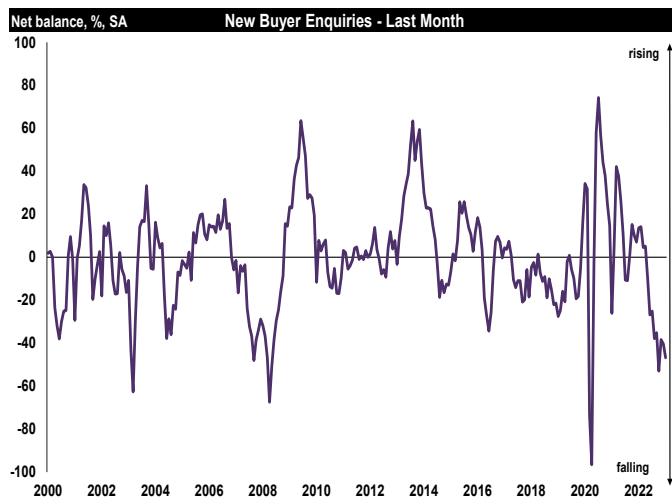
National Prices - Past three months



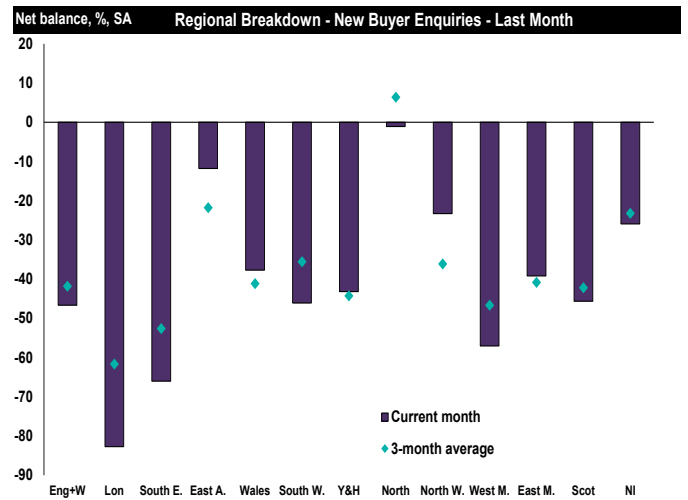
Regional Prices - Past three months



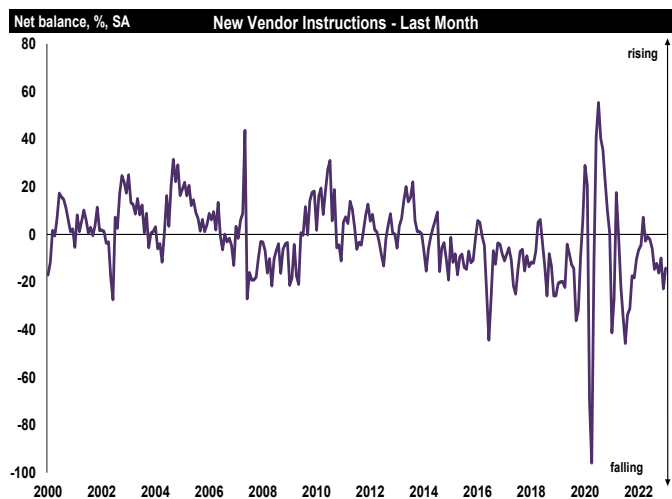
National Enquiries - Past month



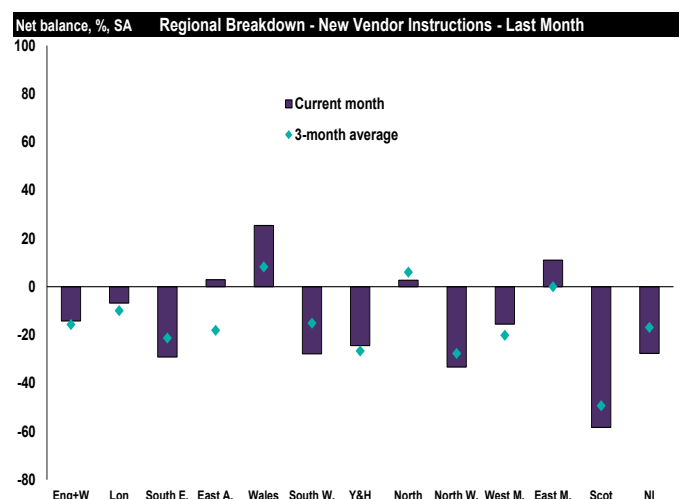
Regional New Buyer Enquiries - Past month



National New Vendor Instructions - Past month

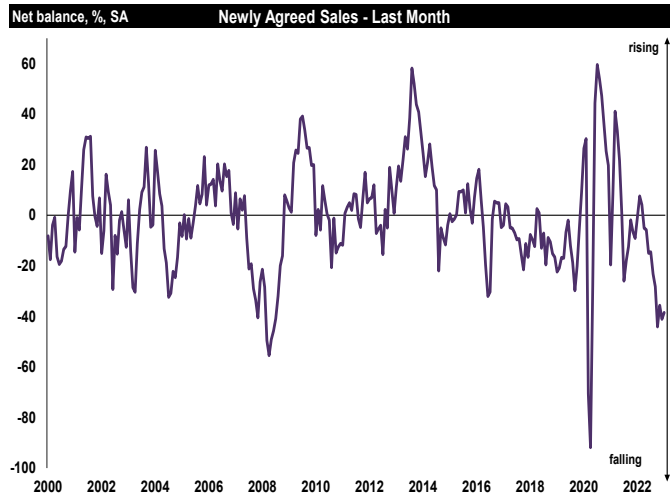


Regional New Vendor Instructions - Past month

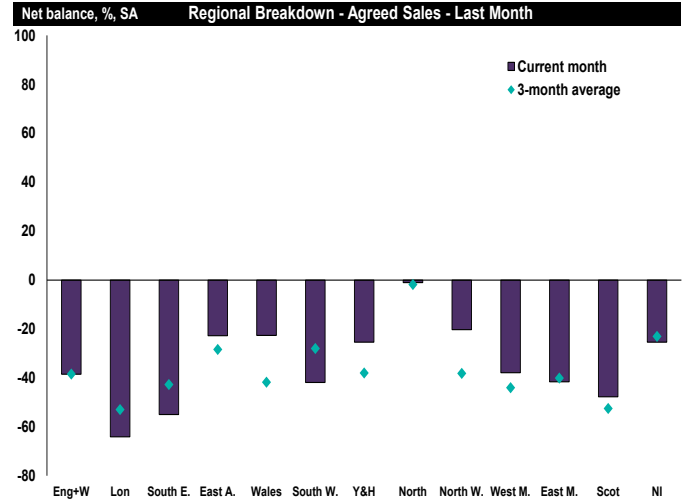


Sales market charts

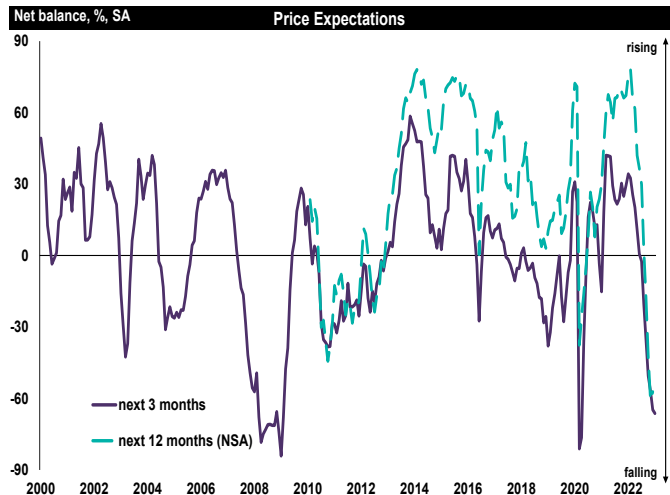
National Newly Agreed Sales - Past month



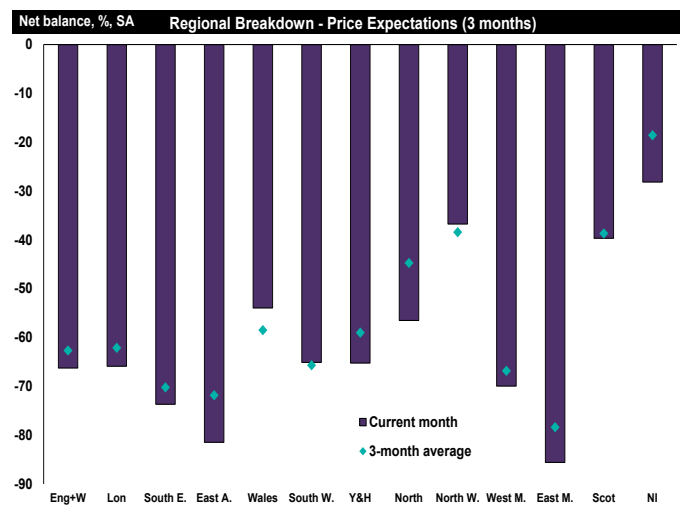
Regional Newly Agreed Sales - Past month



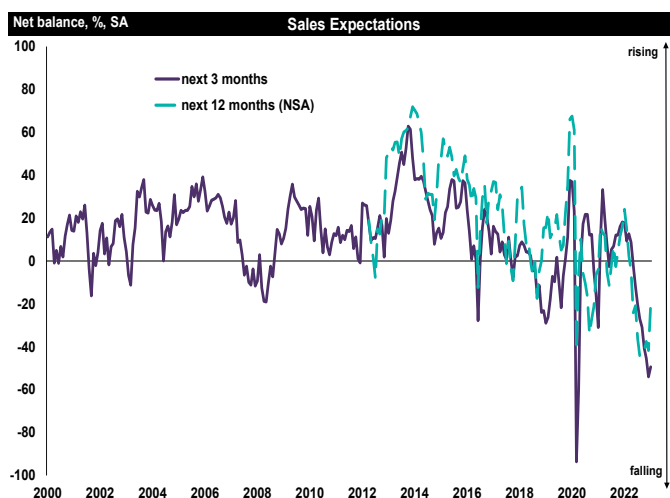
National Price Expectations - Three and twelve month expectations



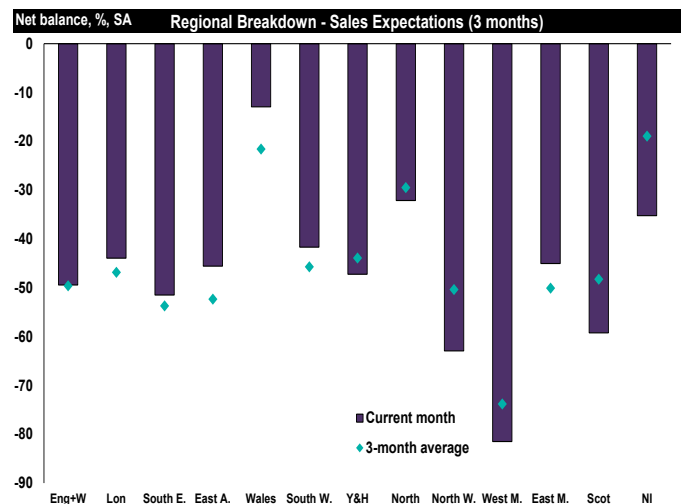
Regional Price Expectations - Next three months



National Sales Expectations - Three and twelve month expectations

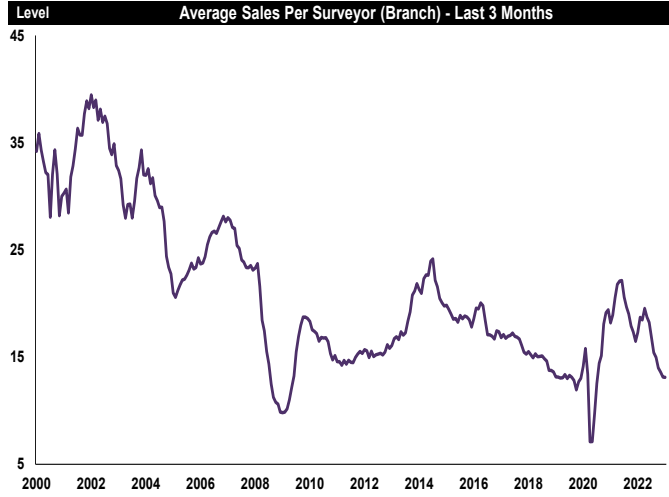


Regional Sales Expectations - Next three months

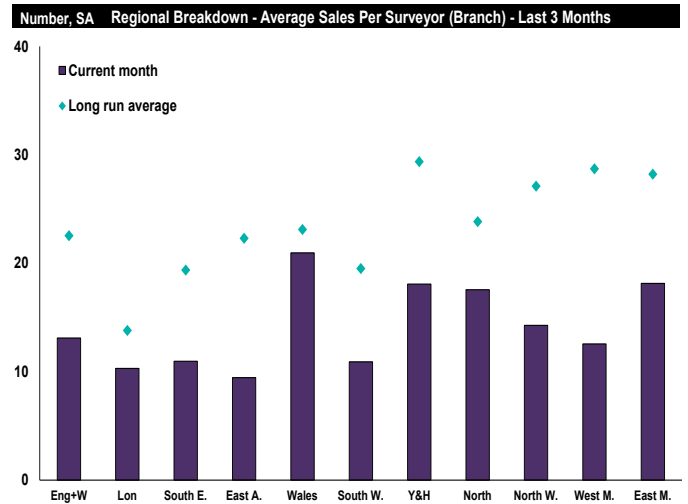


Sales market charts

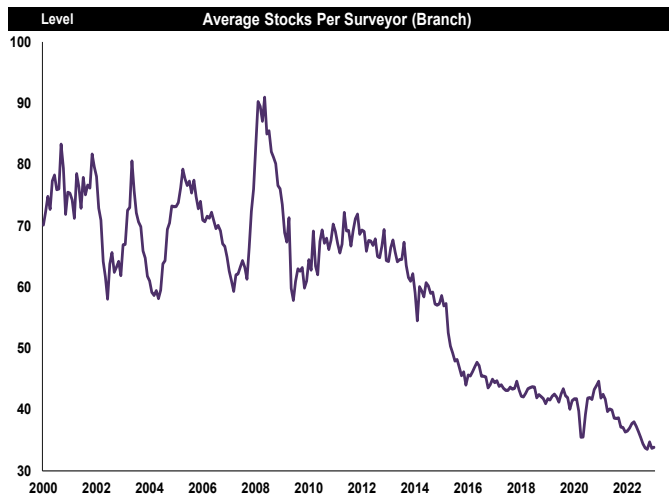
National Average Sales Per Surveyor - Past three months



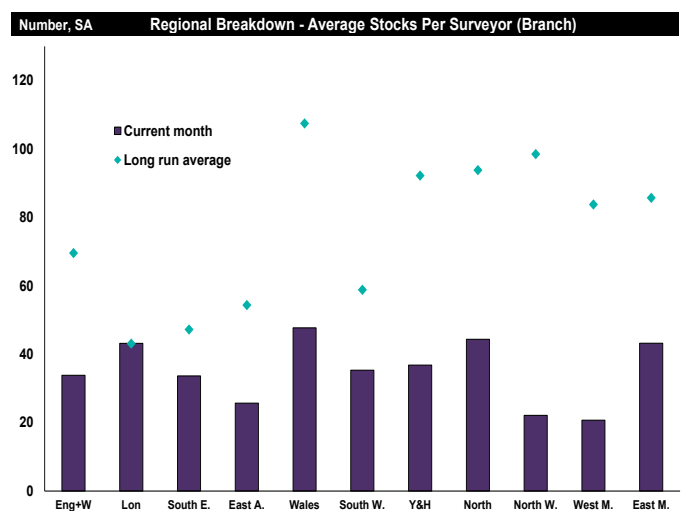
Regional Average Sales Per Surveyor - Past three months



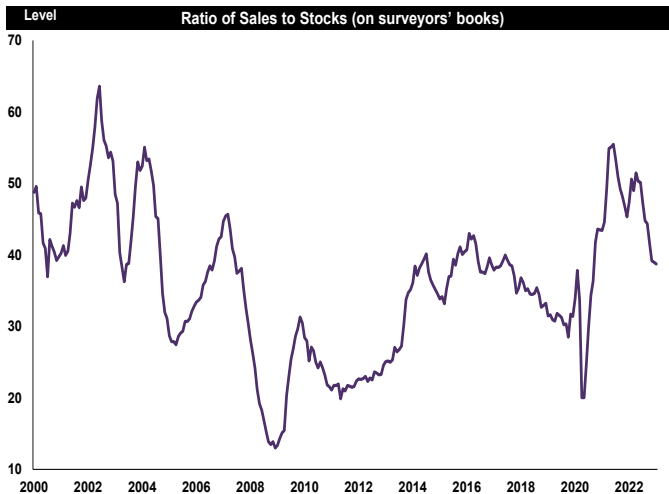
National Average Stocks Per Surveyor



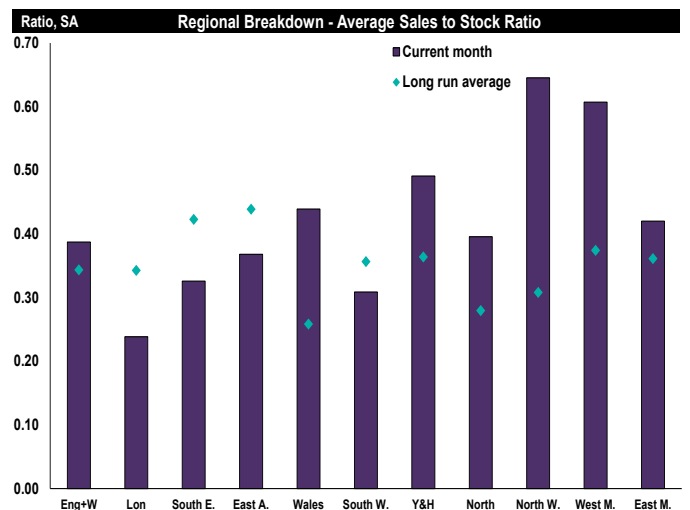
Regional Average Stock Per Surveyor



National Sales to Stock Ratio

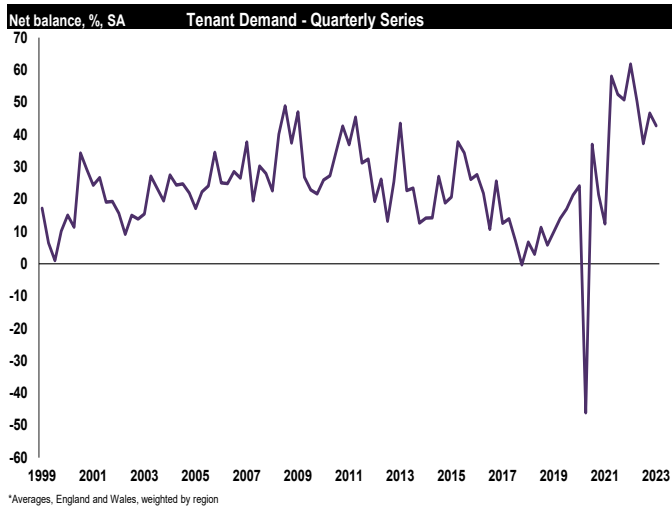


Regional Sales to Stock Ratio

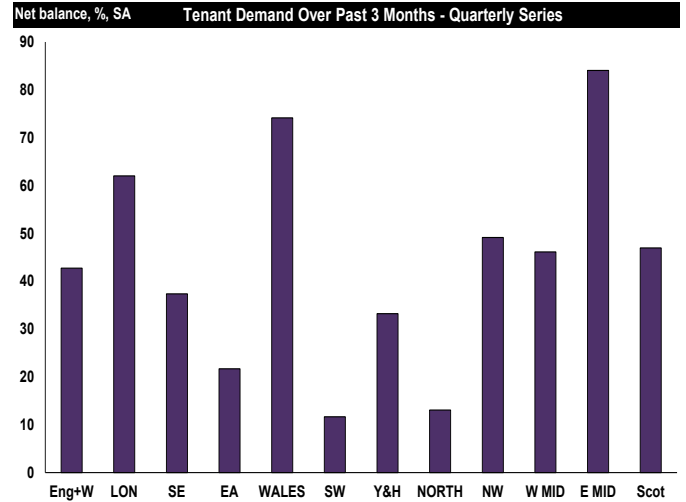


Lettings market charts

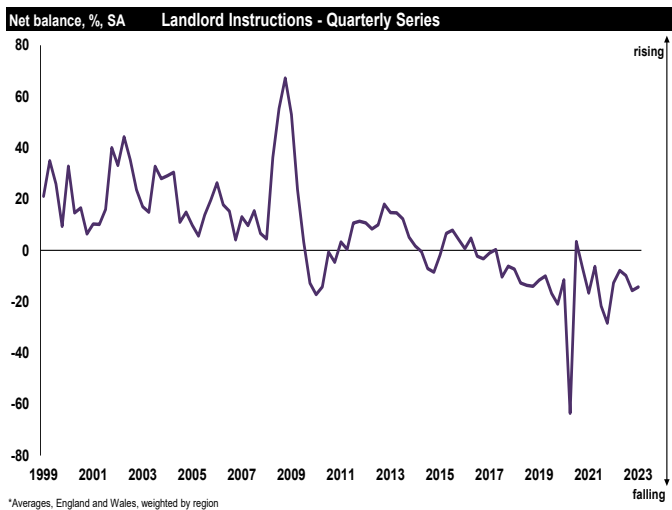
National Tenant Demand - Past three months



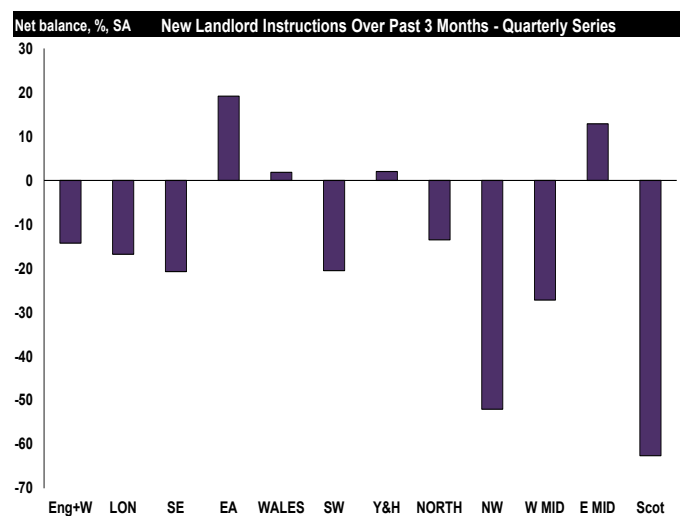
Regional Tenant Demand - Past three months



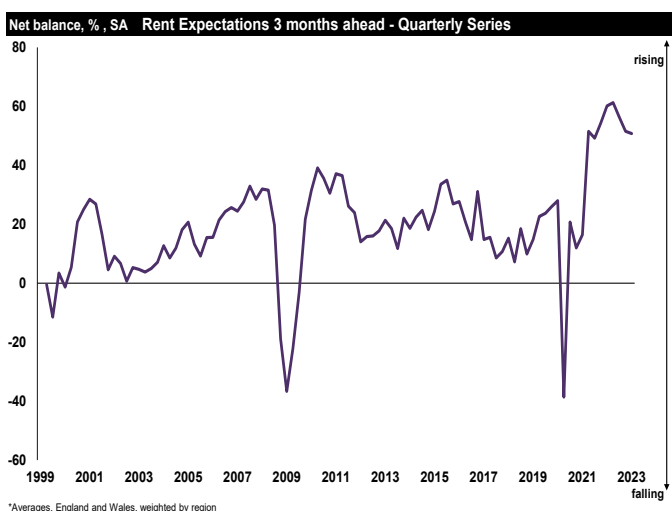
National New Landlord Instructions - Past three months



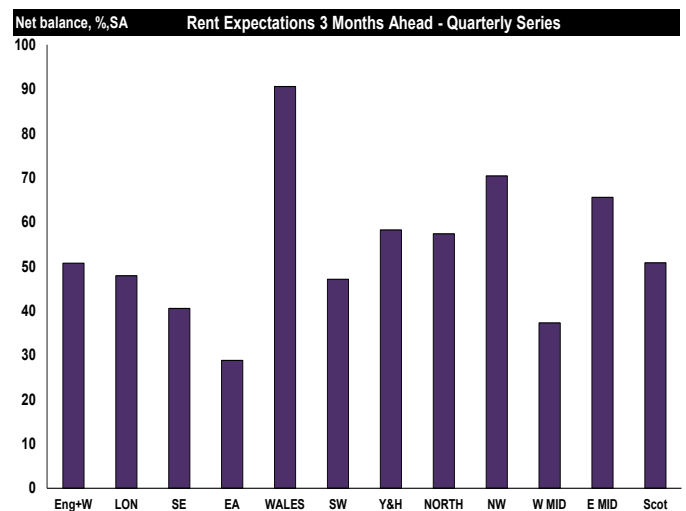
Regional New Landlord Instructions - Past three months



National Rent Expectations - Next three months

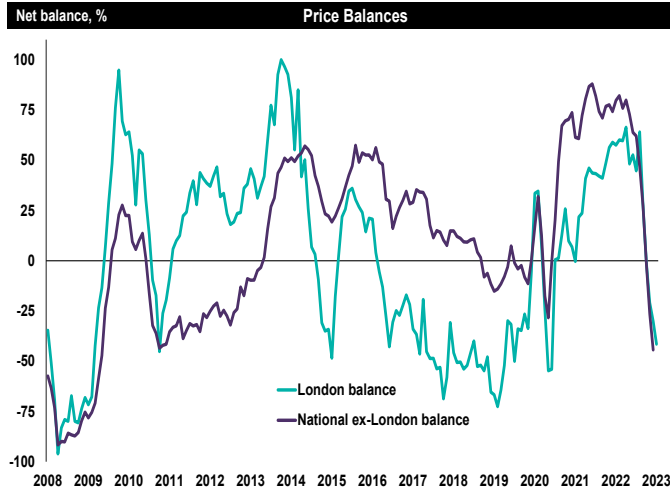


Regional Rent Expectations - Next three months

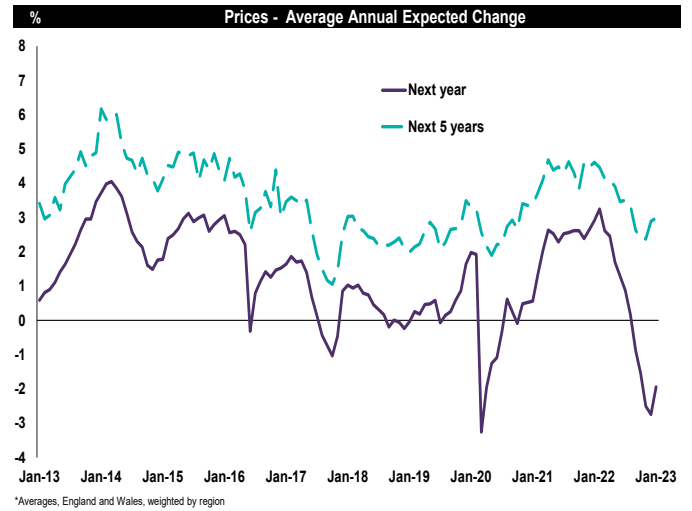


Expectations and other data

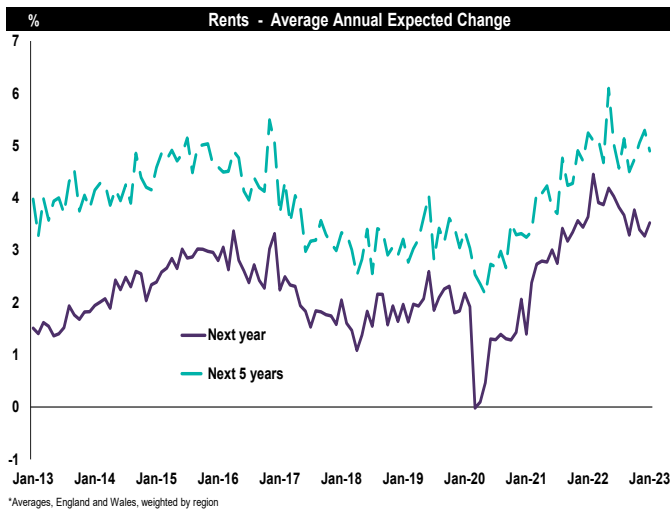
National Price Balance (excluding London) and London Price Balance - Past three months



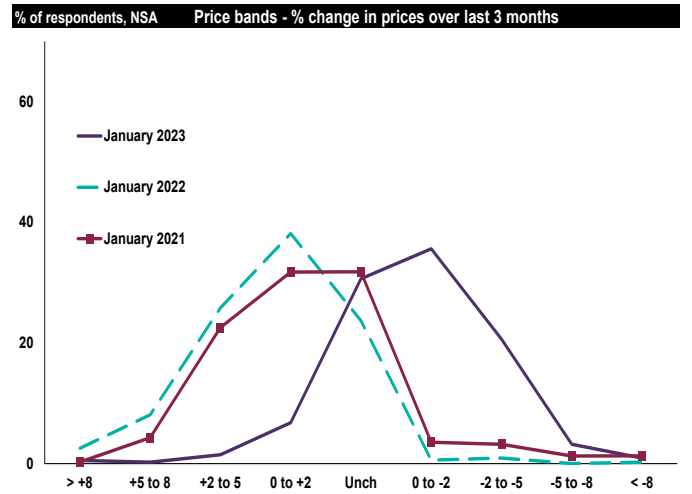
National Average Annual Expected Price Change (point estimate) - Next one and five years



National Average Annual Expected Change in Rents (point estimate) - Next one and five years



Price Bands - Past three months



Surveyor comments - Sales

North

Aisling Ramshaw MRICS, Miller Homes, Newcastle Durham Northumberland, ashlingd@live.co.uk - The new planning laws will see less new homes and more pressure on existing stock when demand is still relatively high.

David Shaun Brannen Assoc RICS, Brannen & Partners, Whitley Bay, shaun.brannen@brannen-partners.co.uk - Strong start to the new year.

Keith Pattinson FRICS, Keith Pattinson Ltd, Newcastle Upon Tyne, keith.pattinson@pattinson.co.uk - Only way is down, but people will benefit, as differential in moving up will reduce. Stamp duty will reduce choice movers buying. Forced sellers and vacant properties will sell, but drop is shown by large volume of reduced on portals, with fewer properties/shortage of stock.

Neil Foster MRICS, Hadrian Property Partners, Hexham, neil@hadrianproperty.co.uk - Activity picked up swiftly after the Christmas break. However, on a cautionary note, sales appraisals and instructions appear to be increasing which could be a sign of a move towards supply and demand equilibrium later in the year. Spring budget expected to be influential.

Yorkshire & the Humber

Paul MRICS, Edward Watson Associates, Newcastle Upon Tyne, paul@edwardwatson-assoc.com - Due to interest rate rises affecting buyers affordability and confidence, a much quieter month than in previous years. I am expecting a difficult few months ahead, due to a decrease in the number of transactions.

Alexander James Mcneil MRICS, Bramleys, Huddersfield, alex.mcneil@bramleys1.co.uk - Encouraging start to the year after a poor December. An increase in new stock has confirmed underlying demand remains with values being sustained. A brighter market as dark clouds of gloom dissipate for now.

Ben Hudson MRICS, Hudson Moody, York, benhudson@hudson-moody.com - A very busy start to the year as buyers and sellers return to the market after a slower end to 2022.

James Brown MRICS, Norman F Brown, Richmond, james@normanfbrown.co.uk - The sale market has shown some life over the past couple of weeks although buyers are fewer in number and more cagey than during the pandemic years, however the market simply doesn't stop in such times, vendors just have to be more receptive to advice.

James Watts MRICS, Robert Watts Estate Agents, Bradford, jameswatts@robertwatts.co.uk - Since the start of the New Year enquiries and market activity has been surprisingly bullish but the active number of buyers has fallen sharply and prices are starting to fall. It is therefore an agents job to manage vendors expectation on values when compared to those achieved over last 12 months.

Kenneth Bird MRICS, Renton & Parr, Wetherby, ken@rentonandparr.co.uk - Increased level of activity being seen in the market, new buyers entering the market.

M J Hunter MRICS, Grice and Hunter, Doncaster, griceandhunter@btconnect.com - January has experienced modest activity, but it is too early to tell how the market will develop.

Michael Darwin MRICS, M W Darwin & Sons, Northallerton, info@darwin-homes.co.uk - Enquiries are fewer than this time last year although most sellers still believe the market has not changed.

Nicholas Wood MRICS, Yorkshire Property Surveyors, Keighley & Bradford, wood.nick78@yahoo.co.uk - Open market residential sales have rocketed in the last 2 weeks, perhaps more optimism in the market contrary to media speculation.

Robert John Newton-Howes MRICS, Yorkshire Surveyors Limited, Huddersfield/Halifax & Sheffield, robert@yorkshiresurveyors.com - Sold signs are still commonplace in Huddersfield and surrounds, but purchasers appear to be negotiating harder on price. The investment market in Rotherham and surrounds appears to be very vulnerable, especially HMOs.

Simon Kayman, Property Services in Yorkshire, Leeds, simon@psiyorkshire.co.uk - Spring is historically one of the busiest time for sales. If there are very few first time buyers then the market will not have the usual surge in Spring.

North West

Amin Mohammed, Le Baron Haussmann, Greater Manchester, aminm7@gmail.com - December 2022 bank approvals have been the lowest since May 2020, at 35600. Indicative of bank tightening lending in preparation for tough economic shocks & interest rate rises.

Gregory Hoyle AssocRICS, Garside Waddingham surveyors LLP, Preston, greg.hoyle@gwsurveyors.co.uk - Significant downturn following Liz Truss budget.

John Williams FRICS, Brennan Ayre O'Neill LLP, Wirral, john@b-a-o.com - Market beginning to show some signs of life after the Christmas break, albeit not at the levels seen in recent years.

Simon Wall FRICS, Stephanie Macnab Estate Agents, Formby, simon@simonwall.com - The year has started surprisingly well following on from a subdued December. Sale agreed numbers are up as well as new instructions. A good start to 2023.

East Midlands

David Hawke FRICS, David Hawke/A Newton Fallowell, Worksop, enquiries@davidhawke.co.uk - An improvement in activity, but still subdued.

Kirsty Keeton MRICS, Richard Watkinson & Partners, Newark, kirsty@richardwatkinson.co.uk - Sales are slower for January compared to the last two years, however these were heavily incentivised by the stamp duty holidays and pent up post covid demand. The market is more on par with 2019. Less activity, but motivated buyers and sellers are gap negotiating to move.

Peter Buckingham, Andrew Granger & Co, Market Harborough, peter.buckingham@andrewgranger.co.uk - A positive start to the year, with a good number of fresh new instructions leading to a promising number of sales. The market is property led, with sensible pricing being the key. As inflation and interest rates settle, confidence is starting to return to the market.

Stephen Gadsby FRICS, Gadsby Nichols, Derby, stevegadsby@gadsbynichols.co.uk - Slow start to January due to seasonal effect but also the economy. Some evidence to suggest slight market recovery towards the end of the month.

Tom Wilson MRICS, King West, Stamford, twilson@kingwest.co.uk - After a surprisingly busy December, January has been quieter. This is somewhat expected as people focus on eating vegetables and going to the Gym! February will be the clearer test of sentiment. Clarity on the direction of both Interest rates and inflation will be key to buyer appetite.

West Midlands

Alex Smith FRICS, Alex Smith and Company, Birmingham, alex@alex-smith.co.uk - Rising cost of living and rising mortgage costs.

Andrew C M Oulsnam MRICS, Robert Oulsnam and Company Limited, Birmingham, andrew@oulslam.net - After a slow start at the beginning of January the housing market is now improving steadily with more homes coming to the market and a steady increase in viewings and sales. Prices in some areas have fallen a little and yet in other areas prices have remained the same.

Colin Townsend MRICS, John Goodwin, Malvern, colin@johngoodwin.co.uk - Somewhat surprisingly, January was a better month than we had expected. Yes prices have trimmed back a little, chains are proving tricky to hold together and there are more 'fall throughs', but plenty of deals are getting done and enquiries are still strong.

John Andrews FRICS, Doolittle & Dalley Holdings Ltd, Kidderminster, johndandre3ws@doolittle-dalley.co.uk - A marked difference in sales which is more abortive due to less confidence from buyers.

John Andrews FRICS, Doolittle & Dalley Holdings Ltd, Bridgnorth, johndrews@doolittle-dalley.co.uk - Sales volume reducing as interest rates rise, but still some activity mainly from cash buyers.

John Shepherd, ShepherdVine, Solihull'S, john@shepman.co.uk - The expectation of interest rates going up.

Richard Franklin MRICS, Franklin Gallimore, Tenbury Wells, richard@franklingallimore.co.uk - Many applicants are being cautious at present and chains are proving vulnerable - with local properties being re-marketed at lower levels than last summer. There is a dearth of very optimistically priced stock that looks like it has been caught above the high water mark. Realism is a key requirement.

East Anglia

David Boyden MRICS, Boydens Ltd, Colchester, david.boyden@boydens.co.uk - Promising and unexpected start to the new year with new instructions and renewed interest from buyers.

James Barnett MRICS, Savills, Cambridge, jbarnett@savills.com - Locally the level of demand versus available supply at the upper end of the market is still out of balance. The best quality, best located properties are still selling well at prices which are not significantly changed over those achieved last year.

Jeffrey Hazel, Geoffrey Collings & Co, King'S Lynn, jhazel@geoffreycollings.co.uk - Despite the usual after Christmas lull, there is a demand to purchase but not many properties coming to market.

Kevin Burt-Gray MRICS, Pocock & Shaw, Cambridge, kevin@pocock.co.uk - Market activity remains slower with prices adjusting accordingly. Still some activity though with serious buyers and committed vendors coming to market.

Rob Swiney MRICS, Lacy Scott and Knight, Bury St Edmunds, rswiney@lsk.co.uk - Market returning to a normal January market, prices going back to pre covid levels.

South East

David Conway FRICS, David Conway @ Co, Harrodw, david@davidconway.co.uk - Lower interest rates could stimulate the market.

David Johnson, KMJ Property, Tunbridge Wells, david.johnson@kmjproperty.co.uk - It's not as bad as the media say!

David Nesbit FRICS, D.M.Nesbit & Company, Portsmouth, davidnesbit@nesbits.co.uk - The market is feeling its way with an underlying interest and first time buyers but at lower levels. Confidence generally low.

David Parish FRICS, Gates, Parish & Co., Upminster, professional@gates-parish.co.uk - More properties are coming on to the market and we are receiving many requests for valuations. It is anticipated there will be a greater number of sales than at the end of last year. However, it remains to be seen whether there will be any drop in prices as it is to soon to say.

Edward Rook MRICS, Knight Frank, Sevenoaks, edward.rook@knightfrank.com - More activity in the market than expected for January. Economy not as bad as predicted.

James Goodman AssocRICS, Green & Co., Wantage, james.goodman@greenand.co.uk - Fewer transactions are taking place, but prices are holding up.

Michael Brooker FRICS, Michael Brooker Estate Agents, Crowborough, michael@michaelbrooker.co.uk - Slow market due to interest rates, weather and some apathy. Media not helping with gloomy stories!

Paul Lynch AssocRICS, Romans, Guildford, plynch@romans.co.uk - Encouraging start to the year considering the sentiment in Q4 2022, remains to be seen if this will continue through the early months of 2023 as buyer confidence is still unstable and interest rates continue to rise.

Rob Wightman MRICS, Knight Frank, Hungerford, rob.wightman@knightfrank.com - Good early demand in January.

Tim Green MRICS, Green & Co.(Oxford) Ltd, Wantage, tim.green@greenand.co.uk - The 2023 market has not really gathered any pace in our region as yet. New instructions are beginning to come to the market and the coming month will be a good indicator for the way the market is likely to be through Q1 and possibly Q2.

Tony Jamieson MRICS, Clarke Gammon Wellers, Guildford, tony.jamieson@clarkegammon.co.uk - Market conditions have been more positive at the start on 2023 than we expected, with prices holding up and sales increasing except for town centre flats which are still struggling to sell. There is still a shortage of stock so it is very much a hand to mouth process.

Trevor Brown FRICS, Trevor Brown Surveyors Ltd, Southend-on-Sea, tbrownsurveyors@btinternet.com - Increased interest rates, rising living costs & global uncertainty have led to a significant fall in demand over the last 6 months and there are no signs that this trend will weaken for the foreseeable future.

South West

David Robinson AssocRICS, David J Robinson Estate Agents & Auctioneers, North Cornwall, david@djrestateagents.co.uk - Buyers are sitting on fence unless the quality is right and the price is right. Little bit more confidence with reports of interest rates peaking, cash buyer is preferable to vendors.

Ian Perry FRICS, Perry Bishop, Cheltenham Cirencester Nailsworth Stroud Tetbury, ianperry@perrybishop.co.uk - As ever, there is good interest for properties that are priced correctly.

James Wilson MRICS, Jackson-Stops, Shaftesbury, james.wilson@jackson-stops.co.uk - Market appraisals are gathering pace despite economic and political worries.

Jeff Cole MRICS, Cole Rayment & White, Wadebridge, jeff.cole@crw.co.uk - We have had an unexpectedly busy start to the year. Sales have been good and we are starting to see a reasonable level of instructions. Correct pricing is critical and vendors are being more realistic when dealing with renegotiations.

John Corben FRICS, Corbens, Swanage, john@corbens.co.uk - The market is quiet with few genuine purchasers. It is hoped that it will pick up in the spring, however, the increase in interest rates will hamper demand.

John Doody, John S Doody FRICS, Gloucestershire, johndoody@msn.com - Reduction in vendors expectations or the asking price.

Julian Bunkall FRICS, Jackson- Stops, Dorchester, Blandford, Shaftesbury, julian.bunkall@jackson-stops.co.uk - January is always a difficult time of the year to predict the market ahead. However, indications suggest we might not have such a reversal as was originally expected, partly due to slightly more encouraging signs in the economy and a lack of supply for sale.

Mark Annett FRICS, Mark Annett & Company, Chipping Campden, mark.f.annett@gmail.com - There is a slow down which means pressure on prices, although a shortage of houses coming onto the market will still work in favour of sellers.

Mark Lewis FRICS, Symonds & Sampson, Dorset, mlewis@symondsandsampson.co.uk - January is traditionally quiet, but we will be watching whether interest rates alter in the next 3 months. It is a shame that economic good news is so rarely publicised in the media.

Michael Burkinshaw MRICS, Skysurvuk, Bristol, michael.burkinshaw@skysurvuk.com - Recent valuations for UK leading lenders suggests a 10% drop in asking/sale prices in January 23 compared to November 22. Comparable evidence indicates falling prices in November and December 22 were marginal (-1% per month?), but in January 23 agents are struggling to sell anything and vendors agreeing to significant drops.

Michael James Errington, Goadsby, Bournemouth, michael.j.errington@outlook.com - Overall the market is not as catastrophic as the media predicted 2023 to be. However, a saturated market of agents in the south coast has led to strong competition for instructions in a smaller market. We have found a number of agents overvaluing in order to win instructions.

Oliver Miles FRICS, Oliver Miles, Swanage, olivermiles@olivermiles.co.uk - Much slower market. Enquiries and viewings still taking place but negotiating and keeping ongoing sales quite difficult.

Richard Addington MRICS, Jackson-Stops, Devon, richard.addington@jackson-stops.co.uk - Both buyers and sellers are adopting a "wait and see" policy at present.

Roger Punch FRICS, Marchand Petit, South Devon, roger.punch@marchandpetit.co.uk - Hesitancy is predominant with buyers as the New Year emerges, stock levels start to rise, and economic forecasts fluctuate. The slower pace, though, is showing signs of being more conducive for those who are both buying and selling. The forthcoming months will certainly keep us busy.

Ross Wilkins AssocRICS, Ross Nicholas & Company, New Milton, ross@rossnicholas.co.uk - Lack of mortgage products since the mini budget has had a negative impact on sales, solicitors transactions are still very slow to exchange and complete.

Sam Butler FRICS, Butler Sherborn, Cirencester, sam@butlersherborn.co.uk - Fewer buyers about than 3 months ago, but those looking are keen to find a home. Stock still short. We anticipate here in the Cotswolds that despite the economic down turn and prospects that we will see reasonable buying activity.

Sam Trounson MRICS, Strutt & Parker, Cirencester, sam.trounson@struttandparker.com - We still have more buyers than sellers.

Simon Cooper FRICS, Stags, Wellington, s.cooper@stags.co.uk - January has proved to be a more typical start to the year after the most busy winter in the Covid years. Viewing activity is more normal though, instructions are up which is encouraging. The first half of the year is likely to produce some realignment of house prices.

Wales

Andrew Peter Gregory Assoc RICS, The Letting Station (Cardiff) Limited, Cardiff, andrew@thelettingstation.co.uk - Political and financial confidence 'lack of' is the biggest factor in the negative factors in property sales.

David James FRICS, James Dean, Brecon, david@jamesdean.co.uk - Much better January than we were expecting. Busy with viewings and sales.

Melfyn N Williams MRICS, Williams & Goodwin The Property People Ltd, Anglesey & Gwynedd, mel@tppuk.com - Positive vibes increased during the month of January with new stock for sale up on same period last year. Demand from buyers remains good for correctly priced property and the qualified/experienced agent is now demonstrating their value by achieving completions.

Paul Lucas FRICS, R.K.Lucas & Son, Haverfordwest, paul@rklucas.co.uk - Financial lending limitations have significantly limited demand to move house.

William Graham FRICS, Graham & Co, Newport, surveys@grahamandcosurveyors.co.uk - Ending of buy-to-let is a serious error for housebuilders, purchasers, and the sector generally.

London

Alec Harragin MRICS, Savills Plc, London, aharragin@savills.com - On average, prime prices across London fell by -1.3% during the final quarter of 2022 leaving them 1.5% higher than they were a year ago and 3.9% above their pre-pandemic level. But, as is often the case, there has been considerable variation in performance for different price points and locations.

Allan Henry Fuller FRICS, Allan Fuller Estate Agents, Putney, allan@allanfuller.co.uk - February BoE rate rise to 4% but the next change could be ½ % and possible stabilising thereafter, as inflation is likely to reduce. If so, confidence will be surging back and property activity increase, any slight dip in values will then be reversed.

Ashley Osborne MRICS, Du Val Global, London, ashley.osborne@protonmail.com - I see very little movement in the secondary sales market over the coming months. I expect there will be a stand-off between vendor and buyer expectations. In the new build market, we are already seeing developers discount to meet the market.

Christopher Ames MRICS, Ames Belgravia, London, ca@amesbelgravia.co.uk - There is still a shortage of good stock which is helping to bolster sales values, despite rising interest rates and fuel prices.

Guy Mattinson MRICS, Albright Surveyors, Wandsworth, guy.mattinson@albrightsurveyors.co.uk - Smaller landlords are selling up due to rising interest rates and tax increases. The build to rent sector will struggle to keep up with demand in the short term, but in the longer term will replace the private landlord.

James Perris MRICS, De Villiers, London, james.perris@devilliers-surveyors.co.uk - A mixed market across London with agents reporting reasonable activity at the upper tiers of the market, but more difficult in the one or two bed flat market.

John King FRICS, Andrew Scott Robertson, L.B.Merton, jking@as-r.co.uk - A promising start to the year with the number of appraisals undertaken, but very little to show as vendors remain undecided for now. Indications are that instructions will start to surface, but asking prices will be higher as a direct result of stock levels being so low.

John King FRICS, Andrew Scott Robertson, Wimbledon, jking@as-r.co.uk - Local agents are suffering from a lack of stock at present, even with the latest rise in interest rates family houses in particular remain sought after. Flats remain less in demand. We still are expecting to see more property come to the market a little later than anticipated.

Robert Green MRICS, John D Wood & Co., Chelsea, rgreen@johnwood.co.uk - Despite a positive feel, front end activity has been slow to get going in January as buyers wait to see what is coming on. They may be disappointed.

Rupert Merrison MRICS, Dexters, London, rupertmerrison@dexters.co.uk - January has been much busier than you would think, there has been an increase in property coming onto the market and with mortgage rates falling in recent months, plenty of buyers are pressing on with their moves.

William Delaney AssocRICS, Coopers of London Limited, Central London/West End, william@lwllondon.com - We anticipate demand to improve further in the coming months as mortgage rates fall and potential buyers disregard "doom-laden" warnings of a crash. However, we have noticed a "correction" in prices so far as vendors are considering and in some cases accepting offers below asking price.

Scotland

Alan Kennedy MRICS, Shepherd Chartered Surveyors, Fraserburgh, alankennedy@shepherd.co.uk - In the local area, very few properties have come on to the market in the past couple of months. A steady demand and a shortage of supply means prices are holding up for the time being.

Ben Fox MRICS, Savills, Edinburgh, bfox@savills.com - Policy changes in private rentals with rent caps and restricted rights to issue notice to quit is restricting private landlords and causing investors to review.

Charlie Barrett MRICS, DM Hall Chartered Surveyors, Edinburgh, charles.barrett@dmhall.co.uk - December and January were typically slow. The general rhetoric from potential sellers is "wait and see." A steady increase in market activity in Edinburgh and the Lothians is anticipated through the spring into the summer. Interest rates and cost of living are undoubtedly having an impact.

David Cruickshank MRICS, D M Hall LLP, Elgin, davidcruick21@googlemail.com - The local market is still characterised by a lack of supply relative to actual demand. This position has prevailed since 2019 and has driven up house prices. Current interest rates may moderate demand and offer prices, stabilising the market over the next year.

Duncan Fergusson AssocRICS, J & G Wilson, Kinross, d.fergusson@jgwilson.co.uk - Limited supply is still the main factor in the Perth and Kinross property market. Prices are not dropping yet and sales are still happening relatively quickly.

Grant Robertson FRICS, Allied Surveyors Scotland PLC, Glasgow, grant.robertson@alliedsurveyorsscotland.com - The sales market remains robust with strong demand but growing stock. The froth has disappeared off sales with average values being exceeded by around 5-7% against 12-15% seen in the summer of 2022. At least buyers have something to thank Liz Truss for.

Jennifer Campbell MRICS, Baird Lumsden, Bridge Of Allan, jennifer.campbell@dmhall.co.uk - The short term lets legislation and increased ADS is likely to slow the purchase of second homes and bring those properties to the market. Those without a license will then need change of use, so I expect the conveyancing in some instances will be protracted.

John Brown FRICS, John Brown and Company, Edinburgh, john.brown@jb-uk.com - End of the year blues, with 2023 a year of adjustment. Market is fragmented with sales still good for Individual homes and traditional houses, but homogeneous product is price sensitive. Many flat sales from landlords fed up with Government interference.

Marion Currie AssocRICS, Galbraith, Dumfries & Galloway, marion.currie@galbraithgroup.com - January has seen a healthy number of market appraisals, but they are slow to convert to instructions, perhaps signalling caution for 2023. Buyers are still active, but we expect them to take more time deciding on a purchase this year, and be seeking to pay a little less than in recent times.

Richard A Clowes MRICS, DM Hall LLP, Scottish Borders, richard.clowes@dmhall.co.uk - A busier than expected start to the year with the market appearing to show signs of being more resilient than we'd thought. It remains to be seen how things will go as we move towards the spring market.

Thomas Baird MRICS, Select Surveyors, Glasgow, thomas.baird@selectsurveyors.co.uk - The purchase of smaller properties is on the increase due to higher fuel bills. The market is however significantly slower than this period last year.

Northern Ireland

Ben McQuoid MRICS, John McQuoid & Sons, Belfast, ben@mcquoids.co.uk - If the media would stop spreading bad news on the market when it is really not there, it would help.

Daniel Mc Crory, DS MC Crory & Co, Ederney, dsmccrory123@gmail.com - Banks are playing a major role in hurdles being put in the way of prospective purchasers - if truth be told they are not lending.

Daniel Mc Lernon FRICS, D A Mc Lernon Ltd., Omagh, damclernon@gmail.com - Market is sluggish. No growth in prices over the past 3 months. Little change expected over the next 12 months.

Kirby Anne Oconnor AssocRICS, GOC estate Agents, Belfast, kirby@gocestateagents.com - Sales are still strong and with interest rates coming down it is encouraging.

Samuel Dickey MRICS, Simon Brien Residential, Belfast, sdickey@simonbrien.com - The market has picked up pace from the lull at Christmas, which was to be expected.

Surveyor comments - lettings

North

David Shaun Brannen Assoc RICS, Brannen & Partners, Whitley Bay, shaun.brannen@brannen-partners.co.uk - Instructions are up, as are rents.

Keith Pattinson FRICS, Keith Pattinson Ltd, Newcastle Upon Tyne, keith.pattinson@pattinson.co.uk - The Government does not understander HMO's mean more properties needed by tenants, but owners can overcrowd.

Neil Foster MRICS, Hadrian Property Partners, Hexham, neil@hadrianproperty.co.uk - Any amount of urban build to rent is not going to rectify the structural deficit of property available to let in rural areas and market towns. Legislation and taxation have been significant disrupters over a prolonged period and policy intervention is required to reverse long term supply shortage.

Yorkshire & the Humber

Alexander James Mcneil MRICS, Bramleys, Huddersfield, alex.mcneil@bramleys1.co.uk - Shortage of stock with up to 20 applicants for each property coming onto the market. Investor confidence remains strong.

Ben Hudson MRICS, Hudson Moody, York, benhudson@hudson-moody.com - A slightly slower start to the year as tenants wait to see the impact on their incomes before moving.

Mr. David Martindale MRICS, F S L Estate Agents, Wakefield, david.martindale@fslea.com - The lettings market continues to be very strong.

Robert John Newton-Howes MRICS, Yorkshire Surveyors Limited, Huddersfield/Halifax & Sheffield, robert@yorkshiresurveyors.com - Rents continue to rise. Landlords are passing on as much of their escalating costs as possible.

Simon Kayman , Property Services in Yorkshire, Leeds, simon@psiyorkshire.co.uk - The problem is landlords must not be greedy as lettings is busy. If unemployment grows then landlords can find themselves struggling with non-paying renters.

Tim Watts MRICS, ATC Properties Ltd, Cleeds, tim.watts@atcleeds.com - Build to rent is mainly flats in city centre, which have limited appeal.

North West

Amin Mohammed , Le Baron Haussmann, Greater Manchester, aminm7@gmail.com - Presently there is an overcrowded lettings market, with often poor value for tenants. As with any demand and supply market - the market needs a cap on rents which are spiralling out of control. Housing Associations are best placed to provide a solution.

Gregory Hoyle AssocRICS, Garside Waddingham surveyors LLP, Preston, greg.hoyle@gwsurveyors.co.uk - Letting demand increased due to sales market uncertainty.

Jonathan Clayton FRICS, JPA surveyors, Lytham, jonathan@jpasurveyors.co.uk - There is a significant fall in supply, as many landlords with small property holdings have sold.

East Midlands

John Chappell MRICS, Chappell & Co Surveyors Ltd, Skegness, john@chappellandcosurveyors.co.uk - The building sector is hampered by an unfit-for-purpose slow and cumbersome planning system and labour shortages exacerbated by Brexit. The Government could relax planning restrictions overnight and we'd still be short of houses in 5 years.

Peter Buckingham , Andrew Granger & Co, Market Harborough, peter.buckingham@andrewgranger.co.uk - Demand still exceeding supply.

West Midlands

Andrew C M Oulsnam MRICS, Robert Oulsnam and Company Limited, Birmingham, andrew@oulsnam.net - The home rental market continues to boom with a considerable excess in demand by tenants over supply causing rents to continue to rise. The principal cause is landlords selling the property when they become vacant rather than renting it out again. There has been a slight fall in demand.

Colin Townsend MRICS, John Goodwin, Malvern, colin@johngoodwin.co.uk - Still high demand from tenants, a significant shortage of new instructions and more landlords choosing to sell. Rents continue to rise and will probably do so throughout 2023.

Jason Coombes AssocRICS, Cottons Chartered Surveyors, Birmingham, jcoombes@cottons.co.uk - We have had very little build to rent activity in Birmingham, the market is suffering from lack of new investment. Landlords are rightly or wrongly feeling persecuted. Build to Rent may well be a long-term plan, but it takes time and will not elevate the very real and immediate issue facing the PRS.

John Andrews FRICS, Doolittle & Dalley Holdings Ltd, Kidderminster, johnandre3ws@doolittle-dalley.co.uk - Marked increase in applicants to rent, but shortage of property available with some landlords selling.

John Andrews FRICS, Doolittle & Dalley Holdings Ltd, Bridgnorth, johnandrews@doolittle-dalley.co.uk - Demand still exceeds supply and no sign of supply increasing as some landlords are selling.

Richard Franklin MRICS, Franklin Gallimore, Tenbury Wells, richard@franklingallimore.co.uk - Number of applicants decreased and usual post Christmas surge was not evident. Many landlords perturbed by proposed changes to reform, with many reconsidering their position. Should they leave the market the supply shortage will further increase rents.

East Anglia

David Boyden MRICS, Boydens Ltd, Colchester, david.boyden@boydens.co.uk - Very positive start to the year, interest from tenants constantly increasing but stock remains an issue with landlords still considering their options to exit the PRS.

Jeffrey Hazel , Geoffrey Collings & Co, King'S Lynn, jhazel@geoffreycollings.co.uk - Steady supply and demand.

Kevin Burt-Gray MRICS, Pocock & Shaw, Cambridge, kevin@pocock.co.uk - Slower start to year, but stock levels low and demand expecting to increase as we go into 2023.

South East

David Parish FRICS, Gates, Parish & Co., Upminster, professional@gates-parish.co.uk - Demand for rented properties is very high with an insufficient supply of available properties. We are receiving multiple enquiries for every property we have on the market. Proposed government regulations for the rented sector will reduce availability. An urgent re-think is needed.

Howard Mecklenburgh MRICS, LP&M, Watford, howard@lpandm.co.uk - The government need to be very careful over the proposed introduction of removal of so called "No fault evictions" and need to understand the majority of Landlords do not evict good tenants, even if they are not getting the best rent.

Michael Brooker FRICS, Michael Brooker Estate Agents, Crowborough, michael@michaelbrooker.co.uk - Rents have risen due to lack of supply. High demand overall.

Sam Collins AssocRICS, Balcombe Estate, Balcombe, administrator@balcombeestate.co.uk - Marked drop in price for 4 bed + properties.

South West

Marcus Arundell MRICS, HomeLets, Bath, marcus@homeletsbath.co.uk - Busy start to the year with no perceived let up in frenetic market activity. Lets see what 2023 has in store?!

Mark Annett FRICS, Mark Annett & Company, Chipping Campden, mark.f.annett@gmail.com - Supply and demand keeping rents up and still not enough coming onto the market in our area.

Michael James Errington, Goadsby, Bournemouth, michael.j.errington@outlook.com - Still very strong demand. We have seen the biggest drop in demand at the higher end. 2 bedroom flats reasonably priced still allow for premiums to be achieved.

Ross Wilkins AssocRICS, Ross Nicholas & Company, New Milton, ross@rossnicholas.co.uk - Still lack of stock in the local market keeping rents high. Strong demand continues.

Sam Butler FRICS, Butler Sherborn, Cirencester, sam@butlersherborn.co.uk - Short of properties to let. Relatively strong list of tenants. Landlords being put off by government legislation which favours the tenant. Some long term landlords selling for that reason and due to low returns after capital expenditure required to meet EPC regulations.

Simon Cooper FRICS, Stags, Wellington, s.cooper@stags.co.uk - January was busier for more new letting instructions, which met with strong tenant demand. I envisage this continuing whilst the shortage of properties continues. Affordability is, however, becoming more of an issue with the rising cost of living.

Wales

Andrew Peter Gregory Assoc RICS, The Letting Station (Cardiff) Limited, Cardiff, andrew@thelettingstation.co.uk - Whilst demand continues to outstrip supply the private rental sector will continue to boom and rents will increase accordingly at an over inflationary rate.

David Cook MRICS, Retired, Caerphilly, dave.bern@btinternet.com - Ongoing increasing legislation not only for tenants, but also increasing property standards will destroy the available property for rental.

David James FRICS, James Dean, Brecon, david@jamesdean.co.uk - Demand for rental properties remains high.

Paul Lucas FRICS, R.K.Lucas & Son, Haverfordwest, paul@rklucas.co.uk - Government regulations and influence have severely limited the rental supply which is now outstripped by demand, resulting in higher rents.

William Graham FRICS, Graham & Co, Newport, surveys@grahamandcosurveyors.co.uk - New regulations in Wales will further depress the supply of rented accommodation.

London

Alec Harragin MRICS, Savills Plc, London, aharragin@savills.com - Rental values have eased in London in Q4 but are still up +0.7% from the previous quarter. Stock is expected to gradually increase over the next few months which will ease upward pressure on rental growth.

Allan Henry Fuller FRICS, Allan Fuller Estate Agents, Putney, allan@allanfuller.co.uk - Rents remain high with demand outstripping supply, too many tenants chasing too few properties. Are landlords selling up due to fears of draconian legislation killing the sector, if not from this government then the next?

Guy Mattinson MRICS, Albright Surveyors, Wandsworth, guy.mattinson@albrightsurveyors.co.uk - Tenants are struggling to find rental properties as private landlords sell up. 75% of building surveys we carry out are landlords selling up.

Jilly Bland, Robert Holmes & Co, Wimbledon London, jilly@robert-holmes.co.uk - We are seeing budgets reducing this first quarter of 2023, applicants no longer offer asking price.

John King FRICS, Andrew Scott Robertson, L.B.Merton, jking@as-r.co.uk - Letting enquires have maintained there numbers again this month as telephone bidding continues particularly with family houses. It is difficult to see this trend changing even with higher interest rates.

John King FRICS, Andrew Scott Robertson, Wimbledon, jking@as-r.co.uk - The letting market is traditionally busy at this time of year and we are seeing demand with offers submitted prior to viewing to avoid disappointment. Sadly this rarely works, but overall demand is outstripping supply.

Jonathan Price MRICS, Southside Property Management Services Ltd, Bromley, jonathan@southside-property.co.uk - The Governments continued demonisation of private landlords will come back to haunt them, we are already seeing long-term landlords exiting with very few new entrants.

Mark Wilson MRICS, Globe Apartments, London, mark@globeapt.com - Rents end up coming down to ability to pay, so we expect levelling off or decline in the coming months.

Mr Paul Dolan Tech Rics, Dolan Pratley Associates, London, pauljohndolan@gmail.com - Build to rent in Wandsworth area, especially the amount of 2 beds that will enter the market, will make a supply for the professional market better therefore calming, upward only, trajectory of rents.

Rupert Merrison MRICS, Dexters, London, rupertmerrison@dexters.co.uk - January has been really busy with more property coming on to the market helping to satisfy the high demand. We anticipate a busy 2023.

Will Barnes Yallowley AssocRICS, LHH Residential, Kensington, will@lhhresidential.co.uk - More landlords confirming they will leave the PRS, indicates supply will go down and thus rents will increase.

William Delaney AssocRics, Coopers of London Limited, Central London/West End, william@lwondon.com - Despite rapidly rising rents last year, more landlords are selling up due to rapidly rising costs, tax changes and egregious new legislation (when there are already satisfactory existing laws). A diminishing supply of private sector rental property can only place further pressure on headline rents.

Zoya Green MRICS, COALO Ltd, London, zoya.green75@gmail.com - The rental market is still strong due to the shortage of supply and high demand. Rising interest rates putting on hold sales of properties and section 24 stopping expansion of a letting market.

Scotland

Carolyn Davies MRICS, Savills, Dumfries, cmadavies@savills.com - Government rent control policy now beginning to play a significant role in the new lettings market, with pitching rent levels to take into consideration limited growth in the future.

Colin Macgregor MRICS, DM Hall, Highland, colin.macgregor@dmahl.co.uk - The legislation put in place restricting landlords in Scotland has stifled the rental market and sales of flats.

Grant Robertson FRICS, Allied Surveyors Scotland PLC, Glasgow, grant.robertson@alliedsurveyorsscotland.com - The modest reduction in the draconian measures brought in by the Scottish Gov allowing landlords to raise rents by 3% has done nothing to encourage new landlords into the market nor slow those exiting. Surely we can now see these policies for what they are - to remove the PRS from the market!

Jennifer Campbell MRICS, Baird Lumsden, Bridge Of Allan, jennifer.campbell@dmhall.co.uk - The amendments to legislation are deterring investors and accidental landlords continue to bring their properties to the market rather than face high risk positions of no evictions and increasing costs.

John Brown FRICS, John Brown and Company, Edinburgh, john.brown@jb-uk.com - Restrictions applied to rent levels by government and tenant security has changed the focus for private landlords - add forthcoming energy requirements and the sector is seeing exodus. Thus when flats do become available these are in much demand. Build-to-rent stock is expensive.

Northern Ireland

Kirby Anne Oconnor AssocRICS, GOC estate Agents, Belfast, kirby@gocestateagents.com - Rentals are very strong and we are already seeing enquiries from students.

Samuel Dickey MRICS, Simon Brien Residential, Belfast, sdickey@simonbrien.com - Rental demand continues to be strong.

Contacts

Subscriptions

All subscription enquiries to: economics@rics.org

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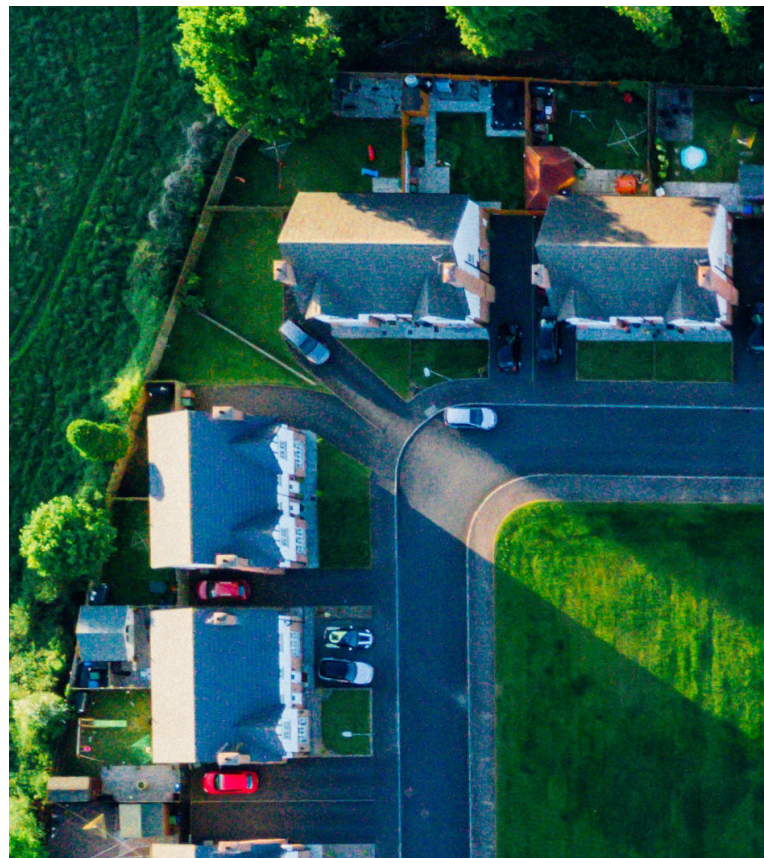
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