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OnTheMarket plc



Property Sentiment Index

OCTOBER 2021
(reporting on September 2021 data)

Buyer and seller confidence increases slightly in September, despite end of Stamp Duty Holiday

- 74% of active buyers in the UK were confident that they would purchase a property within the next 3 months
- 81% of sellers in the UK were confident that they would sell their property within the next 3 months
- 55% of properties were Sold Subject to Contract (SSTC) within 30 days of first being advertised for sale, compared with 44% in September 2020
- Buyers and sellers now focusing on moving before Christmas, but stock levels remain low in many parts of the UK, despite slight uptick in September

I said in last months' Property Sentiment Index that this is the best market in which to sell in two decades – potentially longer – and looking at the data for September, I'd stand by that statement. The economic fundamentals of supply and demand remain in play to underpin the consistent rise in asking prices.

With average levels of buyer and seller confidence rising slightly in September, despite the upcoming end of the Stamp Duty holiday and the fact that 55 per cent of properties were going under offer within 30 days of first being listed for sale on our portal, this all points to the fact that serious property seekers still have a lot of confidence in their search.

We all know that there are very low levels of new properties coming to the market for sale or for rent and yet there were still significant numbers of buyers and tenants who were actively looking last month. Likewise, house builders are reporting that they have forward-sold most of their schemes and are now rushing to complete their next development sites, albeit that well-reported supply and labour shortages mean that many lead times are lengthening.

Our data points to a slight uptick in new instructions from mid-September, as those with families were able to focus on their home move once the children had gone back to school. If this trend continues, it could mark the start of more property stock

becoming available, albeit that given levels of buyer and tenant demand the number of homes required in order to rebalance the market is significant.

On the residential lettings side, similar supply and demand mechanics mean that it's a competitive market, with some of our agents now seeing rental properties going to sealed bids, a new trend that would appear to be more prevalent in the home counties for larger, detached rental properties in the mid to upper price brackets.

This is the result of a perfect storm of home movers taking advantage of the current buoyant market and selling their existing home without finding an onwards purchase and needing to 'go into rented' to break a chain and put themselves in a better position when they do find the right property. This, together with many landlords also taking advantage of the current market and 'cashing out', is reducing available lettings stock, adding further to the usual levels of tenant demand and therefore compounding the shortage in the private rented sector.

With demand levels still so elevated across all price points, it's likely that prices will continue to rise in many areas of the UK in the short term, especially when we are also in a highly competitive low-rate mortgage market with a growing number of products, particularly for those with low deposits.

Seller Sentiment - how confident were sellers in September 2021?

September 2021 Headlines

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

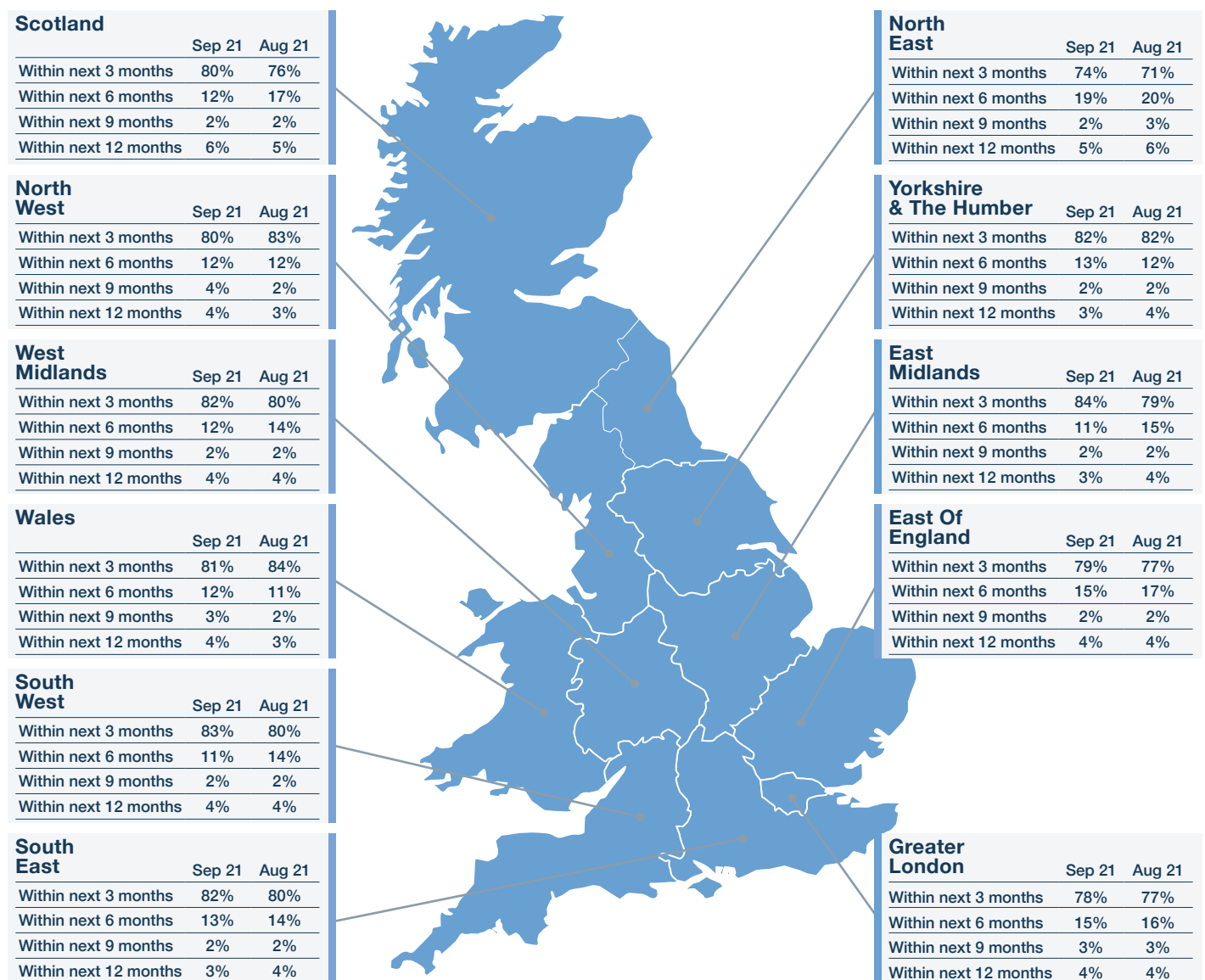
- 81% of sellers were confident that they would sell their home within the next 3 months, a slight increase from August 2021 (79%)
- 13% of sellers were confident that they would sell their property within the next 6 months, a slight decrease when compared with August 2021 (15%)
- 2% of sellers were confident that they would sell their home within the next 9 months, unchanged when compared to August 2021 (2%)
- 4% of sellers were confident that they would sell their home within the next 12 months, unchanged when compared with August 2021 (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

■ >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 September 2021?

September 2021 Headlines

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

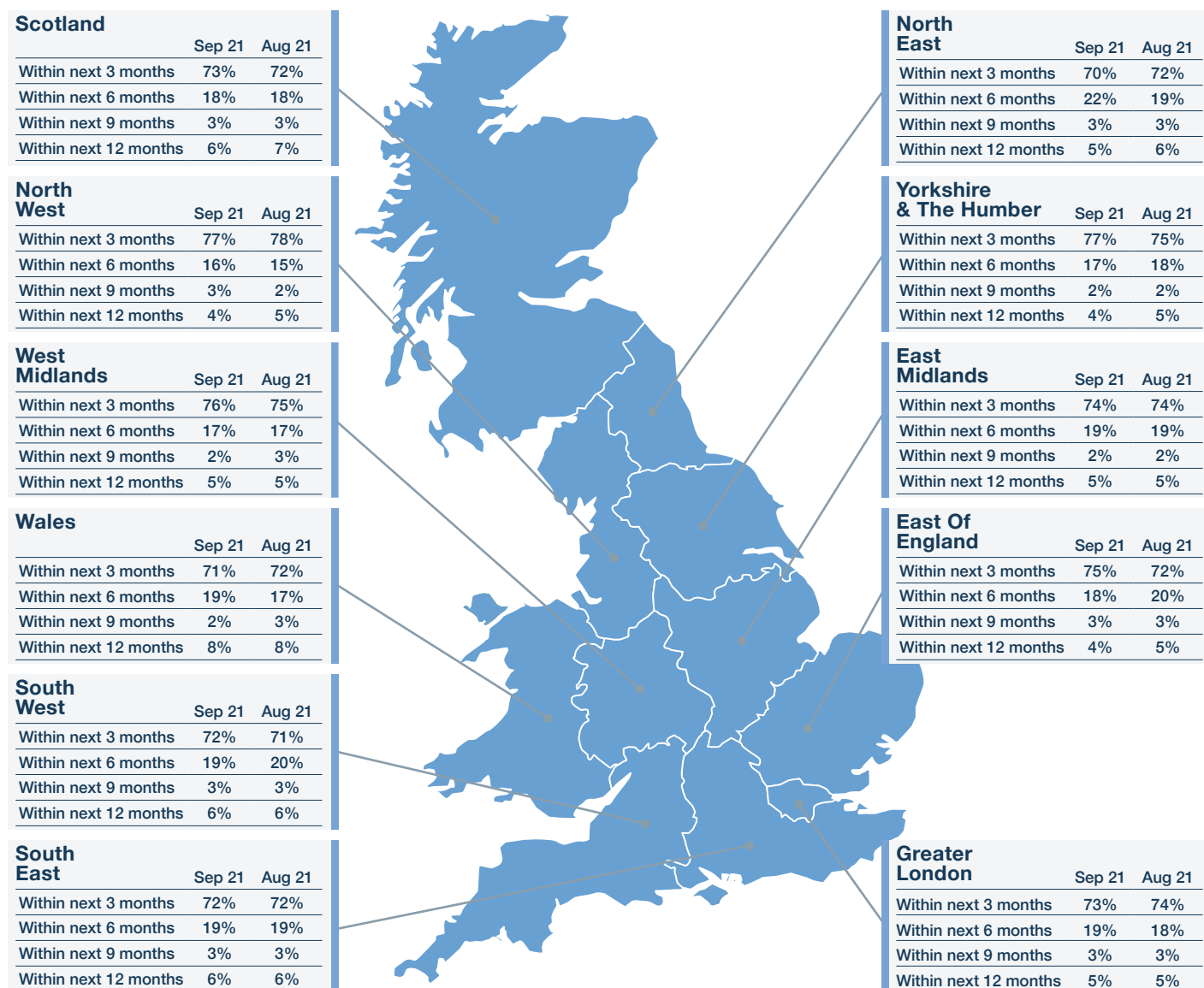
- 74% of buyers were confident that they would purchase a property within the next 3 months, a slight increase when compared with August 2021 (73%)
- 18% of buyers were confident that they would purchase a property within the next 6 months, unchanged when compared with August 2021 (18%)
- 3% of buyers were confident that they would purchase a property within the next 9 months, unchanged when compared to August 2021 (3%)
- 5% of buyers were confident that they would purchase a property within the next 12 months, a slight decrease when compared with August 2021 (6%)

The OnTheMarket Property Sentiment Survey asks buyers across the UK how confident they feel about purchasing their next property in order to provide a 'temperature check' of market sentiment both on a national and regional basis.

Buyers are asked to indicate how confident they are that they will purchase their next property:

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

■ >5% increase on previous month
 ■ <5% increase and <5% decrease on previous month
 ■ >5% decrease on previous month
 (based on Buyer confidence within next 3 months)



Mover attitudes towards mortgage availability







September 2021 headlines:

- As a UK average, in September 2021 only 4% of movers were concerned (either very worried or slightly concerned) about securing a mortgage to fund the purchase of their next property, which was unchanged when compared to August 2021 (4%).
- Greater London and the North West both had the highest number of buyers who already had their mortgage Agreement In Principle in place prior to starting their search for a property (39%). The South West region had the lowest number of prospective purchasers with a Mortgage Agreement In Principle in place (27%).
- As a UK average, 26% of movers hadn't considered applying for a mortgage before starting their property search, with buyers in Greater London the least likely to have considered applying for a mortgage before starting their search for a property (36%).
- As a UK average, 34% of buyers surveyed said that they didn't need a mortgage in order to purchase a property. Greater London had the lowest number of respondents who indicated that they wouldn't require a mortgage to purchase a property (17%). The South West had the highest number of respondents who indicated that they didn't need a mortgage to buy their next home (47%).

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 | |
|------------------------|---|--------|---|--------|---|--------|---|--------|--|--------|--|--------|
| | Sep 21 | Aug 21 | Sep 21 | Aug 21 | Sep 21 | Aug 21 | Sep 21 | Aug 21 | Sep 21 | Aug 21 | Sep 21 | Aug 21 |
| UK average | 1% | 1% | 3% | 3% | 2% | 2% | 34% | 32% | 34% | 36% | 26% | 26% |
| Greater London | 2% | 1% | 3% | 4% | 3% | 3% | 39% | 41% | 17% | 16% | 36% | 35% |
| South East | 1% | 1% | 3% | 3% | 2% | 2% | 34% | 32% | 33% | 36% | 27% | 26% |
| South West | 1% | 1% | 2% | 2% | 2% | 2% | 27% | 26% | 47% | 49% | 21% | 20% |
| East of England | 2% | 1% | 3% | 3% | 2% | 2% | 36% | 32% | 31% | 36% | 26% | 26% |
| West Midlands | 1% | 1% | 3% | 3% | 2% | 2% | 39% | 37% | 27% | 29% | 28% | 28% |
| East Midlands | 2% | 2% | 3% | 3% | 2% | 3% | 35% | 30% | 30% | 35% | 28% | 27% |
| Yorkshire & The Humber | 1% | 1% | 2% | 3% | 2% | 2% | 35% | 34% | 33% | 35% | 27% | 25% |
| North East | 1% | 1% | 3% | 3% | 2% | 3% | 31% | 32% | 36% | 34% | 27% | 27% |
| North West | 1% | 1% | 3% | 2% | 2% | 2% | 39% | 37% | 30% | 32% | 25% | 26% |
| Wales | 1% | 1% | 2% | 2% | 2% | 2% | 33% | 27% | 40% | 45% | 22% | 23% |
| Scotland | 1% | 1% | 2% | 2% | 2% | 2% | 28% | 27% | 44% | 45% | 23% | 23% |

Average asking prices and most popular property types in September 2021

Most popular property types - September 2021 Headlines

By analysing data compiled from thousands of estate agents' listings across the UK, we can track the most sought after property types, based on properties which have been Sold Subject To Contract (SSTC) each month. We base this data on the four main property types, as defined by HM Land Registry:



Detached



Semi-Detached



Terraced



Flat

UK Average (excl. Greater London)

In September 2021, the most popular properties as a UK average were three bedroom semi-detached houses, unchanged when compared to August 2021 and September 2020.

Greater London

In September 2021 in Greater London the most popular properties were two bedroom apartments, unchanged when compared to August 2021 and September 2020.

Asking prices - September 2021 Headlines

UK Average (excl. Greater London)

| Type | September 21 | August 21 | September 20 |
|----------------|-----------------|-----------------|-----------------|
| Detached | £584,122 | £570,579 | £534,862 |
| Semi-Detached | £340,462 | £336,320 | £320,203 |
| Terraced | £254,328 | £251,470 | £252,127 |
| Flat | £230,794 | £233,689 | £224,386 |
| Average | £375,663 | £368,663 | £362,357 |

Greater London

| Type | September 21 | August 21 | September 20 |
|----------------|-------------------|-----------------|-----------------|
| Detached | £2,033,261 | £1,941,810 | £2,010,762 |
| Semi-Detached | £1,307,909 | £1,251,839 | £1,147,257 |
| Terraced | £1,274,282 | £1,239,307 | £1,078,355 |
| Flat | £860,684 | £845,487 | £795,350 |
| Average | £1,009,312 | £981,066 | £947,884 |

Time to Sold Subject to Contract (SSTC) in September 2021

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 September 2021, as a UK average 55% of properties were SSTC within 30 days of first being listed for sale, a slight rise when compared to August 2021 (54%) and increased when compared with September 2020 (44%)
- In September 2021, Scotland was the fastest selling region, with 71% of homes SSTC within 30 days of first being listed for sale. Greater London had the lowest number of properties which were SSTC within 30 days (42%)
- In September 2021, the region with the most number of properties which had taken 120 days or longer to SSTC was Greater London (19%) compared to Scotland which had the lowest number of properties that had taken 120 days or more to move to SSTC status (6%)

September 2021 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 | | |
|------------------------|---|--------|--------|---|--------|--------|---|--------|--------|--|--------|--------|--|--------|--------|
| | Sep 21 | Aug 21 | Sep 20 | Sep 21 | Aug 21 | Sep 20 | Sep 21 | Aug 21 | Sep 20 | Sep 21 | Aug 21 | Sep 20 | Sep 21 | Aug 21 | Sep 20 |
| UK average | 55% | 54% | 44% | 16% | 17% | 21% | 10% | 10% | 12% | 7% | 7% | 6% | 12% | 12% | 17% |
| Greater London | 42% | 40% | 44% | 18% | 20% | 23% | 12% | 14% | 13% | 9% | 9% | 7% | 19% | 17% | 13% |
| South East | 56% | 51% | 42% | 15% | 17% | 21% | 9% | 11% | 13% | 7% | 8% | 7% | 13% | 13% | 17% |
| South West | 58% | 57% | 43% | 15% | 16% | 21% | 9% | 10% | 12% | 7% | 6% | 7% | 11% | 11% | 17% |
| East of England | 58% | 57% | 43% | 15% | 17% | 23% | 11% | 10% | 12% | 6% | 6% | 7% | 10% | 10% | 15% |
| West Midlands | 57% | 56% | 46% | 15% | 16% | 21% | 10% | 10% | 11% | 6% | 6% | 6% | 12% | 12% | 16% |
| East Midlands | 56% | 57% | 43% | 17% | 17% | 21% | 10% | 10% | 12% | 7% | 6% | 7% | 10% | 10% | 17% |
| Yorkshire & The Humber | 59% | 58% | 47% | 15% | 15% | 19% | 10% | 10% | 11% | 6% | 6% | 6% | 10% | 11% | 17% |
| North East | 53% | 56% | 42% | 17% | 15% | 19% | 10% | 9% | 11% | 6% | 7% | 6% | 14% | 13% | 22% |
| North West | 54% | 56% | 46% | 17% | 17% | 19% | 11% | 10% | 11% | 7% | 6% | 6% | 11% | 11% | 18% |
| Wales | 56% | 56% | 44% | 16% | 16% | 19% | 10% | 10% | 9% | 6% | 6% | 3% | 12% | 12% | 25% |
| Scotland | 71% | 71% | 69% | 13% | 13% | 14% | 6% | 6% | 5% | 4% | 4% | 1% | 6% | 6% | 11% |

Regional market commentary from OnTheMarket's agents

Sebastian Hipwood, Director and Head of Office, Cirencester Savills - South West

'It's about offering sellers flexibility and time to find their next home by 'thinking out of the box''

The Cotswolds has always been popular, but what we've seen over the summer in terms of market velocity has been unprecedented, and unaffected by the stamp duty holiday winding down in September.

Looking at buyers who have registered with us over the last month or so, we'd suggest there are three main groups: firstly, those who were already committed to buying here pre-Covid who were probably already local, and secondly, those who are relocating from London and swapping their urban, semi-detached property for a larger home with land in the country. Our third buyer cohort is, we believe, those who are from the home counties or London, who've been unable to find what they are looking for and have now expanded their search further afield and are finding relative value here.

Needless to say, many movers are now working from home far more than they used to and these more flexible working patterns mean that adapting to a longer commute in order to live in the beautiful towns and villages here such as Chipping Norton, Bibury, Tetbury and Banbury isn't an issue. For example, the County Town of Cirencester, often referred to as 'the heart of the Cotswolds' has a service from Kemble station that's only 70 minutes into London Paddington. Add to that the roll out of fast broadband across the Cotswolds together with boutique hotels, gastro pubs, and luxury spas which offer those who are relocating from the City a slice of London life, as well as the benefit of living in beautiful and, in many cases, unspoiled market towns and rural villages, it's the 'best of both worlds' scenario that, we believe, has stoked demand for property both during and since lockdown to record levels here.

However, this desirability exacerbates the shortfall of stock we've seen over the past eighteen months or so and, going into our normally busy autumn market, we're still seeing that there aren't enough properties available to meet demand, particularly in the upper middle and top end price brackets. Vendors are well aware that they can easily sell, however finding their next home can sometimes prove tricky, which can deter them from committing to a sale, particularly if the property is a family home that they have lived in for twenty or thirty years. In these cases, it takes something really special to tempt them to move.

As a consequence, we're now having to adopt a far more holistic view to make deals work; it's about offering sellers flexibility and time to find their next home by 'thinking out of the box', so we're now frequently recommending short exchanges with long stop completions, in some cases of up to a year, in order to give vendors the time to find their next property. We find that many buyers are more than happy to wait if they've found their dream home, providing that they can exchange quickly in order to secure the property. It's something we're talking about more and more now, as a lot of prospective vendors don't realise that this is possible, and we do find that it usually tips the decision to sell once they're aware that it's something that can be negotiated.

Regional market commentary from OnTheMarket's agents

Chris Hope, Senior Partner, Swansea Dawsons - Wales

'The focus is now on starting the moving process with the hope of being in 'before Christmas''

In an unusual market, we did see one or two normal trends in September, primarily that those family movers who weren't able to progress with their moving plans over the summer due to school holidays became very active once children were back to school at the beginning of the month. Conventional family homes, for example three or four bedroom semi-detached or detached properties attracted a lot more activity from buyers, and we saw an uplift in enquiries from potential vendors. As is usually the case at this point in the year, the focus is now on starting the moving process with the hope of being in 'before Christmas'. This was, unsurprisingly, particularly prevalent in the popular school catchment areas.

First time buyer activity has been consistent all year in our area and continued at similar levels last month, albeit that we've seen a slight boost in activity given the increase in low deposit mortgage products of late; however, as there are so few properties suitable for entry level buyers, we are seeing competitive bidding which is pushing prices up, meaning that in some cases, larger than anticipated deposits are required to make up any shortfall.

With transactions at all price points, we've noticed that many chains are taking longer to complete, due to sellers needing to find a home to buy and purchasers being understanding about the need to be more flexible given the current market dynamics. However, once vendors are finding suitable properties for their onwards purchase, things tend to move swiftly as there's an appetite on both sides to get the deal tied up quickly so that nothing falls through.

Over the course of September, we noticed some of our investor landlords continued to add to their portfolios, which we suspect has been driven by the ongoing demand from tenants and, as a consequence, uplift in rents over the last 12 months. In particular, we've seen an increase in discerning 'lifestyle' tenants who are choosing to rent, rather than buy, at the moment. Another popular investment sector is student lettings, and here in Swansea in particular, we noted a significant level of second year University students seeking quality accommodation ahead of the new term, which is very encouraging.

At the top end of the market, The Mumbles, Tenby and Saundersfoot remain as popular as ever with lifestyle buyers, many of whom are relocating from another part of the UK and indeed, this market sector remained as busy as ever in September, again with buyers ideally wanting to be in by Christmas, if at all possible, a common theme. These are, in our experience, discerning purchasers, who understand that there is limited choice for the sort of property they are seeking at the moment, so although they will take the time to find the right property, when they do, they typically move very quickly to secure it.

Notes for Editors

Methodology

Sentiment data (Buyer sentiment, Seller sentiment and Mover attitudes towards mortgage availability) are collected via questions on the OnTheMarket website monthly. With over 120,000 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 White

South West: Gloucestershire, Wiltshire, Somerset, Devon, Dorset, Cornwall, Bristol

East of England: Norfolk, Suffolk, Cambridgeshire, Essex, Hertfordshire, Bedfordshire

West Midlands: Shropshire, Staffordshire, West Midlands, Warwickshire, Herefordshire, Worcestershire

East Midlands: Derbyshire, Nottinghamshire, Lincolnshire, Leicestershire, Northamptonshire, Rutland

Yorkshire and The Humber: North, South and West Yorkshire, East Riding

North East: Northumberland, Tyne & Wear, County Durham

North West: Lancashire, Greater Manchester, Merseyside, Cumbria, Cheshire

Wales: All

Scotland: All

About OnTheMarket.com

OnTheMarket.com is a leading UK residential property website, providing consumers with a simple way to search for their perfect home. The website and its apps list hundreds of thousands of homes for sale and to rent, and aim to provide all potential buyers, sellers, landlords and tenants with an exceptional property search service. This includes the opportunity to set-up personalised property alerts to help find a new home quickly and easily.

OnTheMarket.com displays thousands of UK residential properties exclusively to serious home movers every month – 24 hours or more before agents release these properties to other portals – and these are predominantly featured as 'New & Exclusive'. With thousands of estate and letting agents advertising their properties on the website, together with many of the UK's major house builders offering consumers a wide selection of new build homes, OnTheMarket.com provides a choice of properties at all price points. It also offers Overseas and Commercial search services.

OnTheMarket.com is owned by OnTheMarket plc, which was admitted to the Alternative Investment Market (AIM) in February 2018.

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