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Chief Executive Officer

**December 2021**

(reporting on November 2021 data)

## UK housing market running on rocket fuel as buyer and seller confidence increases in November

- 74% of active buyers in the UK were confident that they would purchase a property within the next 3 months
- 79% of sellers in the UK were confident that they would sell their property within the next 3 months
- 53% of properties were Sold Subject to Contract (SSTC) within 30 days of first being advertised for sale, compared with 38% in November 2020
- Consumer confidence around property increased slightly in November, despite speculation around a BoE base rate increase
- UK average asking price cools slightly month on month as sellers priced realistically to secure a buyer in the lead up to Christmas
- Record high sales prices still achieved due to ongoing lack of stock, with this reduced stock partly driven by an increasing focus on renovations to current homes ('improvers rather than movers')

While there was speculation at the start of the month in terms of a BoE base rate increase, the moment came and went – for now, at least – with headlines around potential rises in the cost of borrowing perhaps focussing the minds of those who are yet to find the right property. Interestingly, we saw a slight month on month increase in November in terms of our survey respondents who told us that they already had their mortgage in place prior to making an offer on a property to purchase. This supports our view that serious property seekers are now making sure they're well positioned prior to starting their search, as the message is clearly hitting home around the lack of available homes for sale.

We'd suggest that the current reasons for this well-documented lack of stock are that potential sellers have received market appraisals from agents over the autumn and have been rightly advised that this is currently an exceptionally buoyant market meaning that, therefore, their home will sell quickly if priced correctly. This is reflected in the fact that there are numerous buyers registered who are waiting and 'ready to go', particularly those who have moved into rented to break a chain and therefore have nothing to sell. In any other market cycle, these would be seen as 'golden buyers' but now are becoming far more prevalent.

Although this is all positive news for those wanting to sell, for a normal homeowner who's not moved for around 15 to 20 years, the thought of listing one's home for sale on a Monday, and potentially going under offer within a week, sounds like a massive amount of upheaval as it brings with it the pressure to find their onwards purchase, particularly if said buyer isn't in a chain and keen to move. In other words, because sellers are being told that they can move exceptionally quickly, there's a significant likelihood that concomitant pressure to do so effectively constricts chain building.

Another key factor is that, if homeowners are reading month in month out that prices are rising, there's a real consumer perception that prices will be higher still in six months time, which brings with it a propensity to 'hold off' doing anything due to the belief that sellers will have more equity in their property by mid 2022. Although that may as yet prove to be the case, most homeowners think more about the value of their own asset than the corresponding value of their onwards purchase. This means they miss the fact that relative price increases make it highly likely that the value of the sort of property they probably will want to buy is also moving at the same rate, so will probably be more expensive by the time they do sell, meaning that they're unlikely to be net better off as a result of waiting.

Another factor reducing available stock is that of Covid-related 'improvers rather than movers'. Anecdotally, we're hearing increasing reports from agents who are being asked to appraise properties by owners who are considering undertaking major works, for example loft conversions and extensions, because they can't find what they're currently looking for, so have decided to stay put and add space for practical reasons yet see this as a route to creating more value when they are ready to sell, and want to understand what the value of their home after such works could be. Quite possibly, this cohort of homeowners have been aided in these endeavours by increasing property values over the past 12 months, which have assisted with the ease of mortgaging to a raise capital for significant projects, as well as the access and lower borrowing rates a lower LTV creates.

For those considering selling, this remains the best time in over two decades to sell in the shortest amount of time and recognise the best achievable sales price.

# Seller Sentiment – how confident were sellers in November 2021?

## November 2021 Headlines

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

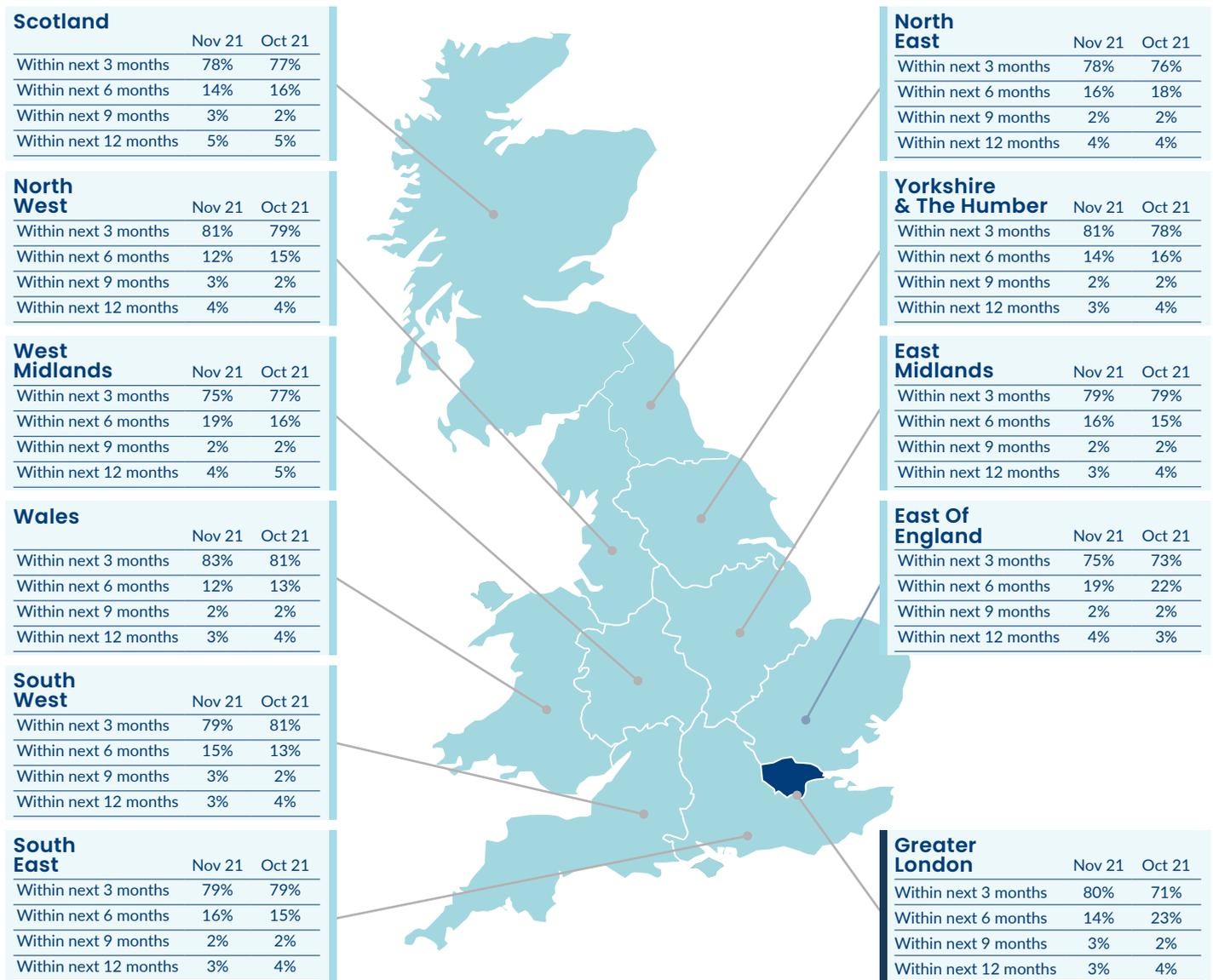
- 79% of sellers were confident that they would sell their property within the next 3 months, a slight increase from October 2021 (78%)
- 15% of sellers were confident that they would sell their property within the next 6 months, a slight decrease when compared with October 2021 (16%)
- 2% of sellers were confident that they would sell their home within the next 9 months, unchanged when compared to October 2021 (2%)
- 4% of sellers were confident that they would sell their home within the next 12 months, unchanged when compared with October 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 November 2021?

## November 2021 Headlines

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

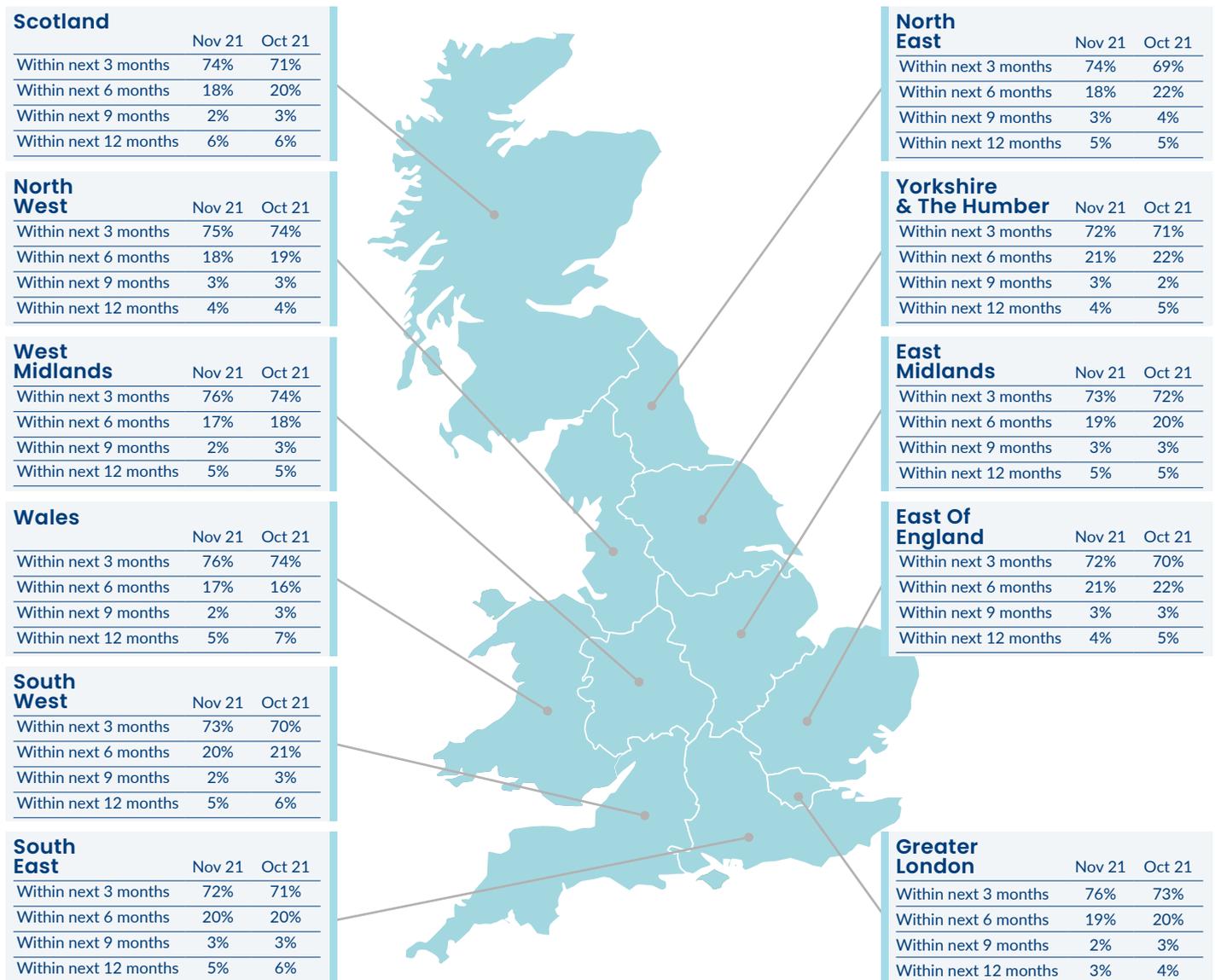
- 74% of buyers were confident that they would purchase a property within the next 3 months, a small increase on October 2021 (72%)
- 18% of buyers were confident that they would purchase a property within the next 6 months, a slight decrease when compared to October 2021 (20%)
- 3% of buyers were confident that they would purchase a property within the next 9 months, unchanged when compared to October 2021 (3%)
- 5% of buyers were confident that they would purchase a property within the next 12 months, unchanged when compared to October 2021 (5%)

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 Seller confidence within next 3 months)



# Mover attitudes towards mortgage availability

## November 2021 headlines:

- As a UK average, in November 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 October 2021 (4%).
- Greater London had the highest number of respondents who already had their mortgage Agreement In Principle in place prior to starting their search for a property (41%). Scotland had the lowest number of respondents who already had a Mortgage Agreement in Principle in place before starting their property search (27%).
- As a UK average, 27% 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 (35%).
- As a UK average, 33% of buyers surveyed said that they didn't need a mortgage in order to purchase a property. Greater London had the lowest number of respondents who indicated that they wouldn't require a mortgage to purchase a property (18%). Scotland 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

												
	Nov 21	Oct 21	Nov 21	Oct 21	Nov 21	Oct 21	Nov 21	Oct 21	Nov 21	Oct 21	Nov 21	Oct 21
UK average	1%	1%	3%	3%	2%	2%	34%	33%	33%	34%	27%	27%
Greater London	1%	1%	3%	5%	2%	2%	41%	39%	18%	16%	35%	37%
South East	1%	1%	4%	3%	2%	2%	35%	34%	31%	33%	27%	27%
South West	1%	1%	3%	2%	2%	2%	28%	27%	44%	48%	22%	20%
East of England	1%	1%	4%	3%	2%	3%	35%	32%	30%	31%	28%	30%
West Midlands	1%	1%	3%	3%	2%	2%	39%	37%	28%	27%	27%	30%
East Midlands	1%	2%	6%	4%	2%	2%	33%	33%	30%	32%	28%	27%
Yorkshire & The Humberside	1%	1%	3%	3%	2%	2%	34%	34%	31%	33%	29%	27%
North East	1%	1%	2%	2%	3%	3%	30%	28%	35%	38%	29%	28%
North West	1%	1%	3%	3%	2%	2%	39%	38%	29%	30%	26%	26%
Wales	1%	0%	1%	1%	1%	2%	30%	34%	40%	41%	27%	22%
Scotland	0%	0%	2%	2%	2%	3%	27%	27%	47%	46%	22%	22%

# Average asking prices and most popular property types in November 2021

## Most popular property types – November 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:



## UK Average (excl. Greater London)

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

## Greater London

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

## Asking prices – November 2021 Headlines

### UK Average (excl. Greater London)

Type	November 21	October 21	November 20
Detached	£566,583	£578,027	£536,401
Semi-Detached	£336,287	£342,651	£318,146
Terraced	£265,637	£257,311	£252,308
Flat	£228,947	£229,179	£225,838
Average	£369,224	£374,786	£358,666

### Greater London

Type	November 21	October 21	November 20
Detached	£2,094,794	£2,015,561	£1,851,106
Semi-Detached	£1,303,650	£1,321,105	£1,145,748
Terraced	£1,301,091	£1,276,284	£1,116,113
Flat	£876,814	£865,888	£790,767
Average	£1,022,607	£1,012,685	£936,206

# Time to Sold Subject to Contract (SSTC) in October 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 November 2021, as a UK average 53% of properties were SSTC within 30 days of first being listed for sale, a small decrease when compared with October 2021 (56%) yet a significant increase when compared with November 2020 (38%)
- In November 2021, Scotland was the fastest selling region, with 69% 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 (40%)
- In November 2021, the region with the most number of properties which had taken 120 days or longer to SSTC was Greater London (20%) compared to Scotland which had the lowest number of properties that had taken 120 days or more to move to SSTC status (6%)

## November 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		
	Nov 21	Oct 21	Nov 20	Nov 21	Oct 21	Nov 20	Nov 21	Oct 21	Nov 20	Nov 21	Oct 21	Nov 20	Nov 21	Oct 21	Nov 20
UK average	53%	56%	38%	18%	16%	21%	10%	9%	14%	6%	7%	10%	13%	12%	17%
Greater London	40%	42%	35%	20%	19%	24%	12%	12%	16%	8%	8%	10%	20%	19%	15%
South East	51%	54%	37%	17%	16%	21%	11%	10%	14%	7%	7%	10%	14%	13%	18%
South West	56%	59%	36%	17%	15%	21%	9%	9%	14%	6%	6%	10%	12%	11%	19%
East of England	56%	56%	39%	18%	18%	21%	10%	9%	15%	6%	7%	10%	10%	10%	15%
West Midlands	57%	59%	39%	17%	14%	22%	9%	9%	13%	6%	6%	9%	11%	12%	17%
East Midlands	56%	56%	40%	17%	17%	22%	9%	10%	12%	7%	6%	9%	11%	11%	17%
Yorkshire & The Humberside	56%	58%	40%	17%	16%	20%	9%	8%	13%	7%	6%	9%	11%	12%	18%
North East	56%	58%	40%	17%	14%	17%	9%	9%	12%	6%	7%	9%	12%	12%	22%
North West	54%	54%	39%	18%	17%	20%	10%	10%	14%	6%	7%	9%	12%	12%	18%
Wales	52%	54%	32%	17%	17%	21%	11%	9%	14%	7%	7%	11%	13%	13%	22%
Scotland	69%	70%	57%	14%	14%	19%	7%	6%	10%	4%	4%	6%	6%	6%	8%

## Charlie Kannreuther, Head of Residential Savills – North West and West Midlands

*'Nearly a quarter of all buyers registered in our Wilmslow office have a South East postcode'*

Last month, although activity was less frenetic as the focus shifted towards Christmas, we were still engaging with high volumes of potential buyers, our main issue being the burden of a lack of stock across all price points. Comparing the markets in 2021 and 2020 isn't 'apples with apples', so instead we're comparing 2021 with 2019 as that was the last normal market prior to Covid, and the statistics are quite astonishing. When looking at November 2021 against November 2019, we'd suggest that there are approximately a third more buyers this year, yet we're over a third down on stock numbers on the same basis.

Similarly, the rental market locally is equally busy, with a significant number of tenants breaking chains in order to complete on their sale yet are unable to find the right onwards purchase. At the top end of the market, especially in the 'golden triangle' of Wilmslow, Prestbury and Alderley Edge, extending to the super-popular Hale and Knutsford, we're seeing that although vendors are fearful of stepping out of what they perceive to be a rising market to go into rented, due to the asking price they've achieved, they're doing so regardless, which is driving demand.

Looking at our buyer registrations in our Wilmslow office last month, what's interesting is that nearly a quarter of all buyers registered in November have a South East postcode. This evidences what we've observed for some time, which is that there's such a fundamental shift in what people want in terms of their homes now, and that moving North can provide significantly better value on a per square foot basis. As a result, we're still seeing that movement from London and the South East to Cheshire. This is supported by the excellent local schools, such as Altrincham Grammar School for Boys and Girls and The King's and Queen's Schools in Chester, which provide huge reassurance for families relocating, once they realise what's available on the doorstep.

Another trend we've observed in recent weeks at the upper end of the market is a move towards the separate dining room, and in some cases requests for a second or 'back' kitchen. At this level, we're seeing changing buyer habits, driven by lifestyle changes during lockdown, which have made entertaining at home hugely popular again, with the 'dinner party' very much back in vogue. Consequently, we're seeing more enquiries for properties with a separate dining or entertaining space, rather than the open plan kitchen, eating and living spaces that have been so popular in recent years. Many buyers at a certain level are seeking to recreate the 'luxury hotel' feel in order to entertain in style at home, driven by the current 'hassle of going out' zeitgeist.

November also saw ongoing demand from first time buyers, who now can make firm longer-term plans since their employers have announced new working arrangements, following on from the end of Furlough. Manchester centre offers all the appeal of city living for young professionals, yet with a much lower price tag than central London, which is less than two hours by train. We've seen more and more London-based first time buyers who now only have to go into the office once a week – or in many cases, less – discovering just how far their budgets go in areas of the city such as the Garden Quarter, Riverside, the Northern Quarter and Ancoats, where new build apartment schemes are hugely popular and sell through exceptionally quickly. A similar situation is also apparent in Chester, where city centre apartment schemes are home to significant numbers of young professionals, many of whom have relocated to or come back to the North, as it offers them an opportunity of home ownership that they simply wouldn't have in the capital."

## Cory Askew, Head of Sales Chestertons – London

*'You only had to walk around the gilded streets of Mayfair last month to see the supercars and cafes bustling with overseas visitors.'*

The picture of November across prime central London locations was an overall positive one as our levels of enquiries were on a par with November 2020, which is a great place to be as the market was really in full swing at the end of last year. This, combined with the fact that enquiries were also increased when compared to September and October this year, shows that as we approach Christmas, buyer appetite is very much still apparent.

While virtual viewings have grown in popularity over the course of the Covid pandemic, during November we were very much back to conducting physical viewings, especially at the top end of the market as at that level buyers want their 'eyes on the prize'. We also had as many viewings this November as we did last November despite the fact that we have far fewer properties available for sale, which means every home we're marketing has had at least 20% more footfall. Consequently, last month new buyer registrations were considerably higher than the same period in 2020, 2019 and 2018, and this year's figures would represent approximately 40% higher when compared with the same period last year. The figures for the last three years have been relatively consistent, so this is a true picture of the current level of buyer demand in areas such as Mayfair, Marylebone, South Kensington, Hyde Park and Knightsbridge which doesn't seem to be diminishing.

International buyers have been conspicuous by their absence prior to the summer of 2020, yet last month interest from overseas buyers was significant; you only have to walk around the gilded streets of Mayfair to see the supercars and cafes bustling with overseas visitors, which has led to an upswing in applicants. It's therefore safe to say the return of international buyers has really shifted the dial, both in terms of those looking to purchase second homes in the capital, together with a growing trend of parents buying properties for their children who are going to be studying at university in the UK.

As a consequence, when it comes to supply, stock levels in prime central London are now at a four-year low which is providing further support to price rises as the market remains competitive. In particular, from a sales perspective, freehold houses in grade A locations with grade A specifications and finishes are in the shortest supply. In Belgravia for example, we're used to having a couple of trophy sales a year, but as an area with more houses than apartments, this year we've seen upper-end of market sales reach double figures, which can again be linked back to the fact that many movers are re-assessing their homes and considering whether they want a £10m penthouse overlooking the park, or if they would prefer a house with its own front door, own garden, and no communal shared space. Added to this dynamic, with the buzz of the city definitely back, we've also already started to see 'boomerang buyers' make a return as those who relocated to Hampshire or the Cotswolds last year, but now miss the vibrancy of the West End and City, are now registering to buy again and are particularly motivated to purchase in areas like Mayfair, Marylebone and Kensington.

Overall, with demand still heavily outweighing supply due to the lasting buyer appetite for property in prime central London, I'm confident that while this remains the case, the market will truly determine price especially in this part of the capital.

## 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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