

March 2022

(reporting on February 2022 data)

**Jason Tebb**
Chief Executive Officer

Agents adjust to 'new normal' housing market as buyer and seller sentiment continues to rise

- 75% of active buyers in the UK were confident that they would purchase a property within the next 3 months
- 82% of sellers in the UK were confident that they would sell their property within the next 3 months
- 61% of properties were Sold Subject to Contract (SSTC) within 30 days of first being advertised for sale, compared with 43% in February 2021
- Positive buyer and seller sentiment remains as highly motivated buyers compete for limited stock

Against the backdrop of rising cost of living, decades-high inflation and rising interest rates, buyer and seller sentiment is showing no signs of slowing down as a sense of competition takes hold of the housing market.

Our data shows month-on-month increases in buyers and sellers believing they'll buy and sell within three months. More active buyers (75%) in February were confident that they would purchase a property within the next three months compared with 72% in January, as well as more vendors (82%) confident of selling their property within the same time frame (78% in January).

They're right to be confident as, while more stock is coming onto the market, it's not keeping pace with pent-up demand. Our statistics show that 61% of properties sold within 30 days of first being advertised in February so new listings didn't hang around for long. It's likely to take many months of rising stock levels to meet demand.

That said, the overall market backdrop is undeniably more stable than the hectic scenes witnessed last year. The market feels more familiar, not the total unknown which agents have had to navigate over the past 18 months, meaning there is now a greater sense of adjustment. This 'new normal' is distinct from the pre-pandemic market; it's an elevated, faster-paced version where a large number of highly motivated buyers are keen to move quickly and eager to compete with other likeminded buyers for the small number of available properties.

With property prices still rising, sellers may therefore be tempted to wait so that they get the maximum for their home but with many of them also moving up the ladder, the trading gap is widening all the time. They may achieve a higher price for their home but will spend more on the next one; and if we see double-digit price growth this year, they may even be priced out of their upgrade.

This faster-paced market doesn't offer much opportunity for taking your time to come to a decision. With competition for available stock strong, buyers who aren't organised and prepared to be decisive face missing out. Overall, however, this high-activity market and continued rise in positive sentiment, against a uniquely challenging backdrop, are promising signs for the UK housing market in the weeks and months ahead.

Seller Sentiment – how confident were sellers in February 2022?

February 2022 Headlines

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

- 82% of sellers were confident that they would sell their property within the next 3 months, an increase from January 2022 (78%)
- 13% of sellers were confident that they would sell their properties within the next 6 months, a decrease when compared with January 2022 (16%)
- 2% of sellers were confident that they would sell their home within the next 9 months, unchanged when compared to January 2022 (2%)
- 3% of sellers were confident that they would sell their home within the next 12 months, a slight decrease when compared with January 2022 (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:

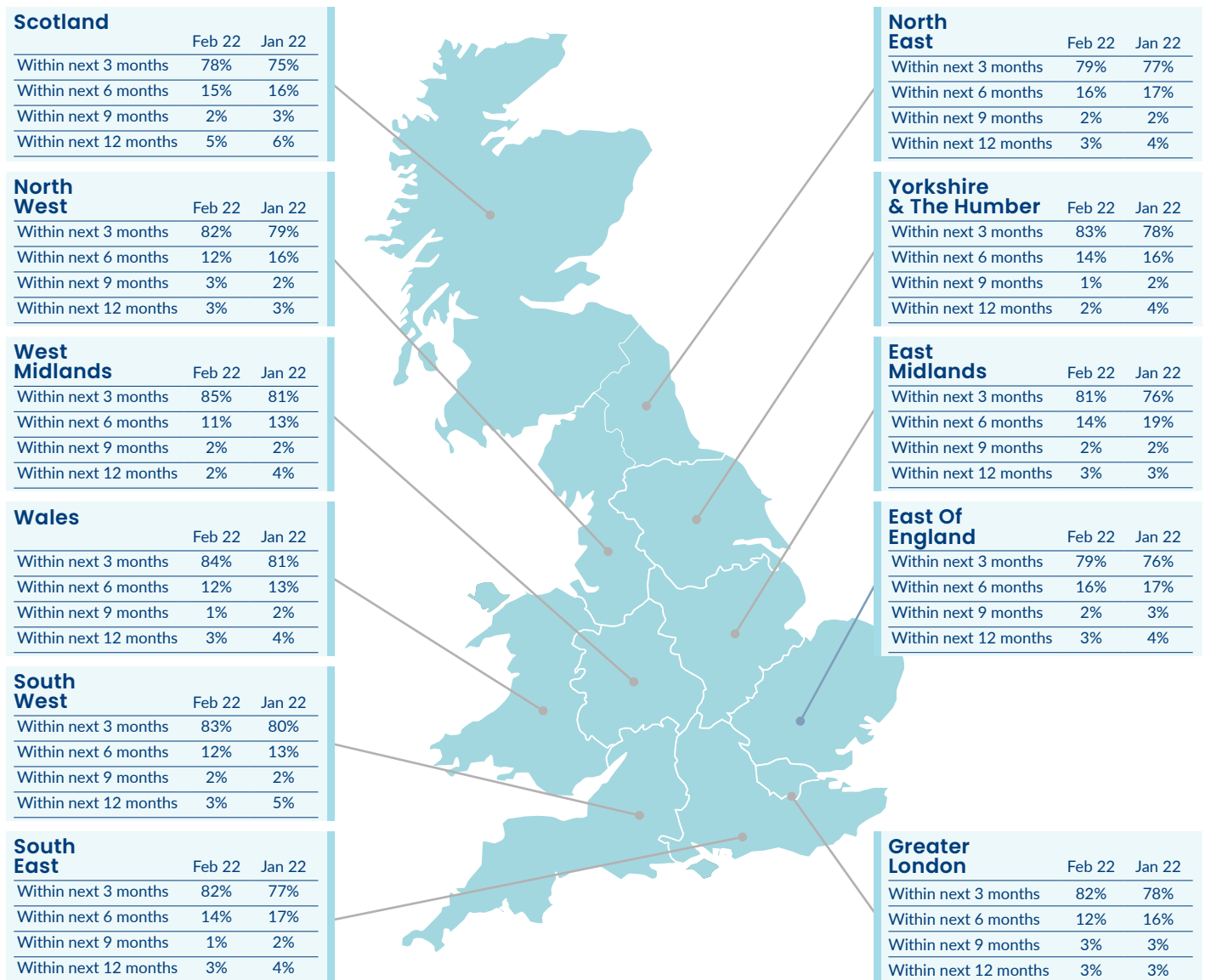
- Within the next 3 months
- Within the next 6 months
- Within the next 9 months
- Within the next 12 months

 >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 February 2022?

February 2022 Headlines

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

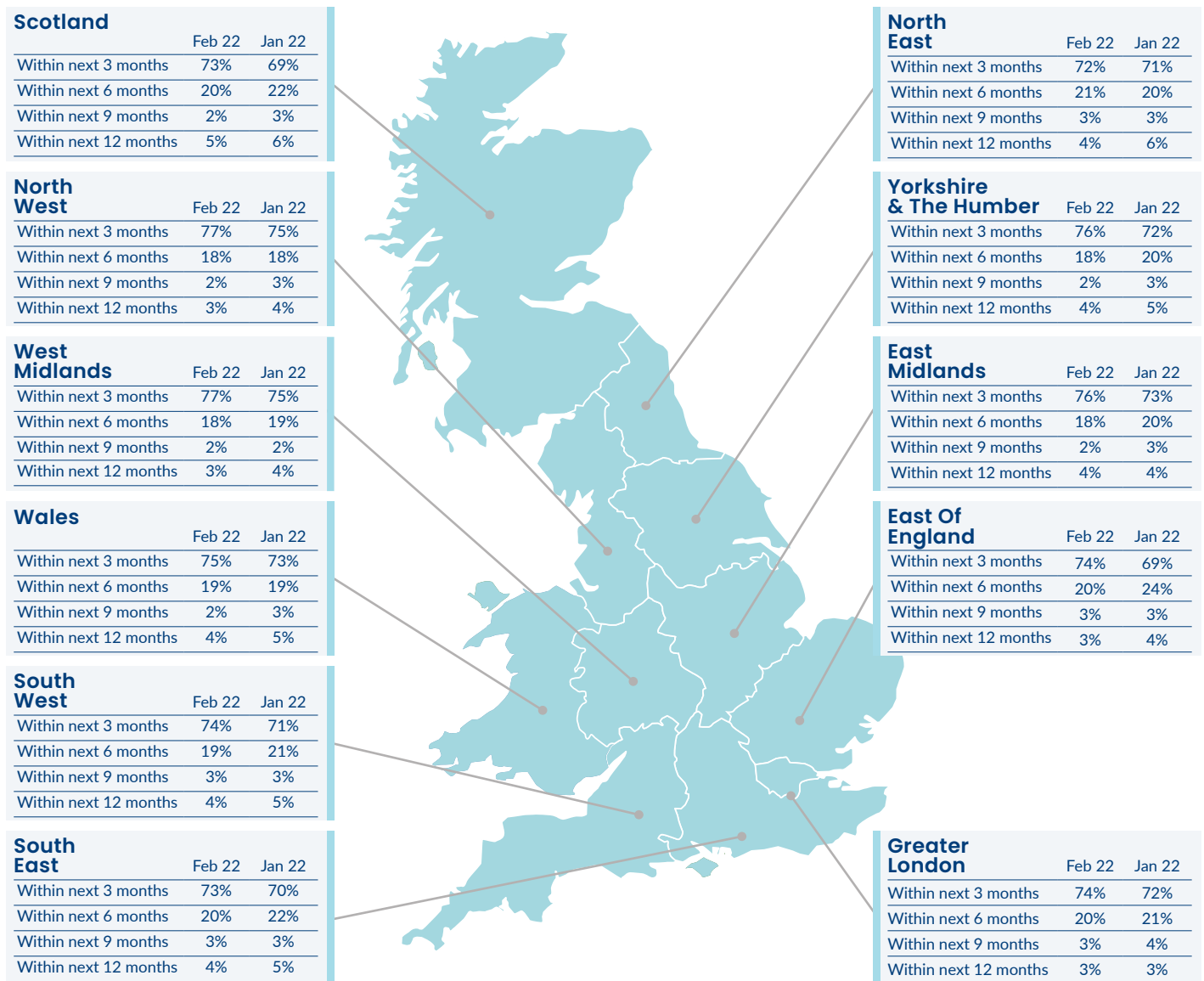
- 75% of buyers were confident that they would purchase a property within the next 3 months, an increase when compared to January 2022 (72%)
- 19% of buyers were confident that they would purchase a property within the next 6 months, a slight decrease when compared to January 2022 (20%)
- 2% of buyers were confident that they would purchase a property within the next 9 months, a slight decrease when compared to January 2022 (3%)
- 4% of buyers were confident that they would purchase a property within the next 12 months, a slight decrease when compared to January 2022 (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 in February 2022







February 2022 headlines:

- As a UK average, in February 2022 only 3% of movers were concerned (either very worried or slightly concerned) about securing a mortgage to fund the purchase of their next property, a slight decrease when compared to January 2022 (4%).
- Greater London and The North West jointly had the highest number of respondents who already had their mortgage Agreement In Principle in place prior to starting their search for a property (45%). The South West had the lowest number of respondents who already had a mortgage Agreement In Principle in place before starting their property search (32%).
- As a UK average, 24% 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 (32%).
- As a UK average, 31% 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 (16%). The South West had the highest number of respondents who indicated that they didn't need a mortgage to buy their next home (45%).

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:

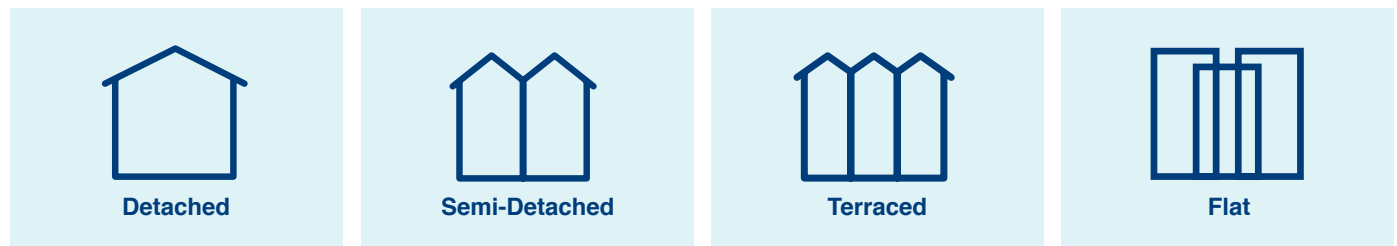
- I'm very worried
- I'm slightly concerned
- I'm sure it will be fine
- I have a mortgage Agreement in Principle already
- I don't need a mortgage to buy a property
- I've not thought about it

	 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	
	Feb 22	Jan 22	Feb 22	Jan 22	Feb 22	Jan 22	Feb 22	Jan 22	Feb 22	Jan 22	Feb 22	Jan 22
UK average	1%	1%	2%	3%	2%	2%	40%	37%	31%	30%	24%	27%
Greater London	1%	1%	4%	3%	2%	2%	45%	44%	16%	15%	32%	35%
South East	1%	1%	2%	3%	2%	2%	41%	38%	30%	29%	24%	27%
South West	0%	0%	2%	2%	1%	2%	32%	32%	45%	42%	20%	22%
East of England	1%	1%	2%	3%	1%	2%	40%	37%	29%	28%	27%	29%
West Midlands	1%	1%	2%	3%	2%	2%	44%	43%	26%	24%	25%	27%
East Midlands	1%	1%	3%	3%	2%	2%	39%	34%	30%	31%	25%	29%
Yorkshire & The Humberside	1%	1%	2%	3%	2%	2%	39%	36%	31%	32%	25%	26%
North East	0%	1%	2%	3%	2%	3%	36%	33%	33%	31%	27%	29%
North West	1%	0%	2%	3%	2%	1%	45%	45%	28%	27%	22%	24%
Wales	0%	0%	1%	2%	2%	2%	38%	38%	40%	37%	19%	21%
Scotland	0%	0%	2%	2%	2%	2%	35%	30%	40%	41%	21%	25%

Average asking prices and most popular property types in February 2022

Most popular property types – February 2022 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 February 2022, the most popular properties as a UK average were three bedroom semi-detached houses, unchanged when compared to January 2022 and February 2021.

Greater London

In February 2022 in Greater London the most popular properties were two bedroom apartments, unchanged when compared to January 2022 and February 2021.

Asking prices – February 2022 Headlines

UK Average (excl. Greater London)

Type	February 22	January 22	February 21
Detached	£552,023	£552,332	£514,577
Semi-Detached	£339,946	£333,869	£310,723
Terraced	£263,498	£261,097	£244,016
Flat	£230,534	£230,584	£221,355
Average	£366,398	£363,620	£343,545

Greater London

Type	February 22	January 22	February 21
Detached	£2,063,662	£2,108,608	£1,922,218
Semi-Detached	£1,291,401	£1,309,523	£1,198,280
Terraced	£1,301,081	£1,301,894	£1,170,715
Flat	£879,876	£881,966	£808,914
Average	£1,019,718	£1,023,106	£951,327

Time to Sold Subject to Contract (SSTC) in February 2022

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 February 2022, as a UK average 61% of properties were SSTC within 30 days of first being listed for sale, a significant increase when compared with both January 2022 (48%) and February 2021 (43%)
- In February 2022, Scotland was the fastest selling region, with 75% 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 (48%)
- In February 2022, the region with the most number of properties which had taken 120 days or longer to SSTC was Greater London (22%) compared to Scotland which had the lowest number of properties that had taken 120 days or more to move to SSTC status (8%)

February 2022 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		
	Feb 22	Jan 22	Feb 21	Feb 22	Jan 22	Feb 21	Feb 22	Jan 22	Feb 21	Feb 22	Jan 22	Feb 21	Feb 22	Jan 22	Feb 21
UK average	61%	48%	43%	10%	17%	11%	8%	11%	10%	7%	8%	10%	14%	16%	26%
Greater London	48%	34%	36%	12%	15%	11%	9%	13%	12%	9%	12%	12%	22%	26%	29%
South East	60%	47%	40%	10%	16%	11%	8%	11%	11%	7%	9%	10%	15%	17%	28%
South West	66%	50%	42%	9%	15%	11%	8%	12%	10%	6%	9%	9%	11%	14%	28%
East of England	65%	51%	43%	10%	17%	12%	8%	11%	11%	6%	8%	10%	11%	13%	24%
West Midlands	63%	50%	43%	10%	17%	12%	8%	11%	10%	7%	8%	10%	12%	14%	25%
East Midlands	62%	47%	45%	9%	18%	11%	9%	12%	9%	7%	8%	9%	13%	15%	26%
Yorkshire & The Humberside	65%	48%	46%	9%	17%	11%	7%	12%	10%	6%	9%	9%	13%	14%	24%
North East	63%	47%	44%	10%	16%	10%	8%	12%	9%	6%	10%	9%	13%	15%	28%
North West	61%	47%	45%	10%	18%	10%	9%	12%	11%	7%	8%	9%	13%	15%	25%
Wales	59%	43%	42%	10%	17%	10%	8%	12%	10%	7%	8%	8%	16%	20%	30%
Scotland	75%	53%	60%	6%	18%	8%	6%	10%	9%	5%	7%	8%	8%	12%	15%

Jan Hýtch, Residential and Operations Partner Arnold Keys – Norfolk, East of England

'Every property that comes to market is like a piece of steak being thrown into a bowl of piranhas – everyone jumps on it'

February saw improved appetite in terms of sellers coming to market. We're not flooded with stock by any means and there's still a significant supply issue, but the mood is different to January. Every property that comes to market is like a piece of steak being thrown into a bowl of piranhas; everyone jumps on it.

Prices are moving all the time. A seller will tell us they want to come to market, but by the time they're ready to launch three weeks later, the price may need revising. One or two instructions have stuck where sellers have over-anticipated what price can be achieved. The trouble is that the data that the media use to refer to is often two or three months out of date; that frenzied market may have been the case in the autumn but isn't necessarily what's happening in February.

We have a healthy list of applicants, with many prepared to put themselves in the strongest possible position to buy. They want to be first on the list of the 'willing and able'; it's not enough to have your home on the market, you need to have sold it or be living in rented accommodation to be the first call or text the agent makes. Vendors have so much choice that they often aren't interested in giving viewing time to buyers who can't proceed.

Norwich, being a stunning Cathedral city, continues to attract a different type of buyer to the more rural and coastal areas of Norfolk. It offers far from the usual experience of inner-city living as it is unusually quiet and beautiful, and just ten minutes in the car to the countryside in all directions, with beaches half an hour away. Villages such as Salle, Hingham, and the very pretty Shotesham continue to be popular. Victorian terraces are in high demand, along with new builds on the outskirts of the city and a good supply of flats while the centre has many highly sought-after medieval and Georgian properties. You can still comfortably buy a nice flat for less than £200,000 or a terrace house for £200,000 to £250,000+.

The north Norfolk coast saw a huge surge of interest from buyers at the start of the pandemic and continues to be very popular. Movers have been able to sell a flat in Docklands for the same price as a character property with a bit of land, ten minutes from the beach. This demand has extended to the heartland of Norfolk, a designated national park with the pretty Broads attracting sailing enthusiasts. Changed working patterns have made it possible to live in Norfolk and work in London if you only have to navigate the sub-two hour train journey a couple of times a week.

Chris Hope, Senior Partner, Swansea Dawsons – Wales

'Fifty viewings on a flat or house may be possible but isn't necessary and will only lead to 49 disappointed people'

February carried on where January and December left off. We saw a 20 per cent increase in terms of new applicants compared with last February and virtually the same uptick in new instructions, with an 18 per cent rise. While there was still a good number of new instructions coming on, because of the speed of sale there wasn't a lot of stock being advertised; 60 per cent of our sales in February were agreed before they even hit the market. We have the advantage of knowing our buyers and what they're looking for; 50 viewings on a flat or house may well be possible but isn't necessary and is only going to lead to 49 disappointed people, so we manage that quite carefully.

We continued to see greatest demand for three or four-bedroom properties as opposed to one-bedroom flats. There continues to be a lot of movement up the ladder as families grow and need more space, or an elderly parent moves in. We have been particularly strong in the upper quartile, with the £1m to £4m market much busier in the past two years than over the past decade.

We may be in the depths of winter but a sea view remained a popular choice for buyers in February, assuming they could find one, as there were not many available. Other buyers didn't focus so much on a particular village but were prepared to look across the band from Taunton, Cowbridge, through Gower and down to Pembroke, where you can find good schools, can work from home, and get around 5 to 10 acres of land. Mumbles, Tenby and Saundersfoot remain popular choices with lifestyle buyers who are relocating and looking for a main home, as well as those after holiday homes.

First-time buyers still found they had to move quickly because of lack of stock. You couldn't walk into one of our branches in February and expect to see more than one or two potential properties. Most of the sub-£150,000 properties were bought incredibly quickly, with 10 or 20 viewings easily set up straightaway.

The buy-to-let scene has changed, with a number of landlords considering an exit due to further significant regulatory changes. Yet for every landlord selling up, there's a professional landlord who will purchase that property with a tenant in situ if they can achieve an 8 per cent yield.

There remains a residue of people who wanted to buy last year and haven't been able to. With such low stock levels, buyers have been accepting price rises so far but even so, we don't expect the same level of house price growth this year as interest rates are slowly rising, along with the cost of living. The market is slowing down to a steadier pace, which it has to, no market can sustain double-digit price rises every year.

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 Wight
- **South West:** Gloucestershire, Wiltshire, Somerset, Devon, Dorset, Cornwall, Bristol
- **East of England:** Norfolk, Suffolk, Cambridgeshire, Essex, Hertfordshire, Bedfordshire
- **West Midlands:** Shropshire, Staffordshire, West Midlands, Warwickshire, Herefordshire, Worcestershire
- **East Midlands:** Derbyshire, Nottinghamshire, Lincolnshire, Leicestershire, Northamptonshire, Rutland
- **Yorkshire and The Humber:** North, South and West Yorkshire, East Riding
- **North East:** Northumberland, Tyne & Wear, County Durham
- **North West:** Lancashire, Greater Manchester, Merseyside, Cumbria, Cheshire
- **Wales:** All
- **Scotland:** All

About OnTheMarket.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 Only With Us properties every month, 24 hours or more before they're advertised on Rightmove or Zoopla, to give serious home movers an edge in their property search. 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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