



ECONOMICS



# UK Residential Market Survey

February 2023



## Prices and sales still under pressure for now but picture a little less negative looking further out

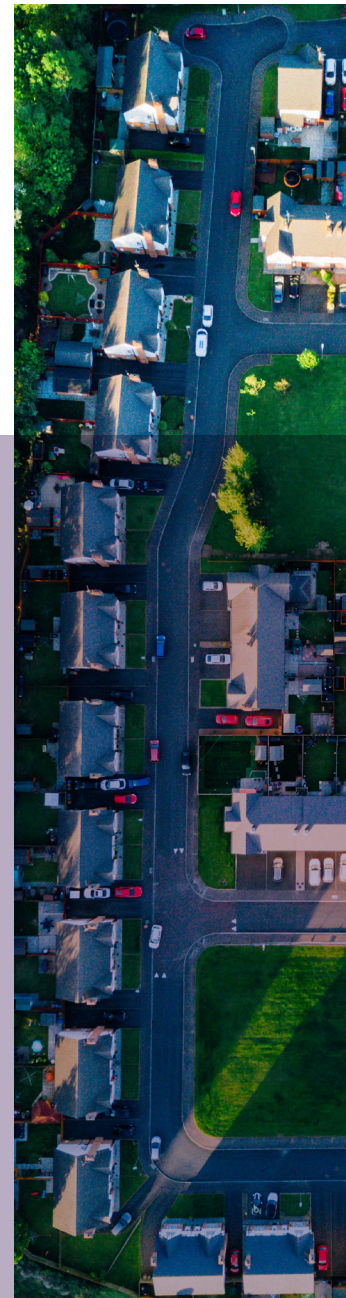
- Key activity metrics all remain negative but less so than previously
- House prices continue to slip at the national level
- Sales being agreed at below ask prices but generally within a 5% margin
- Rental growth continuing to driven by significant demand supply imbalance

The results of the February 2023 RICS UK Residential Survey remain generally downbeat although there are a couple of closely-watched indicators consistent with a more stable picture emerging through the course of 2023. This slightly more reassuring prospect is also evident in some of the remarks from contributors.

Most significantly, the headline reading for the new buyer enquiries series rebounded to a net balance of -29% (measured on a seasonally-adjusted basis), which compares with -45% last month. To be clear, this metric is still signalling a decline in demand and, indeed, it represents the tenth consecutive negative monthly reading for new buyer enquiries. That said, it is also the least negative result since July of last year.

Alongside this, respondents highlighted a less adverse trend in the volume of fresh listings coming onto the sales market, with the net balance improving to -4% compared with -12% in January and -22% in December. Even so, the number of market appraisals conducted in February was below that found in the equivalent period a year ago according to a net balance of -33% of respondents. This compares with a reading of -42% in the previous month and a recent low of -55% in December. Against this backdrop, it is not surprising that, for now at least, the level of inventory on the market remains not far away from a historic low albeit the latest estimate edged up to 34.8 properties per surveyor branch (34 in January).

The newly agreed sales indicator was also somewhat less negative in February, improving from a net balance of -36% to -26%. However, the time being taken to complete a sale continues to edge upwards and is now approaching 19 weeks. Looking ahead, sales are anticipated to continue to slip over the coming three months, as demonstrated by the near-term sales expectations net balance coming in at -47%. But more



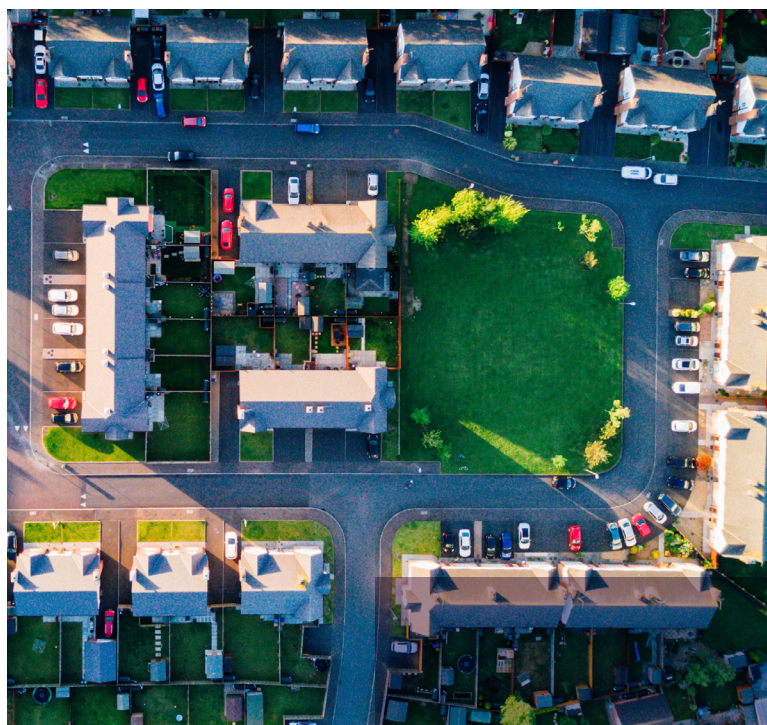
tellingly, at the twelve-month time horizon, the sales outlook looks to be more stable (even if the series is still marginally in negative territory), with a net balance of -8%. This stands against -20% in January and a recent low of -45% back in August.

Alongside this, the pricing environment appears to remain challenging according to the latest set of results, with the headline price balance series stuck deep in negativity. The latest net balance of -48% is little changed from the previous read of -46%. Data for Scotland and Northern Ireland continues (for now) to display a greater degree of resilience than that covering England and Wales. Meanwhile, although there has been an improvement in the price balance looking three months forward, it is only very modest, edging up from -63% to -55%. Even at the one-year time horizon, the price metric is still suggesting further weakness, posting a net balance of -27% (although this does represent a more material uplift from -40% last month and the November result of -61%).

In an additional question included in the latest survey, we have analysed the difference between ask and sales prices in the current macro climate. In the mainstream market (covering prices up to £500k), around 60% of respondents suggested that prices were being agreed at below the ask price. For properties priced between £500k and £1 million, the share jumped to just over 70%; the proportion of contributors taking this view on properties priced in excess of the £1 million mark was broadly similar. It is worth noting that the majority of the feedback points to sales being agreed within 5% of the ask price rather than anything significantly greater.

In the lettings market, tenant demand continues to increase according to a net balance of +32% of respondents nationally (part of the monthly non-seasonally adjusted rental market dataset). Significantly, landlord instructions continue to decline albeit at a lesser pace than in the recent past, returning a net balance of -13%. Inevitably given the ongoing imbalance, the headline rent expectations reading remains at a relatively elevated level of +45% (this pattern is pretty consistent across the country).

Looking at the results for the questions around medium term expectations, the price outlook appears to be steadying with an increase of around 15% projected on a five year view despite the current headwinds. Meanwhile, as far as the lettings market is concerned, it is clear that respondents don't envisage a material change in the demand supply imbalance in the foreseeable future, with rents seen as likely to rise by more than 25% at the five year time horizon.



## 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:

March survey: 13 April  
April survey: 11 May

### Number of responses to this month's survey:

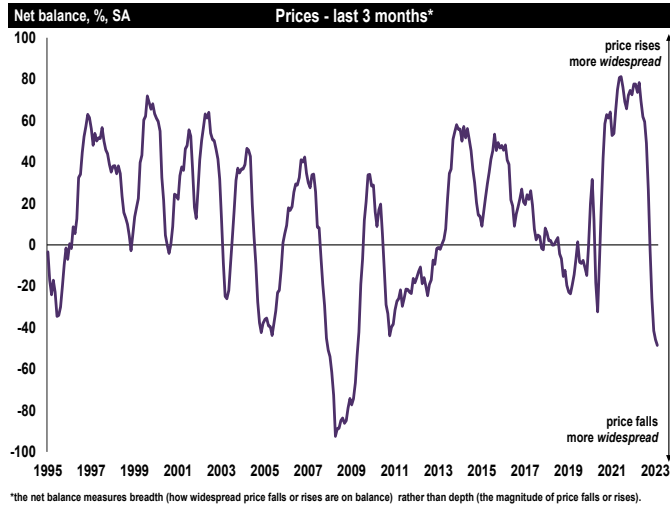
This survey sample covers 406 branches coming from 278 responses.

### Disclaimer

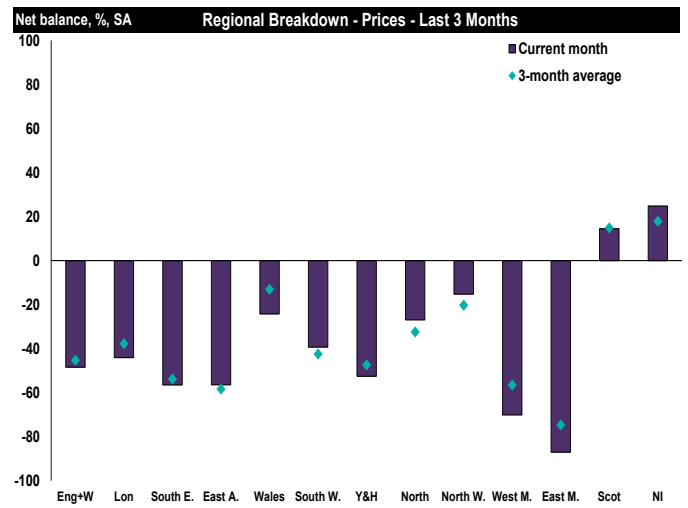
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# Sales market charts

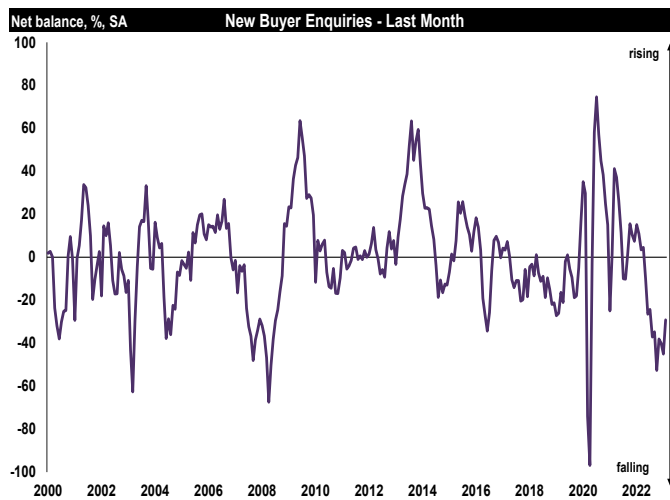
National Prices - Past three months



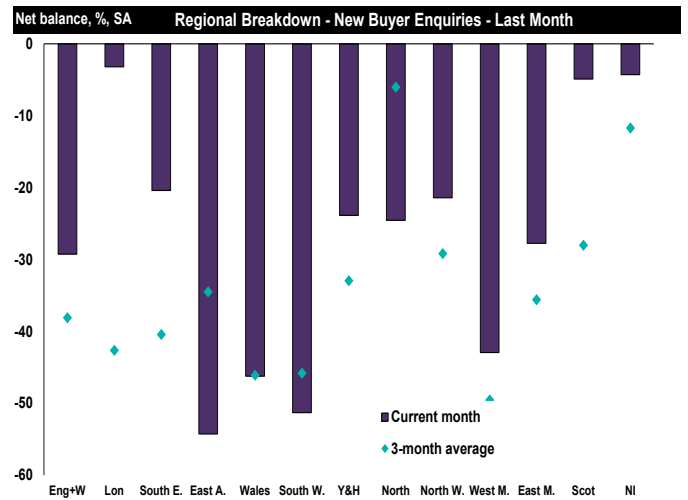
Regional Prices - Past three months



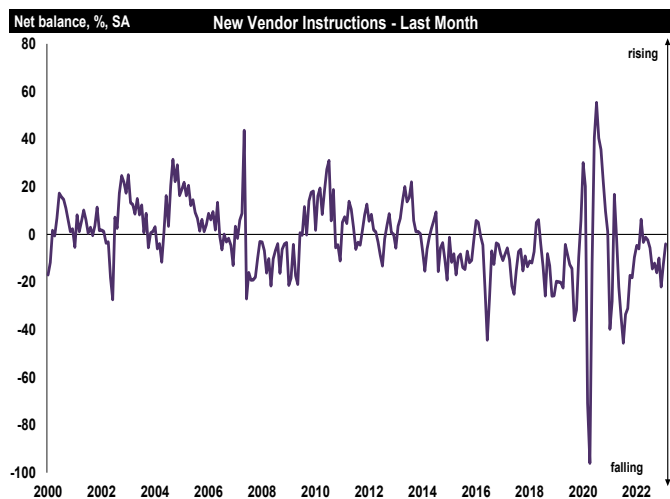
National Enquiries - Past month



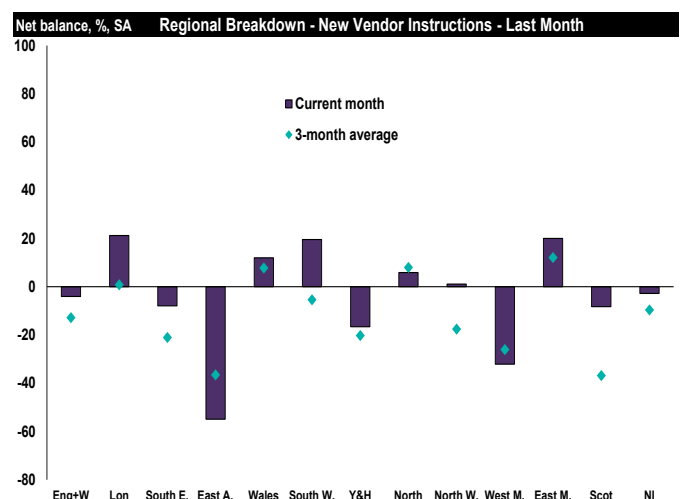
Regional New Buyer Enquiries - Past month



National New Vendor Instructions - Past month



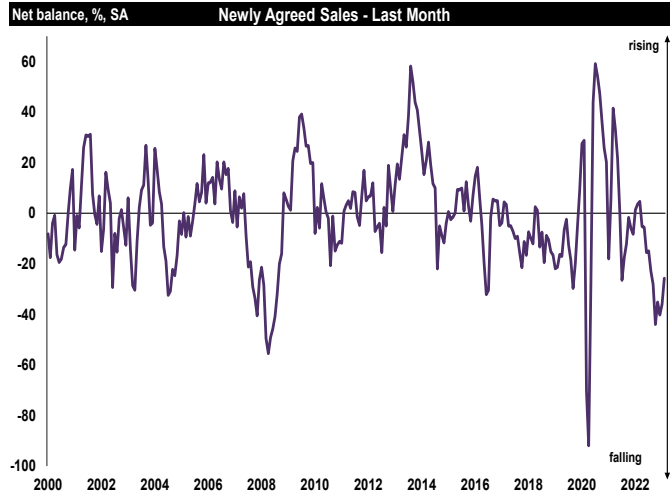
Regional New Vendor Instructions - Past month



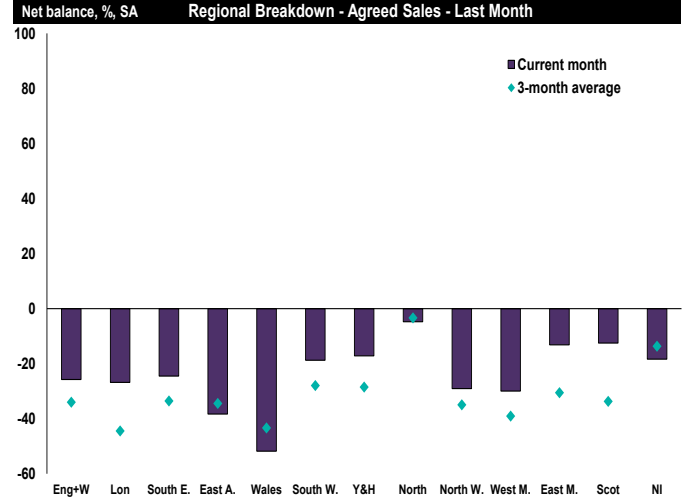


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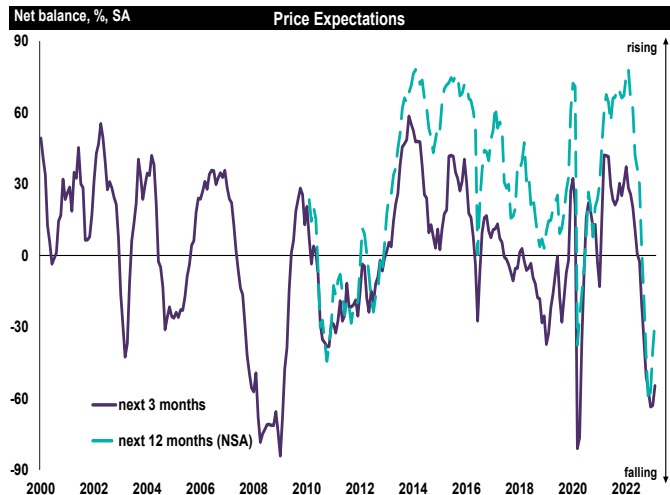
National Newly Agreed Sales - Past month



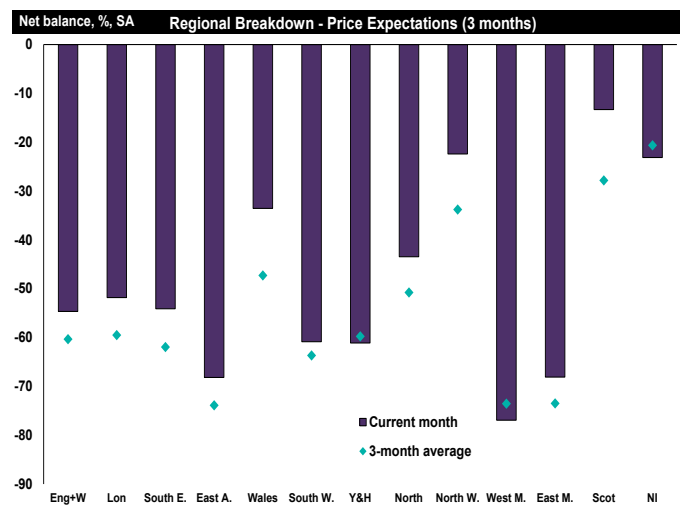
Regional Newly Agreed Sales - Past month



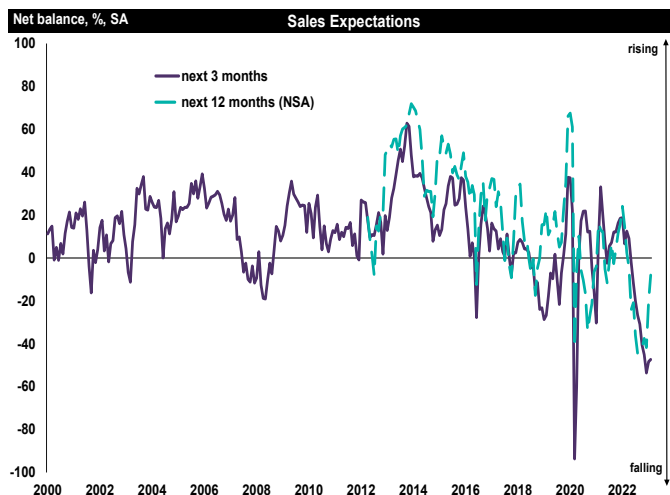
National Price Expectations - Three and twelve month expectations



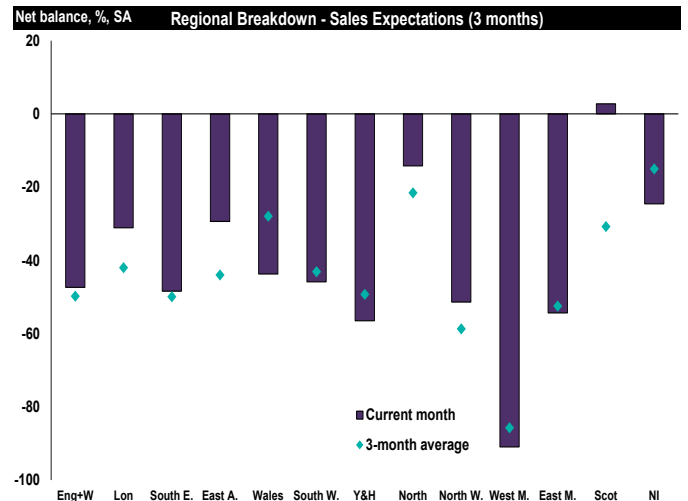
Regional Price Expectations - Next three months



National Sales Expectations - Three and twelve month expectations

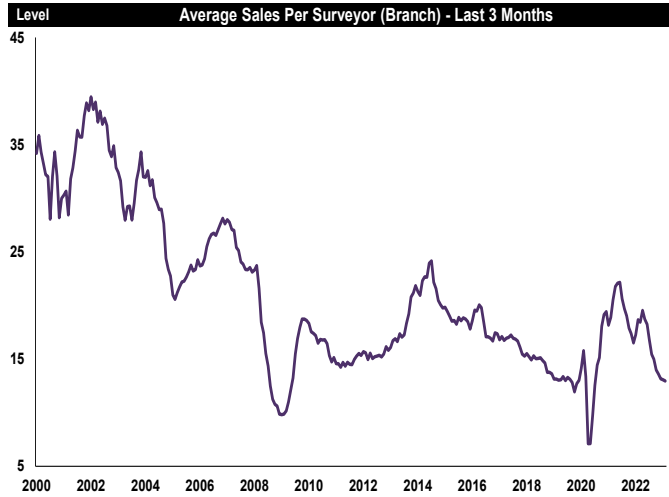


Regional Sales Expectations - Next three months

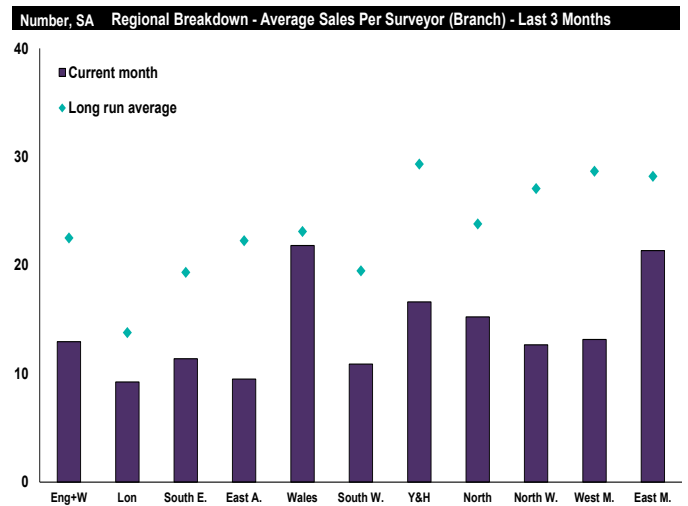


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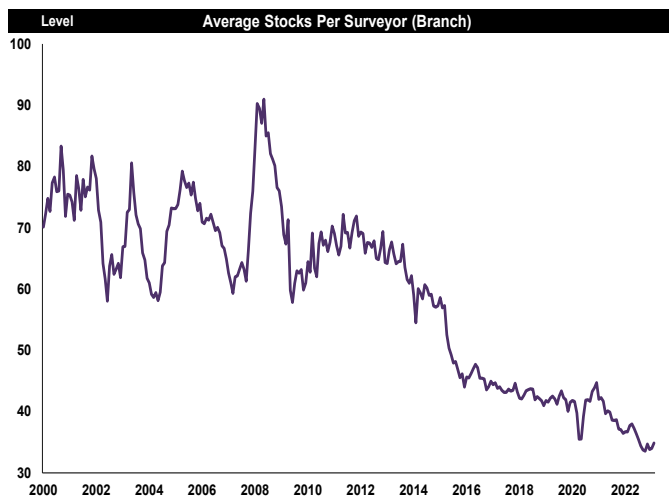
National Average Sales Per Surveyor - Past three months



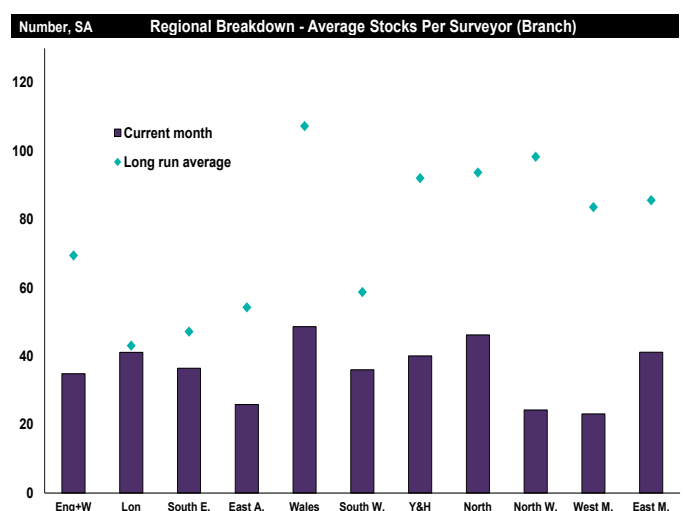
Regional Average Sales Per Surveyor - Past three months



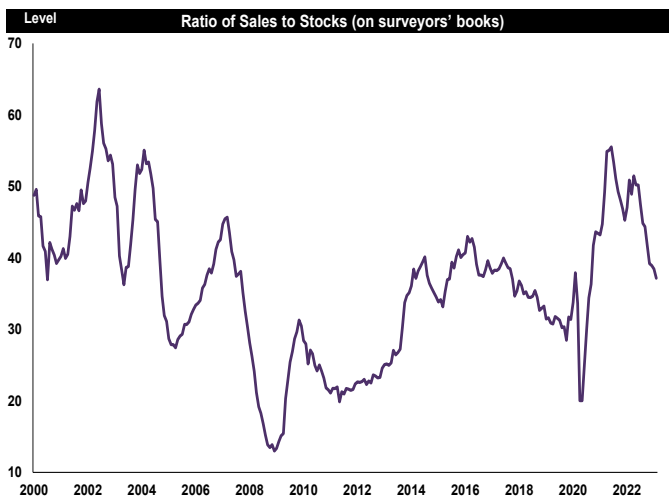
National Average Stocks Per Surveyor



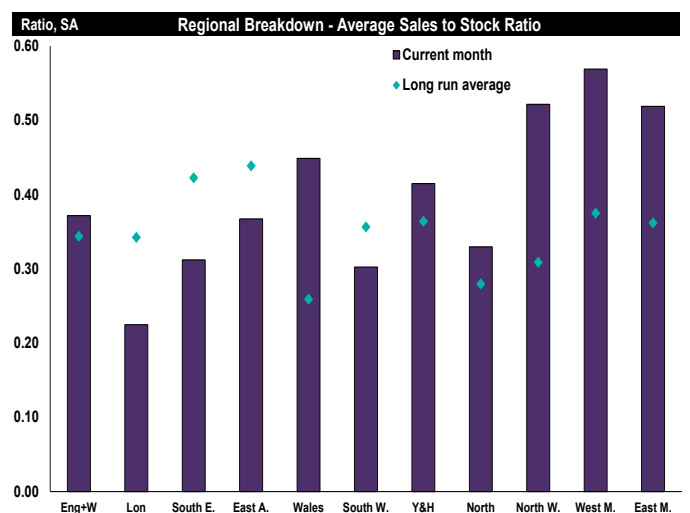
Regional Average Stock Per Surveyor



National Sales to Stock Ratio

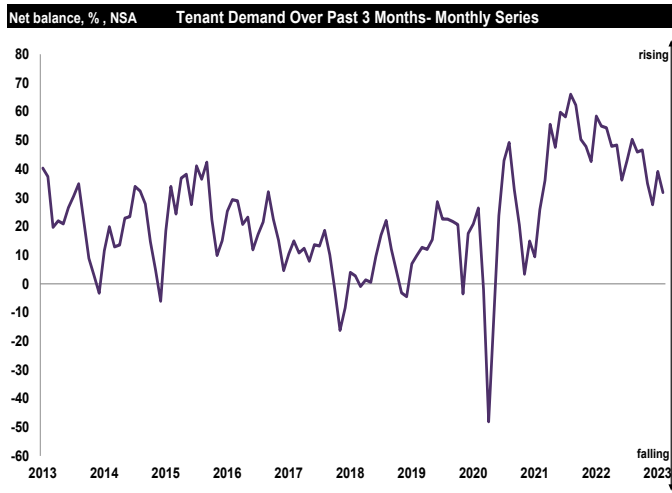


Regional Sales to Stock Ratio

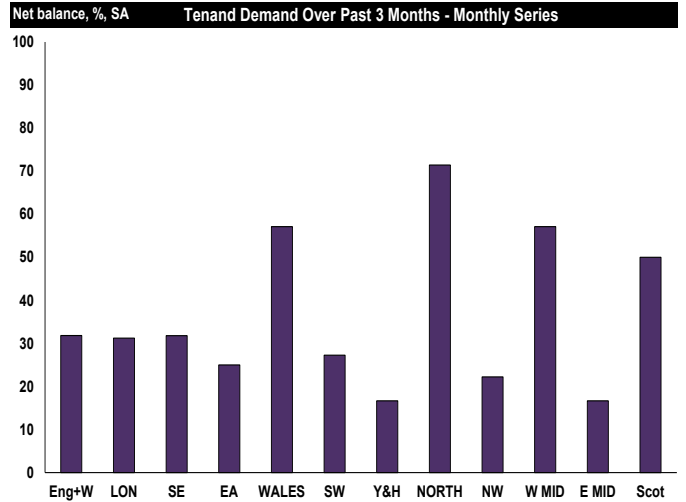


# Lettings market charts

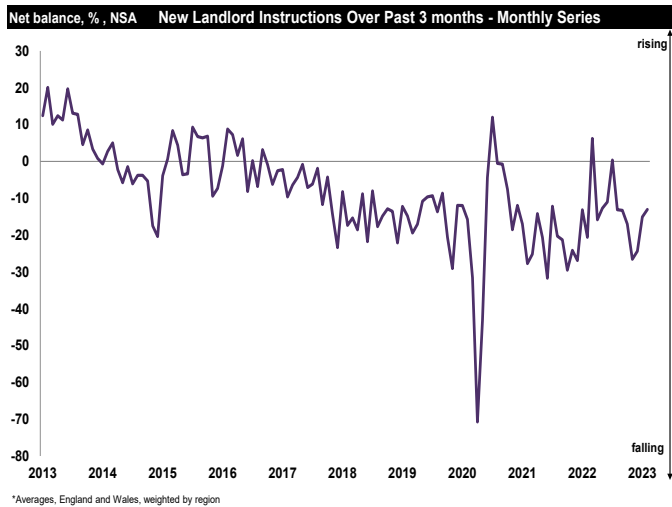
National Tenant Demand - Past three months



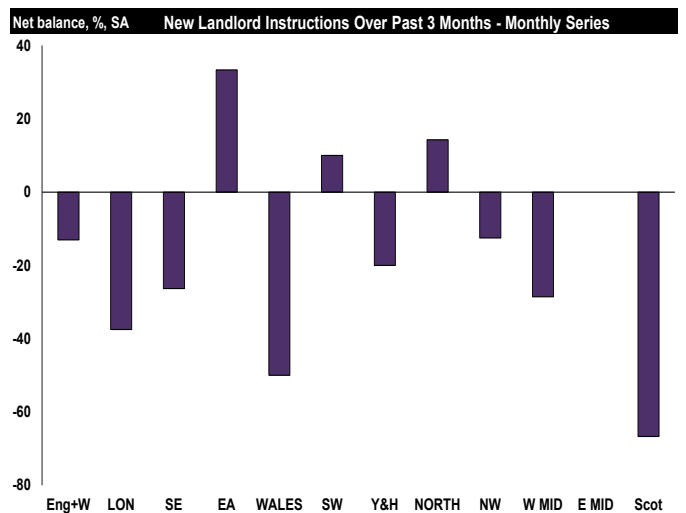
Regional Tenant Demand - Past three months



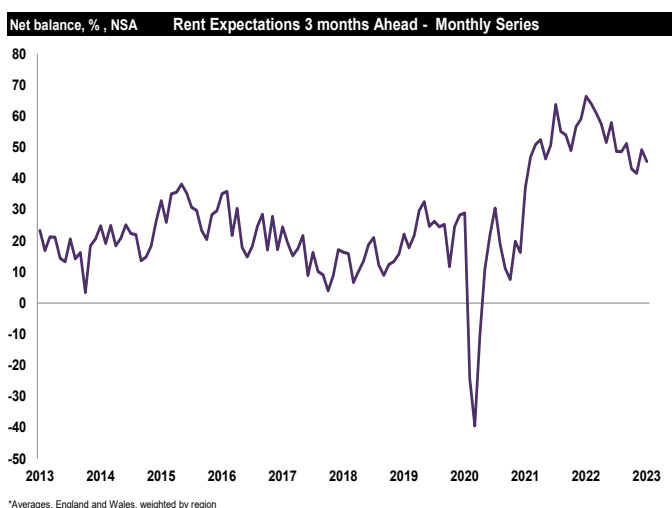
National New Landlord Instructions - Past three months



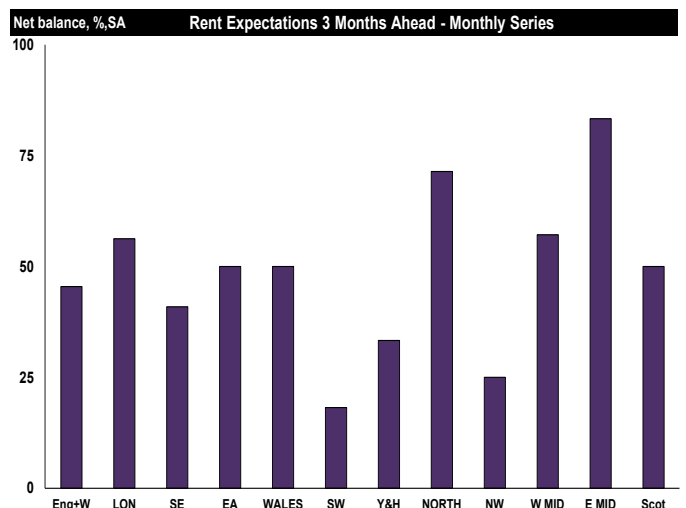
Regional New Landlord Instructions - Past three months



National Rent Expectations - Next three months



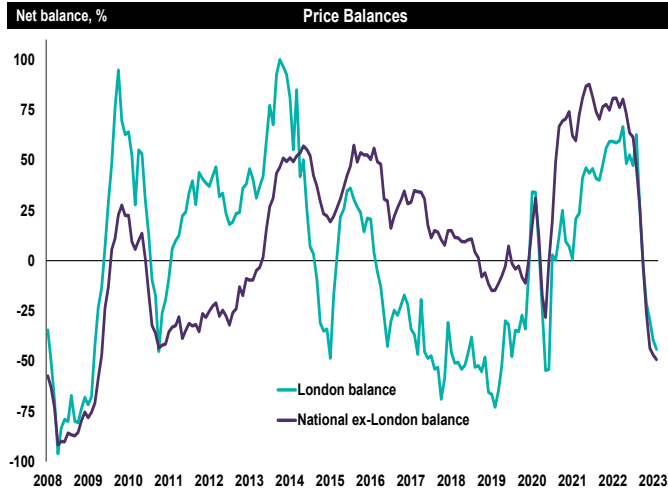
Regional Rent Expectations - Next three months



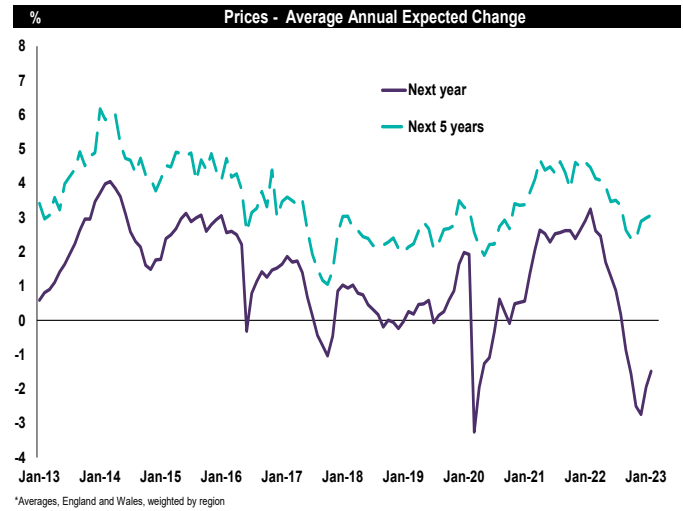


# Expectations and other data

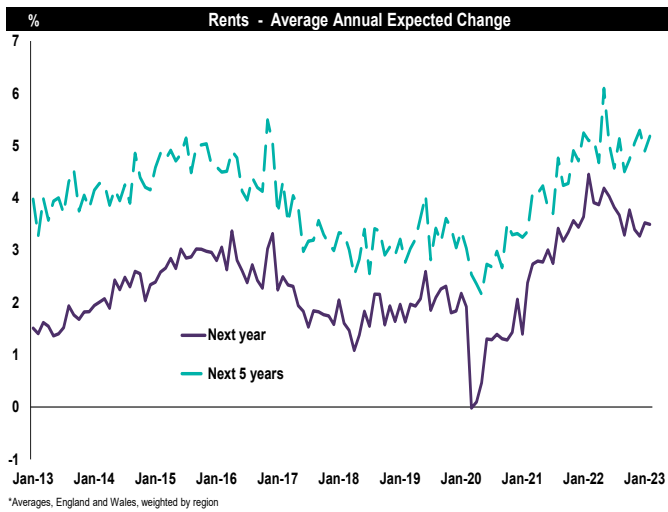
National Price Balance (excluding London) and London Price Balance - Past three months



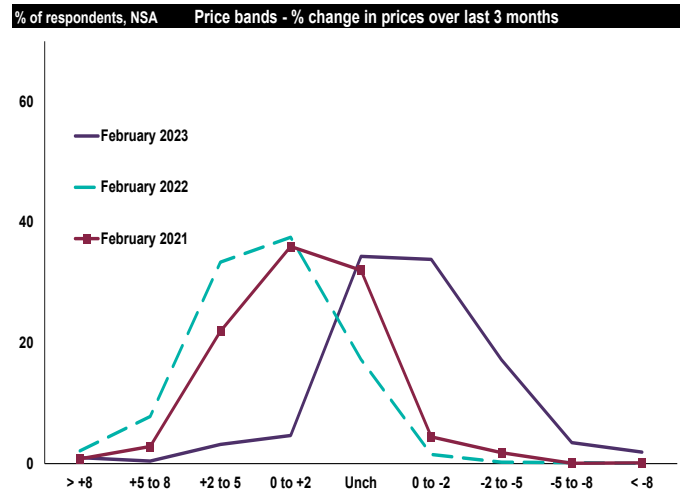
National Average Annual Expected Price Change (point estimate) - Next one and five years



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



Price Bands - Past three months



## Surveyor comments - Sales

### North

David Shaun Brannen AssocRICS, Brannen & Partners, Whitley Bay, shaun.brannen@brannen-partners.co.uk - Strong beginning to Q1.

Keith Pattinson FRICS, Keith Pattinson Ltd, Newcastle Upon Tyne, keith.pattinson@pattinson.co.uk - The public want affordable housing, which means giving back some of gain through excess demand, and low interest rates. Property remains a long term purchase, and indeed if prices fall, differential will fall, if moving up will gain.

Neil Foster MRICS, Hadrian Property Partners, Hexham, neil@hadrianproperty.co.uk - There is an uneasy sense that the engines have stopped and whilst the plane is still gliding merrily, gravity is going to win the day. Not anticipating a price crash but demand is expected to cool over the course of the year.

Paul Mckimmings MRICS, Edward Watson Associates, Newcastle Upon Tyne, paul@edwardwatson-assoc.com - Surprisingly better month than January. I feel that in the coming months affordability restraints caused by increased borrowing costs will affect demand and values.

### Yorkshire & the Humber

Alexander James Mcneil MRICS, Bramleys, Huddersfield, alex.mcneil@bramleys1.co.uk - Old Willie Shakespeare wrote about there being no rhyme nor reason in The Comedy Of Errors in 1594. Not much has changed over the last 400 years or so with activity levels in the housing market varying significantly week by week, without rhyme nor reason. Demand remains good but new stock limited.

Ben Hudson MRICS, Hudson Moody, York, benhudson@hudson-moody.com - Sales returning as interest rates not seeming to peak as high as predictions last year .

Bruce Collinson FRICS, Adair Paxton, Otley, bruce.collinson@me.com - Some return of activity in January after a very dull Autumn. Prices falling faster than is widely acknowledged.

James Brown MRICS, Norman F Brown, Richmond, james@normanfbrown.co.uk - The sales market is showing some signs of life, however buyers certainly have the upper hand.

James Watts MRICS, Robert Watts Estate Agents, Bradford, jameswatts@robertwatts.co.uk - The market is proving surprisingly resilient despite predictions of doom and gloom in the media. There are certainly less buyers than last year due to higher interests meaning less offers but the lack of stock, the high cost of renting and the stabilising of mortgage rates has soothed the market.

Kenneth Bird MRICS, Renton & Parr, Wetherby, ken@rentonandparr.co.uk - Increasing number of properties coming to the market, providing buyers with more choice for the first time in over 2 years.

M J Hunter MRICS, Grice and Hunter, Doncaster, griceandhunter@btconnect.com - A slight increase in productive activity has taken place.

Mike Darwin MRICS, M W Darwin & Sons, Northallerton, info@darwin-homes.co.uk - Buyers becoming more cautious due to rising interest rates and uncertainty in the economy.

Robert John Newton-Howes MRICS, & RICS Registered Valuer, Yorkshire Surveyors Limited, robert@yorkshiresurveyors.com, Huddersfield/Halifax & Sheffield - Activity remains but purchasers are negotiating harder on price. The picture across different areas is varied. East of the M1 prices are definitely falling, but not so much west of Huddersfield and Halifax.

### North West

Amin Mohamed MRICS, Le Baron Haussmann Ltd, Greater Manchester, aminm7@gmail.com - At the moment stagflation has entered the housing market, however the full effects of inflation will see prices rises as much as 10%.

David Champion MRICS, Champsurv, Blackpool, Fylde And Preston, championdavid@ymail.com - Interest rates starting to affect first time buyers and there is few new instructions, as potential vendor await spring.

John Williams FRICS, Brennan Ayre O'Neill LLP, Wirral, john@b-a-o.com - Market continues to show some resilience, although half-term holidays suppressed activity levels.

### East Midlands

David Hawke FRICS, David Hawket/Anewton fallowell, Worksop, enquiries@davidhawke.co.uk - The market has maintained some stability although still generally very quiet.

Tom Wilson MRICS, King West, Stamford, twilson@kingwest.co.uk - A raft of potential vendor inquiries suggesting an increase in supply coming. Buyers are "around", but cautious. The UK avoiding "recession" has helped counter the arguments of doom-mongers, and with rate rises and inflationary pressures both slowing, possibly a quieter Q1 before spinning again in Q2.

### West Midlands

Andrew Oulsnam MRICS, Robert Oulsnam and Company, Birmingham, andrew@oulznam.net - After a very poor January when sales and instructions were well below a typical January, the market in February has steadily improved and although still patchy it seems to be moving towards levels last seen in 2018.

Cheryl La AssocRICS, , Wolverhampton, cheryl.la@cwsurveyors.co.uk - Baby boomers are in a better position to move, but unable to sell their properties because 1st buyers & 2nd movers are staying put using a 'wait-&-see' approach due to high mortgage rates along with high living costs.

Colin Townsend MRICS, John Goodwin, Malvern, colin@johngoodwin.co.uk - Despite all the bad news the market continues to show its resilience. Yes, prices are under pressure and have fallen a little but sales are being negotiated at a reasonable level. Provided vendors follow advice and accept that asking prices must reflect recent falls, deals will continue to get done.

Mark Wiggin MRICS, Mark Wiggins Estate Agents, mark@markwiggin.co.uk, Ludlow - Market is holding up, mainly due to good demand and low supply. People have factored in interest rates and sales are happening. More optimism in the market than before xmas.

John Andrews FRICS, Doolittle & Dalley Holdings Ltd, johnandrews@doolittle-dalley.co.uk, Kidderminster - A quieter month with less stock coming available but not unusual for time of year. Less demand for family houses but lower priced property is popular.

John Andrews FRICS, Doolittle & Dalley Holdings Ltd, johnandrews@doolittle-dalley.co.uk, Bridgnorth - Still quite an active market but middle priced property selling slower and in some cases asking prices having to be revised. Modest activity for the time of year.

John Shepherd MRICS, Shepherd Vine, Solihull, john@shepman.co.uk - The increase in interest rates is a big factor and very few proceedable buyers.

Mark Killeen AssocRICS, , Coventry, k1l133n44@hotmail.com - Interest rate rises will impact the affordability of customers lending power.

Richard Franklin MRICS, Franklin Gallimore, Tenbury Wells, richard@franklingallimore.co.uk - Stock levels are increasing and buyer interest is improving after a quiet winter.

Tracy Markham FRICS, TM Building Surveyors Ltd, Warwick, tracy@tmbuildingsurveyors.co.uk - Pockets of areas still selling well and above asking, but other areas in the district struggling to sell.

#### East Anglia

David Boyden MRICS, Boydens Ltd, Colchester, david.boyden@boydens.co.uk - We saw an increase in instructions, but buyers are cautious, thus returning to more stock on the market and possible review of asking prices in the weeks ahead.

Jeffrey Hazel FRICS, Geoffrey Collings & Co, King'S Lynn, jhazel@geoffreycollings.co.uk - Still demand and sales being agreed.

Kevin Burt-Gray MRICS, Pocock & Shaw, kevin@pocock.co.uk, Cambridge - The market remains somewhat subdued. Motivated vendors and buyers are still providing some activity in the market but we do not expect transaction levels to pick up until later in the year.

Rob Swiney MRICS, Lacy Scott and Knight, Bury St Edmunds, rswiney@lsk.co.uk - The UK residential market is now in a period of change and readjustment after the crazy 24-month post COVID property lunge. Things will become much more seasonal again starting from this spring!

#### South East

Andrew Burnett MRICS, Burnetts Mayfield LLP, Mayfield, andrew@burnetts-ea.com - Demand is still outstripping supply.

David Johnson MRICS, KMJ Property, Tunbridge Wells, david.johnson@kmjproperty.co.uk - Looking better than the media say!

David Nesbit FRICS, D.M.Nesbit & Company, Portsmouth, davidnesbit@nesbits.co.uk - A quiet month, but inspections continue. There is a clear lack of confidence affected by high rates. Auction lots popular.

Edward Rook MRICS, Knight Frank, Sevenoaks, edward.rook@knightfrank.com - Transaction levels will increase now interest rates are peaking.

James Farrance MNAEA, FARLA, Braxton, Maidenhead, jfarrance@braxtons.co.uk - Market active with ready to proceed buyers, supply of property increasing as we move into spring.

Martin Allen MRICS, Elgars, Wingham, Canterbury, m.allen@elgars.uk.com - High number of fall throughs on sales agreed back end of 2022, but activity rising with more prospective buyers registering compared to before Christmas.

Michael Brooker FRICS, Michael Brooker Estate Agents, Crowborough, michael@michaelbrooker.co.uk - Activity if correctly priced. Little sense of urgency from buyers. Prices lower than 12 months ago. Still lack of stock.

Paul Lynch AssocRICS, Romans, Guildford, plynch@romans.co.uk - Instructions increasing in February and stock levels rising, as new sales are difficult to come by. Family homes selling well, but high percentage of available stock are leasehold flats where some investors are leaving the market and fewer buyers looking.

Perry Stock FRICS, Capitello Estates, Nr Cobham, perry@perrystock.co.uk - A lack of optimism from buyers coupled with sellers who had to sell, has led to a drop in values.

Rob Wightman MRICS, Knight Frank, Hungerford, rob.wightman@knightfrank.com - Reasonable demand, new stock levels improving.

Sam Trounson MRICS, Strutt & Parker, Cirencester, sam.trounson@struttandparker.com - Perfectly strong market - we have more buyers than sellers.

Stanley Shaw AssocRICS, Mervyn Smith and Co, Ham Between Richmond And Kingston, Surrey, stanleyshaw@hotmail.com - In recent weeks it has started to feel the post mini budget dip is flattening off. More sellers are being realistic and buyers seem less nervous about going forward.

Tim Green MRICS, Green & Co.(Oxford) Ltd, Wantage, tim.green@greenand.co.uk - The general feeling of Spring being just around the corner is showing through. Increased activity in all areas and perhaps an air of defiance that buyers and sellers will get on with their lives and take a longer term view on property ownership.

Tony Jamieson MRICS, Clarke Gammon, Guildford, tony.jamieson@clarkegammon.co.uk - There is still a shortage of stock coupled with a high level of demand. So in general prices are stable, except for first time buyer flats which are proving difficult to sell. The right house and the right price will get a good level of interest and competition, if it goes on too high it won't sell!

#### South West

David Hickman MRICS, Devon, onetrip100@outlook.com - The sales market is sluggish compared to last year, but is not dead by any means and is moving along at a more 'normal' pace like it used to before the covid induced boom.

David Robinson AssocRICS, David J Robinson Estate Agents & Auctioneers, North Cornwall West Devon & Torridge, david@djrestateagents.co.uk - There are more properties coming on, but buyers are adopting a wait and see approach. A little more positive news in media required.

Graham Thorne FRICS, Thornes, East Dorset, graham@thornes.org.uk - The slowdown in the market has continued this month, with the more expensive houses having reduced more than the average.

Howard Davis MRICS, Howard State Agents, Bristol, howard@howard-homes.co.uk - The market began 2023 slowly, but gathered momentum as we hit February. We have had a better than expected sales month however all transactions have been subject to negotiation below asking the listed asking price.

James Wilson MRICS, Jackson-Stops, Shaftesbury, james.wilson@jackson-stops.co.uk - More instructions required, no shortage of active buyers.

Jeff Cole MRICS, Cole Rayment & White, Wadebridge, jeff.cole@crw.co.uk - A quite positive start to the year, although it seems to have gone a little quiet in the latter part of February.

John Corben FRICS, Corbens, Swanage Dorset, john@corbens.co.uk - The steady increase in interest rates and general economic uncertainties have had an adverse affect on the market. This situation is likely to continue for several months to come.

Mark Lewis FRICS, Symonds & Sampson, Dorset, mlewis@symondsandsampson.co.uk - After a typically quiet January enquiries from buyers and sellers has increased. Competitive bidding on some properties but prices achieved closer to guide. Most buyers are cash and sold.

Nicholas King MRICS, The Hills Group, Swindon, nick.king@hills-group.co.uk - Stabilising and improving.

Oliver Miles FRICS, Oliver Miles, Swanage, olivermiles@olivermiles.co.uk - A slower start at the beginning of the month, but more activity on all fronts in the last half. Vendors now considering offers on asking prices.

Robert Cooney FRICS, Robert Cooney Chartered Surveyors & Estate Agents, Taunton, robert@robertcooney.co.uk - Fewer proceedable and less committed buyers and many sellers unwilling to accept market changes, resulting in short to medium term stagnation and rejection of 'realistic' offers.



Roger Punch FRICS, Marchand Petit, South Devon, roger.punch@marchandpetit.co.uk - Encouraging activity levels suggest a normal Spring market ahead, although competitive pricing has generally become the prerequisite for achieving sales.

Sam Butler FRICS, Butler Sherborn, Cirencester, sam@butlersherborn.co.uk - Plenty of buyers viewing properties, but low levels of offers.

Simon Cooper FRICS, Stags, Wellington, s.cooper@stags.co.uk - February has been busier as Spring approaches. Although there are more instructions, the number of new quality buyers is low, but there are still previous buyers active in the market.

### Wales

Andrew Peter Gregory Assoc RICS, The Letting Station (Cardiff) Limited, Cardiff, andrew@thelettingstation.co.uk - National published statistics and figures do not mirror the reality in Cardiff where demand still outstrips supply which keeps the market values strong. Unfortunately, lenders put pressure on surveyors to down value and be over cautious which then causes sales to fall through based on assumptions!

Anthony Filice FRICS, Kelvin Francis, Cardiff, tony@kelvinfrancis.com - Numbers of viewings are fewer, but those looking are serious. A healthy number of sales are being agreed, many at full asking prices, or near. The mortgage market has remained competitive, despite BofE rate increases. The main problem is surveyors down valuing, causing the collapse of chains.

David James FRICS, James Dean, Brecon, david@jamesdean.co.uk - Market remains stronger than expected.

Melfyn N Williams MRICS, Williams and Goodwin The Property People Ltd, Anglesey & Gwynedd, mel@tppuk.com - Back to normal market! Looking forward to Spring market when we anticipate the traditional time of year for upturn in activity. Market as expected is more price sensitive now.

Paul Lucas FRICS, R.K.Lucas & Son, Haverfordwest, paul@rklucas.co.uk - The property market remains reasonably active for the time of year. Sale prices have stabilised.

William Graham FRICS, Graham & Co, Newport, surveys@grahamandcosurveyors.co.uk - Sensibly priced properties selling well providing mortgage finance obtainable.

### London

Alec Harragin MRICS, Savills Plc, aharragin@savills.com, London - The rising cost of debt is likely to have a much more profound effect across mortgage-dependent outer prime London. Prime Central London will be more immune to interest rate rises and will fair better.

Allan Henry Fuller FRICS, Allan Fuller Estate Agents, Putney, allan@allanfuller.co.uk - February has been a slower month for new sales, as buyers seem to be less active. The increasing base rate may be causing concern, but as spring approaches we expect demand to increase.

Ashley Osborne MRICS, MyPropTech, London, ashley@MyPropTech.com - Since start of Feb there has been a huge increase in inbound enquiries from offshore (Singapore & Hong Kong) and in London for bulk transactions. Most investors now looking for long-income and for first time in many yrs international investors looking at second hand.

Habib Sanni MRICS, LB Lewisham, Lewisham, habib.sanni@ymail.com - Past and future increase in the interest rate is discouraging potential buyers.

James Perris MRICS, De Villiers, London, james.perris@devilliers-surveyor.co.uk - Despite the national press reports Prime Central London homes seem fairly robust with a lack of supply and reasonable demand seeing some strong prices achieved. The lower value homes and particularly flats are seeing much less demand. Interest rates must be reduced and not increased to help this sector.

Jeremy Leaf FRICS, Jeremy Leaf & Co, jeremy@jeremyleaf.co.uk, Finchley - February prices were more sensitive and activity slower than last year but no signs of a correction. Worries about the cost of living and availability of mortgages is helping to keep prices in check but recent falls in lending rates, inflation and increasing choice is bringing more balance.

John King FRICS, Andrew Scott Robertson, Merton L.B., jking@as-r.co.uk - The market is beginning to stir. A activity levels having improved week on week throughout February which is an encouraging sign. A number of sales above guide prices have been achieved. Conversely few enquires on flats which may indicate FTB's have cooled their interest for now.

John King FRICS, Andrew Scott Robertson, Wimbledon, jking@as-r.co.uk - We are seeing a pick up on instructions with some very saleable houses attracting more than an handful of offers some above guide price. Applicant enquires has picked up. Resulting in a more positive mood.

Richard Taylor MRICS, London's Surveyors & Valuers, London, richard@lcsv.co.uk - The market is being driven by sentiment as much as economic factors. We still have headwinds in the economy suppressing growth and performance, however sentiment will have a significant bearing on the market this year.

Robert Green MRICS, John D Wood & Co., London, rgreen@johndwood.co.uk - February has seen enquiries from potential sellers pick up, from a low level. There is little urgency however. Buyers remain cautious, with the lack of stock providing less temptation to buy. Mortgage rates have stabilised and at a level that more buyers can accept.

Rupert Merrison MRICS, Dexters, rupertmerrison@dexters.co.uk, London - The market is busier than people think, mortgages rates have come down significantly since December and buyers continue to jump in where they see good value, good location or a combination of the two.

### Scotland

Alan Kennedy MRICS, Shepherd Chartered Surveyors, Fraserburgh, alankennedy@shepherd.co.uk - Demand remains strong in most sectors of the market, despite uncertainty over interest rates.

Greg Davidson MRICS, Graham and Sibbald, Perth, gdavidson@g-s.co.uk - There has been some hesitancy in the country markets over the festive period, but as interest rates look more settled there does seem to be renewed confidence and we are anticipating a busy Spring.

Ian J Fergusson Bsc FRICS, Shepherd Chartered Surveyors, Scotland, ian.fergusson@shepherd.co.uk - The Scottish residential market has remained resilient. Demand is stable and prices level & showing slight growth. Confidence is returning with the outlook positive on base rates and more importantly mortgages rates lowering in the short term as inflation looks likely to fall.

Ian Morton MRICS, Bradburne & Co, St Andrews, info@bradburne.co.uk - The number of instructions to sell is starting to rise, but at a slower rate than last year. There is a lack of supply but we expect this to change towards the end of March.

Jake Shaw-Tan MRICS, Galbraith, Ayr, jake.shaw-tan@galbraithgroup.com - The market continues to show signs of strength with competitive closing dates remaining to be part of the landscape. Rural properties are still proving popular when they are sensibly priced with many buyers still looking for their dream homes.

Jennifer Campbell MRICS, Baird Lumsden, Bridge Of Allan, jennifer.campbell@dmhall.co.uk - Unsettling political and economic projections slowed the market from November 2022. However, momentum returned in February 2023. We have not yet seen an effect on property values which many predicted. Rural sales have always held strong in recessions as land values continue to rise.

Marion Currie AssocRICS, Galbraith, Dumfries & Galloway, marion.currie@galbraithgroup.com - Interest in available property still high, buyers acting swiftly on coastal and smaller rural listings, but hesitancy is apparent on larger, higher value property. Still relatively low stock, but spring should see the usual increase in vendor activity.

Mr George P Brewster FRICS, J&E Shepherd, Edinburgh, gbrewster@shepherd.co.uk - Affordability tests impacting mortgage availability, taking time to show up in sales evidence.

Richard A Clowes MRICS, DM Hall LLP, Scottish Borders, richard.clowes@dmhall.co.uk - The local market continues to be busy with positive feedback from most local agents seeing reasonable levels of instructions for the time of year. Hopefully more positive economic news should bolster the market towards the Spring market.

Thomas Baird MRICS, Select Surveyors, Glasgow, thomas.baird@selectsurveyors.co.uk - Market conditions have improved slightly over the February period, as there is an increase in survey instructions compared to January.

Tom Murray AssocRICS, Thomas Murray Property, Ayrshire, tm@thomasmurrayproperty.com - Limited supply of property for sale, together with continued strong demand is keeping the market moving.

#### **Northern Ireland**

Bronagh Boyd MRICS, Digney Boyd, Newry, bronagh@digneyboyd.co.uk - More competitive interest rates would back up market interest and demand.

Daniel Mc Leron FRICS, D A Mc Leron Ltd., Omagh, damcleron@gmail.com - Prices holding. No growth in values experienced. Decrease in number of secure lending surveys carried out. Optimistic for second half of 2023.

Kirby O'Connor AssocRICS, GOC Estate Agents, Belfast, kirby@gocestateagents.com - We have found new builds are popular and investors are looking as they seem to get a good return.

Nicola Tann FRICS, Simon Brien Residential, ntann@simonbrien.com, Belfast - Market remains positive as lenders are reducing the longer termed fixed rates.

Samuel Dickey MRICS, Simon Brien Residential, Belfast, sdickey@simonbrien.com - The market is picking up pace, both with demand and supply which is not surprising going into Spring.

## Surveyor comments - lettings

### North

David Shaun Brannen AssocRICS, Brannen & Partners, Whitley Bay, shaun.brannen@brannen-partners.co.uk - Strong beginning to Q1.

Keith Pattinson FRICS, Keith Pattinson Ltd, Newcastle Upon Tyne, keith.pattinson@pattinson.co.uk - Excess demand, with refugees and asylum seekers adding to problems. As does restricting occupants of rental, when owners can have 22 kids, thermally inefficient houses, no gas safety or electric checks. Yet landlords are selling as reduced income, paying more mortgage interest, plus licences.

Neil Foster MRICS, Hadrian Property Partners, Hexham, neil@hadrianproperty.co.uk - Delighted to see that mainstream media is at long last highlighting long term Government intervention in the buy to let market as the cause of the agonising deficit between supply (property and landlords) and demand (long term renters). How long before tenants become homeless as a result?

### Yorkshire & the Humber

Alexander James Mcneil MRICS, Bramleys, Huddersfield, alex.mcneil@bramleys1.co.uk - Very little churn as many tenancies continue to be renewed. Rent levels continue to increase due to limited supply. Common for there to be multiple tenant applications.

Ben Hudson MRICS, Hudson Moody, York, benhudson@hudson-moody.com - Slightly slower rental market, as rent costs starting to become out of reach for some tenants.

Mike Darwin MRICS, M W Darwin & Sons, Northallerton, info@darwin-homes.co.uk - Still a shortage of private rented accommodation coming onto the market, keeping rental prices high.

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

Robert John Newton-Howes MRICS, & RICS Registered Valuer, Yorkshire Surveyors Limited, robert@yorkshiresurveyors.com, Huddersfield/Halifax & Sheffield - Landlords are being forced to pass on rising costs in order to avoid making losses. Rising taxes, rising interest rates, rising utility bills, & increased regulation costs all play a part.

### North West

Jonathan Clayton FRICS, JPA surveyors, Lytham, jonathan@jpasurveyors.co.uk - Extreme shortage of rentals in all categories particularly 2 bed flats and 3 bed houses.

### East Midlands

John Chappell MRICS, Chappell & Co Surveyors Ltd, Skegness, john@chappellandcosurveyors.co.uk - The trend in landlords selling up and exiting the market continues. The same comments apply, the economics are no longer viable, coupled with the ongoing legislative assault on the letting sector is resulting in landlords wanting out, ironically in a market that is in a strong phase.

### West Midlands

Andrew Oulsnam MRICS, Robert Oulsnam and Company, Birmingham, andrew@oulsnam.net - Demand for property to let still far exceeds supply, with a constant stream of old landlords selling up once the property becomes vacant. We are still listing a similar number of new properties to the market but this needs to grow to meet demand. Rents must rise at 7% to 10% per annum because of this.

Cheryl La AssocRICS, , Wolverhampton, cheryl.la@cwsurveyors.co.uk - More tenants will be struggling to pay higher rent and will be forced to move elsewhere. At the same time, the landlords are forced to sell to their properties due to tax regulations and EPC rating. Landlords and tenants are in a catch-22 situation.

Colin Townsend MRICS, John Goodwin, Malvern, colin@johngoodwin.co.uk - Much the same message as we have been suggesting for the past twelve months. Sadly many landlords have sold their rental investments and are not being replaced in sufficient numbers. As a result the stock of housing remains too low and rents keep rising.

Dean Taylor MRICS, Fishers, Edgbaston/Birmingham, dean@jptaylor.co.uk - Tenant demand is still strong. We are seeing landlords now wishing to sell which is further exacerbating the shortage issue.

Graham Boardman MRICS, Graham Boardman & Co, Birmingham, grahamboardman@btconnect.com - High tenant demand, although applicant quality can be poor on lower priced homes.

Jason Coombes AssocRICS, Cottons Chartered Surveyors, Birmingham, jcoombes@cottons.co.uk - Lack of real engagement with the industry, yet another housing minister and policies driven by negative press narratives. The crisis in the PRS is only going to deepen with the changes to EPC's looming.

John Andrews FRICS, Doolittle & Dalley Holdings Ltd, johndrews@doolittle-dalley.co.uk, Kidderminster - Demand still outstripping supply and more landlords look to sell due to prospect of higher EPC ratings needed in coming years.

John Andrews FRICS, Doolittle & Dalley Holdings Ltd, johndrews@doolittle-dalley.co.uk, Bridgnorth - Ever increasing demand continuing to outstrip supply as more landlords look to sell. More stock needed to satisfy demand.

John Shepherd MRICS, Shepherd Vine, Solihull, john@shepman.co.uk - Demand generally outstripping supply.

Richard Franklin MRICS, Franklin Gallimore, Tenbury Wells, richard@franklingallimore.co.uk - Rent supply is improving, but still multiple applicants chasing the better properties. The reduction in rental stock continues which is likely to see rents continue to rise in the short term.

### East Anglia

David Boyden MRICS, Boydens Ltd, Colchester, david.boyden@boydens.co.uk - Marginal drop in the demand, however market remains strong. Rents continuing to grow and nearing maximum affordability for applicant.

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

Kevin Burt-Gray MRICS, Pocock & Shaw, kevin@pocock.co.uk, Cambridge - Still activity within the private rental sector but an acute shortage of available property prevails.

Nigel Morgan MRICS, Managed Property Supply Ltd, North Walsham, nigeldmorgan13@gmail.com - An uncertain world for landlords. Every chance that statutory steps intended to protect tenants will end up benefitting existing ones at the expense of those in the future who could be denied access to rented housing altogether.

### South East

James Duffy AssocRICS, Callaways LTD, Brighton And Hove, jamesduffy81@googlemail.com - Central government policy decisions are having a negative impact on landlord confidence and landlords are voting with their feet and taking their money out of PRS. The policy decisions are actually hurting the tenants.



James Farrance MNAEA, FARLA, Braxton, Maidenhead, jfarrance@braxtons.co.uk - Rental growth in excess of 10% year on year, driven by a lack of supply in the PRS driven by anti small investor landlord policy. Government desperately needs to improve the appeal of investing into PRS.

Martin Allen MRICS, Elgars, Wingham, Canterbury, m.allen@elgars.uk.com - Still a lack of available stock as owners sell on gaining vacant possession rather than re-letting. Anything that becomes available gets plenty of interest and a choice of tenant.

Michael Brooker FRICS, Michael Brooker Estate Agents, Crowborough, michael@michaelbrooker.co.uk - Lack of property but plenty of tenants. Rents have increased.

Stanley Shaw AssocRICS, Mervyn Smith and Co, Ham Between Richmond And Kingston, Surrey, stanleyshaw@hotmail.com - We still have landlords deciding to sell up, especially those coming to the end of a favourable fixed rate mortgage. The consequence is that fewer properties are available, leading to higher rents.

### South West

David Hickman MRICS, , Devon, onetrip100@outlook.com - Rental market is still very active with reduced property to let and increased tenant demand as interest rates have put purchases back for a while.

Howard Davis MRICS, Howard State Agents, Bristol, howard@howard-homes.co.uk - The demand from tenants does not give up! We have seen rent rises through a continual demand and with so many more landlords looking to sell this is keeping rents high, with demand outstripping supply. More private landlords looking to sell.

Marcus Arundell MRICS, HomeLets, Bath, marcus@homeletsbath.co.uk - Busy start to the year, albeit rent expectations beginning to ease. Applicant numbers still robust with student properties all but let for the 23-24 academic year.

Sam Butler FRICS, Butler Sherborn, Cirencester, sam@butlersherborn.co.uk - Tenants looking, shortage of stock currently.

Simon Cooper FRICS, Stags, Wellington, s.cooper@stags.co.uk - The market has levelled following 18 months of frenetic activity. There is a larger supply and rents are starting to plateau. However, this year is still likely to be good with landlords not likely to experience voids.

### Wales

Andrew Peter Gregory Assoc RICS, The Letting Station (Cardiff) Limited, Cardiff, andrew@thelettingstation.co.uk - The Cardiff Lettings Market is buoyed by demand and a lack of availability. Add the influx of international students and workers (some of who are stuck in Hotels) and rents are forced up.

Anthony Filice FRICS, Kelvin Francis, Cardiff, tony@kelvinfrancis.com - Shortening supply of properties, caused by anti-Landlord proposed and actual legislation, is leading to reduced choice relative to high demand, ensuring quick lettings at increasingly higher rents.

David James FRICS, James Dean, Brecon, david@jamesdean.co.uk - Real shortage of rentals.

Paul Lucas FRICS, R.K.Lucas & Son, Haverfordwest, paul@rklucas.co.uk - Demand for letting units continues to rise and unfortunately is countered by the continuing fall in supply.

William Graham FRICS, Graham & Co, Newport, surveys@grahamandcosurveyors.co.uk - Slightly less than the frantic demand of the last quarter of 2022.

### London

Allan Henry Fuller FRICS, Allan Fuller Estate Agents, Putney, allan@allanfuller.co.uk - We have noticed during February fewer responses from the portals. The slackening of demand will slow rent increases.

Jeremy Leaf FRICS, Jeremy Leaf & Co, jeremy@jeremyleaf.co.uk, Finchley - Supply is slowly rising but still not at a sufficient pace to meet demand, particularly for one and two bedroom flats. However, we've also seen cost of living concerns keeping a lid on spiralling rents as tenants are increasingly feeling the pinch.

Jilly Bland MRICS, Robert Holmes & Co, Wimbledon Village, jilly@robertholmes.co.uk - There is no stock, what is going to happen as rents keep rising and the stock runs dry.

John King FRICS, Andrew Scott Robertson, Merton L.B., jking@as-r.co.uk - We are seeing good quality properties achieve best rents while overall the number of new registrations has fallen back for the first time in over 9 months.

John King FRICS, Andrew Scott Robertson, Wimbledon, jking@as-r.co.uk - With a resurgence in sales appearing, letting enquires coupled with instructions has dropped. Landlords are feeling the pinch as more legislation comes down the line resulting in some moving away from this type of investment.

Jonathan Price MRICS, Southside Property Management Services Ltd, Orpington, jonathan@southside-property.co.uk - We feel rents have peaked (on the basis of affordability) and more landlords seeking rent guarantee insurance (thus being unable to accept tenants that don't meet affordability criteria). The rents for larger homes have flattened and many higher level properties are seeing rent reductions.

Mr Paul Dolan MRICS, Dolan Pratley & Assoc., London, pauljohn-dolan@gmail.com - Current inflationary pressure and above anticipated B of E rates will feed increased rents in a demand led local rental market.

Osahon Omosigho MRICS, Omosigho Omorodion and Partners, Basildon, osahon8701@gmail.com - We believe government measures will have a huge impact on the lettings market if positive consumer policies are implemented taking into consideration inflation and cost of living.

Rupert Merrison MRICS, Dexters, rupertmerrison@dexters.co.uk, London - The market remains very busy with high tenant demand but we have also seen an increase in property available. We anticipate a busy Spring.

Will Barnes Yallowley AssocRICS, LHH Residential, Kensington, will@lhhresidential.co.uk - Continued shortage of stock puts upwards pressure on rents.

### Scotland

Carolyn Davies MRICS, Savills, Dumfries, cmadavies@savills.com - Total lack of supply in the geographic region and therefore multiple applications whenever a property is listed. The number of sales of properties which have previously been in the rental market is becoming more noticeable.

Ian Morton MRICS, Bradburne & Co, St Andrews, info@bradburne.co.uk - Tenant demand is high, but more landlords are selling due to the government rent cap and future regulation changes restricting the landlords options.

Jennifer Campbell MRICS, Baird Lumsden, Bridge Of Allan, jennifer.campbell@dmhall.co.uk - The Scottish Government legislation has deterred investors in this sector.

Mr George P Brewster FRICS, J&E Shepherd, Edinburgh, gbrewster@shepherd.co.uk - Scottish Government legislation having a major impact on rents, increases restricted to 3% with effect from end February.

**Northern Ireland**

Bronagh Boyd MRICS, Digney Boyd, Newry, bronagh@digney-boyd.co.uk - EPC Ratings need to be addressed by landlords, this will effect their ability to borrow in the future, refurbishment plans need time to be implemented.

Kirby O'Connor AssocRICS, GOC Estate Agents, Belfast, kirby@gocestateagents.com - Rental market is doing well and we are about to release student rental list for 2023.

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

## Contacts

## Subscriptions

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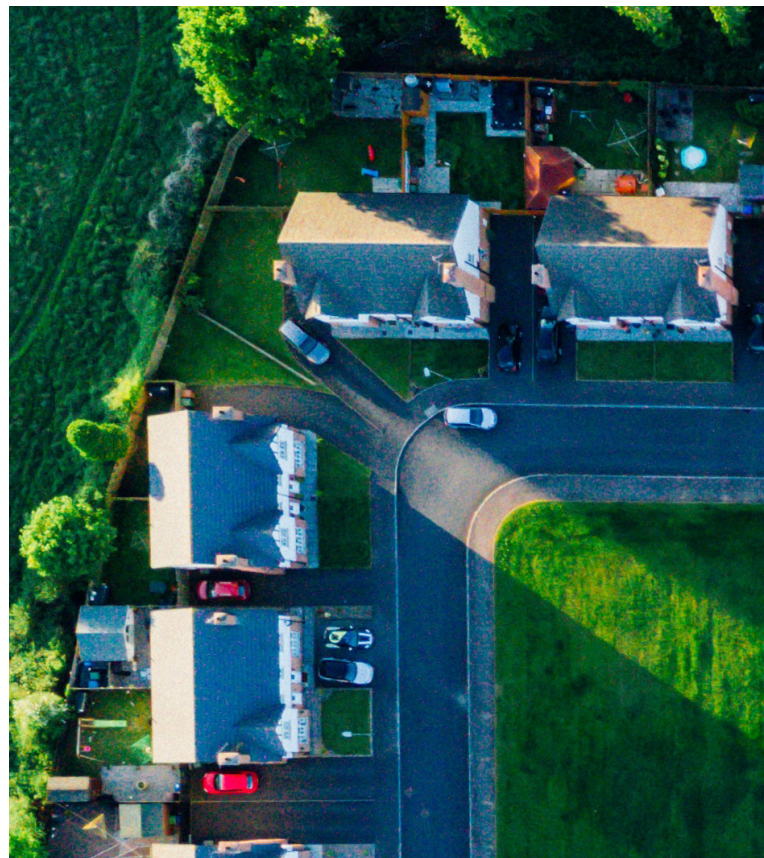
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