



ECONOMICS



UK Residential Market Survey

January 2024

Sales volumes expected to recover further over the coming months

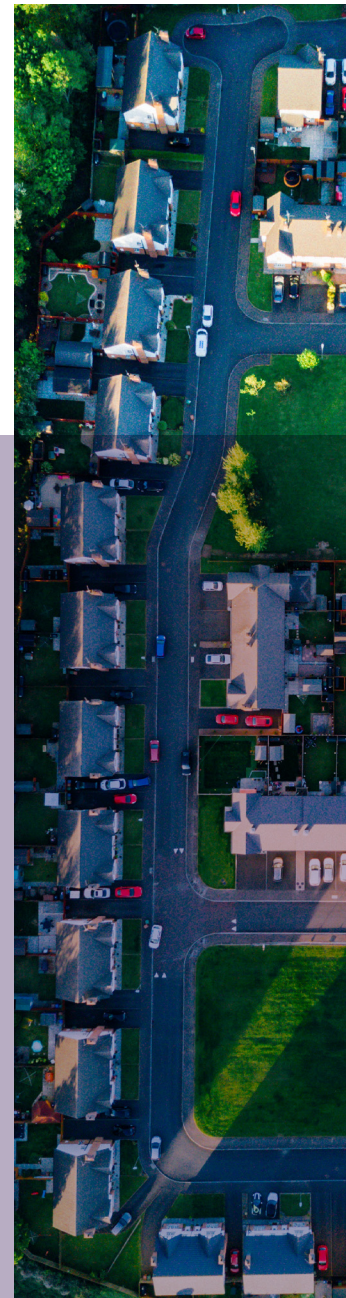
- Metrics on buyer demand, agreed sales and new instructions all move out of negative territory
- Sales expectations improve further at the three and twelve-month time horizons
- House price declines continue to ease, with London seeing a largely stable trend emerge

The January 2024 RICS UK Residential Survey results show another slight improvement across all sales market activity indicators. Moreover, sentiment regarding the outlook for sales volumes over the coming twelve months has turned increasingly positive, supported by expectation that interest rates will ease back to a certain degree as the year progresses.

At the national level, the new buyer enquiries series posted a net balance reading of +7% in January, up from a figure of -3% previously. As such, this is now consistent with a gradual recovery coming through for buyer demand. Although still relatively modest in a longer term context, the latest reading is in fact the most positive since February 2022.

In conjunction with this, the agreed sales indicator also edged higher, returning a net balance reading of +5% compared to a value of -5% previously. What's more, respondents foresee activity gaining further momentum over the coming three months, with the three-month sales expectations net balance rising to +14% compared to readings of +11% and +6% in December and November respectively. At the twelve-month time horizon, a net balance of +44% of survey participants now envisage an improvement in sales volumes (up from an already solid reading of +34% last month).

Looking at supply, this month saw a small pick-up in the flow of new instructions being listed on the sales market, evidenced by a net balance reading of +11%. In fact, having been stuck in negative territory over much of the past few year, January's reading marks the most positive return for this measure since March 2021. At the same time, a net balance of +9% of respondents noted that the number of market appraisals undertaken during the month was above that of the previous year (marking the first occasion this series has

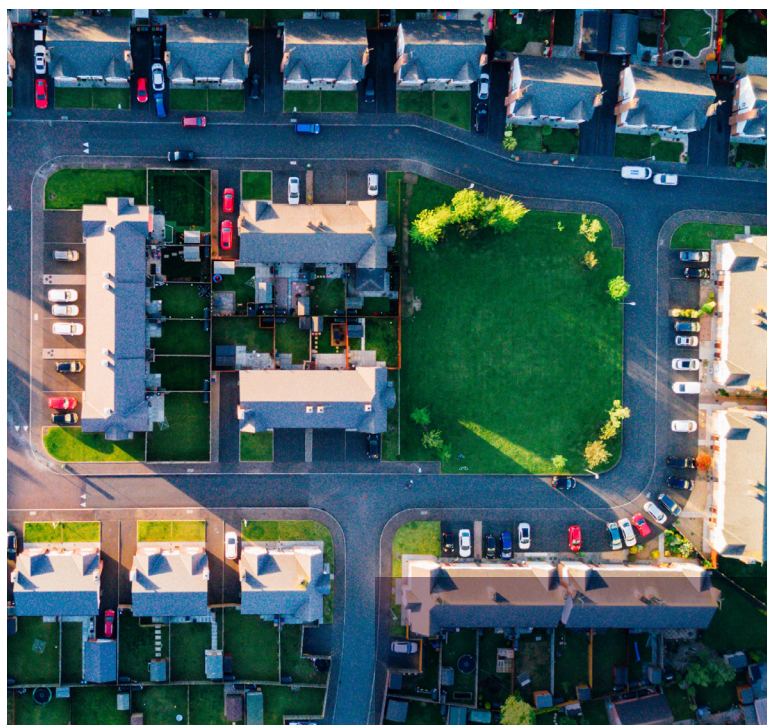


been out of negative territory since early 2022).

With respect to house prices, the survey's headline gauge of price growth returned a net balance of -18% during January. While this remains below zero and is therefore still symptomatic of some downward pressure being visible, the readings for this metric have now turned less negative in five successive reports. Consequently, this suggests any falls in house prices are decelerating noticeably at the headline level. In terms of the regional data, London stands out as exhibiting a more stable trend for prices this month. Likewise, respondents based in Scotland and the North West of England have cited a generally flat picture in recent months. Meanwhile, Northern Ireland continues to see prices drift higher according to a net balance of +59% of contributors.

Going forward, near-term price expectations have now turned more or less flat at the national level (with the net balance moving to -2% from -12% previously). On a twelve-month view, a net balance of +18% of respondents now anticipate a mild increase in house prices (the strongest reading since July 2022). When disaggregated, with the exception of East Anglia and the West Midlands (where net balances stand at -12% and -13%), all other parts of the UK are now expected to see some uplift in house prices over the year to come.

In the lettings market, a net balance of +28% of contributors reported seeing an increase in tenant demand in the three months to January (part of the quarterly seasonally adjusted lettings dataset). That said, this rise was the most modest (in net balance terms) since January 2021. In parallel with this, respondents once again noted a decline in the volume of new landlord instructions coming onto the rental market, with the net balance remaining at -18% for a second consecutive quarter. The imbalance between supply and demand is still expected to drive rental prices higher over the coming months, albeit the latest net balance has eased a touch to +41% (from readings of +52% and +61% in the two previous quarters).



Methodology

About:

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

Regions:

The 'headline' national readings cover England and Wales.

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

The national data is regionally weighted.

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

Questions asked:

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

Net balance data:

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

Seasonal adjustments:

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

Next embargo date:

February Survey: 14 March
March Survey: 11 April

Number of responses to this month's survey:

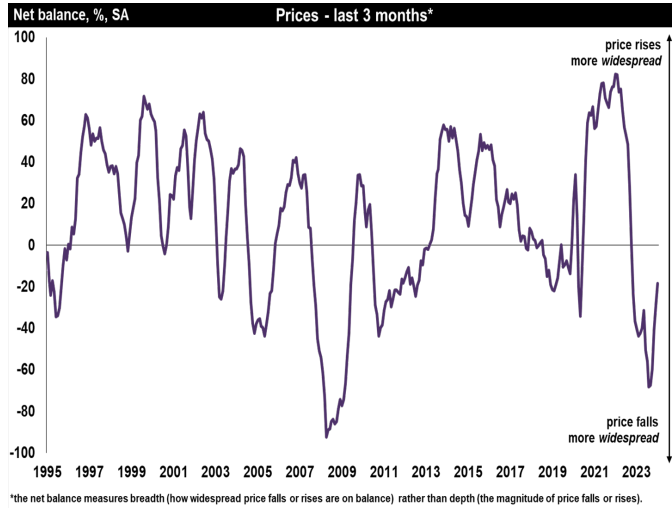
This survey sample covers 511 branches coming from 266 responses.

Disclaimer

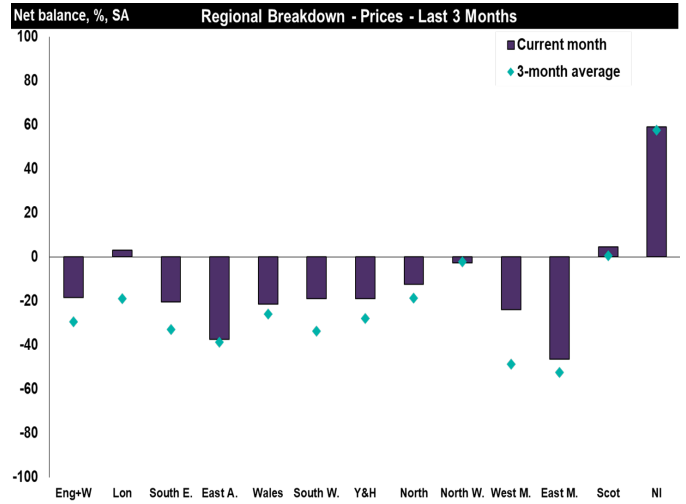
This document is intended as a means for debate and discussion and should not be relied on as legal or professional advice. Whilst every reasonable effort has been made to ensure the accuracy of the contents, no warranty is made with regard to that content. Data, information or any other material may not be accurate and there may be other more recent material elsewhere. RICS will have no responsibility for any errors or omissions. RICS recommends you seek professional, legal or technical advice where necessary. RICS cannot accept any liability for any loss or damage suffered by any person as a result of the editorial content, or by any person acting or refraining to act as a result of the material included.

Sales market charts

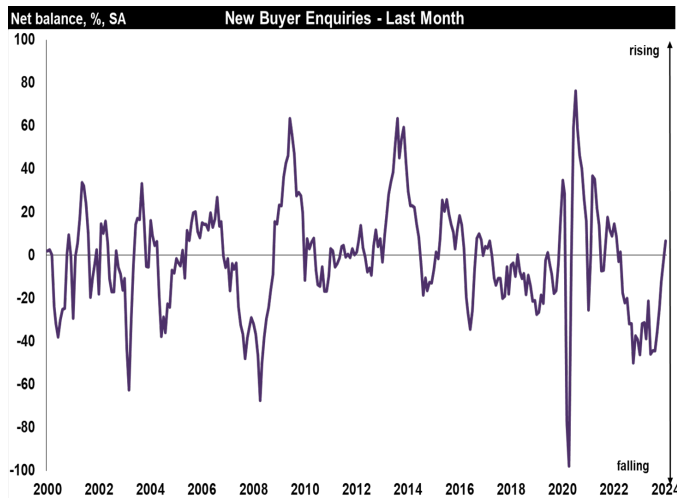
National Prices - Past three months



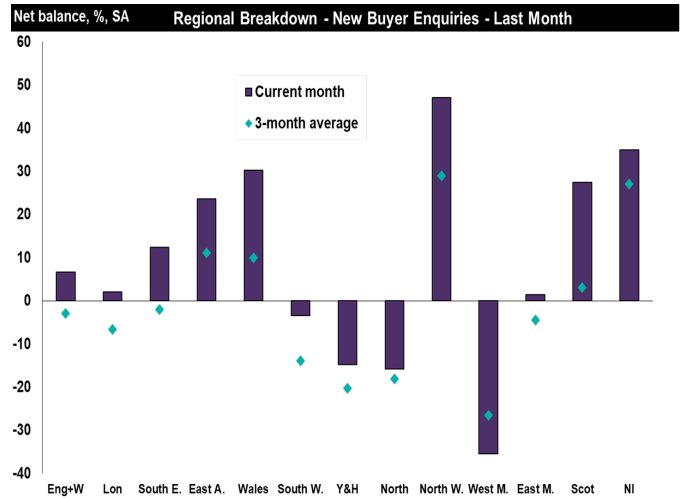
Regional Prices - Past three months



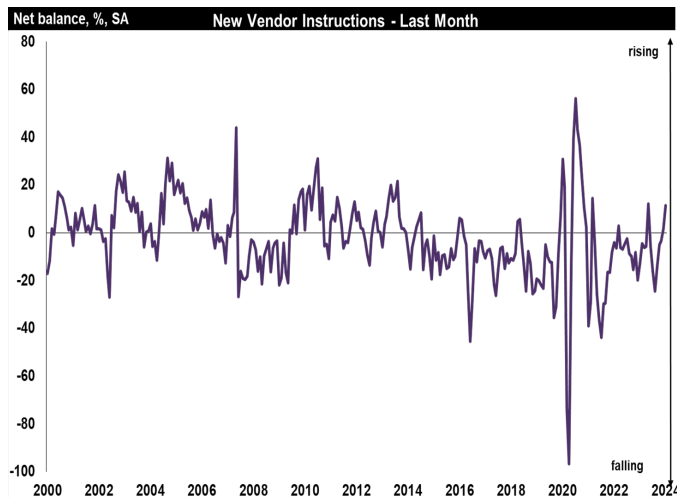
National Enquiries - Past month



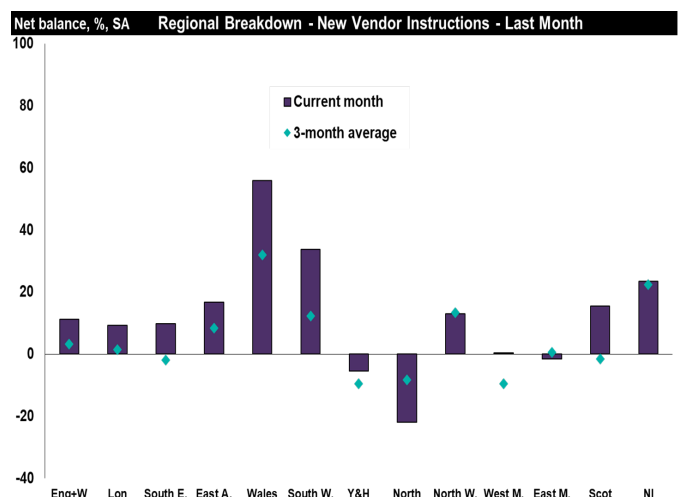
Regional New Buyer Enquiries - Past month



National New Vendor Instructions - Past month

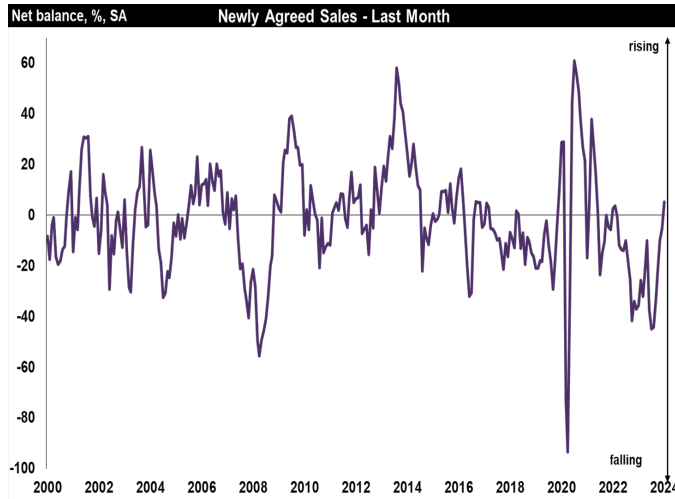


Regional New Vendor Instructions - Past month

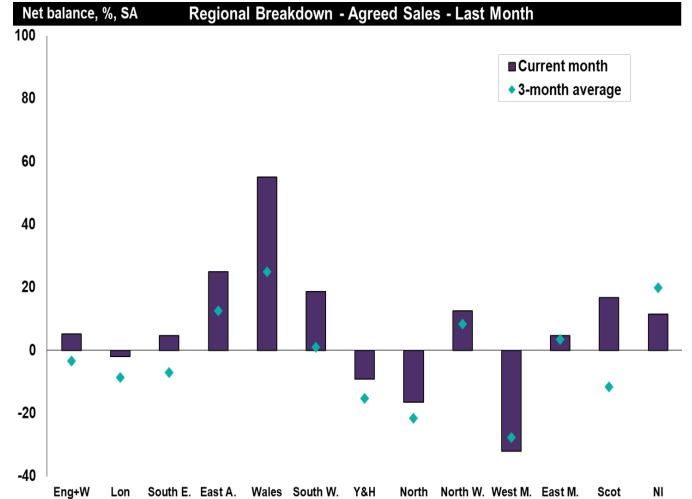


Sales market charts

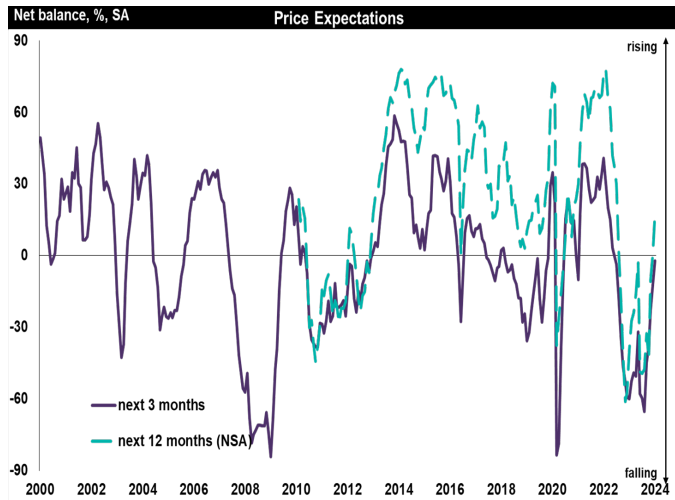
National Newly Agreed Sales - Past month



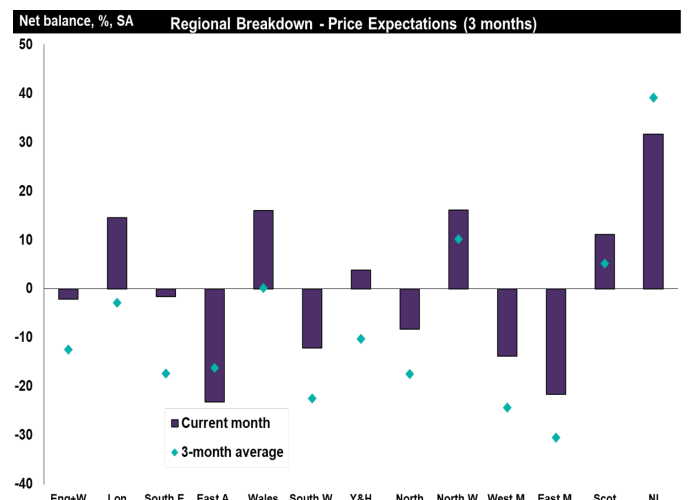
Regional Newly Agreed Sales - Past month



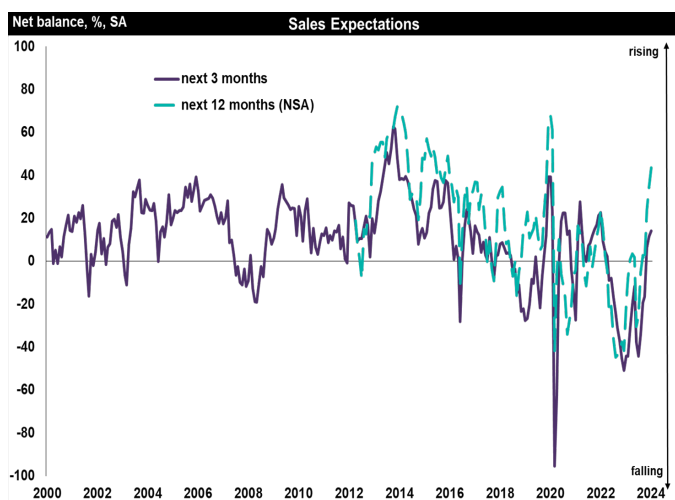
National Price Expectations - Three and twelve month expectations



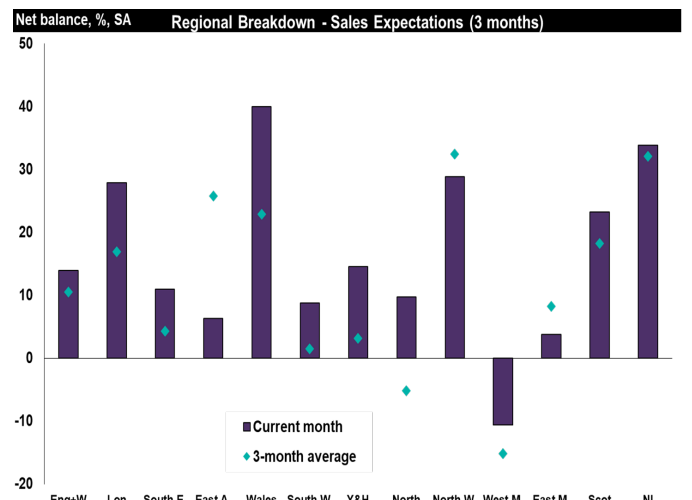
Regional Price Expectations - Next three months



National Sales Expectations - Three and twelve month expectations

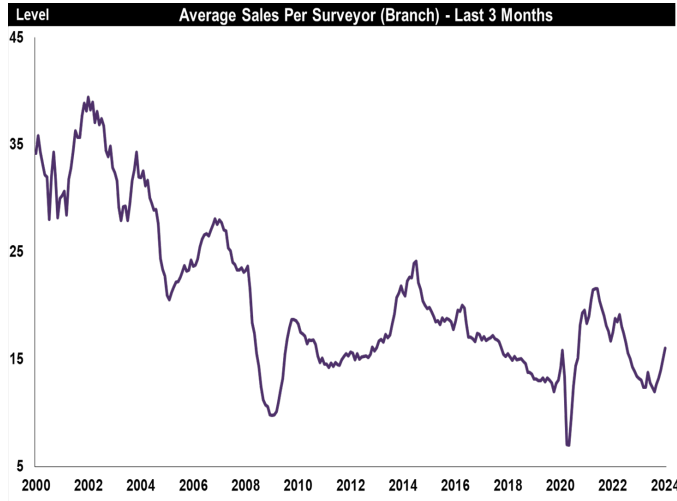


Regional Sales Expectations - Next three months

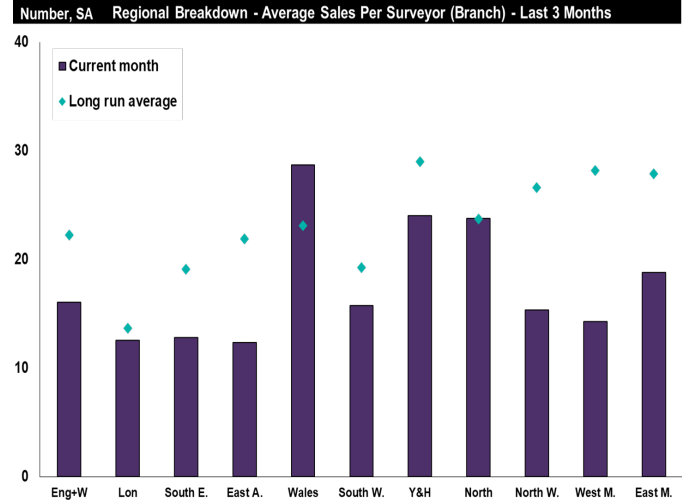


Sales market charts

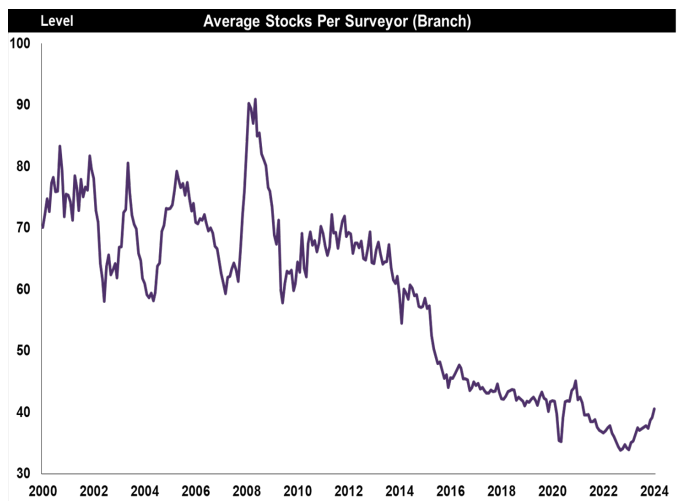
National Average Sales Per Surveyor - Past three months



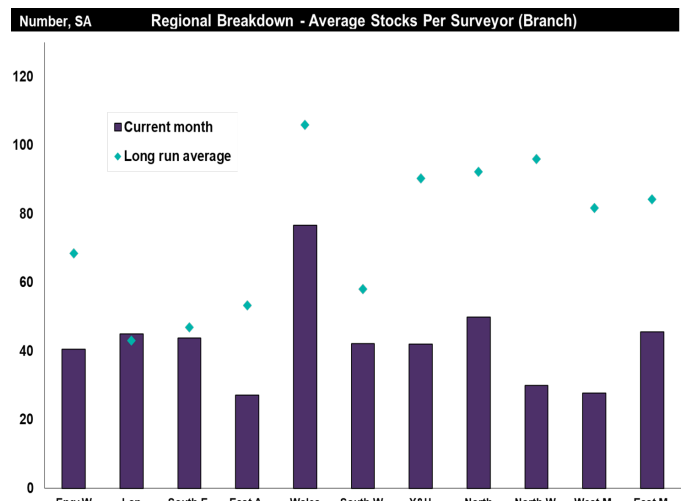
Regional Average Sales Per Surveyor - Past three months



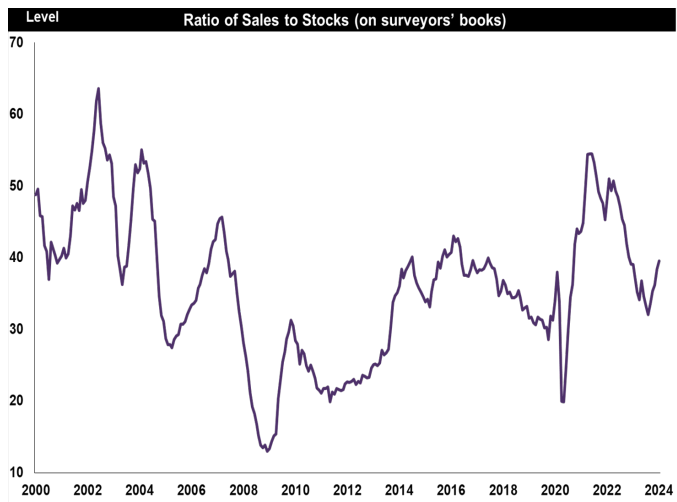
National Average Stocks Per Surveyor



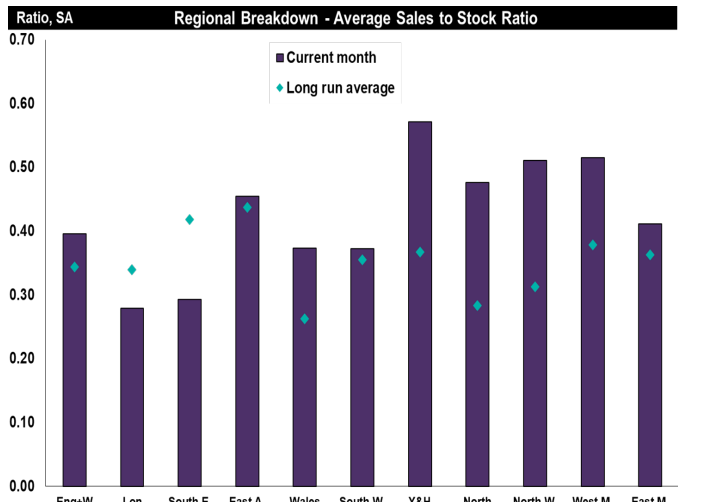
Regional Average Stock Per Surveyor



National Sales to Stock Ratio

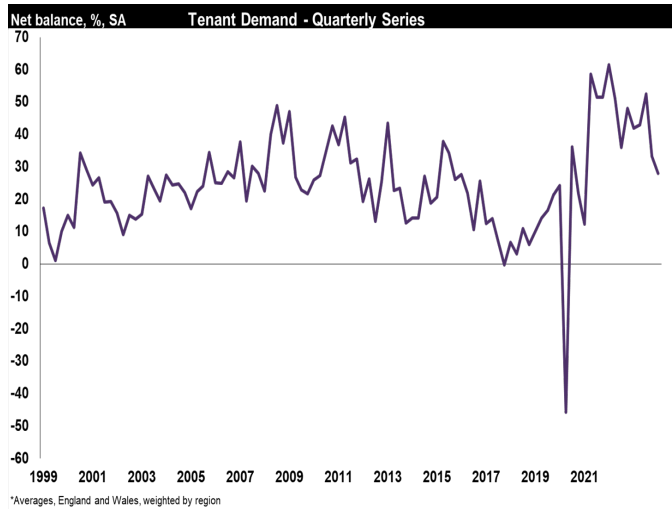


Regional Sales to Stock Ratio

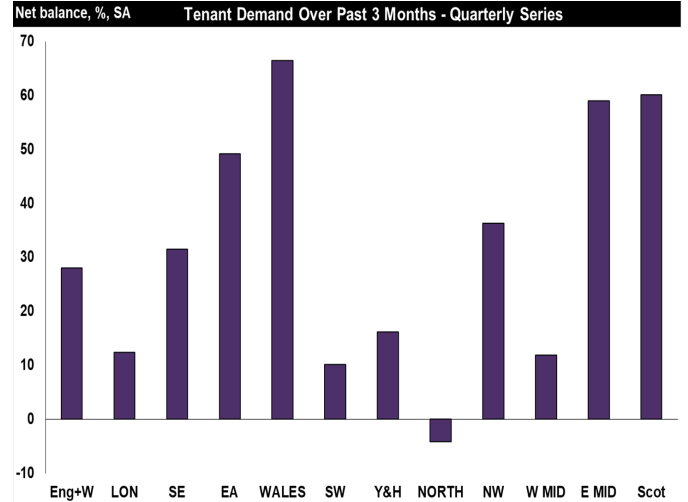


Lettings market charts

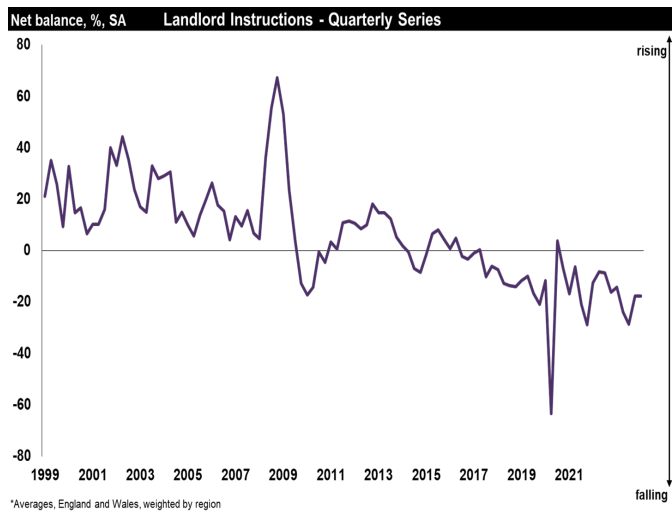
National Tenant Demand - Past three months



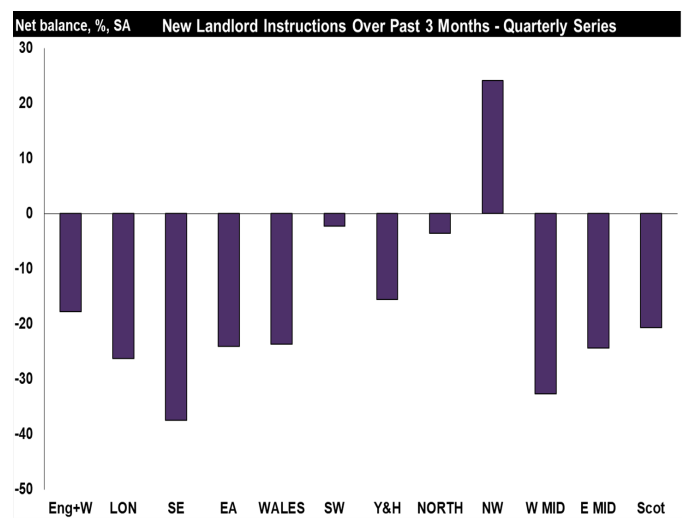
Regional Tenant Demand - Past three months



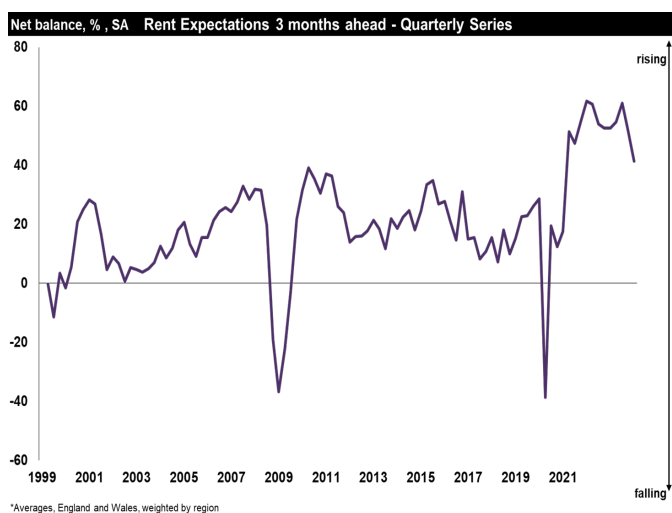
National New Landlord Instructions - Past three months



Regional New Landlord Instructions - Past three months



National Rent Expectations - Next three months

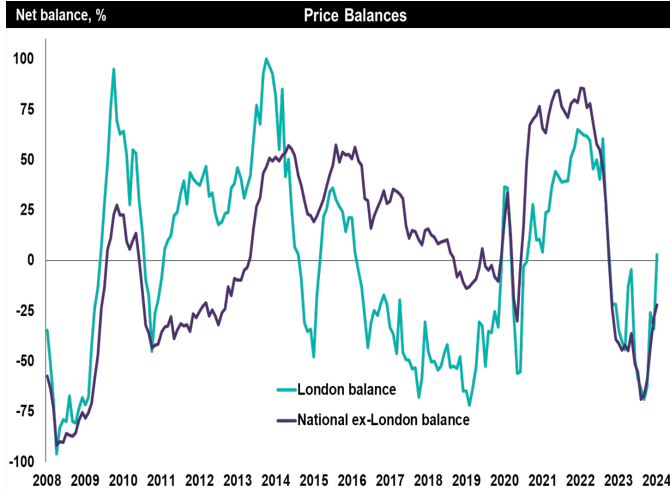


Regional Rent Expectations - Next three months

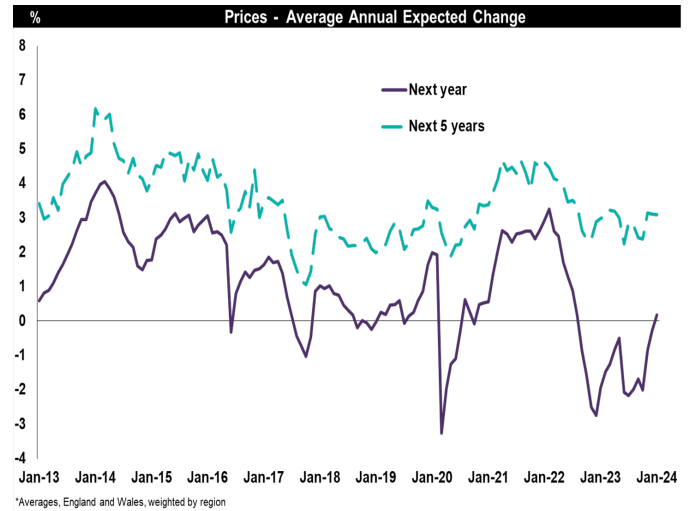


Expectations and other data

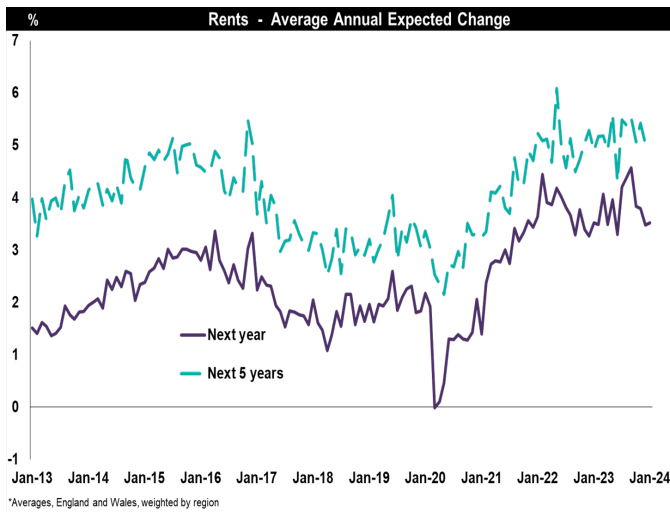
National Price Balance (excluding London) and London Price Balance - Past three months



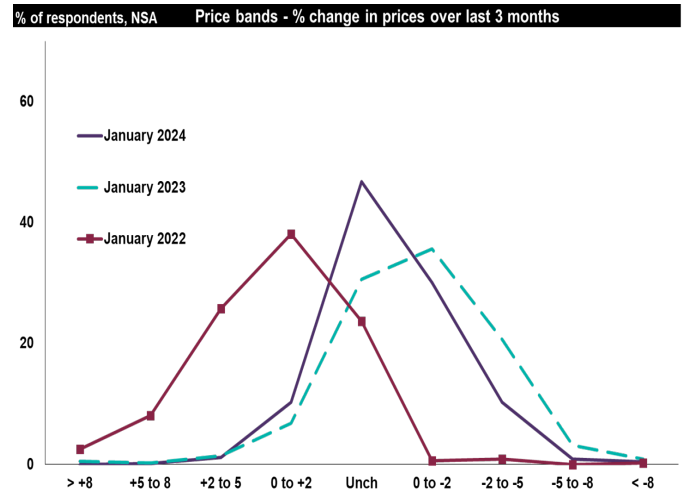
National Average Annual Expected Price Change (point estimate) - Next one and five years



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



Price Bands - Past three months



Surveyor comments - Sales

North

Keith Pattinson, FRICS, Keith Pattinson Ltd, keith.pattinson@pattinson.co.uk, Newcastle upon Tyne - There is a simple conflict between talking about affordable homes and subsidising first time buyers, ignoring the main issue which is a shortage of new housing. There is plenty of land available and builders should be allowed to build where there is need and demand. Planning stops this.

Paul Mcskimmings, BSc(Hons) MRICS, Edward Watson Associates, paul@edwardwatson-assoc.com, Newcastle upon Tyne - A steady start to the New Year. Cautious optimism for the coming months. Similar level of instructions to this time last year.

Shaun Brannen, AssocRICS, Brannen & Partners, shaun.brannen@brannen-partners.co.uk, Whitley Bay/Coastal - Strong start to Q1 especially on instructions.

Yorkshire & the Humber

Alex Mcneil, MRICS, Bramleys, alex.mcneil@bramleys1.co.uk, Huddersfield - A sluggish start to the year aided by cold and then windy weather. There is a latent demand building but the market needs a catalyst to kickstart activity.

Ben Hudson, MRICS, Hudson Moody, benhudson@hudson-moody.com, York - A very busy start to 2024 with optimism returning to the market and prices starting to rise!

Ben Waites, AssocRICS, Walker Singleton, ben.waites@walkersingleton.co.uk, Halifax - A slow start to 2024 resulting from the poor weather and vendors and purchasers sitting tight until the spring budget.

James Brown, MRICS, Norman F Brown, james@normanfbrown.co.uk, Richmond - The sales market is showing some glimmers of life this month, it will be interesting to see what the Bank of England and the Chancellor do over coming months.

James Watts, MRICS, Robert Watts Estate Agents, jameswatts@robertwatts.co.uk, Cleckheaton - Sales figures in January are usually more bullish than December although it was a busy end to 2023. Activity in terms of viewings, offers and market appraisals is very positive this month although we are finding potential buyers are still struggling with funding and down valuations from lenders.

Kenneth Bird, MRICS, Renton & Parr, ken@rentonandparr.co.uk, Wetherby - More positive outlook as new sellers enter the market. Better start to the year than expected.

M J Hunter, MRICS, Grice And Hunter, griceandhunter@btconnect.com, Doncaster - Some signs of activity but extreme bad weather is not good for business.

Robert John Newton-Howes, MRICS, RICS REGISTERED VALUER, Yorkshire Surveyors Limited, robert@yorkshiresurveyors.com, Slaithwaite, Huddersfield - It looks like the correction in the market may have completed. Definitely more sold boards in the area.

North West

Andrew Wallis, MRICS, Black Grace Cowley Ltd, andrew@blackgracecowley.com, Isle of Man - Mid-priced property transactions hugely influenced by the cost of borrowing. Home owners trapped at mortgage renewal and liquidity impacted.

David Champion, MRICS & REGISTERED VALUER, Champsurv, championdavid@ymailcom, Blackpool, Preston and Fylde coast. - Lack of property coming to market. If mortgage interest rates ease, it may bring about some increase in values until supply catches up.

John Halman, FRICS, Gascoigne Halman, john.halman@gascoignehalman.co.uk, Cheshire - An encouraging start to the year with sales agreed more than 60% up on January 23.

John Williams, FRICS, MEWI, Brennan Ayre O'Neill Llp, john@b-a-o.com, Wirral - A brisk start to 2024, building on the momentum seen in November and December.

Robert Keith Dalrymple, FRICS, Keith Dalrymple Chartered Surveyor, keith.dalrymple@outlook.com, Isle of Man - The barrage of negative comments in News Media continues to depress and undermine market confidence. Additionally the word crisis is applied to every challenge.

East Midlands

Peter Buckingham, MRICS, Andrew Granger & Co, peter.buckingham@andrewgranger.co.uk, Market Harborough - Busy start to the year with noticeably increased buyer activity due to interest rates mellowing and the talk of tax breaks later this year. However, buyers are acting cautiously for a variety of other reasons.

Stephen Gadsby, BSC FRICS, Gadsby Nichols, stephengadsby@gadsbynichols.co.uk, Derby - Difficult market conditions persist although realistically priced properties still attract interest.

Tom Wilson, MRICS, King West, twilson@kingwest.co.uk, Stamford - One shouldn't draw conclusions from January, traditionally a month of excuses around slow-starts. This one has felt encouraging however! Good interest from Buyers and a number of sales agreed. Here's hoping the trend continues (despite the election on the horizon).

West Midlands

Alex Smith, FRICS, Alex Smith & Company, alex@alex-smith.co.uk, Birmingham - Interest dependent upon availability of mortgage products and interest rates.

Cheryl La, AssocRICS, , cheryl.la@cwsurveyors.co.uk, Wolverhampton - Larger properties (4 beds +) are still struggling to sell and they have been reducing their asking price.

Colin Townsend, MRICS, John Goodwin, colin@johngoodwin.co.uk, Malvern - A very steady market. Plenty of new instructions and buyers are looking in high numbers. Prices are static although we are seeing more reductions in asking figures.

Richard Franklin, MRICS, Franklin Gallimore Ltd., richard@franklingallimore.co.uk, Tenbury Wells - There are genuine purchasers in the market seeking to buy severely hindered by unrealistic expectation of many vendors -failing to appreciate the impact of interest rates and economic uncertainty.

East Anglia

David Boyden, MRICS, Boydens Ltd, david.boyden@boydens.co.uk, Colchester - Promising start with plenty of valuations and instructions.

David Ousby, MRICS, Borough Council Of King'S Lynn And West Norfolk, david.ousby@west-norfolk.gov.uk, Kings Lynn - A reasonable amount of interest in our latest sales release so far, especially from cash buyers. Some ready to buy but having difficulty selling their existing home.

Kevin Burt-Gray, MRICS, Pocock + Shaw, kevin@pocock.co.uk, Cambridge - Very busy start to new year with enquiries, instructions and sales well up compared to January 2023. Difficult to predict if this trend will continue through the year or if it is just pent up demand post Christmas.

Mark Wood, MRICS, Blues Property Ltd, mark@bluesproperty.com, Cambridge - Encouraging start to the year with increased activity from motivated buyers. The drop in mortgage rates and talk of base rate reductions are encouraging to potential purchasers.

Rob Swiney, MRICS, Lacy Scott And Knight, rswiney@lsk.co.uk, Bury St Edmunds - Market is as expected quiet for January there is some activity but most buyers/sellers will hold off until the spring before doing anything.

Thomas Bloomfield, STUDENT MEMBER, Bloomfield Grey/Brooks Leney, tab@bloomfieldgrey.co.uk, Colchester/Ipswich - We have seen a doubling in enquires, viewings and offers since the start of the New Year. However, most offers are beneath client's expectations and the rate of sales agreed reflects that. My view is that the rate of sales will eventually pick up but that prices will keep drifting down.

South East

James Farrance, MNAEA, FARLA, Braxton, jfarrance@braxtons.co.uk, Maidenhead - A noticeable uplift in activity from buyers across the market, driven by what would appear to be a settling of policy by the Bank of England.

Christopher Clark, FRICS, Ely Langley Greig, chrisclark@elgsurveyors.co.uk, Eastleigh - The present global uncertainties, coupled with domestic issues, makes it very difficult to predict how the UK residential housing market will fare in 2024. It is very much a "watch this space" situation at the moment.

Edward Rook, MRICS, Knight Frank, edward.rook@knightfrank.com, Sevenoaks - Reduced mortgage rates have brought buyers off the sidelines.

Jeremy Leaf, FRICS, Jeremy Leaf & Co, jeremy@jeremyleaf.co.uk, Finchley - The faster-than-expected drop in inflation has increased lender appetite, exerted downward pressure on mortgage rates and prompted more demand especially for family houses as part of a tentative market recovery. The prospect of budget goodies is also helping to raise confidence.

Martin Allen, MRICS, Elgars, m.allen@elgars.uk.com, Wingham, Canterbury - January has got off to a good start with more interest from prospective buyers but still a very price sensitive market and condition is becoming a greater issue.

Paul Lynch, AssocRICS, Romans, plynch@romans.co.uk, Guildford - Encouraging start to the year with viewing levels higher than any month last year, good number of new applicant enquiries which will hopefully follow through to increased sales agreed in coming months. Pricing still needs to be competitive.

Perry Stock, FRICS, REGISTERED VALUER, Perry Stock Frics, Perrystock@gmail.com, Nr Guildford - Less 'feeding frenzy', more cold rational thought based on a more pessimistic view of job security.

Stan Shaw, AssocRICS REGISTERED VALUER, Mervyn Smith & Co, stan@mervynsmith.co.uk, Ham, Surrey, between Richmond and Kingston - Sluggish start to the year so far but prices have levelled out and signs of optimism going forward.

Tim Green, FRICS, Green & Co.(Oxford) Ltd, tim.green@greenand.co.uk, South Oxfordshire - After a small flurry of activity at the end of 2023, it is too early to know whether the positive signs shown will manifest into a more positive market in Q1 of 2024. The ingredients are there.

Tony Jamieson, MRICS, Clarke Gammon, tony.jamieson@clarkegammon.co.uk, Guildford - January has definitely seen a more positive market with viewings and sales up and a better response to new properties coming to the market. With fixed interest mortgage rates beginning to come down and inflation seemingly under control, there appears to be more confidence that the market may improve.

Trevor Edward Edington-Brown, FRICS, Trevor Brown Surveyors Ltd, tbrownsurveyors@btinternet.com, Southend-On-Sea - Agents report a pick up in activity as is always the case at the start of a new year. Survey instructions have yet to reflect this. Slight easing of interest rates may reduce the value decline but time will tell.

South West

David Hickman, MRICS, onetrip100@outlook.com, South Devon - We have many old energy inefficient but character properties which buyers prefer to modern efficient houses on estates. Otherwise the market saw some delayed activity in the first week of January but it is definitely in the doldrums now as the next general election looms.

Edward Bagnall, FRICS, Tayler And Fletcher, edward.bagnall@taylerandfletcher.co.uk, Stow-on-the-Wold - 2024 has had a slow start but we anticipate the market improving as we come into the spring.

Howard Davis, MRICS, howard@howard-homes.co.uk, Bristol - We have seen an increase of first time buyer activity since mortgage interest rates have stopped rising and falling below 5%.

Ian Perry, FRICS, Perry Bishop, ianperry@perrybishop.co.uk, Cheltenham Cirencester Nailsworth Stroud Tetbury - Good levels of interest in any property that is priced 'correctly'.

James Mckillop, MRICS, Savills, james.mckillop@savills.com, Salisbury - We agreed nearly £30m of sales in Q4 last year and the run of sales has continued into January. It is the prime market which is driving sales here, the average sale price for sales agreed since October is £2.001m.

James Wilson, MRICS, Jackson-Stops, james.wilson@jackson-stops.co.uk, Shaftesbury - January has been surprisingly good in terms of deals, more instructions needed.

Jeff Cole, MRICS, Cole Rayment & White, jeff.cole@crw.co.uk, Wadebridge - A quite busy start to the year with some nice instructions and sales although chains breaking down is still an issue.

Mr Peter G Olivey, MRICS, Cole Rayment And White, peter.olivey@crw.co.uk, Padstow - Increase in the number of viewings and subsequently an increase in the level of offers being put forward - the second home buyers are displaying an increase in confidence - Long may it last!!

Nicholas Jonathan King, MRICS, The Hills Group, nick.king@hills-group.co.uk, Swindon - The new homes market continues to be sensitive and slow.

Roderick Thomas, FRICS, Roderick Thomas, rdt@roderickthomas.co.uk, Wells - Market pretty stable.

Roger Punch, FRICS, Marchand Petit, roger.punch@marchandpetit.co.uk, South Devon - The improving level of enquiries, resultant viewings and sales agreed, indicates consistent confidence and optimism for the economy ahead. Sellers should not delay in launching new instructions, as inevitably, there will be a lull once the General Election date is announced.

Sam Trounson, MRICS, Strutt & Parker, sam.trounson@struttandparker.com, Cirencester - The market has woken up very strongly in 2024 with a good number of sales being agreed.

William Harford, MRICS, Windsor Clive International, william.harford@windsorclive.co.uk, Marlborough - We offer commercial equestrian properties, there remains a difference between Vendor's expectations and price actually achieved.

Wales

Anthony Filice, FRICS, Kelvin Francis Ltd., tony@kelvinfrancis.com, Cardiff - Increased numbers of applicants registering their interest. More are serious and readily offering. Properties listed in January, at the right price, are attracting multiple offers, leading to some full price sales. New instructions have also increased.

David James, FRICS, James Dean, david@jamesdean.co.uk, Brecon - The market is quieter but holding up better than expected.

Melfyn N Williams, MRICS, Williams And Goodwin The Property People Ltd, mel@tppuk.com, Anglesey - Ynys Mon - Warming up in a wet January with cautious optimism for the year ahead. With increased enquires and sales this January, one hopes confidence is slowly returning to the marketplace. Property correctly priced attracting interest in a traditionally quieter month of the year.

Paul Lucas, FRICS, R.K.Lucas & Son, paul@rklucas.co.uk, Haverfordwest - The market is not busy but does seem to be bubbling along despite UK economic difficulties.

Sam Burston, MRICS, David James, sam.burston@david-james.co.uk, Monmouth - 2024 has got off to a better start than expected, with more people deciding to sell and get on with it now, rather than wait for spring, particularly with the town market. The rural property market is slower with vendors holding off. Low maintenance and energy efficient houses are en vogue.

London

Alec Harragin, MRICS, Savills Plc, aharragin@savills.com, London - Some confidence has returned to the prime London market as sentiment between buyers and sellers have started to realign. Slowing inflation and lower mortgage rates have contributed to this. The market is past 'peak pain'. With prices still well below historic peaks, this market represents a 'buy'.

Alex Howard Baker, MRICS, Savills, Ahowardbaker@me.com, Putney - We are seeing a significant bounce in activity across the price spectrum which is very encouraging. More competitive mortgage rates are undoubtedly a factor in this.

Allan Fuller, FRICS, Allan Fuller Estate Agents, allan@allanfuller.co.uk, Putney - The sales market locally has been slow in January, both for new listings an buyer enquiries, as days get longer and spring approaches, we expect activity to increase especially because mortgage interest rates have reduced.

Ben Preko, ASSOC RICS, Salter Rex Llp, bp@salter-rex.co.uk, London - Uncertainties about interest rates still having an impact on the market.

Brian Grante, FRICS, Barnard Marcus Auctions, Briangrante@gmail.com, National - Auction market.

Chris Baker, AssocRICS, Mcdowalls Surveyors Limited, chris.baker@mcdowalls.com, London and Sheffield - The East London market remains resilient but the new build market has become tougher for developers with purchasers looking for value for money and willing to seek property further afield to achieve this.

Christopher Ames, MRICS, Ames Belgravia, ca@amesbelgravia.co.uk, London - There has been increased demand for shorter leases where buyers see a possible profit to be made from securing statutory 990 year extensions rather than the 90 years as currently available.

James Perris, MRICS, De Villiers, james.perris@devilliers-surveyors.co.uk, London - A strong start to the year with buyers committing to purchases in anticipation of a more stable economic outlook. This should continue although a lack of supply of houses (less so flats) coming to the market due to buyers and sellers mortgage issues may prevent high volumes of transactions.

Javier Lauret, MRICS, Hurford Salvi Carr, javier.lauret@gmail.com, London - The outlook is more positive for 2024, however, sales are now affected by longer conveyancing times. Flats subject to higher service charges and extra fire compliance, are losing attractiveness versus freehold houses.

Joe Arnold, MRICS REGISTERED VALUER, Arnold & Baldwin, joe@arnoldandbaldwin.co.uk, - Very busy start to the year, the busiest January since Brexit. Confidence is high as markets have stabilised, and mortgage rates have softened. Life must go on.

John King, FRICS, Andrew Scott Robertson, jking@as-r.co.uk, L.B.Merton - A bright start to the month with activity levels higher than expected. Driven by price reductions and competition between buyers. Early signs indicate first time buyers are helping to move the market along as sellers themselves become purchasers.

Nicholas White, FRICS, Esurv Chartered Surveyors, nick.white@esurv.co.uk, London - The market is still suffering from interest rate shock - attributable to Liz Truss.

Rupert Merrison, MRICS, Dexters, rupertmerrison@dexters.co.uk, London - We have seen a big increase in buyer demand in January partly driven by attractive mortgage rates and that combined with plenty of motivated sellers has resulted in an extremely busy start to the year. We expect that trend to continue in the months ahead.

William Delaney, AssocRICS, Coopers Of London Limited, william@coopersonoflondon.co.uk, Central London - Some vendors if they cannot achieve the price they want are taking their property off the market and renting it out. As a result, we are noticing a modest fall in transaction levels. Any property we market with unique, or period features and a high standard of presentation, will still sell quickly.

Scotland

Grant Robertson, FRICS, Allied Surveyors Scotland Plc, grant.robertson@alliedsurveyorsscotland.com, Glasgow - 2024 has got off to a bright start with the market reacting to positive news on mortgage rates. Stock levels remain low and we are already seeing upward value pressure on some house types. Hopefully more homes will come on soon before the market squeezes to a standstill.

Chris Hall, MRICS, Rettie & Co, chris.hall@rettie.co.uk, Edinburgh - There has been the expected new year bounce with greater enquiries, viewings and agreed sales in January compared to the last quarter of 2023. The question is what the market will do over the next 12 months. The course of interest rates and inflation remains hard to know or predict.

Craig Henderson, MRICS, Graham & Sibbald Llp, craig.henderson@g-s.co.uk, Ayrshire - There has been a busy and encouraging start to the year after the festive period. Plenty of buyers and sellers in the market place. Demand is still outstripping supply.

Greg Davidson, MRICS, Graham + Sibbald, gdavidson@g-s.co.uk, Perth - 2024 has started positively. Competitive mortgage rates and lower inflation figures seem to have brought some confidence and optimism back to the market generally.

Ian J Fergusson, BSC FRICS, Shepherd Chartered Surveyors, ian.fergusson@shepherd.co.uk, Scotland - New Year brings new optimism about the Scottish property market, mortgage price competition and lower inflation with expectations of base rate cuts, has seen a strong start to the year.

Marion Currie, AssocRICS, RICS REGISTERED VALUER, Galbraith, marion.currie@galbraithgroup.com, Dumfries & Galloway - Market appraisal and viewing requests increased as the month progressed and sellers/buyers woke up from the post-Christmas lull. We expect this to increase as we head into February, but realistic values are key to a healthy market this year.

Thomas Baird, MRICS, Select Surveyors, thomas.baird@selectsurveyors.co.uk, Glasgow - Residential market in Scotland showing signs of improvement as mortgage rates level out at lower levels, however, potential increase in second home tax come April could prove difficult for investors.

Tom Murray, AssocRICS AND RICS REGISTERED VALUER, Thomas Murray Property, tm@thomasmurrayproperty.com, South Ayrshire - Market is finding some traction and will be a better place to see January out of the way. Poor weather has restricted buyer applicants from coming out and about to view property.

Northern Ireland

Bronagh Boyd, MRICS, Digney Boyd, bronagh@digneyboyd.co.uk, Newry - Political stability within Northern Ireland would cause house prices to continue to rise.

Jonathan Dickson, MRICS, Simon Brien Residential, jdickson@simonbrien.com, Belfast - A positive start to the New Year with a healthy increase in new buyer enquiries and new instructions coming to market.

Keith Warwick, AssocRICS, Norman Devlin Estate Agents, keith@normandevlin.com, Cookstown - The stock levels are so low that energy efficiency isnt really featuring presently, demand exceeds supply.

Kirby O'Connor, Assoc RICS, Goc Estate Agents, kirby@gocestateagents.com, Belfast - The sales market continued to sustain but eased up in December. We have found investors continuing to look and parents are starting to look after Christmas. A real lack of stock on the market though.

Nicola Kirkpatrick, FRICS, Simon Brien Residential, ntann@simonbrien.com, Belfast - The market remains strong, and with some lenders reducing rates, it is anticipated to strengthen the market throughout the year.

Samuel Dickey, MRICS, Simon Brien Residential, s.dickey@sky.com, Belfast - The market has started the year with increased levels of activity compared to the same period last year.

Surveyor comments - lettings

North

Keith Pattinson, FRICS, Keith Pattinson Ltd, keith.pattinson@pattinson.co.uk, Newcastle upon Tyne - Population growing with more units needed as families are smaller and children want to leave home due to modern expectations. There are nowhere near enough houses to meet demand especially if supply of rental cut by Gove interference and especially change of Govt. Selling LA houses must stop.

Rodrica Straker, MRICS, Leazes Estate Office, rodrica@leazesestate.co.uk, Hexham - Results for the start of the year have been slower than expected, for rental applications. That said, global and domestic political and economic trends are causing uncertainty, as are weather patterns, all of which should ease in early Spring. For now, we have little data.

Shaun Brannen, AssocRICS, Brannen & Partners, shaun.brannen@brannen-partners.co.uk, Whitley Bay/Coastal - More supply is still needed though positive signs for the start of Q1.

Yorkshire & the Humber

Alex Mcneil, MRICS, Bramleys, alex.mcneil@bramleys1.co.uk, Huddersfield - Good overall level of activity in the final quarter of 2023 with an increase in new instructions. This has been followed by a muted start to the new year. Growth in rental values are starting to slow.

Ben Hudson, MRICS, Hudson Moody, benhudson@hudson-moody.com, York - A steady start to 2024 with less movement and more stock in the market.

Ben Waites, AssocRICS, Walker Singleton, ben.waites@walkersingleton.co.uk, Halifax - A lot of concern from landlords regarding a potential change of government later in the year, many are reviewing their portfolios in preparation for a labour government.

David J Martindale, MRICS, Fsl Estate Agents, david.martindale@fslea.com, Wakefield - There is still very strong demand and rents continue to increase.

Robert John Newton-Howes, MRICS, RICS REGISTERED VALUER, Yorkshire Surveyors Limited, robert@yorkshiresurveyors.com, Slaithwaite, Huddersfield - Rents still rising and supply of houses is falling as Landlords exit the market. Low margins, higher taxes and tougher regulations all being cited as reasons for leaving the market.

North West

Amin Mohammed, MRICS, Le Baron Haussmann, aminm7@gmail.com, Greater Manchester - Early indicators for 2024 show a slowdown in rental markets, but regulation and interest rates will ultimately dictate.

Andrew Wallis, MRICS, Black Grace Cowley Ltd, andrew@blackgracecowley.com, Isle of Man - Market rents on the way up as supply is tight and first time buyers holding back on buying at current interest rates.

John Halman, FRICS, Gascoigne Halman, john.halman@gascoigne-halman.co.uk, Cheshire - Tenant demand remains high but there are affordability challenges.

Jonathan Clayton, FRICS, Jpa Surveyors, jonathan@jpasurveyors.co.uk, Lytham St Annes - Market is still buoyant particularly for 3 bed houses.

East Midlands

John Chappell, BSC (HONS), MRICS, Chappell & Co Surveyors Ltd, john@chappellandcosurveyors.co.uk, Skegness - Landlord Clients still selling up despite increasing tenant demand. Main reason given is total failure of Government to understand Landlord's perspectives, financially and in terms of legislation. In other words, "more trouble that it is worth".

Peter Buckingham, Andrew Granger & Co, peter.buckingham@andrewgranger.co.uk, Market Harborough - Properties still letting quickly.

West Midlands

Colin Townsend, MRICS, John Goodwin, colin@johngoodwin.co.uk, Malvern - Large numbers of new enquiries and (as has been the pattern now for two years) too few properties to satisfy demand from tenants. Rents rising.

Jason Coombes, AssocRICS, REGISTERD VALUER, Cottons Chartered Surveyors, jcoombes@cottons.co.uk, Birmingham - Buyers have issues getting access to funds, but, they're focusing in on energy efficient properties, more so than desperate tenants looking for a home. The lack of clarity from government relating to the proposed tenant's legislation has caused more uncertainty; who invests in an uncertain market?

Richard Franklin, MRICS, Franklin Gallimore Ltd., richard@franklingallimore.co.uk, Tenbury Wells - Very low supply for mainstream stock. Tenants are staying put and there are waiting lists of good applicants for most types of property.

East Anglia

David Boyden, MRICS, Boydens Ltd, david.boyden@boydens.co.uk, Colchester - Great start to the year with increased demand, waiting for the instructions to follow but positive early shoots.

David Ousby, MRICS, Borough Council Of King'S Lynn And West Norfolk, david.ousby@west-norfolk.gov.uk, Kings Lynn - Demand still exceeding supply with little difficulty reletting voids at market rents. Market rent level increases impacted by affordability so not expected to increase at the same rate as the previous 12 months.

Kevin Burt-Gray, MRICS, Pocock + Shaw, kevin@pocock.co.uk, Cambridge - Market seems to have softened just a little - less frantic than it has been but PRS still very active.

South East

James Farrance, MNAEA, FARLA, Braxton, jfarrance@braxtons.co.uk, Maidenhead - Increased numbers of private landlords selling up mainly due to S24 causing cashflow problems on their investments. This in turn is causing a reduction in the number of houses to let. Massive upwards pressure on rents caused by dwindling stoick levels in unprecedented immigration levels.

Jeremy Leaf, FRICS, Jeremy Leaf & Co, jeremy@jeremyleaf.co.uk, Finchley - The increase in supply has meant the gap with demand is narrowing so rents are beginning to soften. Affordability is becoming more relevant for tenants due to cost of living pressures. Demand remains strong for one and two bedroom flats in particular.

Martin Allen, MRICS, Elgars, m.allen@elgars.uk.com, Wingham, Canterbury - Lettings market very bouyant over the Christmas holiday with tenants found for all December and early January instructions by second week of the month.

Stan Shaw, AssocRICS REGISTERED VALUER, Mervyn Smith & Co, stan@mervynsmith.co.uk, Ham, Surrey, between Richmond and Kingston - The heat has come out of lettings, landlords have had to adjust expectations down to get tenants.

South West

David Hickman, onetrip100@outlook.com, South Devon - Tenant resilience makes the rented sector completely uncoupled from the market and tenants are competing for the few properties that are available and tend to stay put after signing an agreement. More landlords are selling up which depresses the sales market further.

Howard Davis, howard@howard-homes.co.uk, Bristol - Bristol is still seeing a significant demand for rental properties. We have seen a huge increase in foreign investors buying larger HMO student portfolios.

Marcus Arundell, MRICS, Homelets, marcus@homeletsbath.co.uk, Bath - The new year has kicked off with renewed robust applicant demand levels, albeit with supply still somewhat lagging behind. Investor sentiment seems to be on the up given rate cuts. Will we see a double whammy general election and reform bill in 2024?!

William Harford, MRICS, Windsor Clive International, william.harford@windsorclive.co.uk, Marlborough - We offer leases of commercial equestrian properties, rents remain strong - although ancillary services are offered on more of an "at cost" basis and covenant is more important than ever.

Wales

Anthony Filice, FRICS, Kelvin Francis Ltd., tony@kelvinfrancis.com, Cardiff - For the first time, tenants are having a greater choice of properties and some landlords are reducing rents to secure good quality tenants.

David James, FRICS, James Dean, david@jamesdean.co.uk, Brecon - Still not enough supply.

Paul Lucas, FRICS, R.K.Lucas & Son, paul@rklucas.co.uk, Haverfordwest - The letting market remains volatile with many Landlords seriously considering to exit the market owing to the recent Government regulation and taxation changes.

London

Alec Harragin, MRICS, Savills Plc, aharragin@savills.com, London - With many tenants and corporate relocators pushed to the top end of their budgets, and with wage growth set to slow, we expect to see affordability pressures play a greater part in London's prime rental market going forward.

Allan Fuller, FRICS, Allan Fuller Estate Agents, allan@allanfuller.co.uk, Putney - Lack of stock is still causing rents to rise, the entire system needs revision to encourage more investment in the private rental sector. Rouge landlords that do not maintain their property must be dealt with severely, but not at the detriment of the vast majority of fair landlords.

Ben Preko, ASSOC RICS, Salter Rex Llp, bp@salter-rex.co.uk, London - Most tenants staying put not able to upgrade due to unaffordability.

Chris Baker, ASSOC RICS, Mcdowalls Surveyors Limited, chris.baker@mcdowalls.com, London and Sheffield - Family housing is very hard to find at affordable rents, it's lead to a greater number of family members living together to seek better affordability.

Javier Lauret, 5623630, Hurford Salvi Carr, javier.lauret@gmail.com, London - Letting prices peaked last October and remain at record highs, some renters are drifting towards purchasing property as mortgage rates come down.

Jilly Bland, MRICS, Robert Holmes & Co, jilly@robertholmes.co.uk, London - Energy efficiency is a key factor with enquiries/viewings now and some corporates wont allow a viewing unless the rating is C or above - 5yrs ago this wasn't even mentioned!

John King, FRICS, Andrew Scott Robertson, jking@as-r.co.uk, L.B.Merton - We expect to see investors returning to acquire lower value residential stock and hold as annual returns due in part to lower interest rates and improved rents will offer better returns.

Mark Wilson, MRICS, Globe Apartments, mark@globeapt.com, London - Less demand, softer market in general and unusually quiet. Could be a sign that the market has peaked. Lots of renewals as tenants stay put, and no new year student activity that we are seeing.

Rupertmerrison@Dexters.Co.Uk, MRICS, Dexters, rupertmerrison@dexters.co.uk, London - Tenant demand remains high and that combined with an increase in available property has resulted in a busy start to the year.

Will Barnes Yallowley, ASSOC RICS, Tate Residential, will@lhresidential.co.uk, Kensington - With London Mayoral candidates striving for votes at any cost, they are wooing the higher number of votes provided by tenants. In light of this, landlords' needs are low on the agenda, which will probably lead to more leaving the market.

William Delaney, AssocRICS, Coopers Of London Limited, william@coopersoflondon.co.uk, Central London - The increases in headline rents as evidenced last year are for the moment, being held in abeyance due to affordability. Recent government policies targeting the PRS with egregious measures, with yet further legislation to come, are major factors in depleting the housing stock.

Scotland

Carolyn Davies, MRICS, Savills, cmadavies@savills.com, Dumfries - Ongoing lack of supply of rental properties due to Government policy and landlords deciding to exit the market, considerable strain on renters trying to find any accommodation not just suitable accommodation.

Craig Henderson, MRICS, Graham & Sibbald Llp, craig.henderson@g-s.co.uk, Ayrshire - I am still seeing long established landlords selling rental properties, which I believe will result in fewer rental properties in the private sector, and this will drive rental levels in one direction only!

Grant Robertson, FRICS, Allied Surveyors Scotland Plc, grant.robertson@alliedsurveyorsscotland.com, Glasgow - Well the results of the Scot Gov's ill-conceived foray into the rental market are in. Rents up by double digits, BTR slowing to a stop and landlords leaving the market. With "consultation" out on further proposed changes only misery for tenants and landlords lie ahead unless Gov starts to listen.

Paul Letley, FRICS, Pavillion Properties, paul.letley@gmail.com, Dundee - There continues to be a premium on newly let properties as there is a shortage due to increased demand and lack of fluidity in the market partly due to the rent cap on existing tenancies.

Northern Ireland

Bronagh Boyd, MRICS, Digney Boyd, bronagh@digneyboyd.co.uk, Newry - Rental demand has been excessive, however, rent pricing has now hit a ceiling and is levelling.

Keith Warwick, ASSOC RICS, Norman Devlin Estate Agents, keith@normandevlin.com, Cookstown - Private Rental stock is diminishing at an alarming rate due to taxation by Westminster on Landlords, also rise in interest rates, many landlords are selling and private buyers are buying them up. New build availability is all but gone so landlord stock is the option for these younger buyers.

Kirby O'Connor, ASSOC RICS, Goc Estate Agents, kirby@gocestateagents.com, Belfast - Rental market never eased and demand is still very high. Rents are continuing to increase annually.

Samuel Dickey, MRICS, Simon Brien Residential, s.dickey@sky.com, Belfast - Rental prices have levelled off but we expect de-

mand to increase in the next few months.

Contacts

Subscriptions

All subscription enquiries to: economics@rics.org

Silver package: POA

Housing and lettings market data (excluding questions 6, 7, 13, 17, 18 and 19)

Gold package: POA

Housing market and lettings market data package (questions 1-18). This is the complete data set excluding the bedroom breakdown and question 19.

Platinum package: POA

Housing market and lettings market data (questions 1-19). This is the complete data set including the bedroom breakdown for questions 6-7 and 17-18.

Economics Team

Simon Rubinsohn

Chief Economist
srubinsohn@rics.org

Tarrant Parsons

Senior Economist
tparsons@rics.org

Donglai Luo

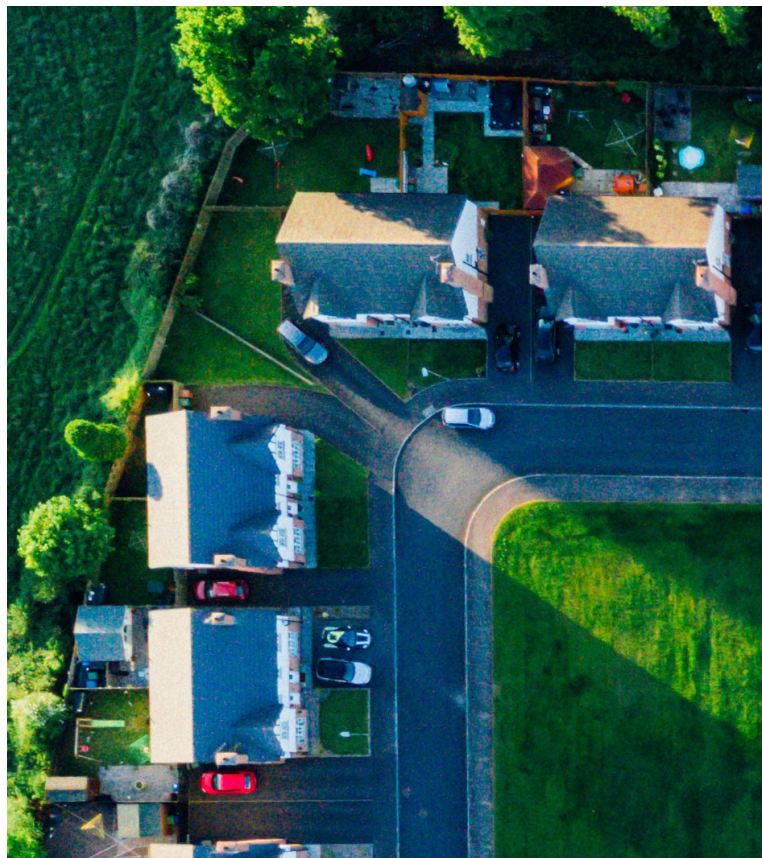
Senior Economist
dluo@rics.org

Market Surveys & Reports

Download RICS Economic market surveys and reports:
www.rics.org/economics

- UK Residential Market Survey (monthly)
- UK Construction Market Survey (quarterly)
- UK Commercial Market Survey (quarterly)
- UK Facilities Management Survey (quarterly)
- Global Construction Monitor (quarterly)
- Global Commercial Property Monitor (quarterly)
- RICS /Spacious Hong Kong Residential Market Survey (monthly)
- RICS /Ci Portuguese Housing Market Survey (monthly)

*All packages include the full historical back set, regional breakdown, and, where applicable, the seasonally and not seasonally adjusted data.



Delivering confidence

We are RICS. Everything we do is designed to effect positive change in the built and natural environments. Through our respected global standards, leading professional progression and our trusted data and insight, we promote and enforce the highest professional standards in the development and management of land, real estate, construction and infrastructure. Our work with others provides a foundation for confident markets, pioneers better places to live and work and is a force for positive social impact.

Americas, Europe, Middle East & Africa
aemea@rics.org

Asia Pacific
apac@rics.org

United Kingdom & Ireland
contactrics@rics.org



[rics.org](https://www.rics.org)