



ECONOMICS



# UK Residential Market Survey

December 2021

## ECONOMICS

## Mismatch between solid demand and dwindling supply continues

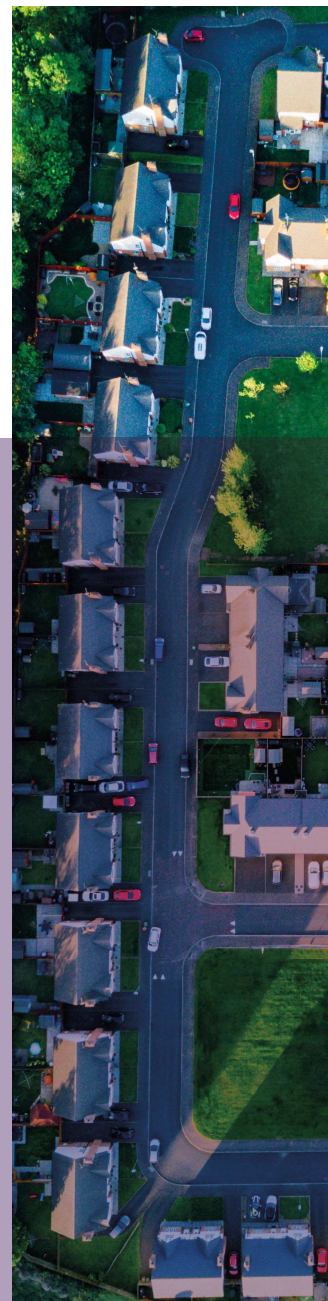
- New buyer enquiries rise modestly, but lack of new listings remains a challenge
- Shortage of stock continues to underpin price growth
- Sales expectations remain modestly positive in the near term and for the year ahead

The December 2021 RICS UK Residential Survey results show the pattern of the market reported over recent months remains firmly entrenched. Although new buyer enquiries continue to rise at a modest rate, the lack of new listings becoming available is still preventing this from translating into a rise in sales volumes. Meanwhile, reinforced by the shortage of inventory available at present, house price inflation has shown little sign of easing as yet.

At the national level, a net balance of +9% of respondents cited an increase in new buyer demand during December. This marks the fourth successive positive monthly reading for the buyer enquiries indicator, albeit feedback points to only marginal growth throughout this stretch which is not altogether surprising in the wake of the ending of the stamp duty break.

Nevertheless, even this modest pick-up in demand is enough to outstrip the flow of new instructions coming onto the sales market. Indeed, during December, a headline net balance of -14% of contributors noted a decline in new listings, thereby extending a sequence of negative readings for this metric into a ninth consecutive month. Moreover, new instructions either fell or remained stagnant across all parts of the UK according to the latest data points.

The lack of stock continues to be highlighted by contributors as a factor holding back sales at this moment in time. Despite the slightly positive demand trends seen over the past four months, agreed sales dipped once again, with the latest net balance standing at -13% (compared with a reading of -9% returned previously). Going forward however, a net balance of



+14% of respondents foresee sales volumes returning to growth over the next three months. At the twelve month time horizon, a net balance of +16% of survey participants expect sales to increase, up slightly on a figure of +12% posted last month.

With respect to house prices, a headline net balance of +69% of survey participants saw a further increase during December. This is virtually unchanged from last month's reading of +71% and remains consistent with a strong pace of house price inflation across the country as a whole. When disaggregated, all areas continue to see a strong uplift in prices, with momentum showing no indication of softening in the latest feedback.

Looking ahead, price expectations for the coming twelve months remain elevated at the national level, with the December net balance registering a value of +67% (more or less identical to November's reading of +66%). Again, all parts of the UK are anticipated to see a continued rise in house prices over the year ahead, with expectations particularly elevated in Scotland and the South West of England (displaying net balance readings of +88% and +84% respectively).

Turning to the lettings market, respondents continue to report solid growth in tenant demand right across the UK. Alongside this, landlord instructions remain thin on the ground, evidenced by 27% more respondents noting a decline (compared to those citing an increase). As a consequence of the persistent disparity between demand and available supply on the lettings market, near term rental growth expectations rose further to post a net balance of +57% in December. When viewed by region, rents are expected to pick-up firmly across all parts of the UK, both at the three and twelve month horizons.



## 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:

January 2022 survey: 10 February 2022  
February 2022 Survey: 10 March 2022

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

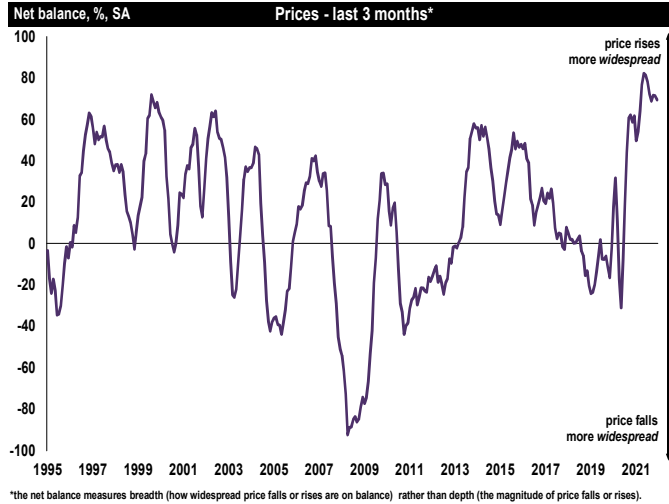
This survey sample covers 540 branches coming from 329 responses.

### Disclaimer

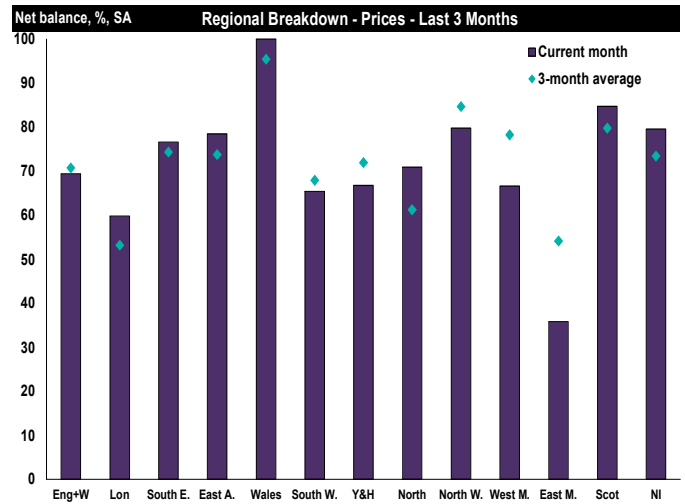
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# Sales market charts

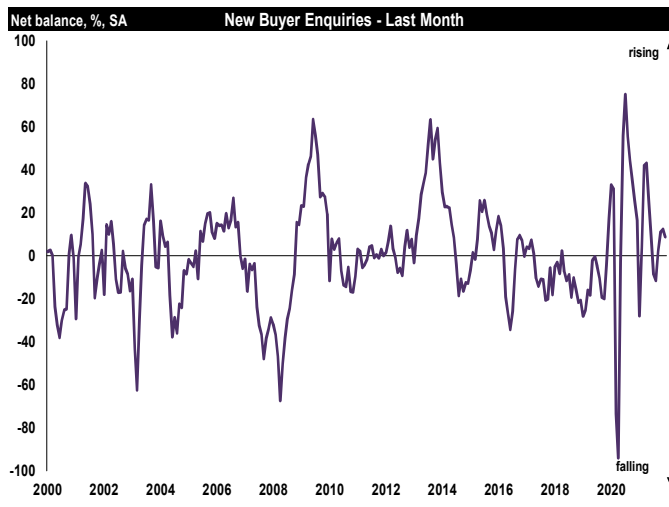
National Prices - Past three months



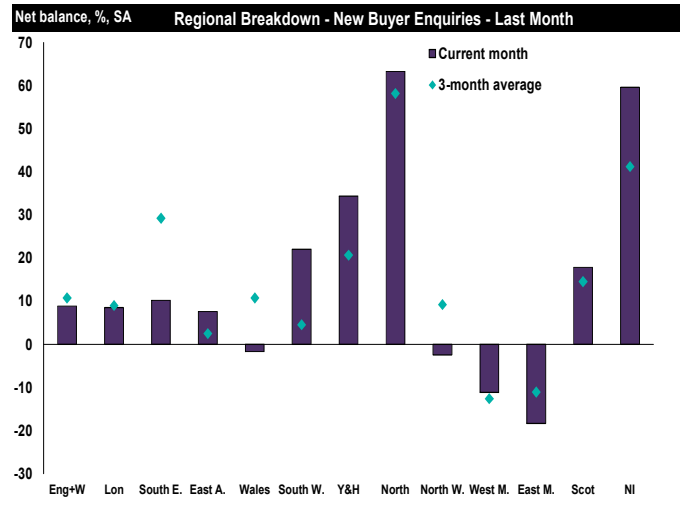
Regional Prices - Past three months



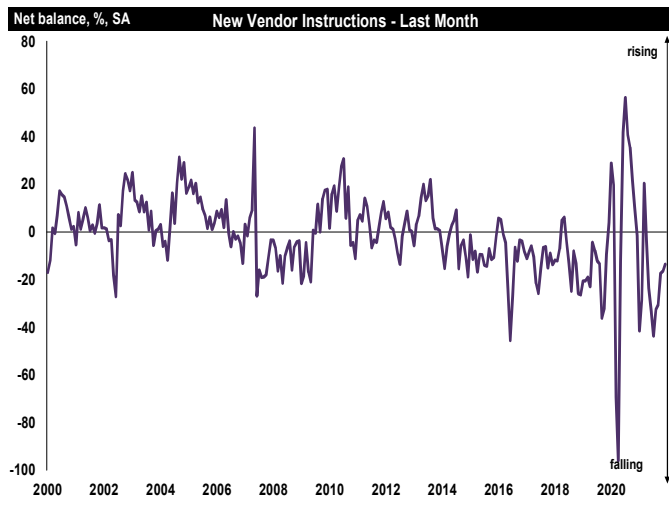
National Enquiries - Past month



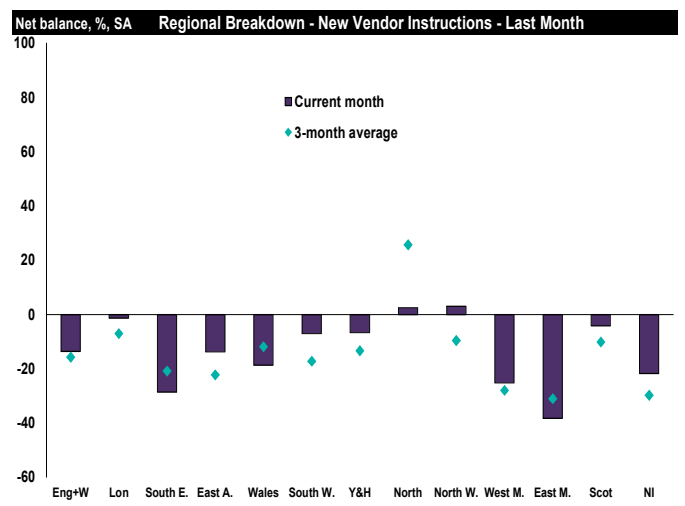
Regional New Buyer Enquiries - Past month



National New Vendor Instructions - Past month

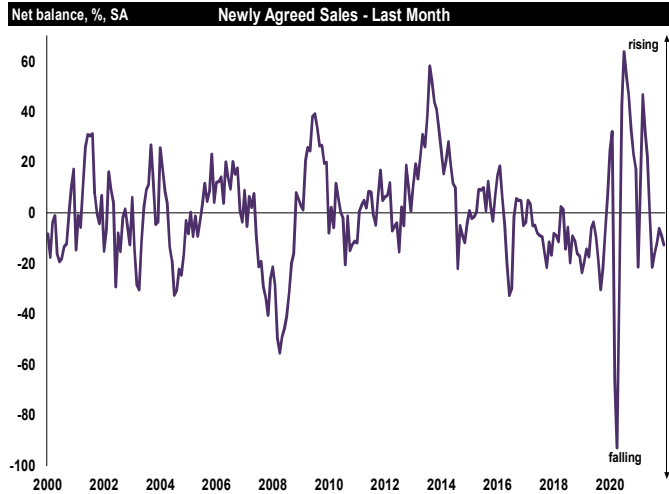


Regional New Vendor Instructions - Past month

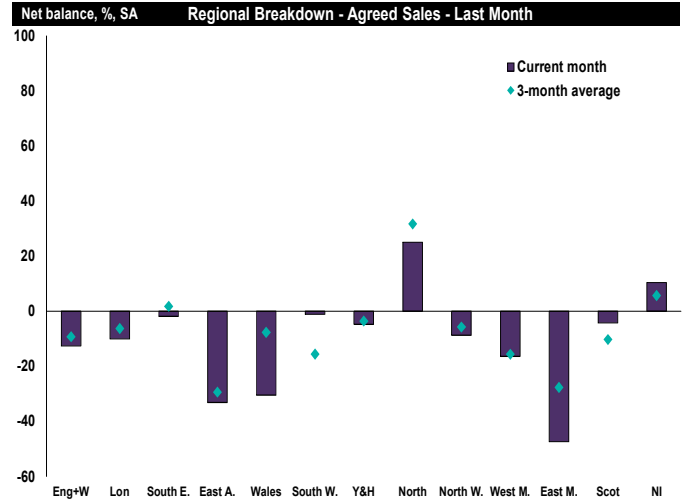


# Sales market charts

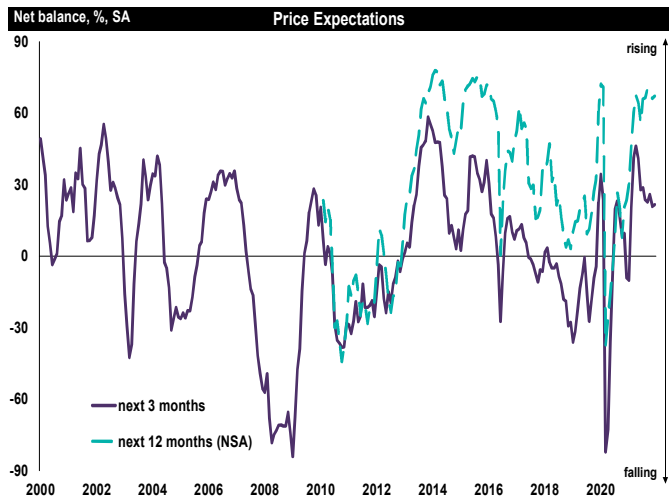
National Newly Agreed Sales - Past month



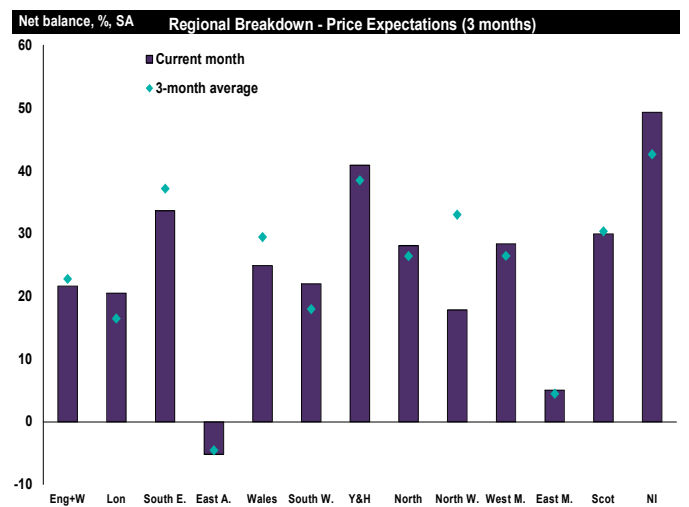
Regional Newly Agreed Sales - Past month



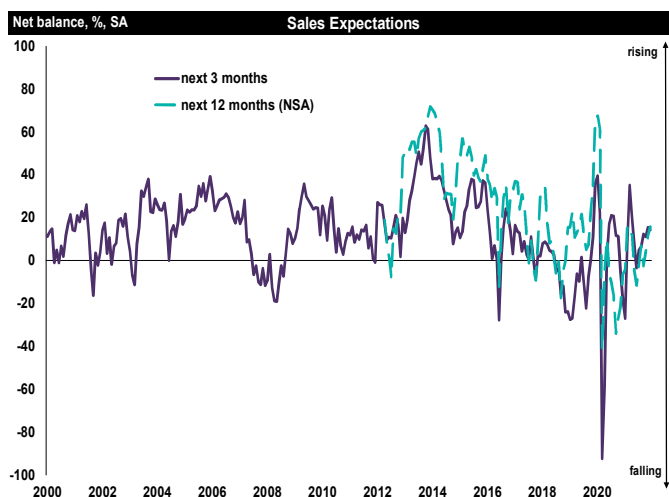
National Price Expectations - Three and twelve month expectations



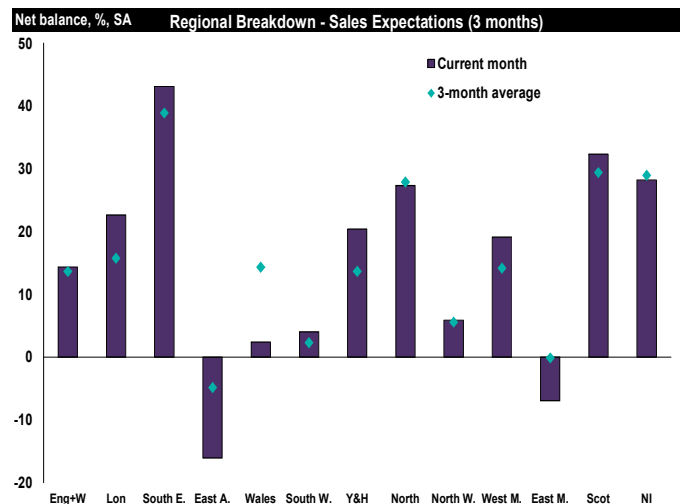
Regional Price Expectations - Next three months



National Sales Expectations - Three and twelve month expectations

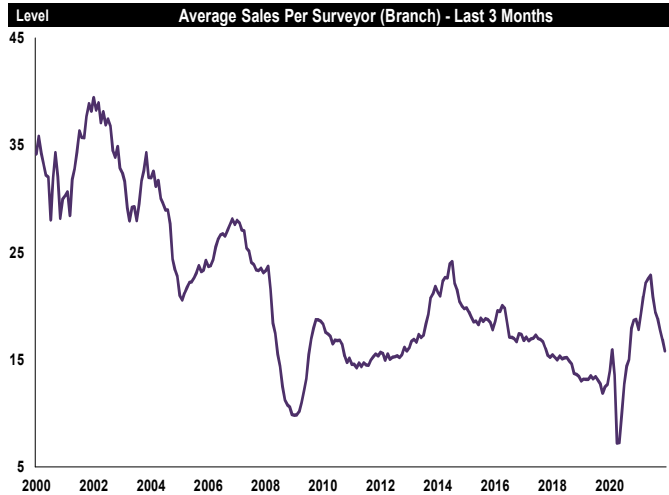


Regional Sales Expectations - Next three months

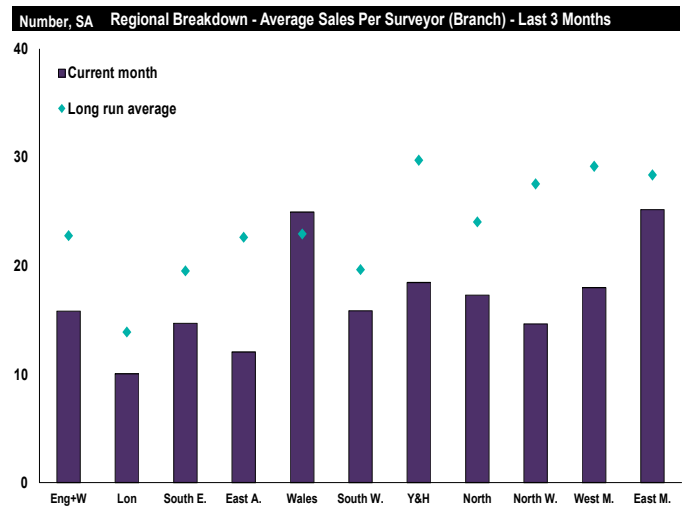


# Sales market charts

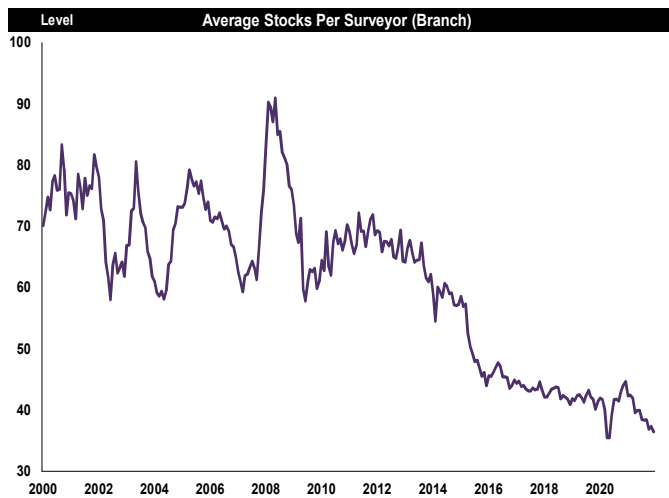
National Average Sales Per Surveyor - Past three months



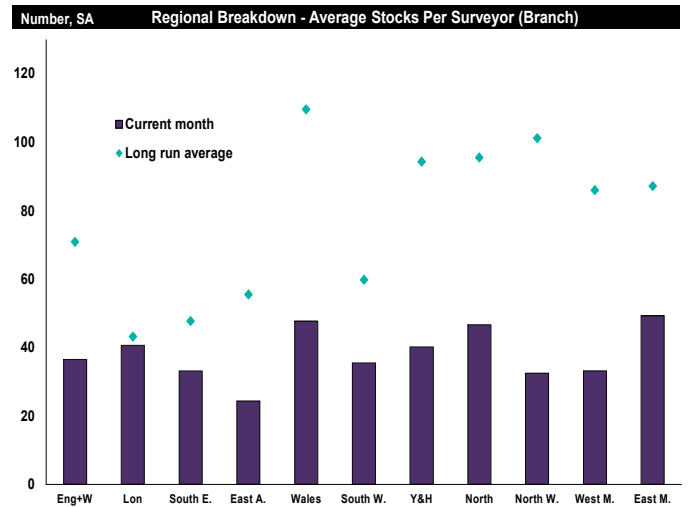
Regional Average Sales Per Surveyor - Past three months



National Average Stocks Per Surveyor



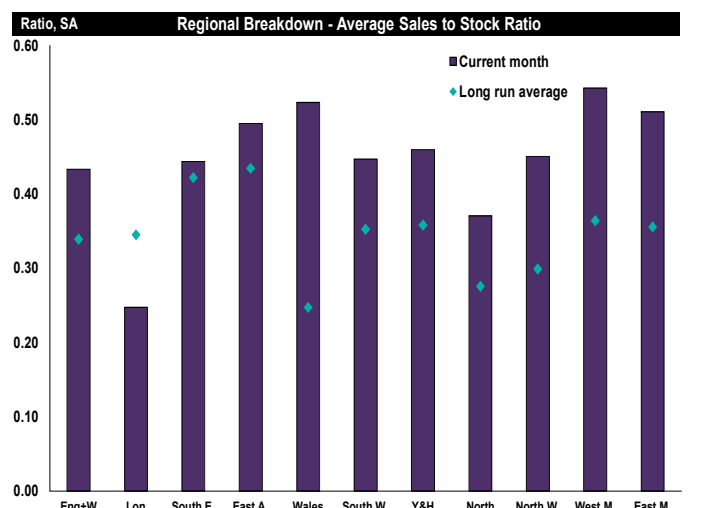
Regional Average Stock Per Surveyor



National Sales to Stock Ratio

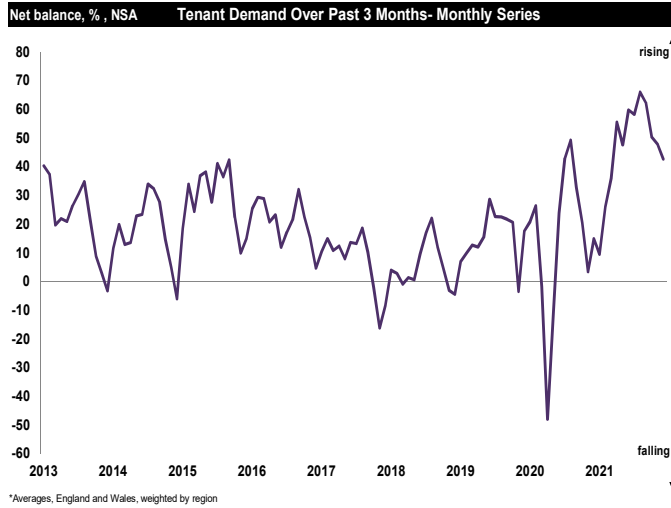


Regional Sales to Stock Ratio

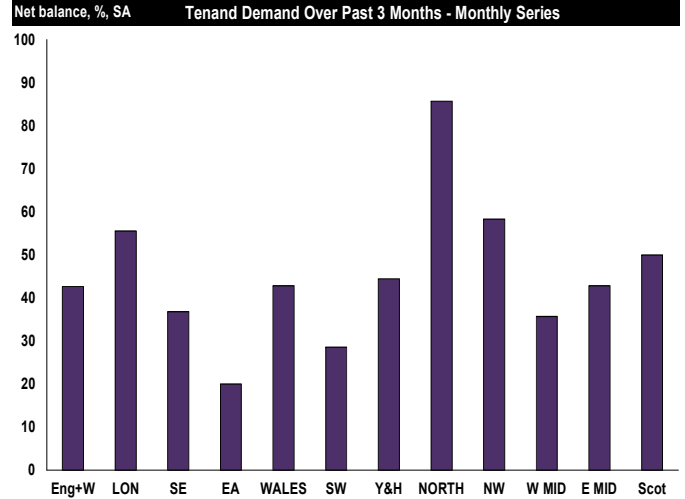


# Lettings market charts

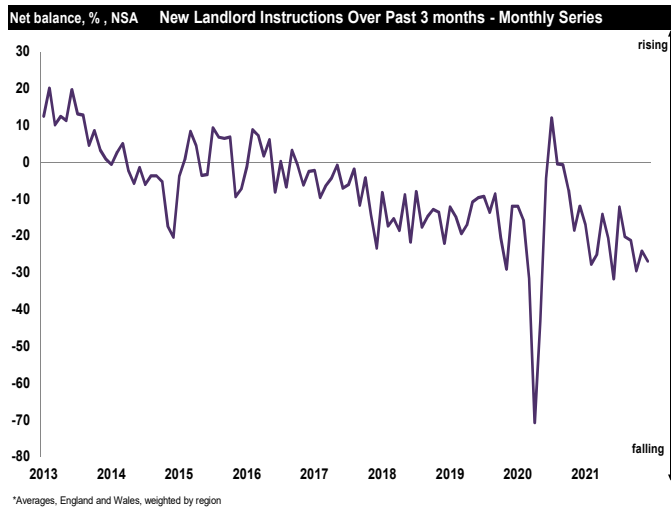
National Tenant Demand - Past three months



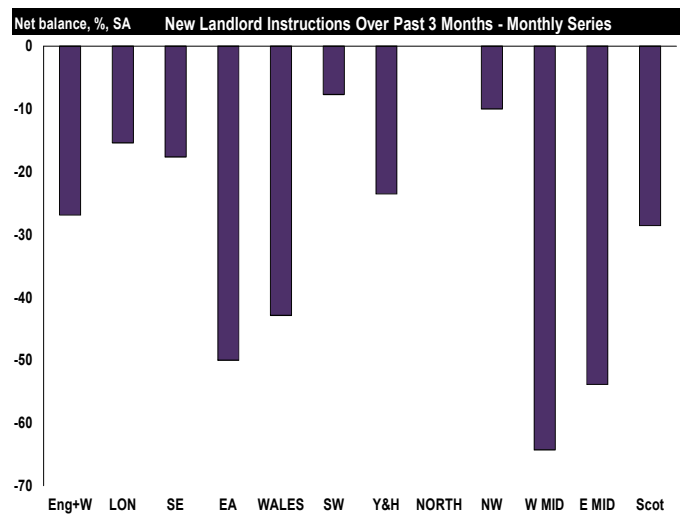
Regional Tenant Demand - Past three months



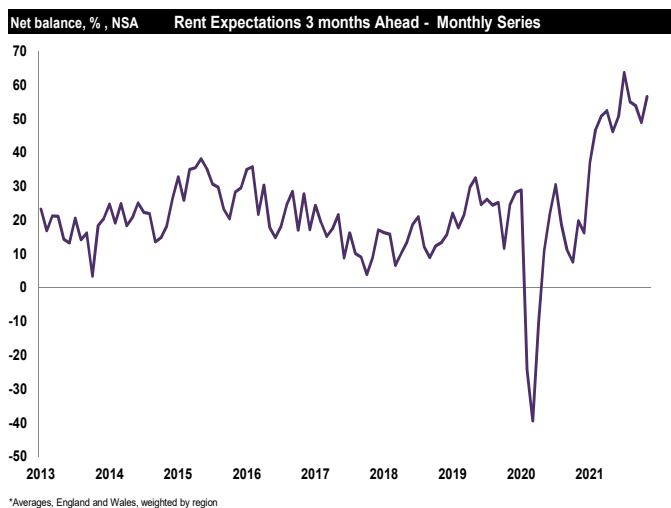
National New Landlord Instructions - Past three months



Regional New Landlord Instructions - Past three months



National Rent Expectations - Next three months



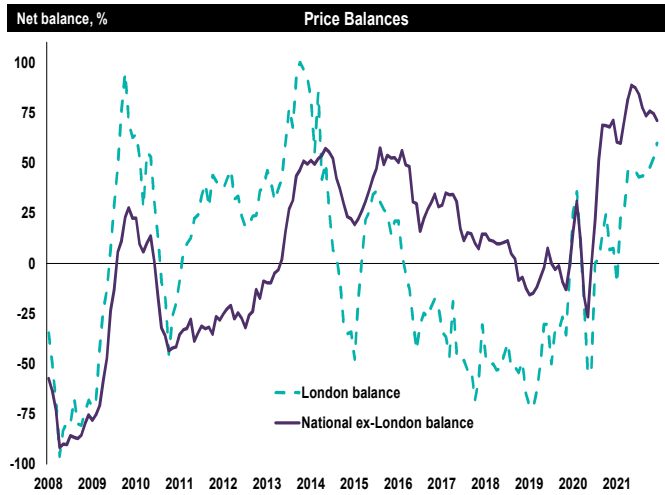
Regional Rent Expectations - Next three months



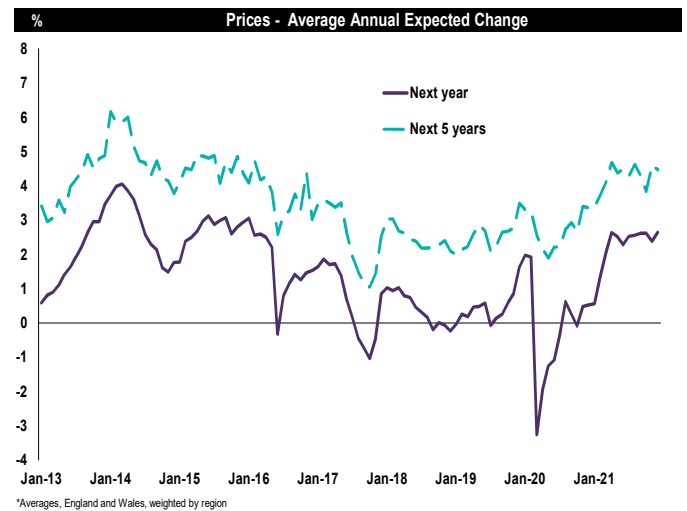


# Expectations and other data

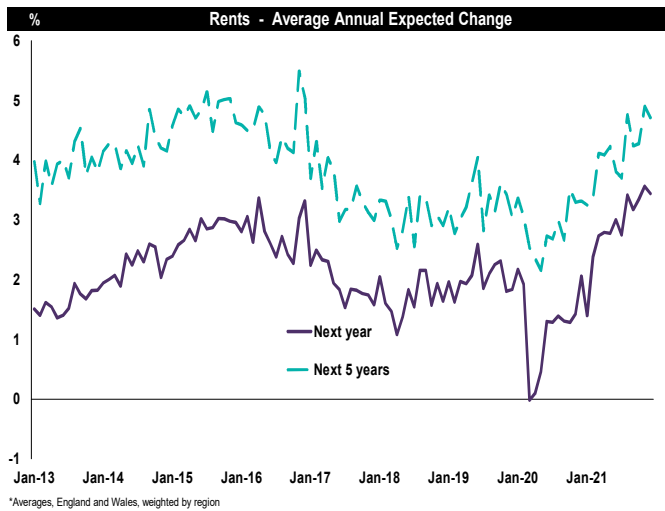
National Price Balance (excluding London) and London Price Balance - Past three months



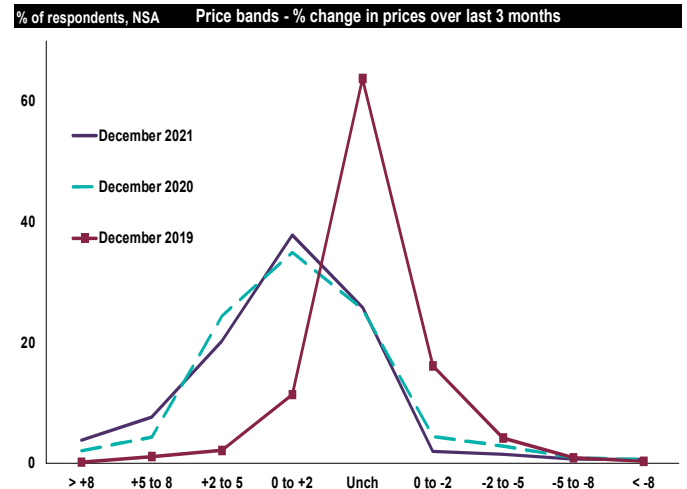
National Average Annual Expected Price Change (point estimate) - Next one and five years



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



Price Bands - Past three months



## Surveyor comments - Sales

### North East

David Shaun Brannen AssocRICS, Whitley Bay, Brannen & Partners, shaun.brannen@brannen-partners.co.uk - A positive end to a strange old year - Merry Christmas to all and stay safe.

Mr Keith Alan Pattinson FRICS, Newcastle-Upon-Tyne, Keith Pattinson Ltd, keith.pattinson@pattinson.co.uk - People have more money to spend due to fewer people going abroad. Second homes have soared in value, with demand exceeding supply. More people working from home, enjoy saving in travel costs, plus more time in home, but needing more space, often want an extra bedroom as study/office. Wages are increasing also.

Neil Foster MRICS, Hexham, Foster Maddison Property Consultants, neil@fostermaddison.co.uk - The combined effects of Omicron fears and seasonal distractions fairly well killed the market in December but the first few days of the New Year show promising signs of renewed activity. Avoiding another general lock down is going to be critical for the estate agency industry in general.

Paul Mcskimmings BSc(Hons)MRICS, Newcastle upon Tyne, Edward Watson Associates, paul@edwardwatson-assoc.com - Busier month than expected for the time of year. Demand continues to exceed supply, with most properties being sold in days. Hopefully this will continue into the New Year.

### Yorkshire & the Humber

Alex Mcneil MRICS, Huddersfield, Bramleys, alex.mcneil@bramleys1.co.uk - The market is expected to be buoyant in the early part of the year as underlying demand remains strong. Rising inflation and energy costs likely to erode confidence as potential for future volatility is stored up.

Ben Hudson MRICS, York, Hudson Moody, benhudson@hudson-moody.com - The year has started well but a lack of new properties coming to market is holding back sales.

Ben Walkley, Grimsby, Jackson Green and Preston Estate Agents, benwalkley45@gmail.com - The New Year seems to have brought an expected increase in house viewings and valuation requests. Early signs are encouraging with our agency having listed 12 properties at the time of this report (8/1/22), representing an average of 1.5 new listings per day.

Gary Frederick Thompson MRICS, Doncaster, Barnsdales, gary@barnsdales.co.uk - The low interest rates coupled with low value housing has fuelled price increases driven by demand. Repayments on a mortgage at around £500 per month for a 3-bedroom house are lower than the rents at £750. In addition, during the pandemic there has been a migration of low paid keyworkers to the area.

James Brown MRICS, Richmond, Norman F Brown, james@normanfrown.co.uk - With December being traditionally our quietest month of the year, for obvious reasons, I'm not too concerned about the lack of market activity. I fully expect it to pick up into the New Year and, as long as it remains a sellers market, prices will continue to rise.

James Watts MRICS, Cleckheaton, Robert Watts Estate Agents, jameswatts@robertwatts.co.uk - Sales figures are unreliable for December due to the holiday period but the level of demand is still significantly higher than supply and this is a trend that keeps exacerbating. This leads to a massive downward pressure on fees with agents desperate to get stock on the market.

Kenneth Bird MRICS, Wetherby, Renton & Parr, ken@rentonandparr.co.uk - Busiest December on record for instructions and sales. The market remains strong.

M J Hunter MRICS, Doncaster, Grice and Hunter, griceandhunter@btconnect.com - December has been very quiet due to a lack of stock and very limited new instructions.

Michael Darwin MRICS, Northallerton, M W Darwin & Sons, info@darwin-homes.co.uk - Few properties coming on the market to satisfy demand but number of enquiries slowing.

### North West

David Champion MRICS, REGISTERED VALUER, Lancashire, ChampSurv, championdavid@ymail.com - Seasonal dip in demand and interest rate increase may cool the market for first time buyers.

Ian Fox AssocRICS, North West, Selletlets Ltd, ian.fox@select-homes.co.uk - The market remains strong, however, I do feel that this is in part being driven by a number of sellers who have yet to find an alternative property to move on to which may well dwindle in the coming months.

Ian Macklin FRICS, Hale / Altrincham, Ian Macklin & Company, halebarns@ianmacklin.com - The market has been surprisingly strong in December but it will be interesting to see how the market performs in the coming months.

John Baybut MRICS, Merseyside, Keppie Massie Residential Limited, john@berkeleyshaw.com - Market will flatline in terms of values. Activity will be up on 2019, but down on 2020 and down slightly on 2021.

John Williams FRICS MEWI, Wirral, Brennan Ayre O'Neill LLP, john@b-a-o.com - Activity levels remain reasonable despite usual Christmas slowdown.

Lawrence Copeland FRICS, Salford Quays Manchester City Centre and Suburbs, Elbonmill Limited T/A Lawrence Copeland Town and City centre, lawrence@lawrencecopeland.com - Since lockdown has finished, people are starting to come back to Manchester city centre. However, new instructions have dramatically reduced. We still have cladding issues which restrict sales to cash buyers only. I think instructions will stay really low for the rest of this year. Prices will stay strong.

Simon Wall FRICS, Formby Southport, Wall & Macnab Ltd, simon@simonwall.com - Buyer demand continues to outpace supply. This can only mean continued price pressures.

### East Midlands

Chris Charlton FRICS, Nottingham, Savills, ccharlton@savills.com - Looking good for 2022 with a good under offer book and new properties to hit the market early on.

D B Harrison FRICS, Town and Rural, Brian Harrison Ltd, dbrianharrison@btinternet.com - December quieter generally. Diary booked 1 week ahead instead of 4.

David Hawke FRICS, Worksop, David Hawke Property Services, enquiries@davidhawke.co.uk - Very quiet.

Robert Bell FRICS, Horncastle, Robert Bell and Company, robert@robert-bell.org - Fewer sales agreed in December and stock levels are very tight.

Stephen Gadsby BSc FRICS, Derby, Gadsby Nichols, stevegadsby@gadsbynichols.co.uk - December was a quieter month but not unusual on a seasonal basis. Prices appear to be stabilizing although instructions still low and sales still good.

Tom Wilson MRICS, Stamford, King West, twilson@kingwest.co.uk - The seasonal hiatus that accompanies the festive period is exacerbated by a lack of supply. If I had a pound for every time; "I'll sell it, but you have to find my next one first..."

Will Ravenhill, Leicester, Readings, wravenhill@readingspropertygroup.com - Available stock levels are still the lowest they've ever been, but what stock we do have is selling quickly- unless it's a city centre apartment.

### West Midlands

Alex Smith FRICS, Birmingham, Alex Smith & Co, alex@alex-smith.co.uk - Demand is still outstripping supply.

Cheryl AssocRICS, Wolverhampton, Countrywide, cheryl.la@cwsurveyors.co.uk - I believe the housing market will become static around middle of the year due to rising living costs ie. increase NI contributions, interest rates & energy bills.

Colin Townsend MRICS, Malvern, John Goodwin, colin@johngoodwin.co.uk - A much quieter month but perhaps this was to be expected. That said, certain properties still generated high demand and multiple offers. Stocks are low as we enter the New Year. Without a major influx of new instructions, prices will inevitably continue their upward march.

John Andrews FRICS, Kidderminster, Doolittle & Dalley Ltd, johndrews@doolittle-dalley.co.uk - A typical build up to Christmas with a rush of exchanges and little new property coming for sale.

John Andrews FRICS, Bridgnorth, Doolittle & Dalley Ltd, johndrews@doolittle-dalley.co.uk - The end of a busy year with high volume of sales completed. Next year will start with low stock levels.

Nick Millinchip, Stourport, Phipps & Pritchard, nmillinchip@phippsandpritchard.co.uk - Expect prices to stabilise.

Richard Franklin MRICS, Tenbury Wells, Franklin Gallimore, richard@franklingallimore.co.uk - Interesting to see how the market responds to the interest rate hike and general inflation. Market volumes are low and thus distorting average prices - a return of greater number of properties will seek to redress the current imbalance between supply and demand.

### East Anglia

Andrew Woollcott MRICS, Frinton-On-Sea and Nearby Areas, Paul Bryan Chartered Surveyors, andrew@paulbryansurveyors.co.uk - Residential market very seasonal in the Frinton-on-sea area, traditionally slows down this time of year.

Jeffrey Hazel FRICS, King'S Lynn, Geoffrey Collings & Co, jhazel@geoffreycollings.co.uk - The demand to purchase remains very strong but very few properties coming to market causing an increase in values.

John Lewis MRICS, Essex, Lewis Valuation, john@lewisvaluation.co.uk - There has been a continued drop in demand for flats as buyers look for houses with outside space.

Kevin Burt-Gray MRICS, Cambridge, Pocock & Shaw, kevin@pocock.co.uk - A few more new instructions coming onto the market in the New Year with early indications that demand is still high and that we will, certainly for the first quarter of 2022, see demand outstrip supply.

Mark Wood MRICS, Cambridge, Blues Property Ltd, mark@bluesproperty.com - Lack of stock and typical December slowdown of new stock resulted in quiet month, any property coming to market generated interest.

### South East

Catrin Jones MRICS, Maidenhead, Kempton Carr Croft, catrin.jones@kemptoncarr.co.uk - Not sure what the impact of the Evergrande problem may have on the property market, but it certainly bears consideration.

Chris Gooch MRICS, Winchester, Carter Jonas, chris.gooch@carterjonas.co.uk - With fewer new instructions over Christmas, and with many buyers yet to find, we are looking forward to a very active New Year market.

David Boyden, Colchester, Boydens, david.boyden@boydens.co.uk - Frustrating month with poor conveyancing service. Season quiet as to be expected but good signs for a positive January.

David Parish FRICS, Upminster, Gates, Parish & Co, professional@gates-parish.co.uk - The market has been quiet in December as is customary. However since returning to the office after New Year, we have received a large number of requests for valuations. We therefore anticipate more properties coming on to the market with an increase in activity.

Ed Rook MRICS, Sevenoaks, Knight Frank, edward.rook@knightfrank.com - Shortage of supply will put upwards pressure on values.

Ian Perry FRICS, Fairford Faringdon Lechlade Highworth Witney Swindon, Perry Bishop and Chambers, ianperry@perrybishop.co.uk - The Stamp Duty holiday has clearly distorted the market and there is presently a shortage of new instructions.

Keith Fox FRICS, Eastbourne, Keith Fox Surveyors, keithfox10@gmail.com - Market static.

Martin Allen MRICS, Wingham, Canterbury, Elgars, m.allen@elgars.uk.com - As usual, the Christmas break has concentrated the minds of buyers, sellers and their solicitors which has increased the number of completions before the holiday break. Otherwise very quiet due to the holiday and Covid 19.

Michael Brooker FRICS, Crowborough, Michael Brooker, michael@michaelbrooker.co.uk - High demand in all price ranges. Flats slower unless with garden. Viewings plentiful despite Covid. Still a lack of supply. Sales agreed immediately if correctly priced.

Perry Stock FRICS, Nr Guildford, Capitello Estates Ltd, perry@perrystock.co.uk - A continuing shift for families out from urban to sub-urban areas. However, with a prediction of decreased GDP this could lead to higher unemployment and lower prices amongst starter units.

Tim Green MRICS, South Oxfordshire, Green & Co.(Oxford) Ltd, tim.green@greenand.co.uk - Only supply levels and slow conveyancing limit activity. If the conveyancing profession can hold things together, BoE base rate is carefully managed in the light of inflation and the economy is not thrown any more complications, 2022 has all the ingredients for a good year for the property market.

### South West

G C Thorne FRICS, East Dorset, Thornes, graham@thornes.org.uk - There appears to have been a legal slowdown during December due to illness but hopefully this will be resolved during the early months of 2022.

Ian Perry FRICS, Cheltenham Cirencester Nailsworth Stroud Tetbury Winchcombe, Perry Bishop and Chambers, ianperry@perrybishop.co.uk - New instructions have been low for several months, following the end of Stamp Duty relief, which has reduced the number of transactions.

James Wilson MRICS, Shaftesbury, Jackson - Stops, james.wilson@jackson-stops.co.uk - Lack of stock is an issue, buyer demand strong.

Jeff Cole MRICS, Wadebridge, Cole Rayment & White, jeff.cole@crw.co.uk - A typical December with good completions but unfortunately very low stock levels. Sales are still strong, but not at any price, although certain properties are still receiving strong offers.

John Woolley FRICS, Salisbury, John Woolley Ltd, john@johnwoolleyltd.co.uk - A flat market dependant on the mood of the purchaser. Too early to forecast 2022 trends.

Mark Annett FRICS, Chipping Campden, Mark Annett & Company, mark.f.annett@gmail.com - There is very strong demand and supply is weak. Hopefully supply will pick up as we move into 2022. Prices remain firm.

Mark Lewis FRICS, Sturminster Newton, Symonds & Sampson, mlewis@symondsandsampson.co.uk - Delays at Land Registry and Dorset Council searches are giving people too much time to reconsider their purchases.

Nicholas Philip Martin MRICS, Truro, Philip Martin, pm@philip-martin.co.uk - The conveyancing on some sales is taking up to 6 months to finalise process and the length of time quite often leads to a sale being aborted.

Oliver Miles FRICS, Swanage, Oliver Miles, olivermiles@olivermiles.co.uk - A quiet month, as normal, but demand still exceeds supply forcing prices up, but will it last?

Robert Cooney FRICS, Taunton, Robert Cooney, robert.cooney@robertcooney.co.uk - Lack of stock continues to be an issue suppressing activity across the board.

Roger Punch FRICS, South Devon, Marchand Petit, roger.punch@marchandpetit.co.uk - Subdued activity continued in December, although the properties launched in the month generally achieved sales very promptly and regularly over the price guide. Sentiment is that if the market starts to moderate in the months ahead it will be less daunting for many to enter the marketplace.

Sam Butler FRICS, Cirencester, Butler Sherborn, sam@butlersherborn.co.uk - Very strong buyer demand and shortage of stock. Sellers cannot find a purchase nor rental.

Simon Milledge MRICS, Blandford Forum, Jackson-Stops, simon.milledge@jackson-stops.co.uk - From a sales perspective, this report is similar to last months because very little happened over Christmas. However, valuations and buyer enquires are well up, so what happens next very much depends on sellers feeling confident enough to put their houses on the market.

Tony Jamieson MRICS, Guildford, Clarke Gammon, tony.jamieson@clarkegammon.co.uk - Desperate lack of stock as many vendors want to try and find before selling. Lots of buyers and a lot of pent up demand, so we are hopeful that more vendors will come to the market in the early New Year, allowing the market to flourish. Correctly priced properties still attract a lot of interest.

Tracey Bullen MRICS, Redruth, Frame Uk, tracey.bullen@practical-developments.co.uk - With the pandemic continuing, there has been no let up in the demand for moving to the West Country.

William Taper MRICS, Ilfracombe, Willmotts, w.taper@willmotts.com - Properties with outside space have seen a noticeable increase in demand. Upper flats with no outside space have seen a drop off in demand. Demand for properties with ability to work from home has increased. Increase awareness of service charges and ground rents is a positive.

### Wales

Anthony Filice FRICS, Cardiff, Kelvin Francis Ltd, tony@kelvinfrancis.com - December saw a quietening of new instructions, as many Vendors were holding back for the New Year. The early signs are substantial numbers of valuations now being requested. The optimistic market continues. Demand remains high, very high, for the most attractive properties.

David James FRICS, Brecon, James Dean, david@jamesdean.co.uk - December has been quieter, as we would expect, although double the amount of sales agreed compared to last year.

Lewys Hopkins, Vale Of Glamorgan, Watts and Morgan, lewys.hopkins@wattsandmorgan.wales - Typical December, where peoples mindsets are elsewhere. Hopeful for the market to pick back up in the New Year, but dependent on interest rates/Covid restrictions.

Paul Lucas FRICS, Haverfordwest, R.K.Lucas & Son, paul@rklucas.co.uk - Sale numbers are down only because there is a shortage of properties available. Demand for all types of housing remains strong.

### London

Allan Fuller FRICS, Putney, Allan Fuller Estate Agents, allan@allanfuller.co.uk - 2021 was an extremely active year for our office, with a 60% increase on the number of completed sales created compared to 2020. Stamp duty reduction has a major effect on encouraging people to move home. 2022 likely to be less active, economic outlook is uncertain, inflation running high.

Christopher Ames MRICS, London/Belgravia, Ames Belgravia, ca@amesbelgravia.co.uk - There remains a shortage of stock. Inflation is a concern - maybe prompting property owners to retain these assets.

James Perris MRICS, London, De Villiers, james.perris@devilliers-surveyor.co.uk - The all important overseas buyers were beginning to return in volumes but this latest virus setback will see a delay in the improvement of the fortunes of the London market.

Jeremy Leaf FRICS, Finchley, Jeremy Leaf & Co, jeremy@jeremyleaf.co.uk - Most of last month was relatively quiet due to concerns over spread of Covid and rising interest rates. However, demand for houses, picked up just before the break and has continued. Lack of stock is reducing sales and supporting prices.

John King FRICS, Wimbledon, Andrew Scott Robertson, jking@as-r.co.uk - Active period leading up to Xmas, mainly with staff pushing existing sales over the line. New registrations tailed off. An opportunity to take stock over the Xmas break but expecting a challenging year ahead.

John King FRICS, L.B.Merton, Andrew Scott Robertson, jking@as-r.co.uk - New transactions slowed as the month progressed but overall a positive end to the year with new buyer enquires emerging.

Rupert Merrison MRICS, London, Dexters, rupertmerrison@dexters.co.uk - The market has been very busy this year and we expect more of the same come the New Year.

Sachinkumar Gupta, Wembley, Property Hub Limited, sachin@propertyhubltd.com - The sales are struggling due to lender's strict behaviour and vetting on the applicant, this is resulting in house prices falling and vendors are getting demotivated.

Simon Aldous MRICS, London, Savills, saldous@savills.com - Larger houses across all our London offices continue to see growth; central London will rebound quickly this year once the uncertainties over travel are cleared. Flat values are slowly recovering as people look to return to city living. Large houses with good transport links are sought after.

Terence Osborne FRICS, Westminster Sw1, Tuckerman Residential, toborne123@yahoo.com - Covid outbreaks continue to affect the market in a negative way.

Tom Dogger MRICS, London, B N Surveyors, tdogger@bnsurveyors.com - Travel restrictions might continue to constrain the Central London market. Inflationary pressure and interest rates could become a factor in 2022.

Victoria Allner MRICS, Prime Central, BNPPRE, victoria.allner@struttandparker.com - We had hoped that travel restrictions would continue to ease in 2022, and that we would see pent-up demand from international buyers flow back into the market.

William Delaney AssocRICS, West End, Coopers of London, william@lwlondon.com - Tax rises, inflation and pressure on income levels may affect the lower end of the sales market. In the middle to upper market levels there are buyers, but they are very cautious due to a lack of confidence.

### Scotland

Alan Kennedy MRICS, Fraserburgh, Shepherd Chartered Surveyors, alankennedy84@hotmail.com - Normal seasonal downturn during December with low number of properties coming on to the market. Even so, agents are still reporting good buyer interest and quick sales. Optimistic for the year ahead.

Alasdair Seaton MRICS, Dunfermline, DM Hall, alasdair.seaton@dmhall.co.uk - Too early in the New Year to predict how the market will be in 2022. I can't help feeling the post lockdown spike will run out of steam fairly soon and with the likelihood of further interest rate rises the market could well become more difficult.

Craig Henderson MRICS, Ayrshire, Graham & Sibbald, craig.henderson@g-s.co.uk - Market conditions remain strong across Ayrshire, despite ongoing Covid issues. The challenges remain the same, stock levels not sufficient to satisfy demand, and many sellers are reluctant to market their home, until they can see a home they would buy.

Grant Robertson FRICS, Glasgow, Allied Surveyors Scotland PLC, grant.robertson@alliedsurveyorsscotland.com - 2022 starts in the same vein as 2021. Historically low levels of stock chased by strong demand continues to drive the market value of sales up. Key to 2022 will be the delivery or otherwise of new homes into the market to stimulate growth in volume. Limited rises in mortgage rates neutral in effect.

Ian Morton MRICS, St Andrews, Bradburne and Co, info@bradburne.co.uk - There is little choice for buyers as few properties are available for sale. We are preparing sales for the start of the New Year and expect supply to return to near normal levels once government restrictions are eased.

John Brown FRICS, Edinburgh, John Brown and Company, john.brown@jb-uk.com - Expected change in market sentiment seen by quieter conditions and more negotiated sales. Confidence remains but as interest rates have increased, added to energy costs, reality of monthly outlay increases is recognised. Winter months always quieter. But expecting more of the same in 2022 is unrealistic.

Marion Currie AssocRICS, RICS Registered Valuer, Dumfries & Galloway, Galbraith, marion.currie@galbraithgroup.com - The usual quietening off as Christmas approached, but new instructions will increase again as we move into the 2022 market, and we expect to see the strong interest in rural property continue.

Peter N M Drennan BSc MRICS, Edinburgh, Allied Surveyors Scotland, peter.drennan@alliedsurveyorsscotland.com - Quiet, uncertain start to year. Risk of interest rate increase, building costs continuing to rise and a sense that any "Pandemic backlog" has been met combine to suggest a modest first half year. Edinburgh's enduring appeal may push through in second half.

Phiddy Robertson AssocRICS, Inverness, Galbraith Group, phiddy.robertson@galbraithgroup.com - There is an overall shortage of good quality property available. The evidence is that there are still committed buyers in the market.

Philip Lovegrove MRICS, Edinburgh, DHKK Limited, pmlovegrove@dhkk.co.uk - Market conditions remain buoyant in spite of seasonal slow down and inflationary pressures. Flatted properties are generally not performing as well as houses.

Russell Jd Smith MRICS, Glasgow, Allied Surveyors Scotland, egobreed@googlemail.com - More Home Reports undertaken than expected in December; slightly flatter start to January but hopefully just normal seasonal changes.

Stuart Dalziell, Fife, Abbey Forth Property Management Limited, stuart@abbeyforth.co.uk - The ongoing effects of the pandemic and Brexit will be felt for years to come and there is an expectation that interest rates will rise and that utility costs will rise sharply in 2022. There is an, as yet unknown, effect that these last two points will have on the market moving forward.

Thomas Baird MRICS, Glasgow, Select Surveyors, thomas.baird@selectsurveyors.co.uk - Slowdown evident in market not helped by continuing uncertainty over potential Covid related closures.

### Northern Ireland

Daniel Mc Leron FRICS, Omagh, Mc Leron Estate Agents, info@mccleronestateagents.com - Stock levels still lower than average. Enquiries still steady.

Jonathan Dickson, Belfast, Simon Brien Residential, dicksonjonny@gmail.com - Lack of stock has again been the main issue. New enquiry levels have been strong, especially for new homes in the East Belfast area.

Kirby O'Connor AssocRICS, Belfast, GOC Estate Agents, kirby@gocestateagents.com - Sales have been busy but lack of stock is driving prices up. Desire is still there.

Nicola Kirkpatrick FRICS, Northern Ireland, Simon Brien Residential, ntann@simonbrien.com - Market has been quieter in December in terms of listings, due to the run up to the festive period, this is expected to improve as we move into the start of 2022.

Samuel Dickey MRICS, Belfast, Simon Brien Residential, sdickey@simonbrien.com - As we head into Christmas, the market will naturally slow down but sales have been stronger than anticipated this year.

## Surveyor comments - lettings

### North East

Mr Keith Alan Pattinson FRICS, Newcastle-Upon-Tyne, Keith Pattinson Ltd, keith.pattinson@pattinson.co.uk - Demand exceeding supply. We find adding 15% to previous rent still gives choice of tenant, where previously tenants made offers below. There are people who choose to rent, sometimes when buying new build, getting best price for their current home, or delayed completion/renting back.

Natasha Cooper MRICS, North East - Down To Sheffield, Grainger Plc, ncooper@graingerplc.co.uk - Lack of stock on the market still contributing to increase in rents for renewals.

Neil Foster MRICS, Hexham, Foster Maddison Property Consultants, neil@fostermaddison.co.uk - Rents continue to rise, demand is at an all time high and supply (and with it tenant mobility) is tighter than ever. Covid has made many previously transient tenants sit tight for longer.

### Yorkshire & the Humber

Alex Mcneil MRICS, Huddersfield, Bramleys, alex.mcneil@bramleys1.co.uk - Oversubscribed demand and shortages in all sectors has resulted in rising rents over the last 12 months. A feeling that growth will be slower in 2022.

Ben Hudson MRICS, York, Hudson Moody, benhudson@hudson-moody.com - Shortage of new properties to rent driving rental price increases.

Gary Frederick Thompson MRICS, Doncaster, Barnsdales, gary@barnsdales.co.uk - Strong demand for rentals from keyworkers and those on minimum wages who have migrated from the south-east where prices are much higher.

### North West

Ian Fox AssocRICS, North West, Selletlets Ltd, ian.fox@sell-ect-homes.co.uk - Market remains strong, however, I see rents have now seem to have plateaued.

John Baybut MRICS, Merseyside, Keppie Massie Residential Limited, john@berkeleyshaw.com - Rents in suburban areas increasing rapidly, and not sure when this will stop.

Lawrence Copeland FRICS, Salford Quays Manchester City Centre and Suburbs, Elbonmill Limited T/A Lawrence Copeland Town and City centre, lawrence@lawrencecopeland.com - Lack of new instructions, more demand, PRS schemes controlling the market.

Simon Wall FRICS, Formby Southport, Wall & Macnab Ltd, simon@simonwall.com - Tenant demand continues to outpace supply. This can only mean continued price pressures.

### East Midlands

John Robert Chappell BSc(Hons), MRICS, Skegness, Chappell & Co Surveyors Ltd, john@chappellandcosurveyors.co.uk - Demand still outstripping supply but shortage of tenants meeting landlord criteria.

Katie AssocRICS, Leicestershire & Rutland, KWS Lettings, katie-w-s@hotmail.co.uk - Tenant demand is still high, however, their credentials are falling i.e non permanent work contracts, can't match the income criteria and poor credit histories.

Robert Bell FRICS, Horncastle, Robert Bell and Company, robert@robert-bell.org - Rents continue to rise in line with increased investment required from landlords.

Will Ravenhill, Leicester, Readings, wravenhill@readingspropertygroup.com - Occupancy rates are very high, so we have very little stock available for new tenants. Many of our more established landlords now considering selling due to impending changes in EPC legislation.

### West Midlands

Colin Townsend MRICS, Malvern, John Goodwin, colin@johngoodwin.co.uk - With many landlords deciding that 2021 was a year for selling many of their portfolios, the shortage of rental stock has become even more serious. We expect rents to rise significantly throughout 2022.

Dean Taylor MRICS, Edgbaston/Birmingham, Fishers, dean@fishers.co.uk - As soon as we place a property on the market we receive multiple applications from prospective tenants.

John Andrews FRICS, Kidderminster, Doolittle & Dalley Ltd, johnandrews@doolittle-dalley.co.uk - Lettings still very busy with high demand and lower stock levels. More property needed to satisfy demand.

John Andrews FRICS, Bridgnorth, Doolittle & Dalley Ltd, johnandrews@doolittle-dalley.co.uk - Demand still outstripping supply and some landlords considering selling which will create greater shortage.

Richard Franklin MRICS, Tenbury Wells, Franklin Gallimore, richard@franklingallimore.co.uk - Many landlords who have kept rents unreviewed for several years are likely to seek reviews in 2022 to counteract general inflation.

### East Anglia

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

Kevin Burt-Gray MRICS, Cambridge, Pocock & Shaw, kevin@pocock.co.uk - Increased tenant interest across the board for all property types. Shortage of stock prevails.

Nigel Morgan FRICS, North Walsham, Managed Property Supply Ltd, nmorgan@spaldingandco.co.uk - Remaining shortage of availability but also some signs of growing tenant caution.

### South East

David Boyden, Colchester, Boydens, david.boyden@boydens.co.uk - Very quiet as to be expected but any stock on the books was let. More investor activity on the horizon.

David Parish FRICS, Upminster, Gates, Parish & Co, professional@gates-parish.co.uk - The lettings market has been busy with no significant reduction in activity over the Christmas and New Year period.

Keith Fox FRICS, Eastbourne, Keith Fox Surveyors, keithfox10@gmail.com - Market static.

Martin Allen MRICS, Wingham, Canterbury, Elgars, m.allen@elgars.uk.com - Demand still outstrips supply as landlords decide to sell and tenants look for new homes.

Michael Brooker FRICS, Crowborough, Michael Brooker, michael@michaelbrooker.co.uk - Lack of supply. Some landlords turning to AirBNB for higher return.

### South West

John Woolley FRICS, Salisbury, John Woolley Ltd, john@johnwoolleyltd.co.uk - Hopefully it will remain consistent and not increase to cause anguish if incomes tend to be static in real terms as costs escalate elsewhere.

Marcus Arundell MRICS, Bath, HomeLets, marcus@homeletsbath.co.uk - Busy end to the year with applicant demand still very robust, instructions up and rents still peaking. Will 2022 bring some market cooling that we are all expecting?

Mark Annett FRICS, Chipping Campden, Mark Annett & Company, mark.f.annett@gmail.com - Continued strong demand against weak supply means rents are holding up well.

Martin Slade FRICS, Bournemouth, Wren Letting, martin@wrenlettings.co.uk - Demand continues to increase which would normally result in an increase in rents but this could be further affected by some landlords withdrawing from the market because of reported likely changes to security of tenure and rent controls. This is exacerbated by some property being moved to Airbnb.

Paul Oughton MARLA, MNAEA, Cirencester and The Cotswolds, Moore Allen & Innocent, paul.oughton@mooreallen.co.uk - Applicant demand unabated but significant shortage of available stock continues.

Sam Butler FRICS, Cirencester, Butler Sherborn, sam@butlersherborn.co.uk - Strong tenant demand, chronic shortage of stock. Many landlords deciding to sell rather than re-let. Current rental legislation also discouraging landlords to let.

Tracey Bullen MRICS, Redruth, Frame UK, tracey.bullen@practical-developments.co.uk - With the pandemic continuing, there has been no let up in the demand for moving to the West Country.

William Taper MRICS, Ilfracombe, Willmotts, w.taper@willmotts.com - Lettings market across London has seen a large increase in demand. Many first jobbers or people returning from furlough or remote working are after limited stock. After a drop of almost 20% at some points in the pandemic, we have seen rents come back and even overtake pre-pandemic levels.

#### Wales

Anthony Filice FRICS, Cardiff, Kelvin Francis Ltd, tony@kelvinfrancis.com - A continued shortage of rental properties is creating rapid lettings at full rents.

David Cook MRICS, Caerphilly, dave.bern@btinternet.com - The continued promotion of tenants to the detriment of landlords will lead to a substantial reduction in property to rent.

Paul Lucas FRICS, Haverfordwest, R.K. Lucas & Son, paul@rkluccas.co.uk - Currently a number of uncertainties in the letting market relating to Government interference. This is causing landlords to think twice about future lettings.

#### London

Allan Fuller FRICS, Putney, Allan Fuller Estate Agents, allan@allanfuller.co.uk - 2020 started slow with rents reducing, this gradually changed and rents rose from mid-year. Currently, stock levels are very low and demand strong so we expect the rent levels to increase for 1-3 bed flats to rise but houses remain stable.

Jeremy Leaf FRICS, Finchley, Jeremy Leaf & Co, jeremy@jeremyleaf.co.uk - Activity has remained consistent with strong demand, particularly for one and two bedroom flats. Lack of supply is causing rents to harden although more interest in buy to let is likely to result in more listings later in 2022.

Jilly Bland, London, Robert Holmes & Co, jilly@robertholmes.co.uk - Demand far outweighs supply and rents continue to rise to meet that demand.

John King FRICS, Wimbledon, Andrew Scott Robertson, jking@as-r.co.uk - The number of new rental enquires having outstripped sales enquires over the year. Rents remain on an upward curve with stock availability being the principle cause. Expect investors to return to the market providing interest rates remain at their present level or close to it.

John King FRICS, L.B. Merton, Andrew Scott Robertson, jking@as-r.co.uk - The lack of stock is the real driver of rent increases, we are seeing more renewals this year than last as tenants' plans to move are curtailed by the lack of an alternative.

Leon Bell AssocRICS, West End, Dexters Estate Agents Limited, leonbell@dexters.co.uk - Due to unprecedented demand from prospective tenants and a shortage of supply on the lettings market, I expect rents in central and Prime Central London to continue to increase. I have also noticed a healthy demand coming from the corporate sector from large blue chip companies like Facebook, Google.

Mark Wilson MRICS, London, Globe Apartments, mark@globeapt.com - The market bounce back may end up being short lived as extra supply from Airbnb unexpectedly was back on offer for a long let as the omicron effect spooked landlords. We will need to adopt a wait and see approach for Q1 2022.

Rupert Merrison MRICS, London, Dexters, rupertmerrison@dexters.co.uk - December business levels are up on last year and we anticipate a busy lettings market in 2022.

Sachinkumar Gupta, Wembley, Property Hub Limited, sachin@propertyhubltd.com - Since the pandemic and virus are getting under control, the rental market has started moving. More properties are coming for lettings as people are waiting for things return to normal.

Simon Aldous MRICS, London, Savills, saldous@savills.com - Rents have risen sharply over the last few months (from a relatively low base) as corporate tenants, students, sharers are competing for a reduced number of properties. Flats are recovering quickly but these rental levels fell the most.

Tom Dogger MRICS, London, B N Surveyors, tdogger@bnsurveyors.com - Lack of stock.

Will Barnes Yallowley AssocRICS, Kensington/West End, LHH Residential, will@lhhresidential.co.uk - We have had a busy run into Christmas with many applicants while stock levels reduced, leading to higher rents – one can only assume this was the government's plan, by squeezing out LL's and encouraging short lets.

William Delaney AssocRICS, West End, Coopers of London, william@wllondon.com - As expected, the "Work from Home" government guidance combined with the Christmas/New Year holidays saw a decline in enquiries. We start the New Year with cautious optimism, in the hope that an end to the threat of draconian anti-covid measures will allow the market to continue to recover.

William Nicol-Gent FRICS, Richmond, Killochan & Co, louanna@blueyonder.co.uk - Will be adversely affected by higher EPC standards & uncertainty.

#### Scotland

Carolyn Davies MRICS, Dumfries, Savills, cmdavies@savills.com - Continued lack of supply in the local market, and demand on contractors are extending periods that properties are vacant where works are required between tenancies.

Cheryl Esson AssocRICS, Perth/Perthshire, Morris Leslie Ltd, cheryl.esson@morrisleslie.co.uk - Due to limited rental properties available on the market at any one time, the monthly rentals continue to rise due to continued demand.

Fraser Crichton FRICS, Edinburgh, Dove Davies, fcrichton@dove-davies.com - There has been an acute shortage of property of all sizes in Edinburgh in the last quarter. Many tenants are coming from abroad and finding it very difficult to source accommodation.

Grant Robertson FRICS, Glasgow, Allied Surveyors Scotland PLC, grant.robertson@alliedsurveyorsScotland.com - The rise in property values has encouraged landlords to leave the market. The early signs of the SNP/Green coalition on the sector is also discouraging new landlords from entering the market. With low levels of stock, this will have the inevitable effect of lifting rental values ever higher.

Ian Morton MRICS, St andrews, Bradburne and Co, info@bradburne.co.uk - Tenant demand increases, with those who have sold properties renting until they can find a suitable property to buy.

John Brown FRICS, Edinburgh, John Brown and Company, john.brown@jb-uk.com - Uncertainty again but stock levels not high. Rents need to be sensitive to current demand, once again the employment uncertainty caused by latest covid figures will interrupt letting markets if business/university closures are required.

Stuart Dalziell, Fife, Abbey Forth Property Management Limited, stuart@abbeyforth.co.uk - With a moving employment market and more working from home, I expect tenants to stay in properties for longer periods of time before moving on. This will reduce the availability of stock, particularly in out of city locations and this will drive rental prices up.

#### Northern Ireland

David Irwin MRICS, Belfast, Ikon Property Group, david.irwin@ikonpropertygroup.com - Covid has caused some unexpected phenomenons in the residential sector. One of which is a significant jump in capital and rental values in the Belfast PRS. The 2021 pace of appreciation in both capital values and rents should slow in 2022. Demand remains high for well managed, quality PRS homes.

Kirby O'Connor AssocRICS, Belfast, GOC Estate Agents, kirby@gocestateagents.com - Rental market is very strong, we are still taking a lot of enquiries.

Samuel Dickey MRICS, Belfast, Simon Brien Residential, sdickey@simonbrien.com - The rental market continues to be strong.



## Contacts

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