



ECONOMICS



UK Residential Market Survey

May 2023

Forward-looking indicators again turn slightly less downbeat but clouds are gathering on the horizon

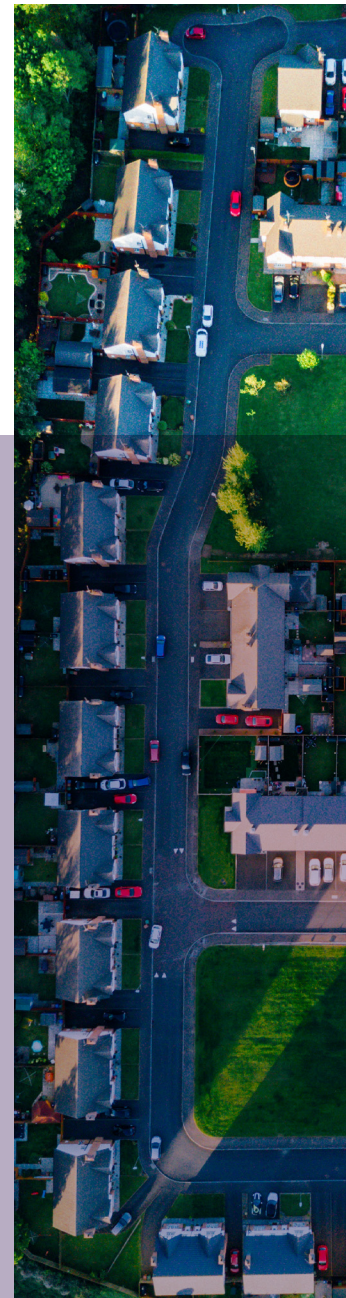
- Metrics on new buyer enquiries and agreed sales post the least negative readings in twelve months
- National house prices are still falling although downward momentum continues to ease
- New instructions indicator moves into positive territory for the first time since early 2022

The results of the May 2023 RICS UK Residential Survey continue to turn a little less downbeat, evidenced in particular by metrics on demand and sales returning their least negative readings in over a year. That said, the recent upward shift in interest rate expectations, prompted by disappointingly high consumer price inflation data, may place renewed pressure on the sales market in the months ahead.

Looking at demand, the headline net balance for new buyer enquiries came in at -18% in May. Although this is still indicative of a subdued trend in buyer demand, the latest reading is up from a net balance of -34% last time and represents the least negative return over the past twelve months. When viewed at the regional level, virtually all parts of the UK exhibit a less negative reading for new buyer enquiries when compared to the start of the year.

Meanwhile, the agreed sales indicator returned a net balance of -7% this month, noticeably less downbeat than figures of -29% and -18% seen back in March and April respectively. Similarly, the latest net balance for near-term sales expectations was recorded at -7%, representing the least pessimistic view from respondents since May 2022 (up from -17% in April). At the twelve-month time horizon, the sales expectations net balance stands at +2% (virtually unchanged from +3% previously) and is consistent with a generally steady sales outlook.

Interestingly, new instructions were reported to have risen by a net balance of +14% of survey participants during May. Consequently, this breaks a run of thirteen successive negative monthly readings beforehand, and marks the strongest reading for the new listings metric since March 2021. Alongside this, average stock levels on estate agents books have picked up slightly in recent months to stand at 38 properties, albeit



inventories remain low on a historical comparison (and still comfortably below the near 40 average seen over the past five years).

Turning to house prices, a net balance of -30% of respondents cited a further fall in national prices during May. Even so, this measure has now turned less negative in each of the past three reports, having hit a recent low of -46% in February. Within this, the disaggregated data is now showing some noteworthy variations in house price trends across different parts of the UK. In London for instance, the latest net balance of -3% is now pointing to a largely steady picture (up from readings of -42% and -11% in March and April). At the same time, respondents in both Scotland and Northern Ireland are seeing an uplift in house prices. At the other end of the spectrum, prices continue to fall in most other English regions, with the net balances across the East Midlands (-68%) and the South East (-48%) sitting most deeply in negative territory.

Looking ahead, the national house price expectations series (for the coming twelve months) now sits in broadly neutral territory, posting a net balance of just -3%. This is up from a reading of -16% last month and is now signalling that a much steadier picture for house prices is anticipated in a year's time. Within this, respondents foresee prices rising on a twelve-month perspective in Northern Ireland, Scotland, London, the North West and the South West (marginally). Away from these areas however, respondents see the outlook for prices as flat to modestly negative in most cases.

In the lettings market, a headline net balance of +44% of contributors saw an increase in tenant demand in May (part of the monthly non-seasonally adjusted lettings dataset). On the same basis, new landlord instructions were said to have fallen by a net balance of -23% of respondents.

Drilling further into the supply backdrop across the rental market, almost two-thirds of survey participants report seeing an increase in the number of buy-to-let landlords looking to sell their properties. Alongside this, a similar proportion report that there has been a decline the level of interest from new UK based buy-to-let investors over the past six months, while 30% also cite a decline in interest from overseas buy-to-let investors. With all of this contributing to the continued mismatch between rising demand and falling supply, rental prices are expected to rise by a net balance of +53% of respondents over the near term. Moreover, rental price growth is now expected to average just shy of 6% per annum over the course of the next five years.



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:

June survey: 13 July
July survey: 10 August

Number of responses to this month's survey:

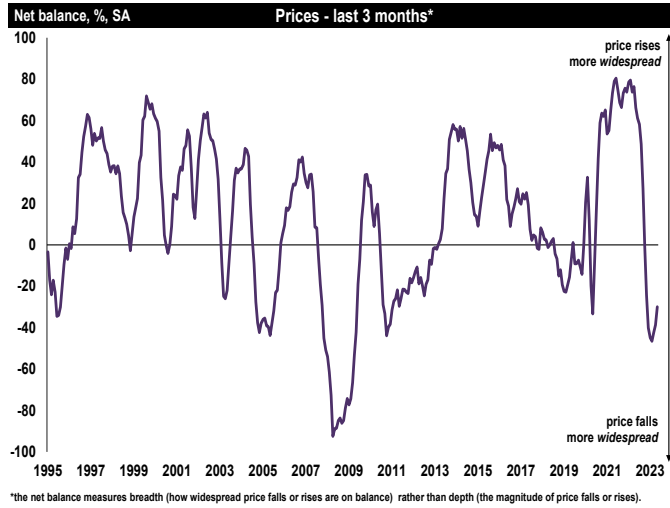
This survey sample covers 615 branches coming from 290 responses.

Disclaimer

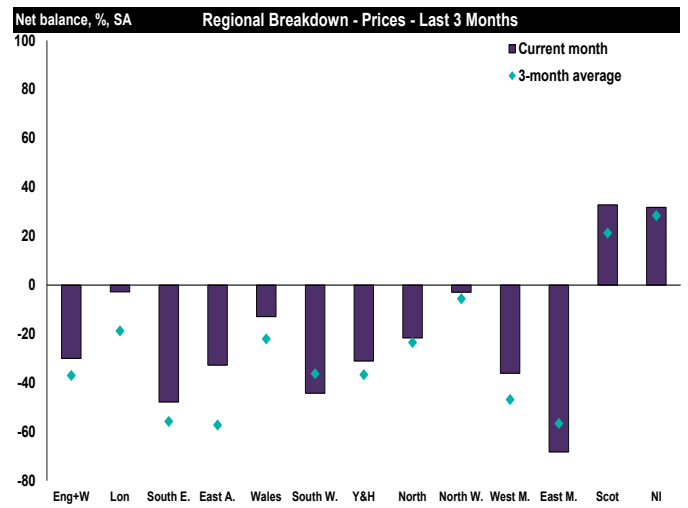
This document is intended as a means for debate and discussion and should not be relied on as legal or professional advice. Whilst every reasonable effort has been made to ensure the accuracy of the contents, no warranty is made with regard to that content. Data, information or any other material may 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

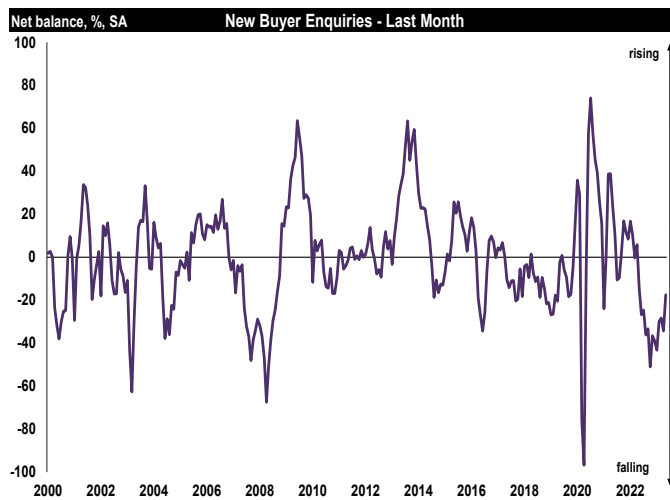
National Prices - Past three months



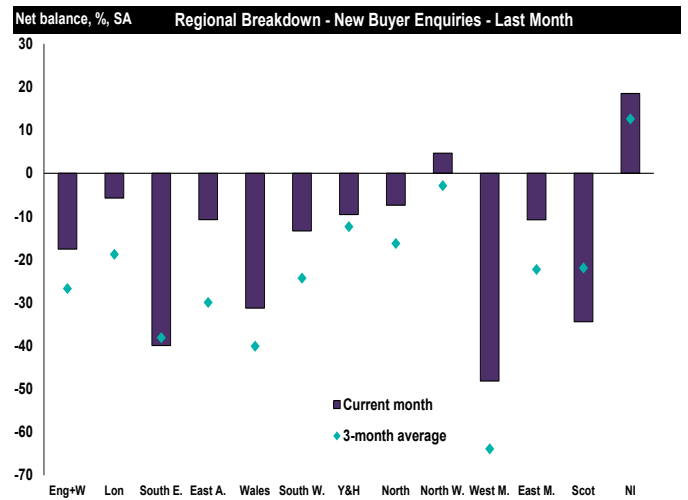
Regional Prices - Past three months



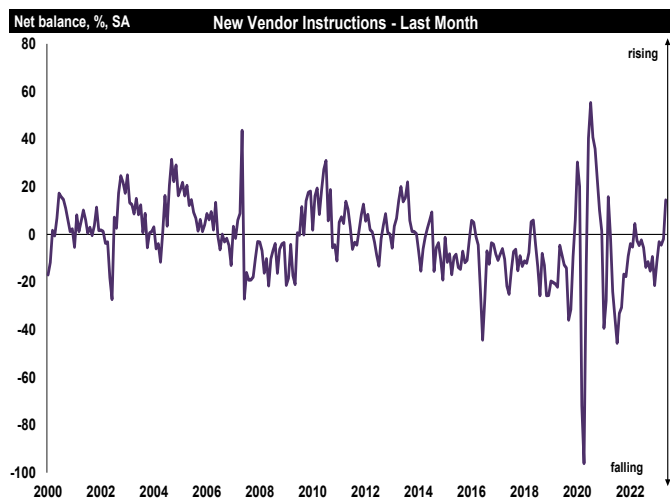
National Enquiries - Past month



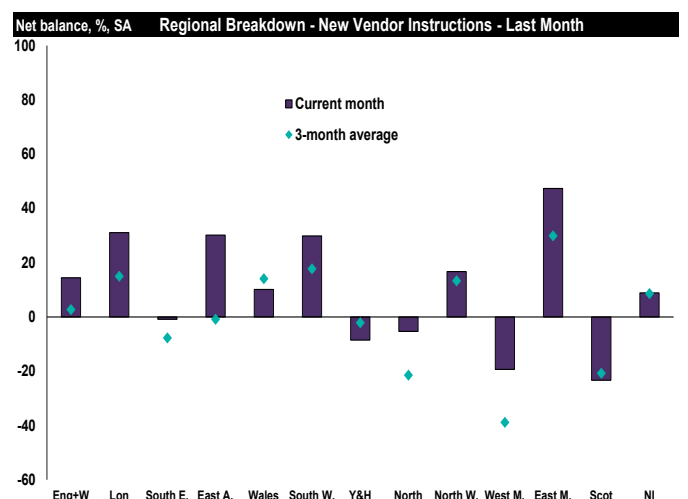
Regional New Buyer Enquiries - Past month



National New Vendor Instructions - Past month

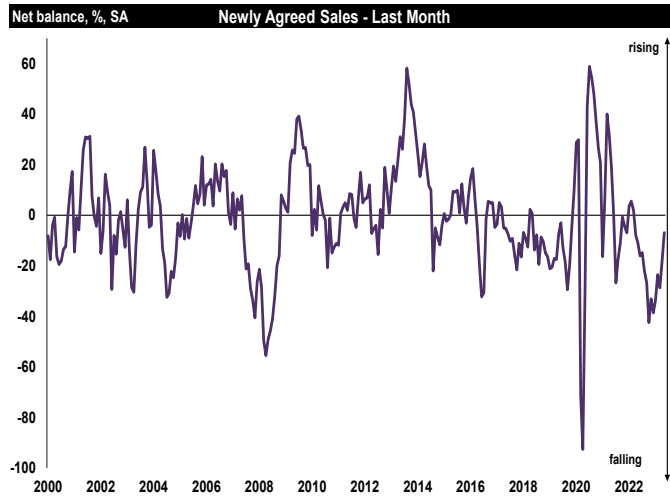


Regional New Vendor Instructions - Past month

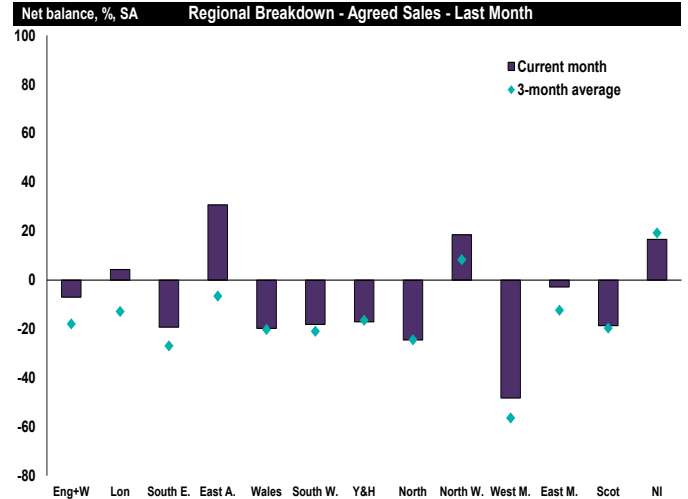


Sales market charts

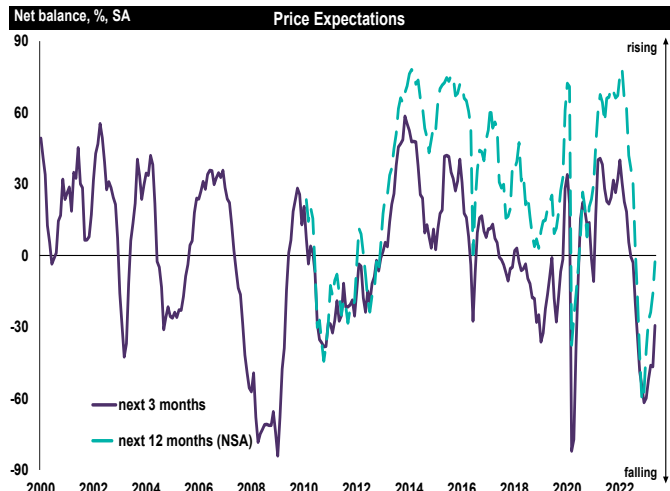
National Newly Agreed Sales - Past month



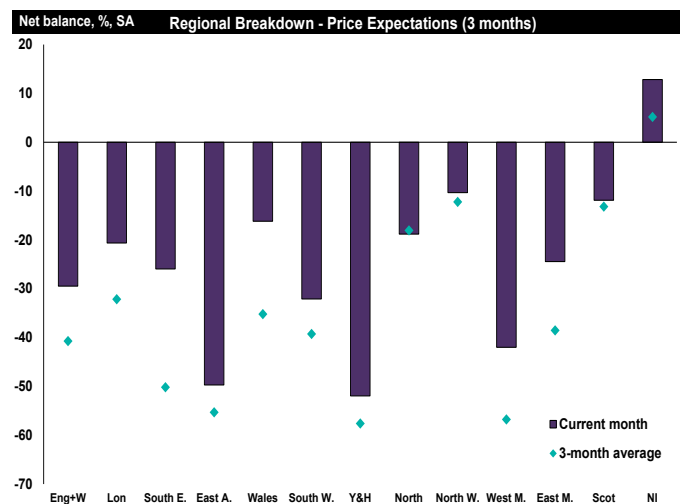
Regional Newly Agreed Sales - Past month



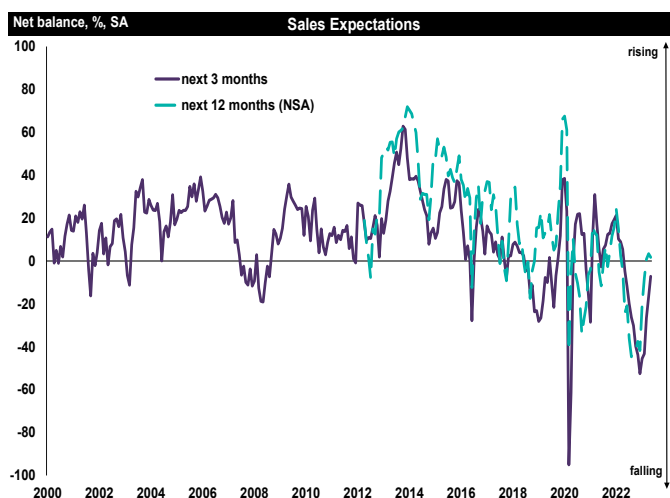
National Price Expectations - Three and twelve month expectations



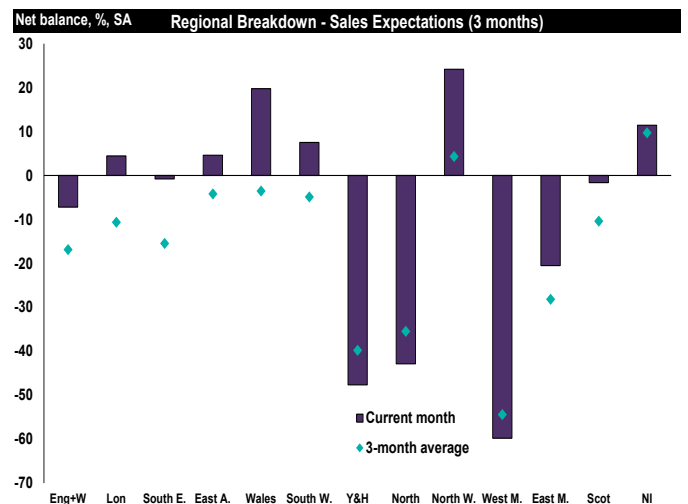
Regional Price Expectations - Next three months



National Sales Expectations - Three and twelve month expectations

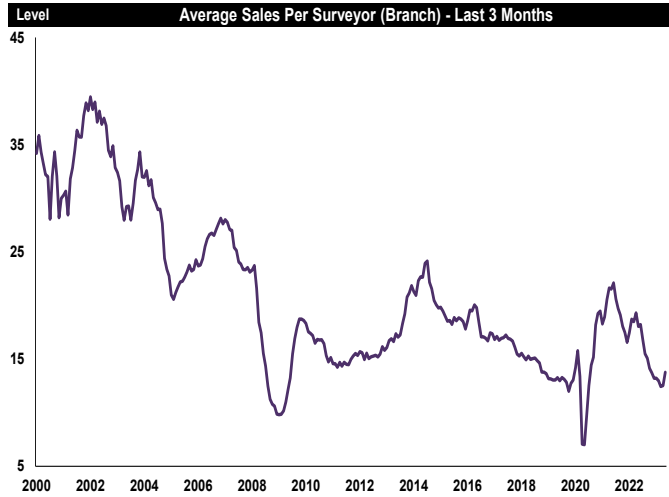


Regional Sales Expectations - Next three months

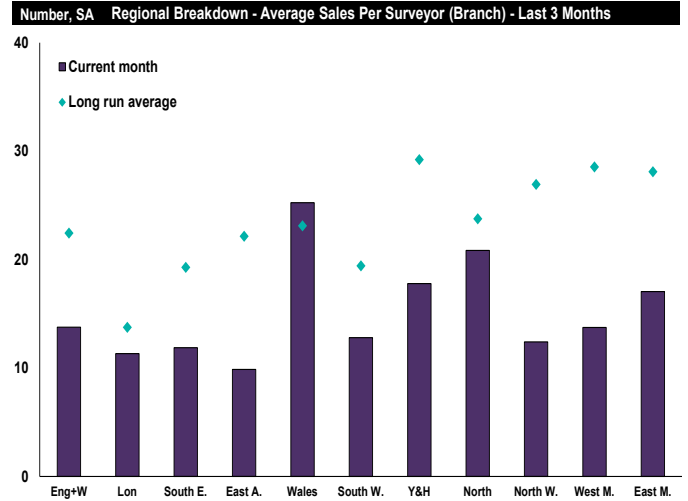


Sales market charts

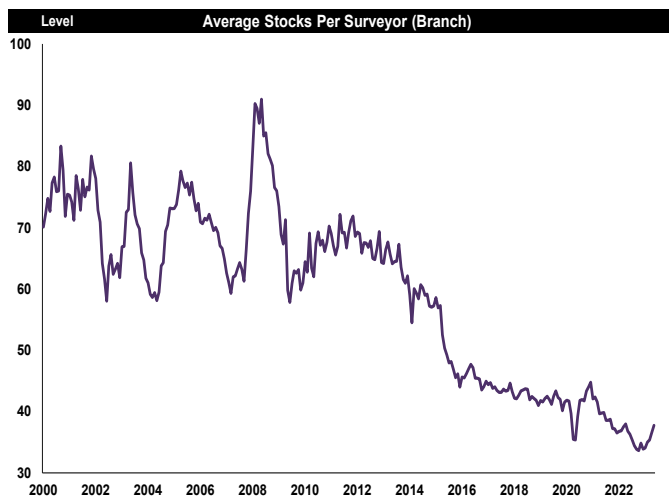
National Average Sales Per Surveyor - Past three months



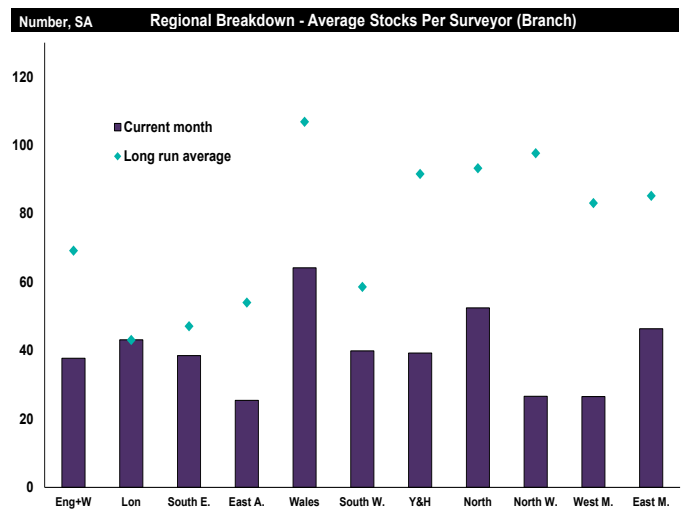
Regional Average Sales Per Surveyor - Past three months



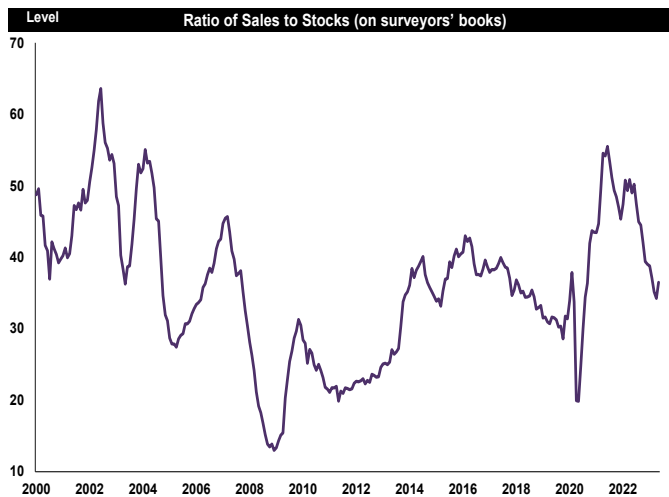
National Average Stocks Per Surveyor



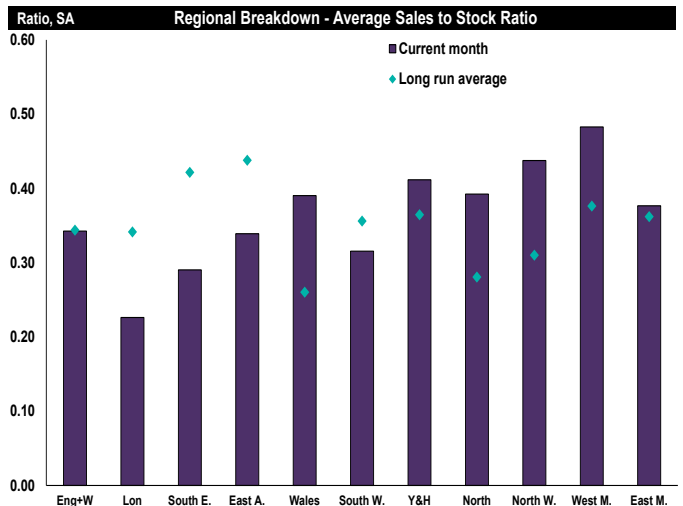
Regional Average Stock Per Surveyor



National Sales to Stock Ratio

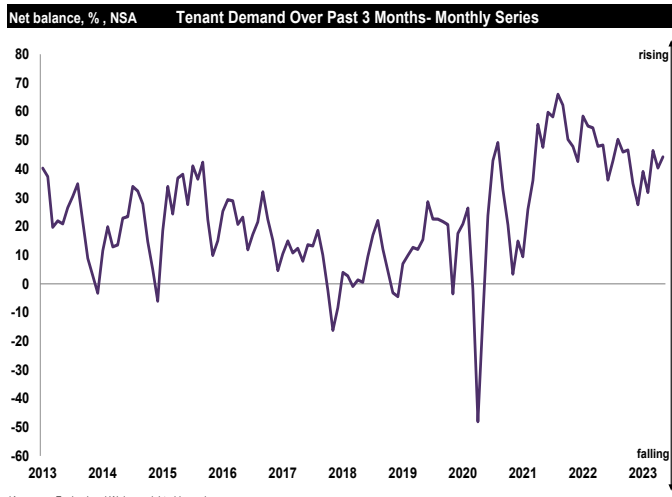


Regional Sales to Stock Ratio

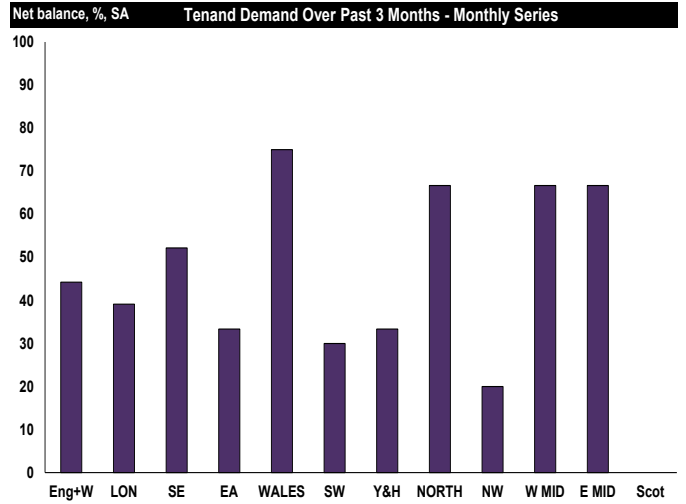


Lettings market charts

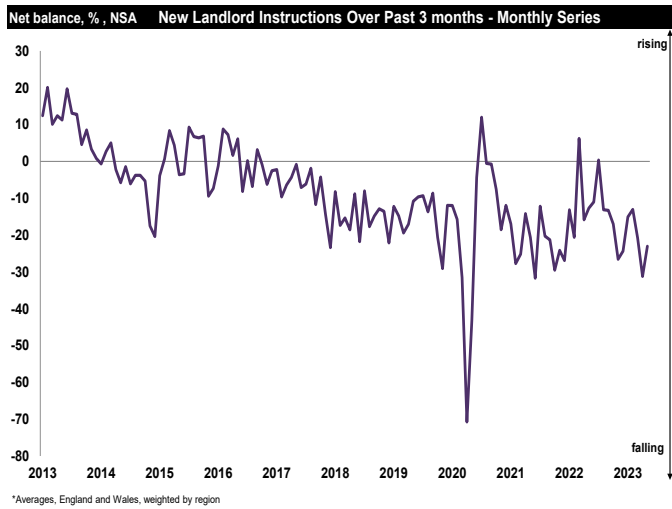
National Tenant Demand - Past three months



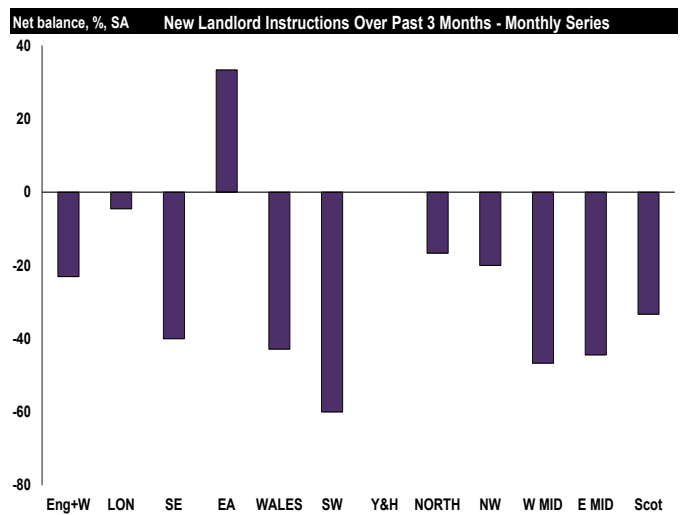
Regional Tenant Demand - Past three months



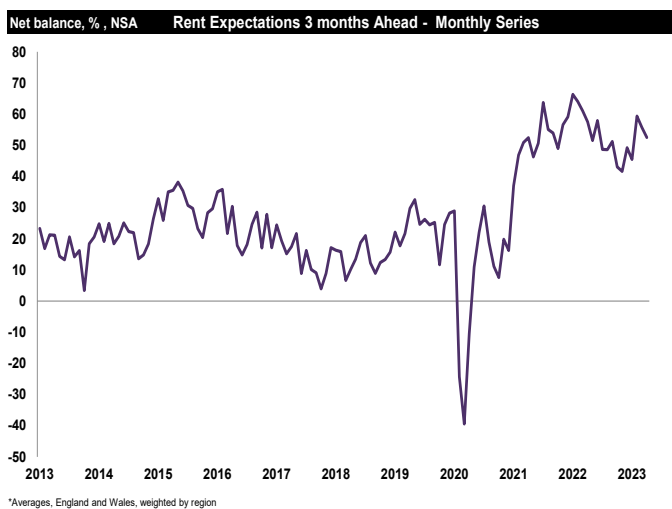
National New Landlord Instructions - Past three months



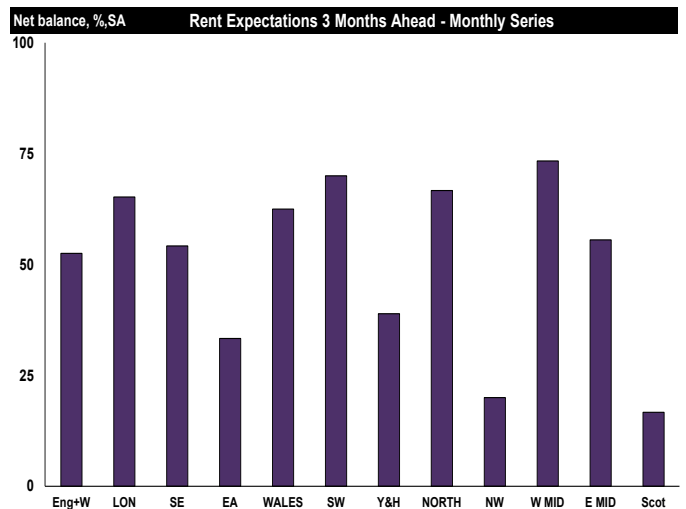
Regional New Landlord Instructions - Past three months



National Rent Expectations - Next three months

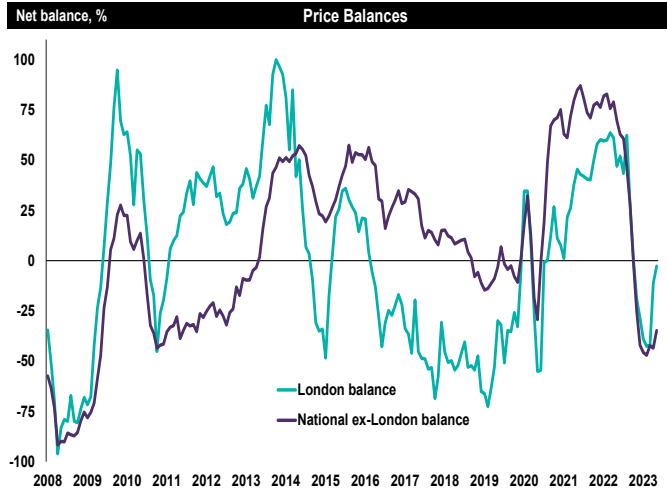


Regional Rent Expectations - Next three months

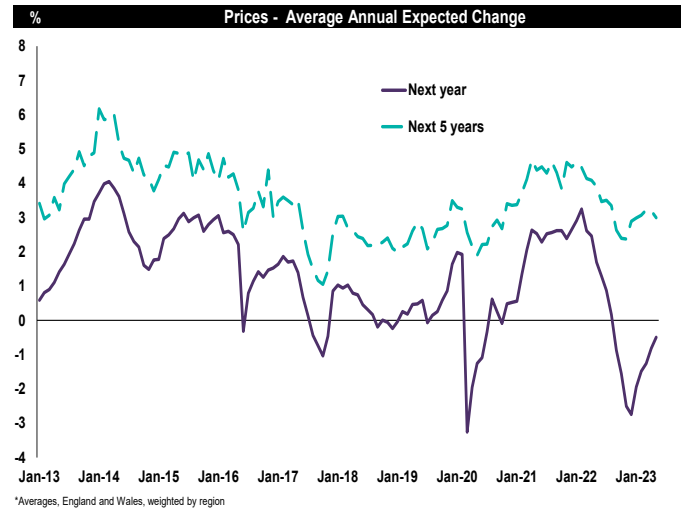


Expectations and other data

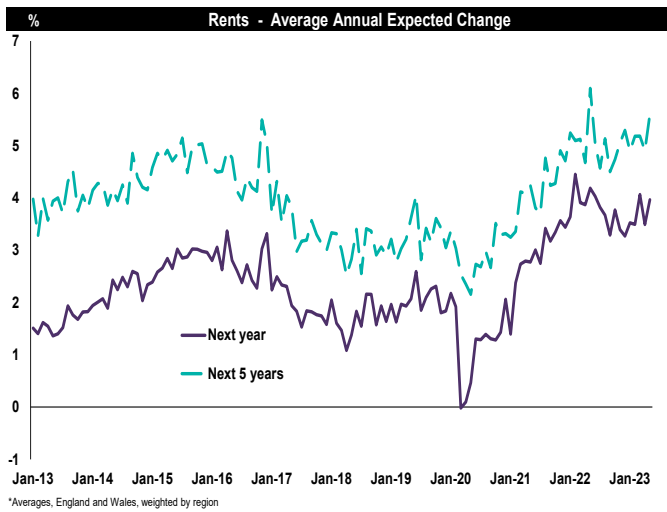
National Price Balance (excluding London) and London Price Balance - Past three months



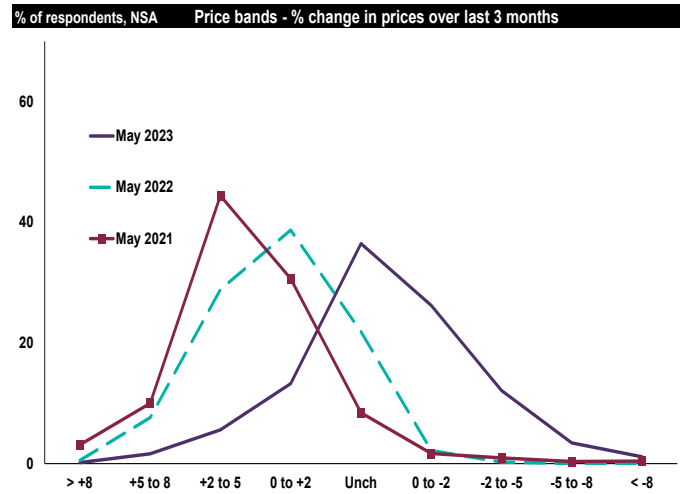
National Average Annual Expected Price Change (point estimate) - Next one and five years



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 - When compared to pre-pandemic levels, transaction volumes are still considerably higher, levels of sales are 25% up on 2019 figures.

Neil Foster, MRICS, Hadrian Property Partners, Hexham, neil@hadrianproperty.co.uk - The sales market over the last month resembles Wile E. Coyote in the Roadrunner Cartoon - sprinting in mid air and oblivious to the pending downforce of gravity. The cost of debt has subdued demand and, sadly, many estate agents are too willing to embrace vendors delusion on price.

Paul Mcskimmings, MRICS, Edward Watson Associates, Newcastle Upon Tyne, paul@edwardwatson-assoc.com - Busy month, although not as busy as the same time last year. Still good demand, but not as strong as in previous year, most property is taking longer to sell.

Shaun Brannen, AssocRICS, Brannen & Partners, Whitley Bay, shaun.brannen@brannen-partners.co.uk - Instructions, viewings, offers, and sales are all increasing.

Yorkshire & the Humber

Alex Mcneil, MRICS, Bramleys, Huddersfield, alex.mcneil@bramleys1.co.uk - Over valued houses now incurring extended marketing periods. More landlords seeking to exit the market. New house sales flattening. A transition is in progress.

Ben Hudson, MRICS, Hudson Moody, York, benhudson@hudson-moody.com - A more cautious market as interest rate rises impact buyers ability to borrow. Still a good level of interest from people wanting to proceed with buying and selling however, prices need to be more sensible to achieve sales.

Bruce Collinson, FRICS, Adair Paxton, Otley, bruce.collinson@me.com - There were signs of quietening down in mid-April and this has continued in May. Landlords continue to exit the market, but first time buyers are less able to mop up their sales as interest rates rise. It might be a long summer.

James Brown, MRICS, Norman F Brown, Richmond, james@normanfbrown.co.uk - The market continues to remain subdued.

James Watts, MRICS, Robert Watts Estate Agents, Bradford, jameswatts@robertwatts.co.uk - The lower to middle end of the market is proving remarkably resilient with active listings, viewings, and offers. However, the higher end of the market is much tougher and offers and sales are much lower. Sales transaction times seem to be increasing, so cashflow is getting much tighter.

Kenneth Bird, MRICS, Renton & Parr, Wetherby, ken@rentonandparr.co.uk - Disrupted month with bank holidays and half-term, coupled with interest rates rising has led to a dip in new instructions and rise in fall throughs.

Mark Hunter, MRICS, Grice And Hunter, Doncaster, griceandhunter@btconnect.com - Rather surprisingly, and at variance with some reports, there has been an increase in meaningful activity.

Simon Kayman, MRICS, Real Estate Sales And Lettings Uk, Leeds, Simon@resaluk.cm - We believe that we will start seeing more repossession. The evidence is already there in the courts that repossession will happen. Less buyers and more property being reduced is a sign of not an overly strong market.

North West

Amin Mohammed, , Le Baron Haussmann, Greater Manchester, aminm7@gmail.com - As a by-product of inflation from debt based economies, we will see linear price increases everywhere.

Brian John Boys, MRICS, B&E Boys Limited, Waterfoot Rossendale, john.boys@beboys.co.uk - We believe that there is still a lot of interest, but there is a noticeable reduction in visits to what is a popular site location. Until the economy steadies, this year may well be slow in terms of processing sales.

David Champion, MRICS & Registered valuer, Champsurv, Blackpool, championdavid@gmail.com - Demand for houses is generally strong, but prices are more negotiable now.

John Williams, FRICS, Brennan Ayre O'Neill Llp, Wirral, john@b-a-o.com - The increase in activity levels seen in April continued into May, although any new interest rate rises may test market resilience.

Lawrence Copeland, FRICS, Elbonmill Limited T/A Lawrence Copeland, Manchester, lawrence@lawrencecopeland.com - Having just started to see an improvement in the sales of buildings affected by the cladding issues, as the six big UK banks being prepared to provide mortgages (assuming the cladding is either covered by the building safety fund or the original developer) , the building safety act is now causing issues.

Martin Davies, MRICS, Countrywide Surveying Services, Cheshire, martin.davies@cwsurveyors.co.uk - House prices seem to be holding up despite a challenging economic climate. Demand is still outstripping supply so houses are still generally selling quickly after coming on the market. However, purchasers are more cautious on price.

Robert Keith Dalrymple, FRICS, Keith Dalrymple Chartered Surveyor, Isle of Man, Keith.dalrymple@outlook.com - Interest rates, mortgage availability, and general economic uncertainty is adversely affecting the property market. The preponderance of negative, alarmist reporting in all media, which is largely speculation based on minimal factual evidence and often politically motivated and biased, is damaging.

East Midlands

David Hawke, FRICS, Davidhawke/Anewton Fallowell, Worksop, enquiries@davidhawke.co.uk - News and media comments continue to depress this market.

Peter Buckingham, , Andrew Granger & Co, Market Harborough, peter.buckingham@andrewgranger.co.uk - A very positive market, refreshed by a good number of desirable new instructions. Buyers are however very price conscious, and hence realistic pricing is essential for success.

Stephen Gadsby, FRICS, Gadsby Nichols, Derby, stevegadsby@gadsbynichols.co.uk - Signs of more stability in the market, although only properties realistically priced are selling.

Tom Wilson, MRICS, King West, Stamford, twilson@kingwest.co.uk - There appears to be some stability returning, so far as both Buyers and Sellers are accepting the return of more "normal" market behaviour. Whilst post pandemic enthusiasm has gone, there are deals to do.

West Midlands

Alex Smith, FRICS, Alex Smith & Company, Birmingham, alex@alex-smith.co.uk - Mortgage uncertainty, increases in interest rates, and cost of living is not helping to kick start property market.

Andrew Oulsnam, MRICS, Oulsnam, Birmingham, andrew@oulznam.net - After a somewhat subdued April and early May the property market has burst into life with increased viewings, sales and, new instructions. Valuations remain low, but we are converting at a much higher percentage.

Colin Townsend, MRICS, John Goodwin, Malvern, colin@johngoodwin.co.uk - A steady month, but perhaps a little more subdued compared to the first four months of 2023. Sales are holding up well though.

Jason Coombes, AssocRICS & RICS Registered Valuer, Cottons Chartered Surveyors, Birmingham, jcoombes@cottons.co.uk -

John Andrews, FRICS, Doolittle & Dalley Holdings Ltd, Bridgnorth, johnandrews@doolittle-dalley.co.uk - Sale prices being maintained for properties realistically priced and correctly marketed. Buyers are cautious, but still prepared to commit.

John Andrews, FRICS, Doolittle & Dalley Holdings Ltd, Kidderminster, johnandrews@doolittle-dalley.co.uk - Despite interest rate increases, property is still selling at realistic prices although some sectors slower than others.

John Shepherd, Shepherd Vine, Solihull, john@shepman.co.uk - Increase in unproceedable viewers.

Mark Killeen, AssocRICS, Coventry, k11l33n44@hotmail.com - Interest rates continue to affect affordability for people, the cost in buying or moving home is continuing to increase. This is along with all the cost of living increases and uncertainty in markets. The outlook in my opinion, is the interest rate rises will be a delayed pain for many homeowners.

Richard Franklin, MRICS, Franklin Gallimore, Tenbury Wells, richard@franklingallimore.co.uk - Interest rate rises and on going Government mis-management causing concern amongst buyers and general number of applicants for good stock is disappointing. Denial amongst many that market is not where it was last summer is not helpful.

East Anglia

David Boyden, MRICS, Boydens Ltd, Colchester, david.boyden@boydens.co.uk - The last three weeks have seen a much needed increase in activity, hopefully this will be followed with offers. Very different views on values between agents, vendors, and buyers.

Kevin Burt-Gray, MRICS, Pocock & Shaw, Cambridge, kevin@pocock.co.uk - Market activity has increased after a slow pre-Easter period, with many city properties going to best and final offers again. Uncertain if this uplift in activity will continue further into the year, taking likely interest rate hikes into account.

Mark Wood, MRICS, Blues Property Ltd, Cambridge, mark@bluesproperty.com - Mid-market city properties still attract interest, village market slower than the city with the top end of the market really struggling.

Rob Swiney, MRICS, Lacy Scott And Knight, Bury St Edmunds, rswiney@lsk.co.uk - Market is still sluggish, the right things are still selling, but new instructions are few and far between.

South East

Christopher Clark, FRICS, Ely Langley Greig, Eastleigh, chrisclark@elgsurveyors.co.uk - Market remains difficult. Sales periods are lengthening and asking prices are starting to be reduced.

Edward Rook, MRICS, Knight Frank, Sevenoaks, edward.rook@knightfrank.com - The market can absorb 4.5% interest rates, but probably not much more.

James Farrance, MNAEA, FARLA, Braxton, Maidenhead, jfarrance@braxtons.co.uk - The sales market for houses goes from strength to strength, mainly fuelled by a lack of houses to keep up with demand. The apartment market is slightly softer, but demand is being driven by FTB's moving out from rentals and purchasing.

James Goodman, Green & Co, Wantage, james.goodman@greenand.co.uk - May has brought some encouraging signs for those who really need to sell and those who really want to buy.

Mr John Frost, MRICS, The Frost Partnership, Amersham, jf.beaconsfield@frostsurveyors.co.uk - As expected at this time of year there is more stock coming to the market, but pricing is now essential as buyers are being more cautious.

Mr John Frost, MRICS, The Frost Partnership, Ashford, jf.beaconsfield@frostsurveyors.co.uk - Good instruction month for April, followed by a good sales month for May. Buyers happy to purchase, mortgage rates seem stable, although cost of living still a factor. Higher end properties are harder to shift, flats getting more interest, although due to recent legislation certain blocks are difficult to sell.

Mr John Frost, MRICS, The Frost Partnership, Beaconsfield, jf.beaconsfield@frostsurveyors.co.uk - Plenty of stock available, but pricing realistically is essential to encourage viewings.

Mr John Frost, MRICS, The Frost Partnership, Burnham, jf.beaconsfield@frostsurveyors.co.uk - We are seeing more properties come to the market place, but buyers are very cautious due to the ongoing increase in interest rates.

Mr John Frost, MRICS, The Frost Partnership, Chalfont St Peter, jf.beaconsfield@frostsurveyors.co.uk - Very cautious and price sensitive buyers, and sellers who are realistic to market conditions are achieving sales.

Mr John Frost, MRICS, The Frost Partnership, Langley, jf.beaconsfield@frostsurveyors.co.uk - Asking prices need to be more realistic, adjusting to a new market place caused by increased interest rate rises by the Bank of England. Buyers are being more cautious and having difficulty with affordability due to current economic factors.

Mr John Frost, MRICS, The Frost Partnership, Slough, jf.beaconsfield@frostsurveyors.co.uk - Continued increasing base rate, issues with high storey buildings/fire regulations, difficulties in obtaining mortgages, and the cost of living crisis has affected the confidence in the market place. We have seen a lack of new instructions come onto the market, especially family homes.

Paul Loveridge, FRICS, The Frost Partnership, Reading, loveridges@ntlworld.com - Markets should be left to settle over the next 12 months, before any decisions are made that might have an effect on the market.

Paul Lynch, AssocRICS, Romans, Guildford, plynch@romans.co.uk - Valuations and instructions increased this month, more choice for buyers combined with interest rate rises placing more downward price pressure on unsold stock.

Perry Stock, FRICS, Perry Stock Frics, Guildford, perry@perrystock.co.uk - A quieter market with less Financial motivation to engage in 'Property Trading'.

Tim Green, MRICS, Green & Co.(Oxford) Ltd, South Oxfordshire, tim.green@greenand.co.uk - The spring market has still not arrived. The potential peak in Band of England base rate could still potentially be ahead rather than behind us and reducing inflation figures are still awaited.

Trevor Brown, FRICS, Trevor Brown Surveyors Ltd, Southend-On-Sea, tbrownsurveyors@btinternet.com - These are the best sales months of the year and prices appear to have stabilised, but I consider this to be short-term and expect values to drop further in the latter part of the year. Transactions are brittle and we are experiencing repeat surveys for the same clients as previous sales fall through.

South West

Graham Thorne, FRICS, Thornes, East Dorset, graham@thornes.org.uk - The general market remains strong and the shortage of properties available continues to grow.

James Wilson, MRICS, Jackson-Stops, Shaftersbury, james.wilson@jackson-stops.co.uk - More instructions coming to the market, buyers remain cautious.

Jeff Cole, MRICS, Cole Rayment & White, Wadebridge, jeff.cole@crw.co.uk - A very positive May for both new instructions and agreed sales. Hopefully, despite the interest rate rise this will continue as we move forward. Perhaps the lovely Spring sunshine is helping.

John Corben, FRICS FCABE, Corbens, Swanage, john@corbens.co.uk - Interest in viewings has picked up over recent weeks, although most applicants are dependent upon selling. The main concern is over the increase in interest rates and the likelihood that they will be above 5% in the near future.

Mark Lewis, FRICS, Symonds & Sampson, Sturminster Newton, mlewis@symondsandsampson.co.uk - It is a strange market. New stock is attracting fewer people, but those who view are serious and sales are being agreed. If there is land and buildings multiple bids may be made.

Oliver Miles Frics Registered Valuer, FRICS, Oliver Miles, Swanage, olivermiles@olivermiles.co.uk - Increase in market appraisals and new instructions, but enquiries much slower and offers are below asking prices.

Peter Olivey, MRICS, Cole Rayment and White, Padstow, peter.olivey@crw.co.uk - The last 2 months has seen a significantly higher level of sales, following a better level of instructions. It is concerning that the number of mortgage products has reduced, the next 3/4 weeks will be crucial in shaping the public's perception of the housing market.

Richard Addington, MRICS, Jackson-Stops, Devon, richard.addington@jackson-stops.co.uk - Prices have probably already fallen, but vendors are yet to accept that reality and it may take some time before sufficient evidence is available to establish a trend.

Robert Cooney, FRICS, Robert Cooney Chartered Surveyors & Estate Agents, Taunton, robert@robertcooney.co.uk - The market here remains fairly subdued - buyers are still out there and will commit at the right level, but transactions are now taking longer to progress to completion than in recent years. Price reductions key to keeping momentum going on sales.

Roger Punch, FRICS, Marchand Petit, South Devon, roger.punch@marchandpetit.co.uk - Caution continues, but sales levels remain steady. The majority reliant on adjusted expectations and realisation that this now is definitely a buyer's market.

Sam Trounson, MRICS, Strutt & Parker, Cirencester, sam.trounson@struttandparker.com - We still have more buyers than sellers.

Simon Cooper, FRICS, Stags, , s.cooper@stags.co.uk - We are in a period of price readjustment with a lesser number of proceedable buyers and those who are looking to buy are sensitive to price. A greater level of properties to buy is likely to increase the turnover of sales so long as priced sensibly.

Simon Milledge, MRICS, Jackson-Stops, Blandford Forum, simon.milledge@jackson-stops.co.uk - A slow down in sales has caused stock levels to build, buyers are being ultra cautious given continued uncertainty over interest rates. To attract buyers, sellers are being sensible over pricing and there is plenty of price reducing.

Wales

Andrew Peter Gregory, MRICS, The Letting Station (Cardiff) Limited, Cardiff, andrew@thelettingstation.co.uk - The market is currently stifled by interest rates 'not in price, but in people holding off'.

Anthony Filice, FRICS, Kelvin Francis Ltd., Cardiff, tony@kelvinfrancis.com - Increasing numbers of properties are coming onto the market. Vendors who accept advice on values are selling, but with the market now in favour of buyers, there is more choice and some are taking longer to offer as a result.

David James, FRICS, James Dean, Brecon, david@jamesdean.co.uk - Two different markets in this area. Busy with sales up to £500,000, much quieter for the larger properties.

Melfyn Williams, MRICS, Williams and Goodwin - The Property People Ltd, Llangefni, mel@tppuk.com - Property market continues to tick over as we move into summer period. Auctions remain popular with good success rates and prices achieved in excess of guides. The right property, in the right location, at the right price is selling well.

Paul Lucas, FRICS, R.K.Lucas & Son, Haverfordwest, paul@rklucas.co.uk - The middle market remains buoyant. Higher priced properties are proving slow to sell.

Tim Goodwin, AssocRICS, Williams & Goodwin The Property People, Bangor, tim@tppuk.com - The market is returning to normal activity levels in this area, after all the post covid activity.

London

Alec Harragin, Savills PLC, London, aharragin@savills.com - Whilst underlying demand and activity in the prime London market has remained buoyant, economic headwinds continue to apply pressure on prices as lending rates fluctuate. This is particularly evident in London's mortgage dependant domestic markets.

Allan Fuller, FRICS, Allan Fuller Estate Agents, Putney, allan@allanfuller.co.uk - Vendors are needing to be realistic; we are creating sales provided the pricing is competitive. May has been a successful month for us with a greater number of agreed sales than in May last year.

Ashley Osborne, MRICS, Myproptech, London, ashley.osborne@myproptech.com - We have experienced a marked increase in investor activity in the following areas - large investors looking to acquire whole blocks and international investors looking for opportunities in London & SE.

Barry Bhalla, MRICS, Dip HI, CEA, Acrewoods Chartered Surveyors, Heathrow and West London, enquiries@acrewoods.com - We are seeing examples of over pricing of properties for sale by local agents. Many unregulated firms also seem to be encouraging contract races. Multi-chain estate agents seem to be over pricing the most.

Christopher Ames, MRICS, Ames Belgravia, London, ca@amesbelgravia.co.uk - Houses with gardens seasonally in demand over flats. Demand from the USA has picked up recently.

David Conway, FRICS, David Conway & Co Ltd, South Harrow, davidhconway@gmail.com - Interest rates should drop in few months, which would stimulate the market.

Guy Mattinson, MRICS surveyor and valuer, Albright Surveyors, , guy@albrightsurveyors.co.uk - There seems to be more negotiation on smaller properties. Properties over £1 million are obtaining their asking prices.

James Perris, MRICS, De Villiers, London, james.perris@devilliers-surveyors.co.uk - The sales market remains fairly robust with most agents reporting fairly good activity levels. Small flats are proving more difficult to sell, with a lack of first time buyers and buy to let investors. The BoFE must resist further interest rate rises, or the property market will really struggle.

Jeremy Leaf, FRICS, Jeremy Leaf & Co, Finchley, jeremy@jeremyleaf.co.uk - Buyers are increasingly recognising that they do not need to rush into decision-making given the reduction in competition for the limited number of new properties becoming available. However, pent up demand still needs to be satisfied so some serious negotiations with sellers are under way.

John King, FRICS, Andrew Scott Robertson, Merton L.B., jking@as-r.co.uk - The rise in interest rates is showing few signs of any distress sales. The spring market has come a little late, but with appraisals up and vendors being more positive about selling is beginning to attract more enquires with viewings figures up.

John King, FRICS, Andrew Scott Robertson, Wimbledon, jking@as-r.co.uk - The number of off market instructions is growing, resulting in activity levels and viewings proving as successful. Family homes between £1-£2m are proving the most popular, with best bids attracting above guide prices.

Robert Green, MRICS, John D Wood & Co., Chelsea, rgreen@johndwood.co.uk - There is a lack of urgency in the market, with negotiations taking time. Buyers are cautious, often needing the reassurance of another buyer for a property, and will then pay good prices. We are seeing tenants deciding to buy, due to increasing rents, or a lack of suitable property to rent.

Rupert Merrison, MRICS, Dexters, London, rupertmerrison@dexters.co.uk - Number of unsold houses includes 2998 under offer. We are seeing plenty of activity as we head into the summer. The market is more price sensitive, but buyers are still jumping in where they see good value, good location or a combination of the two.

William Delaney, AssocRICS, Coopers of London Limited, London, william@coopersonlondon.co.uk - Agreed sales are in some cases, at a significant discount below the asking price. If interest rates and inflation fall significantly in Q3 and Q4 of 2023, it may support a recovery in transaction levels and stabilize prices. However, confidence remains very fragile.

Scotland

Gordon Gibb, MRICS, Allied Surveyors Scotland, Aberdeenshire, gordon.gibb@alliedsurveyorsscotland.com - Landlords continue to be affected by legislation regarding buy to let properties and ADS. This has caused a deterioration in the market for 1 and 2 bedroom flats, which are very difficult to sell, even though the rental market in Aberdeen is improving.

Grant Robertson, FRICS, Allied Surveyors Scotland Plc, Glasgow, grant.robertson@alliedsurveyorsscotland.com - Against the continuing low levels of stock, the rise in interest rates has not unduly affected the level of values being achieved with strong closing dates. The other factor now being seen is a rise in the value of ex-rental stock being sold.

Ian Morton, MRICS, Bradburne & Co, St Andrews, info@bradburne.co.uk - The market has stagnated earlier than the usual summer holiday slow down and sale prices are closer to Home Report figures.

Marion Currie, AssocRICS, RICS Registered Valuer, Galbraith, Castle Douglas, marion.currie@galbraithgroup.com - Buyer interest and new stock launches are on their normal early summer upwards trend.

Thomas Baird, MRICS, Select Surveyors, Glasgow, thomas.baird@selectsurveyors.co.uk - Whilst there is a clear slowdown in the Scottish residential market, we have seen some uplift in the number of home report instructions and perhaps signs of a bounce back.

Northern Ireland

D A Mc Leron, FRICS, D A McLernon Ltd., Omagh, damlernon@gmail.com - Property values are steady, although little or no growth. Enquiries are buoyant, due to lack of stock. Demand still greater than current supply.

Kirby O'Connor, AssocRICS, GOC Estate Agents, Belfast, kirby@gocestateagents.com - The sales market is strong and we are finding lack of stock which leads to bidding. Desire for investments has grown, parents looking for kids etc.

Nicola Kirkpatrick, FRICS, Simon Brien Residential, Belfast, ntann@simonbrien.com - We continue to see high demand from both first time buyers and home movers wanting to expand the family, which is maintaining prices in East Belfast.

Samuel Dickey, MRICS, Simon Brien Residential, Belfast, sdickey@simonbrien.com - The demand for the sales market continues to increase, despite the increase in interest rates.

Surveyor comments - lettings

North

Keith Pattinson, FRICS, Keith Pattinson Ltd, , Keith.pattinson@pattinson.co.uk - Landlords are starting to become frustrated by increasing regulations and in some instances are starting to sell properties which is resulting in a drop in supply of properties. This reduced supply, with continuous demand has resulted in rent increases.

Neil Foster, MRICS, Hadrian Property Partners, Hexham, neil@hadrianproperty.co.uk - In a word, broken! Government has been turning the screw on the PRS for years and recent media whispers of crisis are too little too late. It is a long road back from here to any chance of equilibrium between rental stock and demand. Inevitably, rents will continue to rise.

Shaun Brannen, AssocRICS, Brannen & Partners, Whitley Bay, shaun.brannen@brannen-partners.co.uk - Instructions have increased, though there is still a massive shortage of suitable homes to rent available.

Simon Brown, MRICS, Browns Estate Agency, Teesside, simon.brown@brownsestateagency.co.uk - Taxation and interest rises are significantly impacting the lettings market, with landlords being hard hit and with no institutional PRS at all in our area. I am very concerned about the future of the housing crisis in our region.

Yorkshire & the Humber

Alex Mcneil, MRICS, Bramleys, Huddersfield, alex.mcneil@bramleys1.co.uk - Rents just keep increasing. The next thing to cover their mess the Government will be talking Scottish style rent freezes.

Ben Hudson, MRICS, Hudson Moody, York, benhudson@hudson-moody.com - Shortage of rental stock is still driving up rents, as some landlords look to exit with the proposed changes to the rental system.

David Martindale, MRICS, Property Letting, Wakefield, david.martindale@fslresidential.com - Demand continues to be very strong. Rents are continuing to rise.

Simon Kayman, MRICS, Real Estate Sales And Lettings Uk, Leeds, Simon@resaluk.cm - We are still getting more lettings enquiries from tenants. Tenants are struggling to rent if they have a pet. Rentals prices are also high.

North West

JJ Clayton, FRICS, JPA Surveyors And Valuers, Lytham, jonathan@jpasurveyors.co.uk - Demand still exceeds supply, landlords with 2 or 3 properties are selling up. Many are now subsidising as the rental income in some cases is less than the mortgage repayments.

Lawrence Copeland, FRICS, Elbonmill Limited T/A Lawrence Copeland, Manchester, lawrence@lawrencecopeland.com - Lack of information on the mechanics of the rent reform act. All landlords want to know is how they can get their tenants out and the timescale.

East Midlands

John Chappell, MRICS, Chappell & Co Surveyors Ltd, Skegness, john@chappellandcosurveyors.co.uk - The decline in Landlord numbers continues and the uncertainty over Michael Gove's potential reforms is not helping. In principle, a ban on no-fault evictions is a good step, but Landlords need to know they can get possession for arrears.

Peter Buckingham, , Andrew Granger & Co, Market Harborough, peter.buckingham@andrewgranger.co.uk - Some smaller investors are leaving the market, but larger investors are increasing their portfolio. Properties are letting quickly in the main.

West Midlands

Andrew Oulsnam, MRICS, Oulsnam, Birmingham, andrew@oulsnam.net - The rental market continues to boom, there are far more tenants looking than there are properties to let and rents continue to rise as a result. Stock levels remain static and landlords are selling up.

Colin Townsend, MRICS, John Goodwin, Malvern, colin@johngoodwin.co.uk - Another strong month for demand from potential tenants, but the concerns over the lack of new instructions and the continuing trend of landlords selling up remains the real worry.

Dean Taylor, MRICS, Fishers, Birmingham, dean@fishers.co.uk - The situation remains the same, with lack of supply causing high tenant demand. We do not see this changing any time soon.

Jason Coombes, AssocRICS & RICS Registered Valuer, Cottons Chartered Surveyors, Birmingham, jcoombes@cottons.co.uk - Fear and lack of leadership from this government has further eroded confidence in the viability of this sector. Whilst we try to calm landlord clients, social and mainstream media fuel the panic caused by wave after wave of destructive legislation.

John Andrews, FRICS, Doolittle & Dalley Holdings Ltd, Bridgnorth, johnandrews@doolittle-dalley.co.uk - Demand still outstrips supply and many landlords nervous of re-letting in light of legislation likely to affect the rental sector and are now considering selling up.

John Andrews, FRICS, Doolittle & Dalley Holdings Ltd, Kidderminster, johnandrews@doolittle-dalley.co.uk - Demand outstrips supply and rents are still rising, driven by inflation and less property available to let. Some landlords are nervous of new legislation affecting rental sector.

John Shepherd, , Shepherd Vine, Solihull, john@shepman.co.uk - Legislation is having a dramatic affect on Landlords attitude to continue with there investment.

Richard Franklin, MRICS, Franklin Gallimore, Tenbury Wells, richard@franklingallimore.co.uk - Very strong demand for rural properties, with over 25 applicants per property not unusual. The Rent Reform Bill causing BTL landlords to re-assess, causing supply to dry-up and rents to increase. More formal notices being served than in recent history, which does not bode well.

East Anglia

David Boyden, MRICS, Boydens Ltd, Colchester, david.boyden@boydens.co.uk - Continued worry within the industry with the looming Renters Reform Bill already having an impact on landlords exiting the market.

Kevin Burt-Gray, MRICS, Pocock & Shaw, Cambridge, kevin@pocock.co.uk - Acute shortage of stock prevails, with most properties attracting multiple rental applications within days of going to market.

South East

David Porter, MRICS, Knight Property Management, Hertford, david@knightpm.co.uk - Demand continues to outstrip supply. More evidence, if any were needed, that the government's misguided anti-landlord policies will only hurt tenants in the long run.

James, AssocRICS, Hove, jamesduffy81@googlemail.com - Due to lack of supply, rents will continue to rise. Landlords are objecting to having their assets controlled by central government, along with all the risk and costs. Mortgage rates for BTL landlords are very high.

James Farrance, MNAEA, FARLA, Braxton, Maidenhead, jfarance@braxtons.co.uk - Rental market has levels of demand not experienced in over 25 years. This is fuelled by long term government meddling in the market deterring new landlord investment in the rental market. Unprecedented immigration levels continue the population explosion causing massive upward pressure on rents.

Mr John Frost, MRICS, The Frost Partnership, Burnham, jf.beaconsfield@frostsurveyors.co.uk - No change – limited stock and plenty of demand.

Mr John Frost, MRICS, The Frost Partnership, Chalfont St Peter, jf.beaconsfield@frostsurveyors.co.uk - Limited stock and prices rising.

Mr John Frost, MRICS, The Frost Partnership, Langley, jf.beaconsfield@frostsurveyors.co.uk - Landlords have been turned away from investing by the 'costs' from the changes in legislation to this sector of the housing market. We are seeing many landlords selling, which in turn limits the rental stock and raises rents.

Sam Collins, AssocRICS, Balcombe Estate, Balcombe, administrator@balcombeestate.co.uk - Lower number of enquiries over last month.

Simon Deacon, FRICS, Wheeldon & Deacon, Southend-On-Sea, simon@wdsurveyor.co.uk - Increasing regulations and licencing is encouraging Landlords to sell; this will result in rental levels increasing as supply of properties to rent decreases.

South West

Marcus Arundell, MRICS, Homelets, Bath, marcus@homeletsbath.co.uk - Spring gives way to Summer and traditionally a busy time with student turn-arounds. Professional properties continue to let at pace with rents holding, supply picking up. So much to play for now with 'the bill' in motion.

Simon Cooper, FRICS, Stags, s.cooper@stags.co.uk - There is still a shortage of modest properties to rent with excellent demand. The market is weaker at the higher levels as some of these tenants are purchasing. A good time for new BTL landlords.

Wales

Andrew Peter Gregory, MRICS, The Letting Station (Cardiff) Limited, Cardiff, andrew@thelettingstation.co.uk - New Legislation is resulting in Landlords leaving the private rental sector. Still an under supply and over demand scenario, which continues to fuel higher rental prices.

Anthony Filice, FRICS, Kelvin Francis Ltd., Cardiff, tony@kelvinfrancis.com - There is an increasing demand for a decreasing number of Buy-to-Let properties, and rents are rising as a result. Several Landlords, particularly with just one or two properties, are selling up and going.

David Cook, MRICS, , Caerphilly, Dave.bern@btinternet.com - Harsh legislation hitting properties available to let.

David James, FRICS, James Dean, Brecon, david@jamesdean.co.uk - Huge shortage of rental properties driving up rents.

Paul Lucas, FRICS, R.K.Lucas & Son, Haverfordwest, paul@rklucas.co.uk - A continuous under supply of property is pushing letting prices upwards.

Tim Goodwin, AssocRICS, Williams & Goodwin The Property People, Bangor, tim@tppuk.com - No doubt that the recent impact of Rent Homes Wales has made many landlords serve notice on their tenants and sell up, resulting in a severe shortage of supply and leading to far higher rents being quoted.

London

Alec Harragin, Savills PLC, London, aharragin@savills.com - Higher inflation, proposed legislative changes and an increase in buy to let mortgage rates have taken some of the heat out of the prime London rental market. However, demand for a limited supply from domestic tenants, including young professionals and families, have continued to drive competition.

Allan Fuller, FRICS, Allan Fuller Estate Agents, Putney, allan@allanfuller.co.uk - The Renters Reform Bill is full of good intentions, better homes for tenants, children & pets, easier to remove non-payers and bad tenants, but owners are concerned that despite the intentions we are on the path back to the 1960's, when legislation killed the PRS many may decide it is time to sell.

Barry Bhalla, MRICS, Dip HI, CEA, Acrewoods Chartered Surveyors, Heathrow and West London, enquiries@acrewoods.com - Landlords being cautious on the type of tenant and taking great care in schedule of conditions, prior to lettings.

Clive Greenwood, Anderson Wilde & Harris, London, clive.greenwood@awh.co.uk - Significant increase in demand, as there is an inability for younger generation to buy.

David Conway, FRICS, David Conway & Co Ltd, South Harrow, davidhconway@gmail.com - Abolishing section 21 will deter landlords, less properties to rent will mean higher rents.

Jeremy Leaf, FRICS, Jeremy Leaf & Co, Finchley, jeremy@jeremyleaf.co.uk - In the last month we have noticed not only insufficient new instructions to meet demand, but also many tenants starting to hit an affordability ceiling due to the cost of living. As a result, renewals are increasing and rents are not rising as previously.

Jilly Bland, , Robert Holmes & Co, Wimbledon, jilly@robertholmes.co.uk - Mortgages interest rates all pushing landlords into selling and we are losing stock month on month.

John King, FRICS, Andrew Scott Robertson, Merton L.B., jking@as-r.co.uk - To rent a 4 bed family house in Wimbledon Town will cost £50k pa. A 3 bed-£42k, a 2 bed flat-£24k, and a 1 bed-£18k, yet these returns represent a yield of less than 5%. Affordability is key, but what does this say about our economy.

John King, FRICS, Andrew Scott Robertson, Wimbledon, jking@as-r.co.uk - The number of new enquires has trebled this month, as asking rents are being met with little or no resistance. Rental increases are showing no signs of slowing down, resulting in some landlords changing their minds about selling.

Jonathan Price, AssocRICS, Southside Property Management Services Ltd, Bromley, jonathan@southside-property.co.uk - We believe the much 'media' hyped rental increases have slowed due to simple affordability and will continue to slow, but the impact of higher lending rates will mean landlords will push for rental increases where possible, further fuelled by fear that legislative changes will limit further rises.

Mark Wilson, MRICS, Globe Apartments, London, mark@globeapt.com - The market is generally quieter with more stock available, a good deal of which we consider to be over priced.

Mr Paul Dolan, TechRICS, Dolan Pratley Associates, London, paul-johndolan@gmail.com - Chinese and Eastern European demand outstripped supply, even though the interest rates push the domestic market further out of London.

Rupert Merrison, MRICS, Dexters, London, rupertmerrison@dexters.co.uk - This is a busy market, with high tenant demand and we anticipate this to continue through the summer months.

Will Barnes Yallowley, Assoc RICS, Tate Residential, Kensington, will@lhhresidential.co.uk - With the Renters Reform Act not set to be law until October 2024 and a General Election due no later than January 2025, it will be race to see which is first. Either way the cost and legislative pressure on Landlords is only likely to

increase.

William Delaney, AssocRICS, Coopers of London Limited, London, william@coopersoflondon.co.uk - Stock levels continue to shrink as Landlords dispose of their BTL investments. The dysfunctional court process in possession cases, egregious tax and compliance measures, and interest rates, are all taking their toll. No doubt landlords will then be blamed for soaring rents and lack of supply.

Scotland

Carolyn Davies, MRICS, Dumfries, cmadavies@savills.com - Significant supply shortage in the area, and seeing sales of rental properties no previously anticipated.

Grant Robertson, FRICS, Allied Surveyors Scotland Plc, Glasgow, grant.robertson@alliedsurveyorsscotland.com - The Scottish Government attempts to destroy the PRS continue unabated. Rent freezes affect affordability and instead of flats changing tenants around the uni term, many are being offered to sale. The shortfall in student accommodation in Glasgow now looks apocalyptic through the summer for the start of term.

Ian Morton, MRICS, Bradburne & Co, St Andrews, info@bradburne.co.uk - Landlords are selling due to rising interest rates, increased costs, and the 3% rate cap that has been extended to March 2024. The cap is being challenged in the courts and we await the outcome. Investors are finding the 6% additional dwelling supplement is a deterrent in adding to their portfolios.

Northern Ireland

David Irwin, MRICS, Ikon Property Group, Belfast, david.irwin@ikonpropertygroup.com - Exceptionally high levels of demand from both domestic and foreign tenants for a limited supply of residential rental property has delivered significant increases in rents. Tenant demand is totally outstripping the supply of rental stock and this trend looks set to continue.

Kirby O'Connor, AssocRICS, GOC Estate Agents, Belfast, kirby@gocestateagents.com - Rental market is as strong as ever, nothing left for students and rents are up.

Samuel Dickey, MRICS, Simon Brien Residential, Belfast, sdickey@simonbrien.com - Rental demand is strong, with a lack of supply being the permanent theme.

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

Lauren Hunter

Economist
lhunter@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