



ECONOMICS



UK Residential Market Survey

July 2023

ECONOMICS

Tighter lending environment continues to weigh heavily on home buyer activity

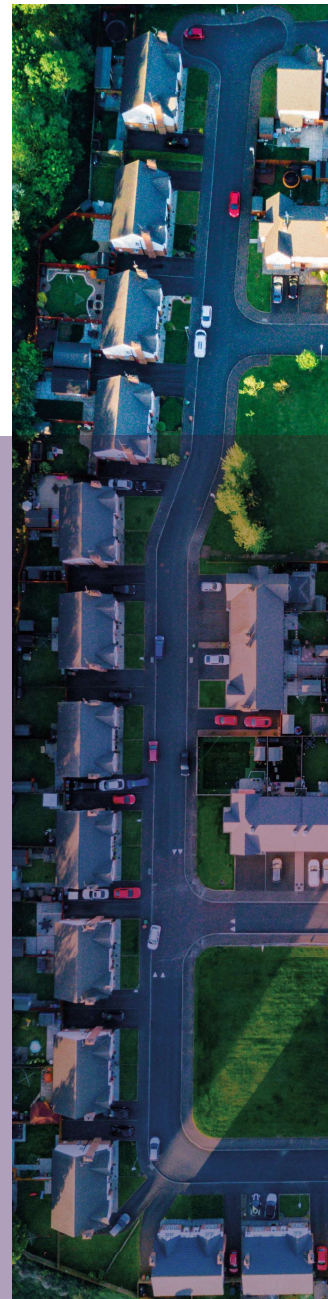
- New buyer enquiries and agreed sales volumes continue to decline
- National house price indicator retreats further over the month
- Near-term expectations remain steeped in negative territory

The July 2023 RICS UK Residential Survey results are symptomatic of a market losing further ground in the face of higher mortgage rates. Indeed, indicators tracking activity continue to exhibit firmly negative readings, while widespread falls in house prices are being reported. Moreover, respondents foresee this picture remaining in place over the near-term, with sales expectations turning a little more pessimistic during the latest survey period.

At the national level, the new buyer enquiries series posted a net balance of -45% in July, similar to last month's figure of -46%. As a result, this metric continues to signal a sharp downturn in buyer demand following the latest escalation in mortgage interest rates. When viewed at a regional/country level, all parts of the UK display a firmly negative return for new buyer enquiries over the month.

In keeping with the deteriorating demand backdrop of late, a net balance of -44% of respondents noted a decline in agreed sales during July. This is down from a figure of -36% previously, and represents the weakest reading for the sales measure since the early stages of the pandemic. Again, the disaggregated data shows sales volumes falling right across the UK. Looking ahead, near-term sales expectations have turned increasingly subdued of late, posting a net balance of -45% in July (substantially weaker than respective net balances of -38% and -11% in June and May). Furthermore, on a twelve-month view, a net balance of -25% of survey participants envisage sales volumes declining (albeit this is marginally less downcast than a reading of -31% last time).

Looking at trends in fresh listings coming onto the sales market, the headline new instructions net balance slipped to -13% in July (compared to -3% in June), indicative of a renewed deterioration in the flow of



supply. Alongside this, contributors continue to report the number of market appraisals undertaken over the month to be below that seen in the comparable period last year (net balance -37%). At the same time, inventory levels on estate agents books have held broadly steady over the past few months, averaging close to 38 properties. Although this is higher than the lows seen towards the end of last year, supply levels remain very tight on a longer term historical comparison.

Meanwhile, the latest net balance for the headline house price metric slipped to -53%, down from a reading of -48% last month. Having moderated slightly between February and July (when the net balance moved from -45% to -31%), this series has now fallen deeper into negative territory in each of the last two reports. Within this, the latest readings are particularly downbeat across Yorkshire & the Humber, the East Midlands and the South East. Conversely, Northern Ireland is the only part of the UK to post a positive net balance for the house price gauge, albeit this softened from +34% to +16% in the latest results.

Looking ahead, national price expectations remain negative at both the three and twelve-month time horizons. For the year ahead, a net balance of -49% of contributors anticipate a further fall in house prices. While the latest reading is identical to last month's figure, it denotes a considerable dip relative to the flat reading of -3% returned in May prior to the most recent shift in interest rates.

Turning to the lettings market, tenant demand rose firmly over the three months to July (part of the seasonally adjusted quarterly lettings data), evidenced by a net balance of +54% of respondents citing an increase. In fact, this points to the strongest quarterly pick-up in rental demand since the start of 2022. Set against this, landlord instructions declined once again, with the latest net balance falling to -30% from -24% beforehand. On the back of this enduring mismatch between rising demand and dwindling supply, a net balance of +63% of respondents expect rental prices to increase over the coming three months. This is up from a figure of +55% in the previous quarter and marks a fresh record high for the series.



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:

August Survey: 14 September
September Survey: 12 October

Number of responses to this month's survey:

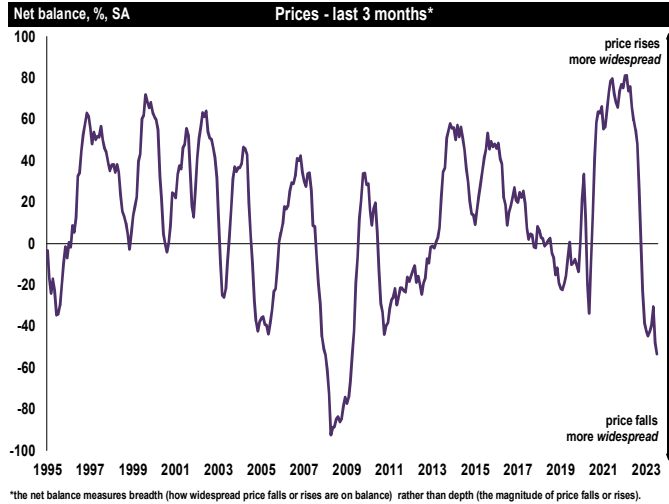
This survey sample covers 461 branches coming from 266 responses.

Disclaimer

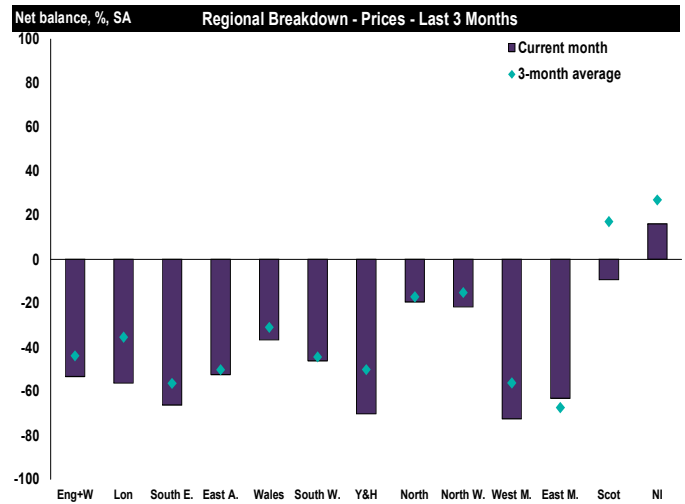
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Sales market charts

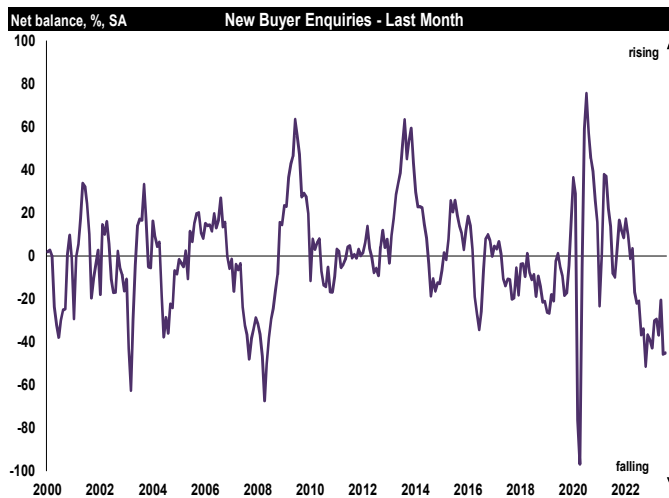
National Prices - Past three months



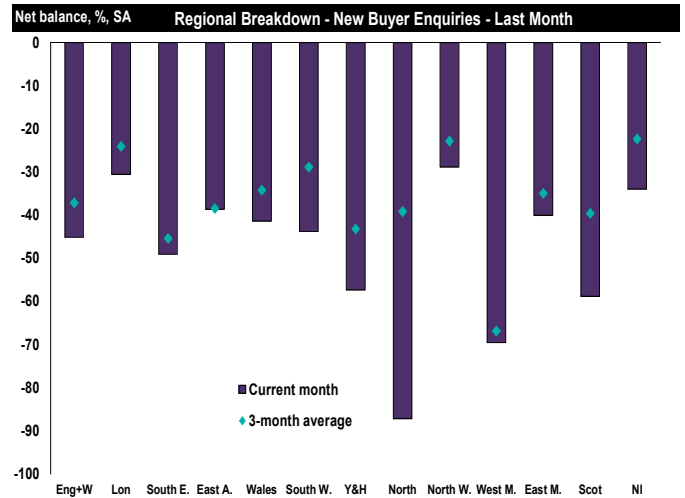
Regional Prices - Past three months



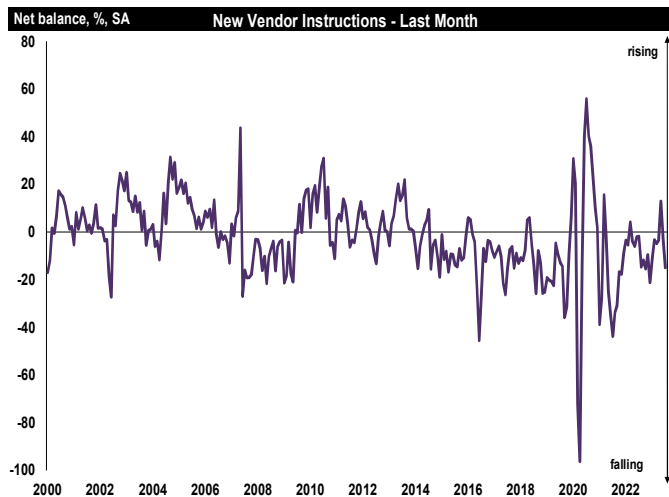
National Enquiries - Past month



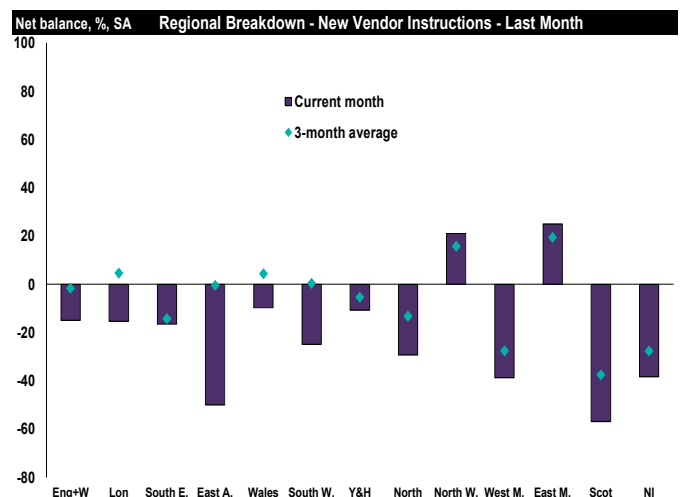
Regional New Buyer Enquiries - Past month



National New Vendor Instructions - Past month

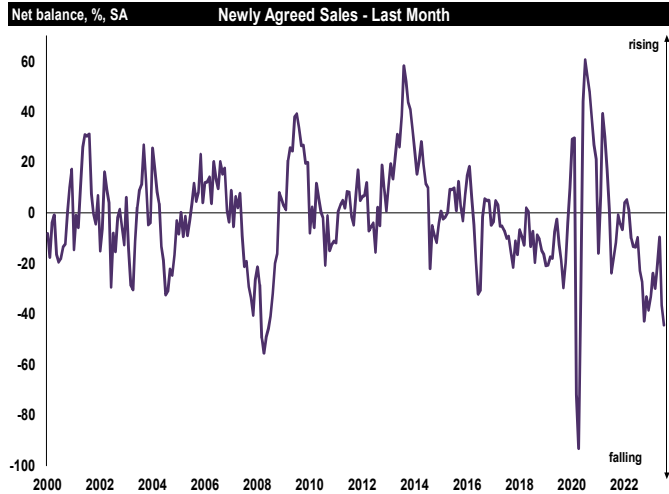


Regional New Vendor Instructions - Past month

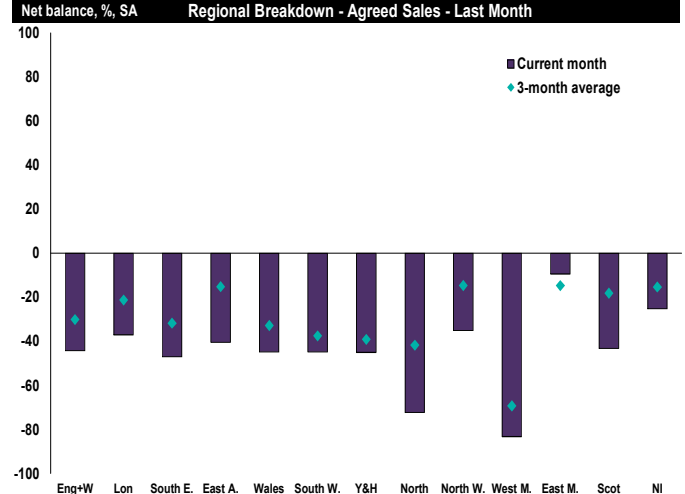


Sales market charts

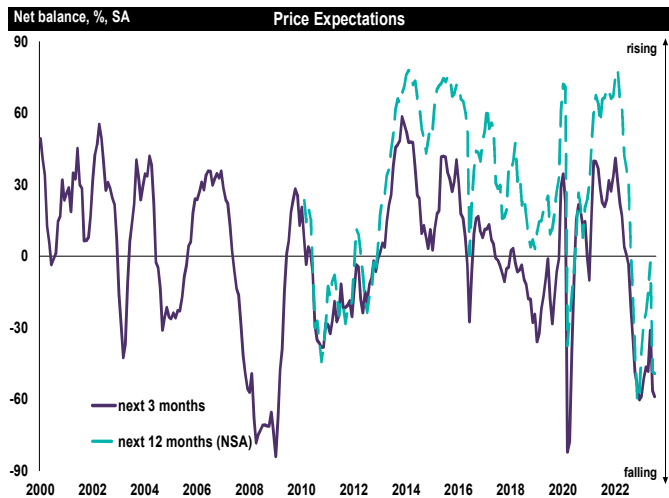
National Newly Agreed Sales - Past month



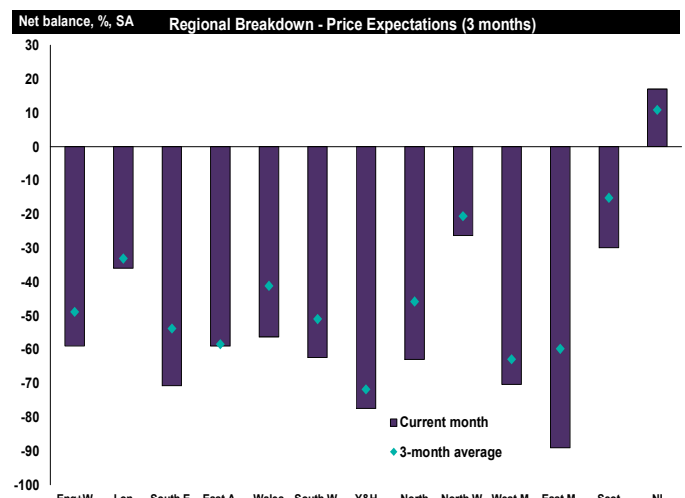
Regional Newly Agreed Sales - Past month



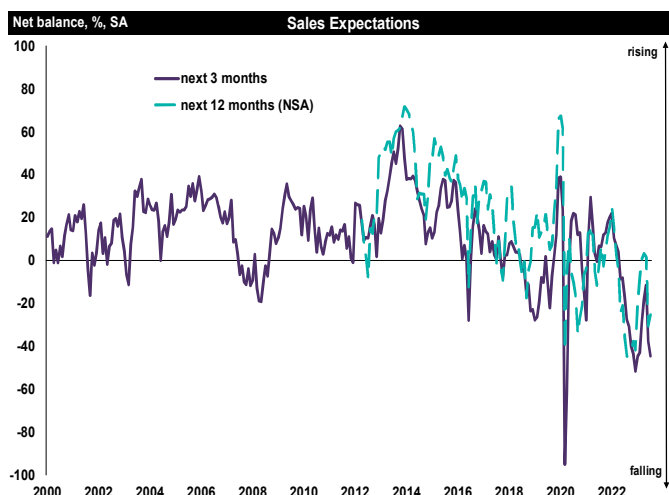
National Price Expectations - Three and twelve month expectations



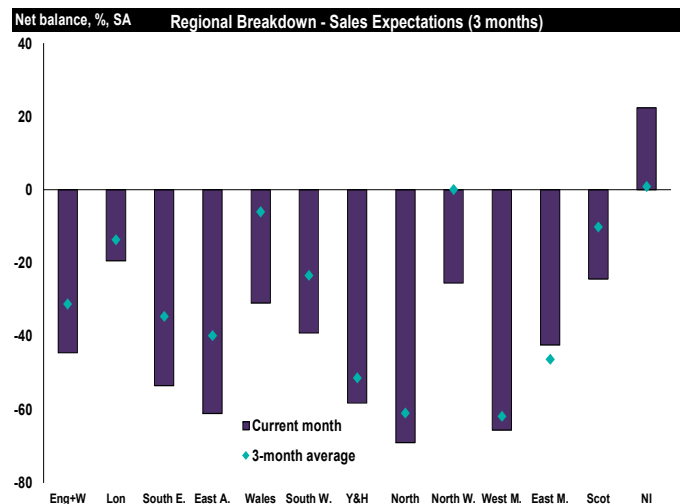
Regional Price Expectations - Next three months



National Sales Expectations - Three and twelve month expectations

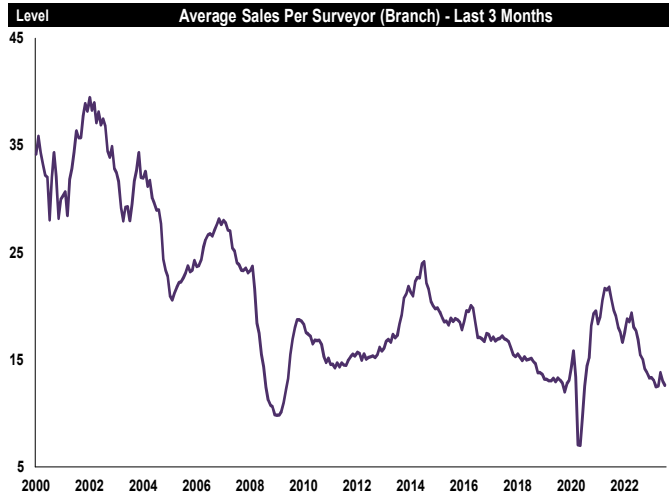


Regional Sales Expectations - Next three months

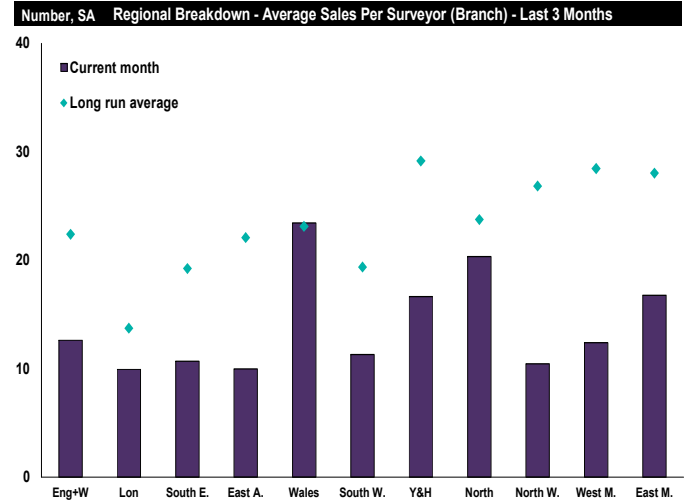


Sales market charts

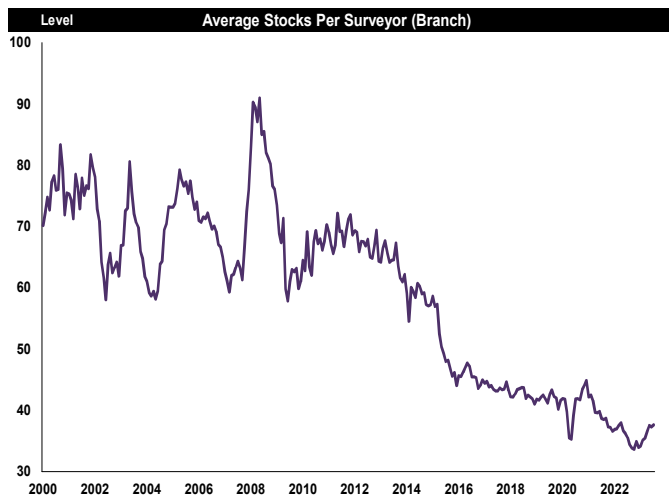
National Average Sales Per Surveyor - Past three months



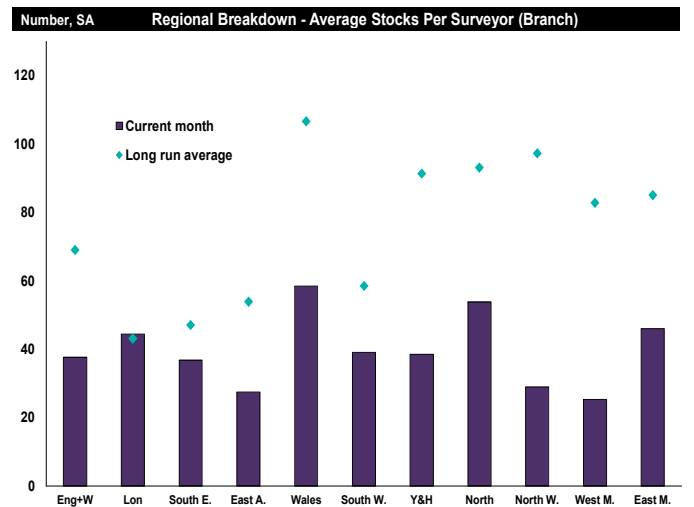
Regional Average Sales Per Surveyor - Past three months



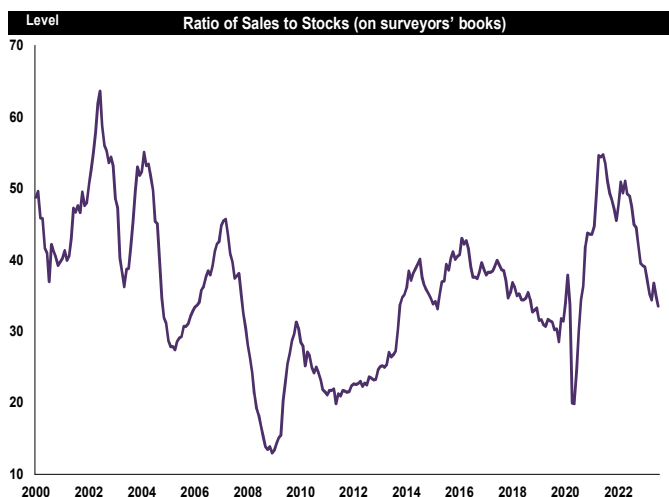
National Average Stocks Per Surveyor



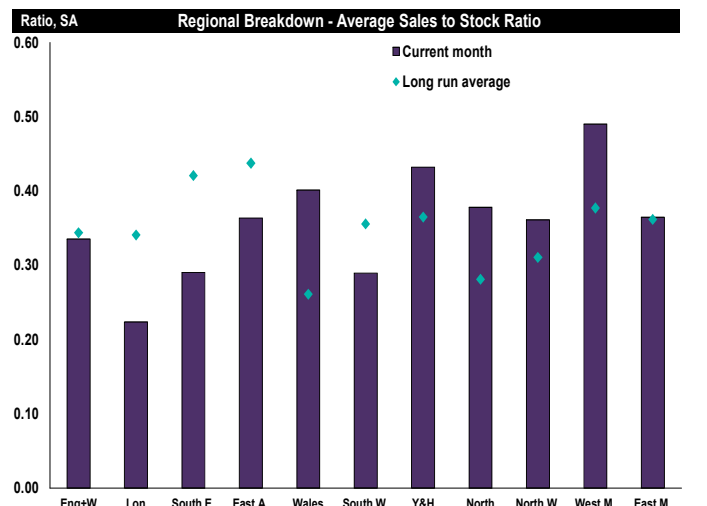
Regional Average Stock Per Surveyor



National Sales to Stock Ratio

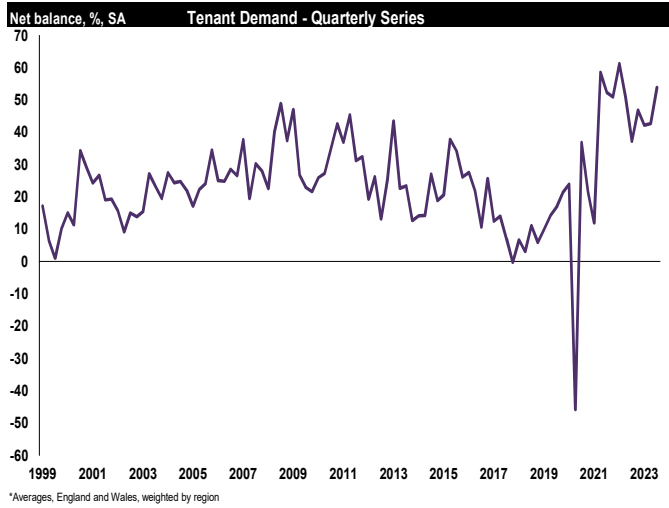


Regional Sales to Stock Ratio

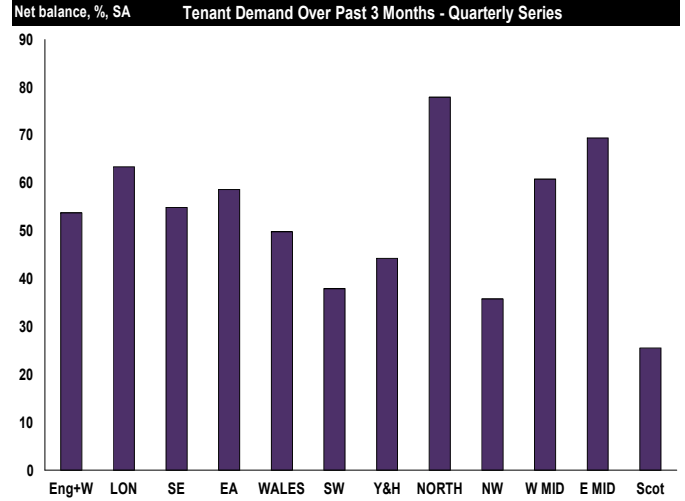


Lettings market charts

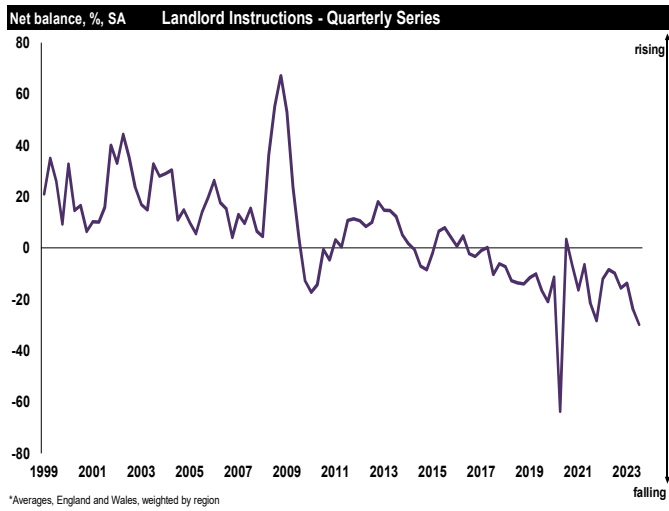
National Tenant Demand - Past three months



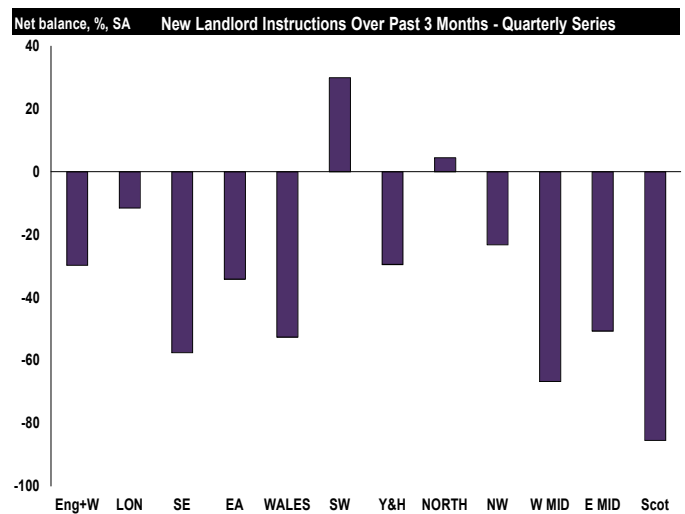
Regional Tenant Demand - Past three months



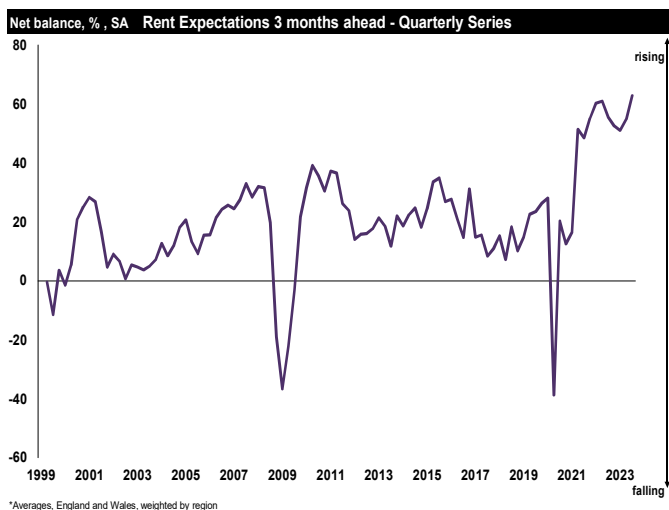
National New Landlord Instructions - Past three months



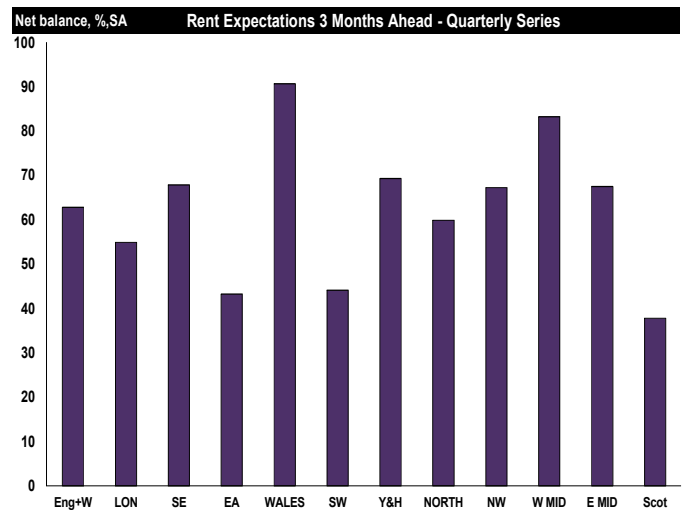
Regional New Landlord Instructions - Past three months



National Rent Expectations - Next three months

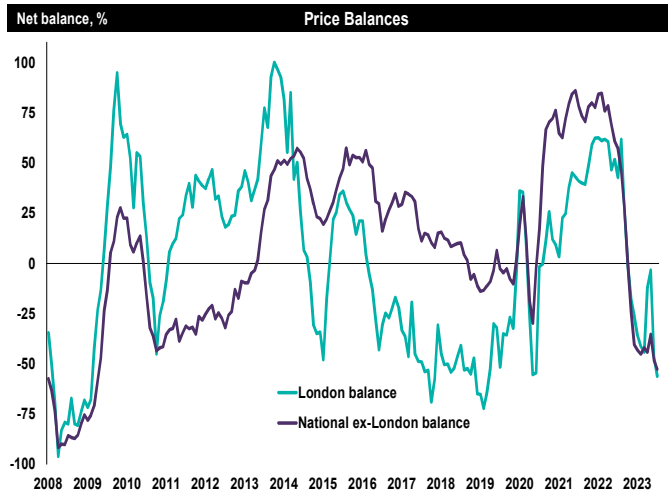


Regional Rent Expectations - Next three months

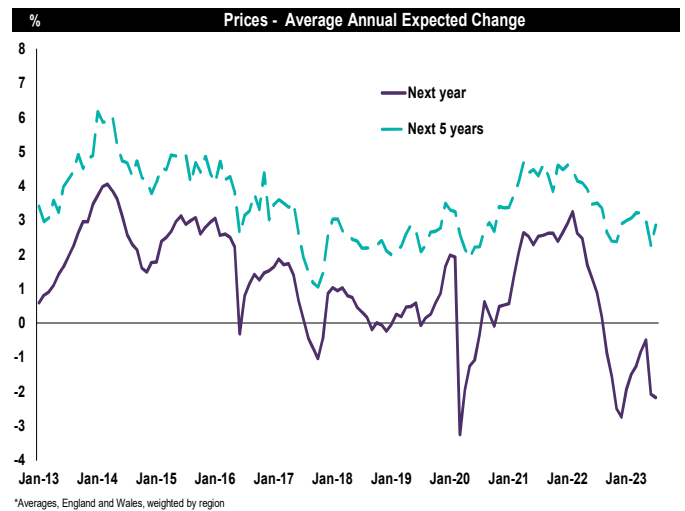


Expectations and other data

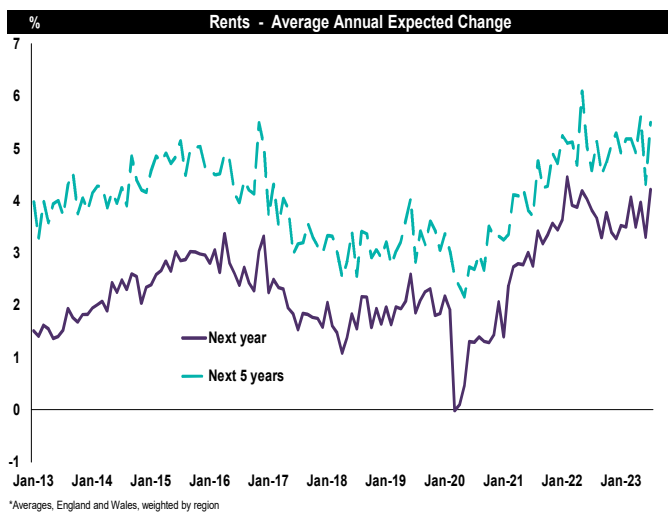
National Price Balance (excluding London) and London Price Balance - Past three months



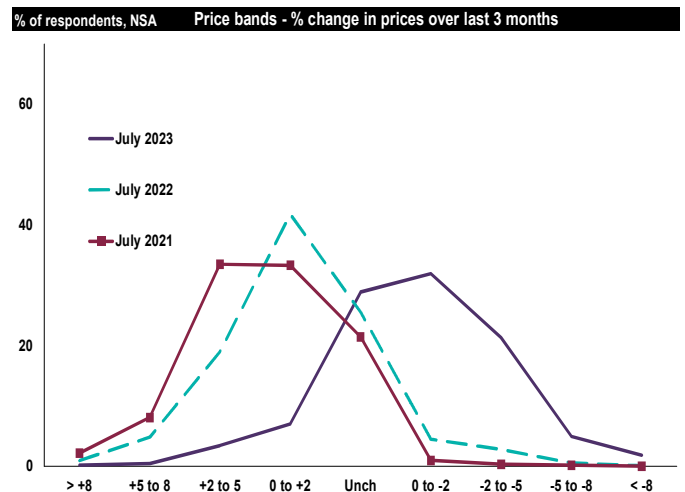
National Average Annual Expected Price Change (point estimate) - Next one and five years



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



Price Bands - Past three months



Surveyor comments - Sales

North

Keith Pattinson, FRICS, Keith Pattinson Ltd, Newcastle Upon Tyne, keith.pattinson@pattinson.co.uk - The number of sales listings increased in July, however the number of sales instructed was static and fall throughs increased slightly. In some areas and for some property types there is still strong demand, however the increase in the base rate has had an impact on buyer sentiment.

Neil Foster, MRICS, Hadrian Property Partners, Hexham, neil@hadrianproperty.co.uk - Much half full chatter from estate agents about the impact of school holidays. But the current market, for all but high end country homes, suddenly feels rather vacuous in context of agreed sales and rapidly lengthening time on the market.

Shaun Brannen, AssocRICS, Brannen & Partners, Whitley Bay / Coastal, shaun.brannen@brannen-partners.co.uk - Quieter on offers, though instructions are still higher than this time last year.

Simon Hobbs, MRICS, London & City Estates Ltd, Newcastle, simonh@londonandcity.co.uk - Continuing inflation has restricted the financial markets in providing affordable loans for potential House buyers. Until it is seen to be firmly under control and dropping towards the Bank of England target of two percent, mortgage rates will remain high thus further depressing values.

Yorkshire & the Humber

Alex Mcneil, MRICS, Bramleys, Huddersfield, alex.mcneil@bramleys1.co.uk - Demand for new houses affected by rising interest rates and the withdrawal of Help to Buy. Therefore, more limited catalyst for general market activity. Values being maintained due to lack of stock which is increasing slowly.

Ben Hudson, MRICS, Hudson Moody, York, benhudson@hudsonmoody.com - A more resilient market than the media are making out, although sensible pricing is paramount.

James Brown, MRICS, Norman F Brown, Richmond, james@normanfrown.co.uk - The buyers market continues in much the same way as last month.

James Watts, MRICS, Robert Watts Estate Agents, Cleckheaton, jameswatts@robertwatts.co.uk - The local market is still surprisingly resilient up to £250,000 and activity is still strong. But, the seemingly endless rises of interest rates is denting confidence and access to funding across the whole market and we expect a challenging quarter 4. Sales transaction times are still far too long.

Kenneth Bird, MRICS, Renton & Parr, Wetherby, ken@rentonandparr.co.uk - Steady market, with sensible pricing being critical to achieving a successful sale.

Mark Hunter, MRICS, Grice and Hunter, Doncaster, griceandhunter@btconnect.com - Limited market activity and we await to see what September brings.

Mike Darwin, MRICS, M W Darwin & Sons, Northallerton, info@darwin-homes.co.uk - Fewer enquiries and more sales falling through as interest rates rise and the press alarms potential purchasers.

North West

Amin Mohammed, , Le Baron Hausmann, Greater Manchester, aminm7@gmail.com - Interest rates dictate the pace of sales, with rates going up, downsizing is an option. In fact there are few good options in a high demand, low supply, market. The simple answer is to build more homes!

David Champion, MRICS, Champsurv, Blackpo0L, Fylde Coast Preston, Lancaster, championdavid@ymail.com - Interest rates biting and affecting first time buyers lower down the chain.

John Williams, FRICS, Brennan Ayre O'Neill LLP, Wirral, john@b-a-o.com - The dawn of the holiday season has further dampened activity. Forthcoming interest rate moves likely to be influential for the remainder of 2023.

Mark Dempsey, AssocRICS, Home Surveying, Ormskirk, mark.dempsey@home-surveying.co.uk - I have spoken with numerous agents within my area. After talking with them and comparing asking prices against agreed sales prices it would appear that property prices locally are currently static. There is a reasonable balance of properties going just below, at, or just above asking price.

Martin Davies, MRICS, Countrywide Surveyors, Nantwich, martin.davies@cwsurveyors.co.uk - Houses prices have remained surprisingly resilient to recent mortgage rate increases and the cost of living crisis, particularly at the lower end of the market. This is due in part to a continual shortage of houses available for sale.

Robert Keith Dalrymple, FRICS, Keith Dalrymple Chartered Surveyor, Isle Of Man, Keith.dalrymple@outlook.com - Shortages of skilled labour, materials and readily available finance continue to impede the construction industry with consequent impact upon new housing provision. Overly pessimistic news media reporting is eroding confidence.

East Midlands

David Hawke, FRICS, David Hawke T/A Newton Fallowell, Worksop, enquiries@davidhawke.co.uk - Still a well subdued market.

Lee Dowdall, AssocRICS, Dowdall Surveying, Mansfield, lee.dowdall26@outlook.com - Now we are returning to pre-pandemic normality, estate agents need to price their stock appropriately. We are seeing a lot of reductions, and it does not look good. Nobody wins this way long term. Winning sales by convincing the seller you can get a higher price is bad practice.

Peter Buckingham, , Andrew Granger & Co, Market Harborough, peter.buckingham@andrewgranger.co.uk - The market is surprisingly resilient bearing in mind the current economic climate. Prices are holding reasonably well in certain price brackets due to lack of properties for sale.

Stephen Gadsby, FRICS, Gadsby Nichols, Derby, stevegadsby@gadsbynichols.co.uk - Reduced instructions, viewings, and sales over past month. Fall through rate increasing due to change of mind and change in approach of lending institutions. Media speculation not aiding the situation.

Tom Wilson, MRICS, King West, Stamford, twilson@kingwest.co.uk - There are deals to do despite the economic headlines and headwinds. With Vendors showing increasing pragmatism in the face of Buyers looking for deals, activity has been encouraging.

Vyv Wainwright, MRICS, A V Wainwright, Rutland, Vyv@avwainwright.co.uk - Property is still selling, but prices being achieved are well down. But, some clients are taking advantage of lower prices.

West Midlands

Alex Smith, FRICS, Alex Smith & Company, Birmingham, alex@alex-smith.co.uk - Cost of living and interest rates affecting new buyers.

Colin Townsend, MRICS, John Goodwin, Malvern, colin@johngoodwin.co.uk - Another more challenging month, especially when it comes to holding chains together. Prices are now falling and this trend looks set to continue as we head towards winter.

John Andrews, FRICS, Doolittle & Dalleuy Holdings Ltd, Bridgnorth, johnandrews@doolittle-dalley.co.uk - Less property for sale, but still cash buyers providing asking prices are competitive. Mortgage interest rates are deterring some buyers.

John Andrews, FRICS, Doolittle & Dalley Holdings Ltd, Kidderminster, johnandrews@doolittle-dalley.co.uk - Sales market is slowing and asking prices need to be realistic as buyers are very conscious of higher mortgage interest rates. Still buyers prepared to commit providing asking prices are competitive.

John Shepherd, , Shepherdvine, Solihull, john@shepman.co.uk - Continual base rate rises affecting confidence.

John Shepherd, , Shepherdvine, Solihull, john@shepmam.co.uk - Sales Market Conditions are challenging particularly at the higher end of the market.

Mark Killeen, AssocRICS, , Coventry, k1l33n44@hotmail.com - Interest rates are affecting affordability within the market, this will result in more price drops.

Richard Franklin, MRICS, Franklin Gallimore Ltd, Tenbury Wells, richard@franklingallimore.co.uk - There is a raft of over priced rural stock with vendors failing to appreciate the market has moved on from WFH and lockdown. Large amount ex-BTL stock on market which is all going into owner-occupation.

East Anglia

David Boyden, MRICS, Boydens Ltd, Colchester, david.boyden@boydens.co.uk - Market remains busy in terms of valuations, securing offers remains tough, if the property comes on at the right price then we are securing deals, there is still a requirement to educate sellers in terms of the manner in which the market is now performing.

David Ousby, MRICS, Borough Council of King's Lynn And West Norfolk, Kings Lynn, david.ousby@west-norfolk.gov.uk - Limited stock of newbuilds coming to market in 2023, notable slowdown in housebuilder activity, particularly for first time buyer 2/3 bed houses.

Jeffrey Hazel, FRICS, Geoffrey Collings & Co, King's Lynn, jhazel@geoffreycollings.co.uk - There is a stronger demand to purchase than the press would have you believe.

John Lewis, MRICS, Lewis Valuation, Essex, john@lewisvaluation.co.uk - The continued increase in interest rates and difficult economic and lending conditions are seeing a significant reduction in the number of first time buyers.

Kevin Burt-Gray, MRICS, Pocock & Shaw, Cambridge, kevin@pocock.co.uk - Activity has flattened since the 0.5% increase in the Bank of England base rate-compounded by the summer holiday period. Not expecting activity to improve now until the autumn at the earliest.

Mark Wood, MRICS, Blues Property, Cambridge, mark@bluesproperty.com - Generally quieter all round, school holidays have added to interest rises to slow the market down, although quality properties in good locations are still attracting interest and selling.

Rob Swiney, MRICS, Lacy Scott And Knight, Bury St Edmunds, rswiney@lsc.co.uk - Market returning to a more normal seasonal market.

South East

Alexander Fischbaum, MREICS, AF Advisory, London, af@afadvisory.com - From our last client briefing: 14 interest rate changes in 21 months! Such extreme Base Rate volatility, is very hard to reconcile with foresight, prudence, and the Bank of England's mission.

Andrew Burnett, MRICS, Burnetts' Estate Agents, Mayfield, andrew@burnetts-ea.com - It's paused, rather than dropping, mainly due to the interest rates.

Christopher Clark, FRICS, Ely Langley Greig, Eastleigh, chrisclark@elgsurveyors.co.uk - Very tough market.

Darren Eva, MRICS, TBH Chartered Surveyors., Basildon, Darren@tbhsurveyors.co.uk - Interest rate rises full impact will only be felt as existing fixed rates mortgages expire.

David Conway, FRICS, David Conway & Co, Harrow, david@davidconway.co.uk - Not enough new builds.

David Nesbit, FRICS, D.M.Nesbit & Company, Portsmouth, davidnesbit@nesbits.co.uk - A quieter month. Higher rates have affected demand, confidence has dropped, and the holiday period and poor weather does not help.

David Parish, FRICS, Gates, Parish & Co, Upminster, professional@gates-parish.co.uk - The number of unsold properties is higher than it has been for some considerable time. A number of sales have been agreed below the asking prices indicative of a trend towards reduced prices.

Edward Rook, MRICS, Knight Frank, Sevenoaks, edward.rook@knightfrank.com - The speed and level of interest rate increases are starting to bite.

James Farrance, MNAEA, FARLA, Braxton, Maidenhead, jfarrance@braxtons.co.uk - Sales market is proving remarkably resilient in Maidenhead and surrounding villages, with good activity and demand from buyers whom tend to be well funded with large deposits. This may well be attributable to the Elizabeth Lines arrival as a commuting option.

Keith Fox, MRICS, Keith Fox, Polegate, keithfox10@gmail.com - Market fairly static.

Martin Allen, MRICS, Elgars, Wingham, Canterbury, m.allen@elgars.uk.com - Very little prospective purchaser activity making it difficult to gauge where to advise on guide prices. Reductions seem to make little difference. Need some good economic news to instil some confidence.

Paul Lynch, AssocRICS, Romans, Guildford, plynch@romans.co.uk - Significant level of apathy from buyers sitting on the fence, asking prices falling by 5 - 10%, some resulting in sales but many not. Difficult times ahead for remainder of 2023.

Stan Shaw, AssocRICS, Mervyn Smith, Ham, Surrey, Between Richmond And Kingston, stanleyshaw@hotmail.com - It felt like a flat rather than falling market up till Julys' 0.5% bank base rate rise. This triggered a month of buyers making offers much less than asking prices. So far, it is a standoff with most sellers not prepared at this stage to accept hefty drops. As unsold stock increases, this might change.

Tim Green, MRICS, Green & Co.(Oxford) Ltd, Faringdon, tim.green@greenand.co.uk - The market continues to show resilience. Buyers continue with their longer term plans and vendors refuse to negotiate down hard in what appears to them to be shorter term challenges for the housing market and wider economy.

South West

Graham Thorne, FRICS, Thornes, Poole East Dorset, graham@thornes.org.uk - Slight improvement over the previous month.

Howard Davis, , Bristol, howard@howard-homes.co.uk - It's a buyer's market and vendors are having to negotiate down from the asking price to secure a sale.

Ian Mcnaught Davis, FRICS, Avon Construction Services Ltd, Malmesbury/Cirencester, office@avonconstruction.co.uk - Sluggish market at present.

Ian Perry, FRICS, , Cheltenham Cirencester Nailsworth Stroud Tetbury, ianperry@perrybishop.co.uk - The market is adjusting to higher mortgage rates.

James Wilson, MRICS, Jackson - Stops, Shaftersbury, james.wilson@jackson-stops.co.uk - Uptake in new instructions, buyers remain cautious.

Jeff Cole, MRICS, Cole Rayment & White, Wadebridge, jeff.cole@crw.co.uk - The market is definitely quieter, but the weather has been awful and we are now in the school holiday period.

John Corben, FRICS FCABE, Corbens, Swanage, john@corbens.co.uk - With a good number of new instructions coming to the market, there is a lot of interest but most applicants have properties to sell and are, therefore, not in a position to proceed.

Julian David Lawrence Bunkall, FRICS, Jackson-Stops, Sherborne/Bridport/ Dorchester, julian.bunkall@jackson-stops.co.uk - With the impact of higher interest rates and mortgages the market has shown a definite downturn in the last couple of months. The market is likely to remain depressed particularly in the lower end up to Christmas.

Mark Lewis, FRICS, Symonds & Sampson, Dorset, mlewis@symondsandsampson.co.uk - A strange market with some properties receiving numerous views and bids, but others have no interest at all.

Nicholas King, MRICS, Hills Homes Developments Limited, Swindon, nick.king@hills-group.co.uk - Difficult.

Oliver Miles, FRICS, Oliver Miles, Swanage, olivermiles@olivermiles.co.uk - High interest rates, restricted mortgage availability, and squeezed affordability continue to drive an uncertain market.

Robert Cooney, FRICS, Robert Cooney Chartered Surveyors & Estate Agents, Taunton, robert@robertcooney.co.uk - Time from listing to completion continues to grow - 26 weeks over the last 4 months. Time taking to agree a sale also lengthens to 8 weeks. Price reductions now required to effect traction on most properties.

Roger Punch, FRICS, Marchand Petit, South Devon, roger.punch@marchandpetit.co.uk - The buyers' market prevails, but many sellers still need to fully adjust their price aspirations if they are to achieve their objective. Buyers are now able to be selective, therefore the best locations remain the most resilient to the reduced demand.

Sam Trounson, MRICS, Strutt & Parker, Cirencester, sam.trounson@struttandparker.com - The market has cooled for sure, but part of this is seasonal.

Wales

Anthony Filice, FRICS, Kelvin Francis Ltd., Cardiff, tony@kelvinfrancis.com - Slowing of activity on the part of Buyers, partially seasonal. Buyers conscious of mortgage rates, but largely not put off. Steady flow of properties coming on, but some vendors, slow to adapt to changing market, are still expecting too much. This is preventing more sales taking place.

David James, FRICS, James Dean, Brecon, david@jamesdean.co.uk - The market has softened, particularly the top end.

Melfyn Williams, MRICS, Williams & Goodwin The Property People Ltd, Anglesey, mel@tppuk.com - As we head into the usual summer lull, further dampened by rising interest rates and gloomy media coverage, there remains a ray of sunshine for those properties in the right location at the right price with a good agents who are pro-active in the market place.

Paul Lucas, FRICS, R.K.Lucas & Son, Haverfordwest, paul@rklucas.co.uk - Mortgage costs are depressing the property market and prices are falling.

London

Alec Harragin, MRICS, Savills Plc, London, aharragin@savills.com - Even though the prime markets have not felt the same affordability squeeze as in the mainstream markets, savvy buyers are not paying the premiums seen over the last three years, given the wider market context. Realistic pricing will be crucial throughout the rest of 2023.

Allan Henry Fuller, FRICS, Allan Fuller Estate Agents, London, allan@allanfuller.co.uk - July has been a better than expected month for new sales, vendors having to be slightly more realistic and open to offers. Outlook of only 0.25% Bank rate rise in August and inflation reducing could be further encouragement for buyers who want to move this year.

Ashely Osborne, MRICS, Myproptech, London & Se, ashley@myproptech.com - We are continuing to see significant increase in bulk buyer enquiries, international investors looking at London and the SE for deals. Interestingly we are seeing a lot more interest in houses as well as developers looking to market to BNO Visa holders.

Ben Preko, AssocRICS, Salter Rex LLP, London, bp@salter-rex.co.uk - Interest rates, general state of the economy, and changes to tenancy agreements etc. are all affecting sales.

Christopher Ames, MRICS, Ames Belgravia, London, ca@amesbelgravia.co.uk - Buyers are inevitably watching interest rates rise. Vendors may trim prices after August holidays to sell by December.

James Perris, MRICS, De Villiers, London, james.perris@devilliers-surveyors.co.uk - The market has stabilised after the recent rate rise with buyers coming back into the market. This should continue if inflation falls further and interest rate rises are paused.

Jeremy Leaf, FRICS, Jeremy Leaf & Co, Finchley, jeremy@jeremyleaf.co.uk - Prices are holding up better than expected mainly because of lack of choice and seller reluctance to give up too readily on a larger proportion of gains made during the Pandemic. Cash and equity-rich buyers continue to negotiate hard, taking advantage of their market dominance.

John King, FRICS, Andrew Scott Robertson, Wimbledon, jking@as-r.co.uk - A disappointing sales month with purchasers revising their offers in light of higher interest rates. A better month for valuations which will help boost interest when available. Overall, there is still a lot of positivity in some sectors of the market and lacking in other parts.

John King, FRICS, Andrew Scott Robertson, L.B.Merton, jking@as-r.co.uk - July has had its moments, but overall a rather subdued period. Some very good offers made by ready to move purchasers, but some vendors are finding it difficult to commit. Off market selling is having a momentum, as vendors and purchasers see exclusivity as having a more positive effect.

Rupert Merrison, MRICS, Dexters, London, rupertmerrison@dexters.co.uk - The market in London remains busy despite what you might read. Buyers recognise that current mortgage rates are the new norm and are pressing on with their moves.

William Delaney, AssocRICS, Coopers Of London Limited, Central/West End, william@coopersoflondon.co.uk - The Central London market is not normally volatile, but we are receiving some offers that are way below the asking price and in certain cases being accepted. As we enter the summer holiday period, we anticipate subdued activity, but are wary about predicting any significant resurgence in September.

Scotland

Alan Kennedy, MRICS, Shepherd Chartered Surveyors, Fraserburgh, alankennedy@shepherd.co.uk - Recent interest rate rises stifled market activity, though demand still exceeds supply in some sectors.

Craig Henderson, MRICS, Graham & Sibbald LLP, Ayrshire, craig.henderson@g-s.co.uk - The ongoing inflationary pressures are causing buyers to think long and hard over any purchase decision. Prices are holding up so far in this area, but where they go later in the year will depend on costs of borrowing and ongoing inflation. Caution is at the forefront of most in the market.

Greg Davidson, MRICS, Graham + Sibbald, Perth, gddavidson@g-s.co.uk - There remains a hesitancy in some sectors of the market due to increased costs, but the underlying market seems to be stable. There continues to be a lack of supply in some key areas within the country house market and demand still outweighs supply.

Ian Morton, MRICS, Bradburne & Co, St Andrews, Info@bradburne.co.uk - The market has steadied this summer and an interest rate over 5% has made purchasers more cautious.

Marion Currie, AssocRICS, Galbraith, Dumfries & Galloway, marion.currie@galbraithgroup.com - The summer continues in a steady manner, some buyer caution is evident but, still seeing a healthy number of sales at solid prices.

Richard Clowes, MRICS, DM Hall LLP, Scottish Borders/North Northumberland, galashiels@dmhall.co.uk - Summer holidays in full swing and rising mortgage rates has reduced activity to some extent in the market. Agents are still seeing some properties selling quickly, but the large premium being paid just last year has disappeared entirely.

Northern Ireland

Daniel Mc Crory, MRICS, D.S Mc Crory, Ederney, Enniskillen, dsmccrory123@gmail.com - Banks if the truth be told are not lending, with the stumbling blocks put in place by the lenders-- customers tend to give up.

Kirby O'Connor, AssocRICS, GOC Estate Agents, Belfast, kirby@gocestateagents.com - The sales market is still very strong, especially in new builds. Lenders are just being more tricky with regards lending and we are finding this is having an impact on completion.

Samuel Dickey, MRICS, Simon Brien Residential, Belfast, sdickey@simonbrien.com - The market continues at a strong pace with values holding up despite the interest rate increases.

Thomas O Doherty, , Simon Brien Residential, Belfast, Todoherty@simonbrien.com - The market has remained resilient despite the wider negative reports on other regions of the UK.

Surveyor comments - lettings

North

Keith Pattinson, FRICS, Keith Pattinson Ltd, Newcastle Upon Tyne, keith.pattinson@pattinson.co.uk - Demand continues to outstrip supply. Tenants are staying in properties for longer and the increase in legislation has deterred some 'Accidental Landlords' from renting. We continue to see new buy to let investors buying, however many portfolio landlords are actively reducing their portfolios.

Neil Foster, MRICS, Hadrian Property Partners, Hexham, neil@hadrianproperty.co.uk - Dismal supply and excessive demand continue to drive rents higher, in some cases reaching unsustainable levels. Incentives to reinvest in buy to let investment are long overdue and sorely needed.

Shaun Brannen, AssocRICS, Brannen & Partners, Whitley Bay / Coastal, shaun.brannen@brannen-partners.co.uk - Still a very strong demand, though increasingly more landlords are selling up and leaving the PRS.

Yorkshire & the Humber

Alex Mcneil, MRICS, Bramleys, Huddersfield, alex.mcneil@bramleys1.co.uk - Lettings market remains strong as rents continue to increase.

Ben Hudson, MRICS, Hudson Moody, York, benhudson@hudson-moody.com - Lack of stock still driving rent increases and as more regulation bites this will only increase.

Bruce Collinson, FRICS, Adair Paxton, Otley, bruce@adairpaxton.co.uk - Further misery for landlords continues unabated with the latest dagger being clamour for the London Mayor to introduce rent controls. All the while the green agenda and the nutrients directive hamper efforts to get to 200,000 new dwellings per annum, let alone 300,000.

James Brown, MRICS, Norman F Brown, Richmond, james@normanfbrown.co.uk - Demand continues to outstrip supply.

Mr. David Martindale, MRICS, F S L Estate Agents, Wakefield, david.martindale@fslea.com - There continues to be good demand for rental properties and rents are continuing to rise.

North West

Jonathan Clayton, FRICS, Jpa Surveyors and Valuers, Lytham, jonathan@jpasurveyors.co.uk - Demand for rentals outstrip supply. What would have been first time buyers have opted to rent for longer.

Martin Davies, MRICS, Countrywide Surveyors, Nantwich, martin.davies@cwsurveyors.co.uk - From my experience of carrying out buy to let mortgage valuations prices have stabilised over recent months which is indicative of tenants struggling with the cost of renting after a period of sustained growth in rental values followed by recent inflation and cost of living challenges.

East Midlands

John Chappell, MRICS, Chappell & Co Surveyors Ltd, Skegness, john@chappellandcosurveyors.co.uk - Continued upwards pressure on rents, due to diminishing number of properties available and growing number of potential tenants. There remains of course, a limit on how much Landlords can "subsidise" their rents and on how much tenants can afford in terms of rising rents.

Peter Buckingham, Andrew Granger & Co, Market Harborough, peter.buckingham@andrewgranger.co.uk - Demand still exceeding supply with the obvious consequences.

Will Ravenhill, Readings, Leicester, wravenhill@readingspropertygroup.com - The rental market is broken! 13 interest rate rises, Selective Landlord licensing and the impending RRA means that many BTL landlords are leaving the market. Those that remain who have BTL mortgages are increasing rents to ridiculous levels to adhere to their mortgage covenants.

West Midlands

Colin Townsend, MRICS, John Goodwin, Malvern, colin@johngoodwin.co.uk - With landlords under pressure from higher costs and legislation, and a significant increase in demand from tenants, rents are rising rapidly. Often there are multiple candidates and tenant applications for a single property.

Dean Taylor, MRICS, Fishers, Harborne/Birmingham, dean@fishers.co.uk - Lack of supply still continues with multiple applications being received on most properties. We do not expect this to change anytime soon.

Jason Coombes, AssocRICS, Cottons Chartered Surveyors, Birmingham, jcoombes@cottons.co.uk - Landlord profits are at their lowest point in 16 years, landlords with BTL mortgages have been hit by a 240% increase in interest payments, stock is at an all-time low, government has chosen to introduce more costs to Landlords with selective licensing schemes; PRS is in trouble.

John Andrews, FRICS, Doolittle & Dalleuy Holdings Ltd, Bridgnorth, johnandrews@doolittle-dalley.co.uk - More property needed to satisfy demand as no shortage of tenants for quality property.

John Andrews, FRICS, Doolittle & Dalleuy Holdings Ltd, Kidderminster, johnandrews@doolittle-dalley.co.uk - A very strong lettings market, with slightly depleted stock as some landlords looking to sell. Shortage of supply resulting in rents still rising.

John Shepherd, Shepherdvine, Solihull, john@shepman.co.uk - Current holiday period having some impact on the market.

Richard Franklin, MRICS, Franklin Gallimore Ltd, Tenbury Wells, richard@franklingallimore.co.uk - Shrinking stock levels, high tenant demand, and pro-active landlords taking action before Rent Reform Bill is enacted results in a difficult market for tenants.

East Anglia

David Boyden, MRICS, Boydens Ltd, Colchester, david.boyden@boydens.co.uk - Demand remains high, however stock is still an overwhelming issue, landlords continue to be concerned over proposed legislation and are cautious about reletting or renewing in favour of selling.

David Ousby, MRICS, Borough Council of King's Lynn And West Norfolk, Kings Lynn, david.ousby@west-norfolk.gov.uk - PRS market demand very strong, significant demand for all property types, especially newer 2-4 bed houses.

Jeffrey Hazel, FRICS, Geoffrey Collings & Co, King's Lynn, jhazel@geoffreycollings.co.uk - Demand is beginning to outstrip supply.

Kevin Burt-Gray, MRICS, Pocock & Shaw, Cambridge, kevin@pocock.co.uk - Shortage of stock and a surplus of quality tenants is keeping the private rental sector busy, with multiple applications being received on most properties within a few days of them coming onto the open market.

South East

David Parish, FRICS, Gates, Parish & Co, Upminster, professional@gates-parish.co.uk - There is high demand for all types of properties. The shortage of available properties has caused rents to rise and this trend is likely to continue unless the Government abandons its proposals for residential lettings.

Eoin Hill, MRICS, SDL surveying, Newbury, eoin.hill@SDLSurveying.co.uk - Seasonal slowdown very pronounced locally.

James, AssocRICS, Callaways Ltd, Brighton And Hove, jamesduffy81@googlemail.com - Demand is at an all time high, stock is at an all time low. Landlords are leaving the market due to taxation, section 24, the worry of renters reform bill and the costs of mortgage payments. Urgent action needed to encourage landlords to stay and expand to help with supply.

James Farrance, MNAEA, FARLA, Braxton, Maidenhead, jfarrance@braxtons.co.uk - There is unprecedented demand for rental properties. This is due to extreme demand due to a surge in people moving to the UK and large swathes of landlords selling up due to anti-landlord policies by HM Government since 2017. The renters reform act being the feather breaking the camels back.

Keith Fox, MRICS, Keith Fox, Polegate, keithfox10@gmail.com - Steady demand.

Martin Allen, MRICS, Elgars, Wingham, Canterbury, m.allen@elgars.uk.com - As expected, much more activity from both landlords and tenants keeping the market in balance and taking pressure of rent rises.

Stan Shaw, AssocRICS, Mervyn Smith, Ham, Surrey, Between Richmond And Kingston, stanleyshaw@hotmail.com - Tenants are still being forced to accept significant rent increases, despite rises in all their other living costs, because of lower than usual supply. Significant numbers of landlords are selling some, or all, of their portfolios.

South West

Howard Davis, Bristol, howard@howard-homes.co.uk - Demand isn't letting up. We are seeing a huge demand particularly for 1 and 2 bedroom flats within all the central districts of the city.

Ian Perry, FRICS, Cheltenham Cirencester Nailsworth Stroud Tetbury, ianperry@perrybishop.co.uk - Strong demand in all price brackets.

Marcus Arundell, MRICS, Homelets, Bath, marcus@homelets-bath.co.uk - The summer is here. Applicant demand continues to outstrip supply. Student turnarounds in full swing. When will the market begin to see more normalised transaction volumes.

Wales

Anthony Filice, FRICS, Kelvin Francis Ltd., Cardiff, tony@kelvinfrancis.com - Continued considerable excess of demand by tenants, for reducing stock. Landlords, under increasing regulations and restrictions, are either leaving the market, or being very particular about the quality of tenants considered.

David Cook, MRICS, , Caerphilly, Dave.bern@btinternet.com - Constant changes is creating uncertainty in an over regulated housing sector and will lead to a mass exodus by landlords if it continues.

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

Paul Lucas, FRICS, R.K.Lucas & Son, Haverfordwest, paul@rklucas.co.uk - Government interference has drastically reduced the lettings market supply. Demand outstrips supply and rents continue to rise.

London

Alec Harragin, MRICS, Savills Plc, London, aharragin@savills.com - There remains a supply-demand imbalance which will continue to drive rental growth over the next 12 months. Rental increases over the first half of the year, coupled with strong income growth, suggest that 2023 UK rental growth may slightly outperform our November 2022 forecast of 6.5%.

Allan Henry Fuller, FRICS, Allan Fuller Estate Agents, London, allan@allanfuller.co.uk - Demand remains very strong, we need greater encouragement for investors to know that government plans for a fair PRS will become law.

Jeremy Leaf, FRICS, Jeremy Leaf & Co, Finchley, jeremy@jeremyleaf.co.uk - Lack of stock is keeping rents up and persuading tenants to renew agreements rather than pay more elsewhere. Demand, especially for HMOs, is hard to satisfy though we have not noticed large numbers of landlords selling. Most are trying to assess the impact of the Renters Reform Bill before deciding.

Jilly Bland, , Robert Holmes & Co, Wimbledon, jilly@robertholmes.co.uk - Stock levels continue to fall, as a result budgets have levelled off and activity has slowed.

John King, FRICS, Andrew Scott Robertson, Wimbledon, jking@as-r.co.uk - The market remains very strong with more enquires from would be tenants that one can cope with. We are seeing more renewals occurring and a reduction in availability of stock levels.

John King, FRICS, Andrew Scott Robertson, L.B.Merton, jking@as-r.co.uk - With rents improving month on month, some vendors are switching to rentals as they are finding it difficult to obtain their price. As an investment if the trend continues, we will see more investors re-enter the market.

Mr Paul Dolan, Tech RICS, Dolan Pratley Associates, London, paul-johndolan@gmail.com - With 14 consecutive interest rate rises buy to let is now becoming unprofitable yet tenant demand has never been higher in London. Strange times with high demand for property but a political vote winner that wants to cull the private landlord, whilst foreign investors reduce the availability.

Rupert Merrison, MRICS, Dexters, London, rupertmerrison@dexters.co.uk - The summer is the busiest time in the lettings market and this year is no different, with high tenant demand and a good supply of property.

Will Barnes Yallowley, AssocRICS, Tate Residential, Kensington, will@lhresidential.co.uk - With stock levels decreasing and tenant demand increasing we are seeing more and more offers. In one case 11 offers for a 2 bed flat, achieving well over asking price in a week.

William Delaney, AssocRICS, Coopers Of London Limited, Central/West End, william@coopersoflondon.co.uk - The rental market remains robust. A diminishing level of available stock combined with healthy demand is supporting headline rents. However, affordability is becoming a factor mitigating against a repeat of the double-digit percentage increases that we witnessed last year.

Scotland

Craig Henderson, MRICS, Graham & Sibbald LLP, Ayrshire, craig.henderson@g-s.co.uk - More landlords continue to exit the private rented sector, as apparent from the number of landlord properties we are seeing instructions come from. The landlords blame the Scottish Governments current mindset towards landlords, and the ongoing restrictions on rent increases as being the final straw.

Grant Robertson, FRICS, Allied Surveyors Scotland Plc, Glasgow, grant.robertson@alliedsurveyorsscotland.com - And now we have the impact of the relentless attack on the PRS. Landlords fleeing, if they can, limited new entrants and students, young workers, migrants, and temporary homeless paying the cost.

Ian Morton, MRICS, Bradburne & Co, St Andrews, info@bradburne.co.uk - Demand from tenants remains high with a lack of suitable properties available. Holiday let licences are deterring some from short term lets.

Northern Ireland

Daniel Mc Crory, MRICS, D.S Mc Crory, Ederney, Enniskillen, dsmccrory123@gmail.com - Rising interest rates are deterring purchasers.

David Irwin, MRICS, Ikon Property Group, Belfast, david.irwin@ikonpropertygroup.com - Demand is extraordinarily high for a limited supply of residential rental properties.

Kirby O'Connor, AssocRICS, GOC Estate Agents, Belfast, kirby@gocestateagents.com - Rentals are very strong, huge demand continuing.

Samuel Dickey, MRICS, Simon Brien Residential, Belfast, sdickey@simonbrien.com - The rental market is as strong as ever.

Thomas O Doherty, , Simon Brien Residential, Belfast, Todoherty@simonbrien.com - There is a vast undersupply of properties to let.

Contacts

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