



ECONOMICS



UK Residential Market Survey

May 2022

Demand dips slightly although pricing trends remain firm at this stage

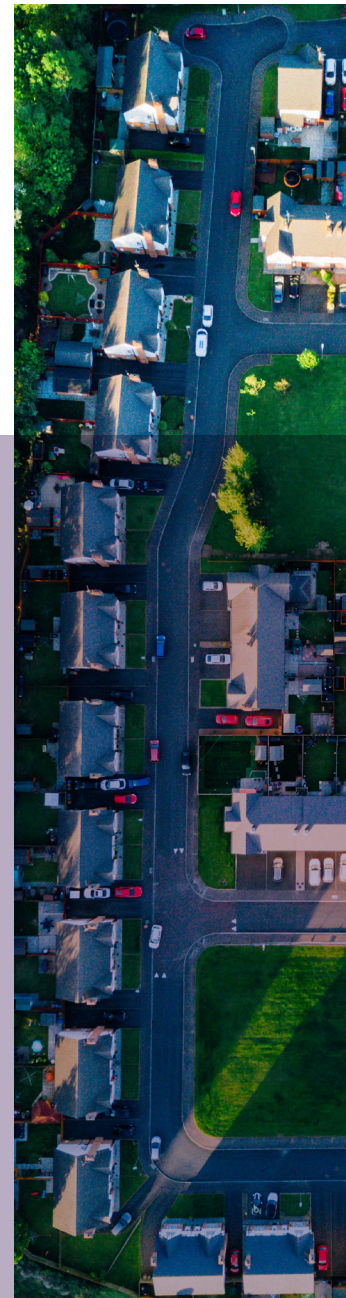
- New buyer enquiries indicator turns slightly negative
- New instructions and sales remain more or less flat at the headline level
- House prices continue to rise across the country although twelve-month expectations point to an easing in momentum further ahead

The May 2022 RICS UK Residential Survey results are consistent with a slight drop-off in demand over the month, alongside a generally flat trend being reported for agreed sales and instructions. Further ahead, sentiment around the twelve-month outlook for sales has now weakened in the face of a more challenging macro environment. Despite that, prices are still expected to continue to rise, even if the pace of growth is seen moderating.

At the aggregate level, the latest net balance for new buyer enquiries came in at -7%, down from +8% previously. As such, this is consistent with a modest decline in buyer demand during May and brings to an end a run of eight consecutive positive monthly readings beforehand. What's more, the buyer enquiries series was either flat or negative in nine of the twelve regions/countries covered across the UK this time around.

Alongside this, the volume of sales agreed was reportedly little changed for a second consecutive report, evidenced by a net balance reading of -2% being posted (compared with -3% last time). Going forward, near term sales expectations moved into broadly neutral territory, as the latest net balance eased to just +1% from a reading of +10% back in April. That said, the twelve-month outlook for activity has deteriorated more noticeably, with the latest longer-term expectations net balance slipping to -24% from -4% previously (the softest reading since October 2020).

Meanwhile, new instructions to sell were largely flat during May, returning a net balance of zero following a figure of -2% last month. With respect to market appraisals, the latest headline net balance of -5% suggests these are running at a broadly similar pace



to that seen twelve months ago. Even so, this does represent the weakest reading since December 2021 and suggests there is little prospect of a meaningful uplift in the flow of supply coming onto the market in the immediate future.

Given the still constrained supply backdrop, house prices continue to be squeezed higher. Indeed, an aggregate net balance of +73% of contributors reported an increase in house prices during May. Although this is down slightly on a figure of +80% last time, it remains closely aligned with the average seen over the past six months or so. When broken down, all parts of the UK continue to see house prices moving upwards, with growth still exceptionally strong in Northern Ireland, Northern England and Wales. Meanwhile in London, the current net balance of +53% (slightly more moderate than +68% beforehand) remains well above the long run average of +12% for this measure.

Looking ahead however, twelve-month price expectations did ease at the national level for a third successive month. Although a net balance of +42% of survey participants still envisage house prices being higher in a year's time, this is down from +78% in February and does in fact mark the most moderate reading seen since January 2021. That said, twelve-month price expectations remain comfortably positive across all parts of the UK at this stage.

In the lettings market, tenant demand continues to rise firmly according to a net balance of +48% of contributors (identical to last month's reading). At the same time, landlord instructions remain in decline, with the latest net balance coming in at -13% following a reading of -16% seen previously. As a result, near-term rental growth expectations remain elevated, returning a net balance of +58% in May, albeit this measure has come down slightly from an all-time high of +66% recorded back in February this year.

At the five year-time horizon, growth in rents is expected to outpace that for house prices, with the gap widening in recent months. Rents are now anticipated to rise by a little over 5% per annum at the headline level through to 2027 (based on a three month average for the series), while price growth projections stand at 4% on the same basis.



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: 14 July 2022
July survey: 11 August 2022

Number of responses to this month's survey:

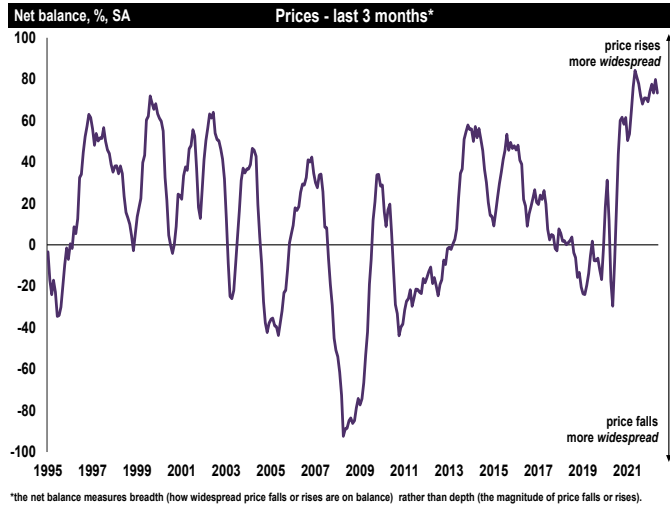
This survey sample covers 453 branches coming from 265 responses.

Disclaimer

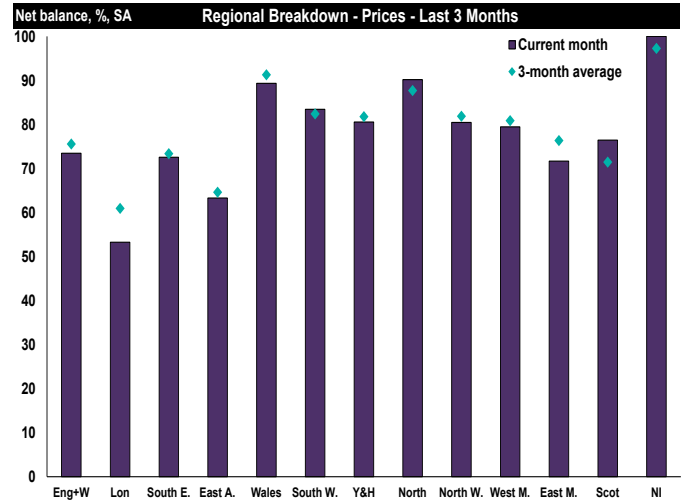
This document is intended as a means for debate and discussion and should not be relied on as legal or professional advice. Whilst every reasonable effort has been made to ensure the accuracy of the contents, no warranty is made with regard to that content. Data, information or any other material may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

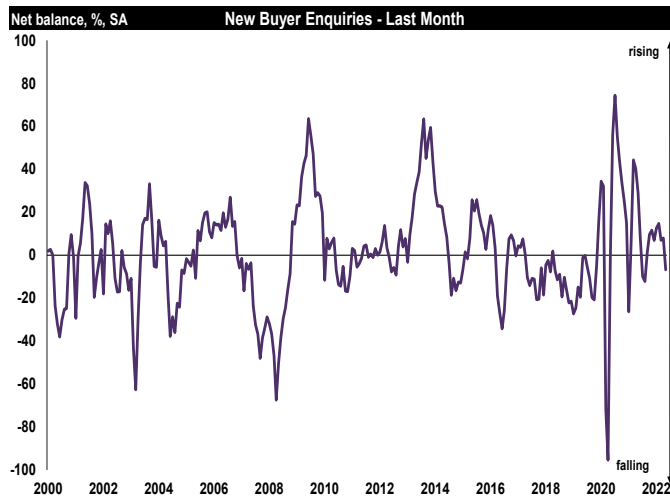
National Prices - Past three months



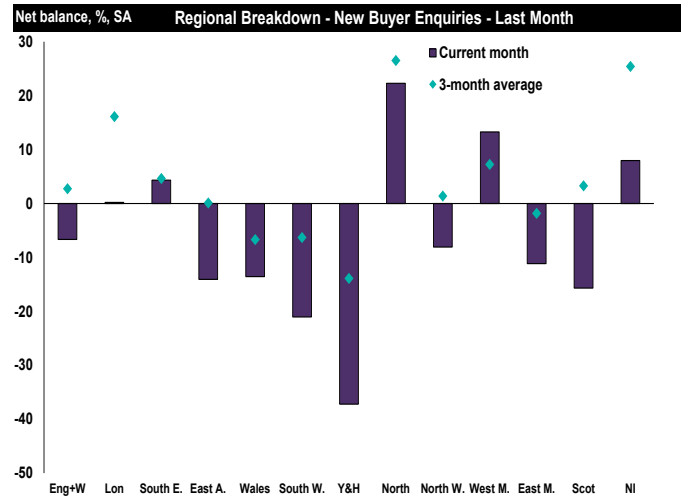
Regional Prices - Past three months



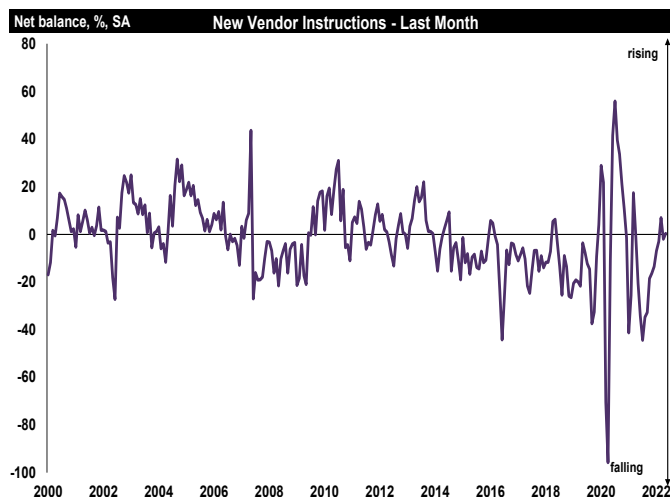
National Enquiries - Past month



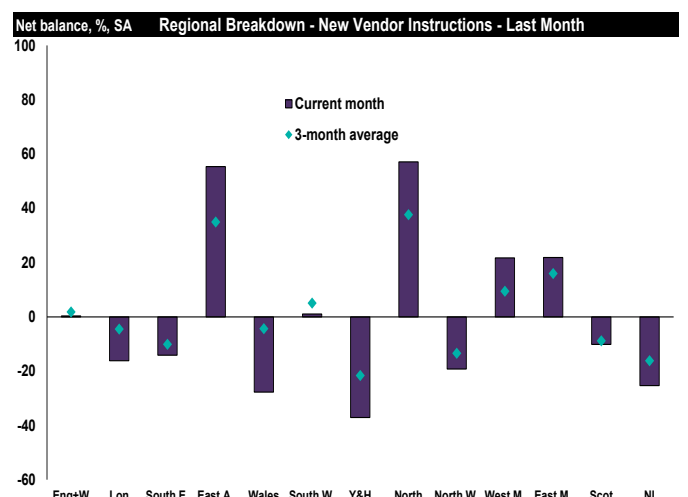
Regional New Buyer Enquiries - Past month



National New Vendor Instructions - Past month

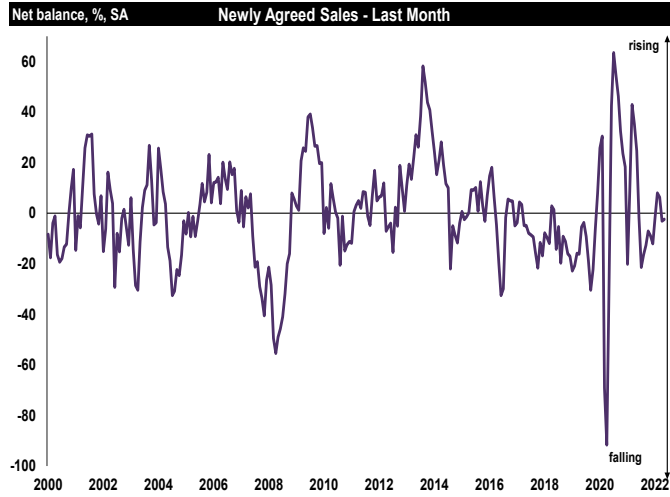


Regional New Vendor Instructions - Past month

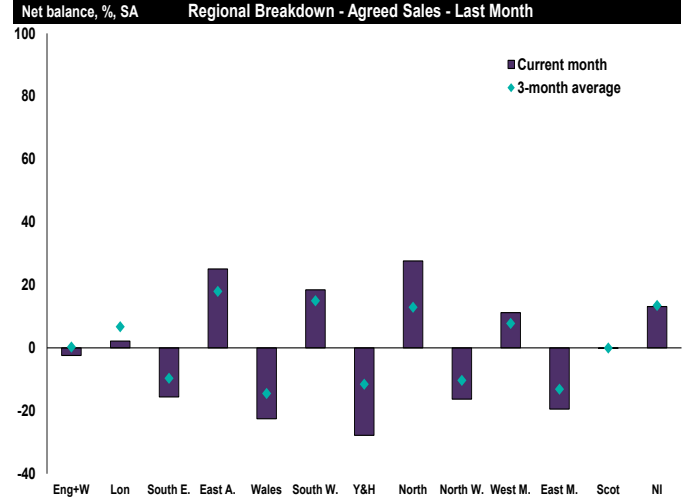


Sales market charts

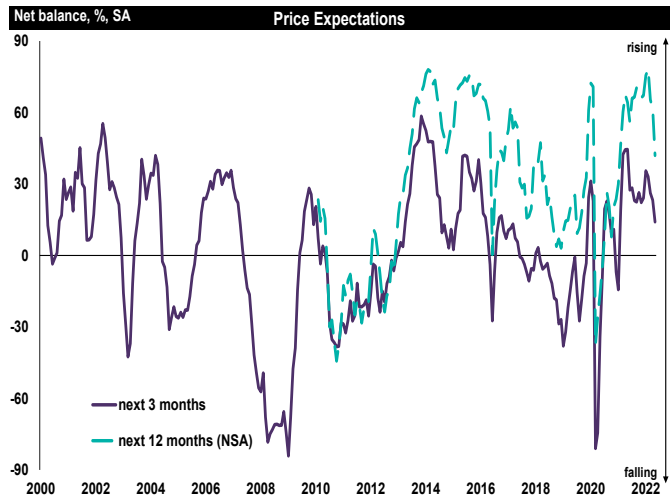
National Newly Agreed Sales - Past month



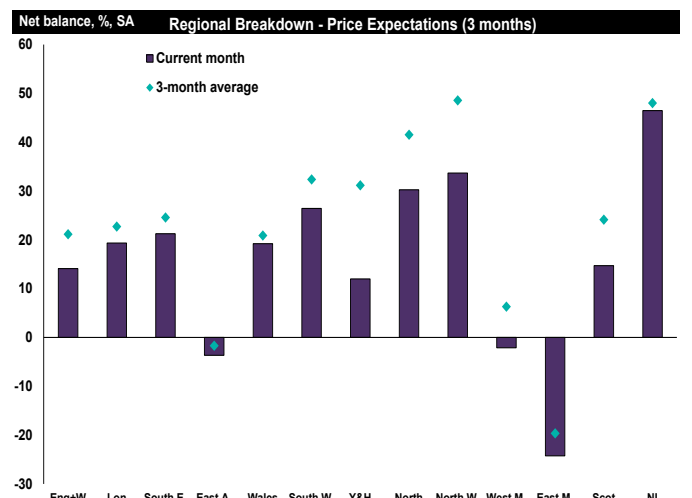
Regional Newly Agreed Sales - Past month



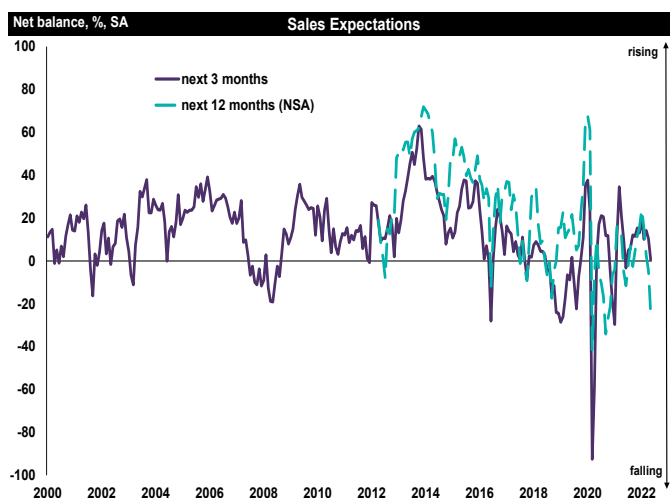
National Price Expectations - Three and twelve month expectations



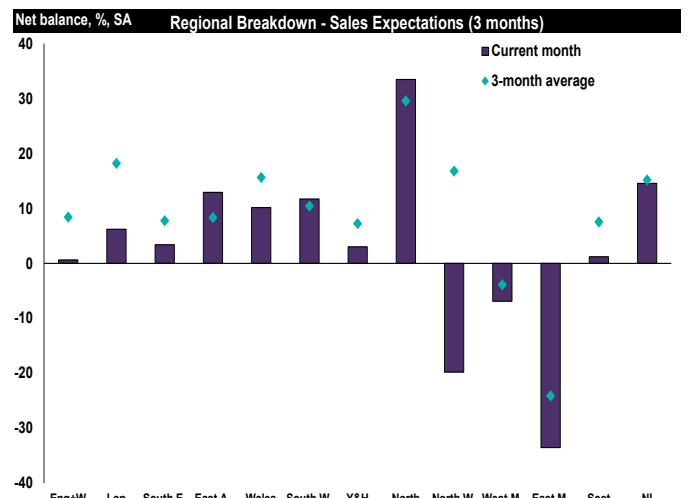
Regional Price Expectations - Next three months



National Sales Expectations - Three and twelve month expectations

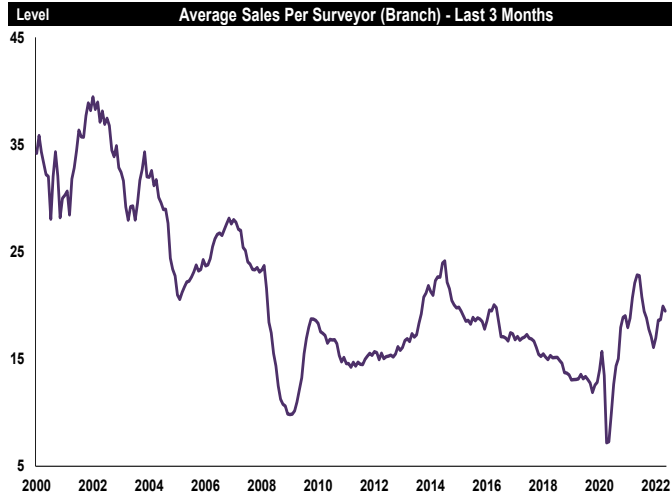


Regional Sales Expectations - Next three months

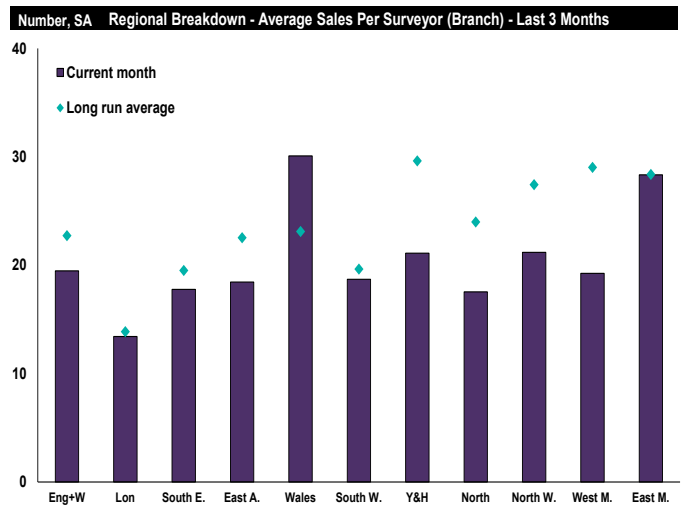


Sales market charts

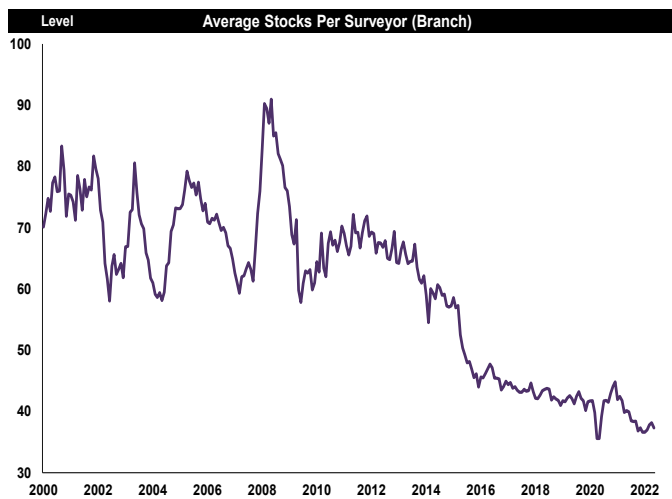
National Average Sales Per Surveyor - Past three months



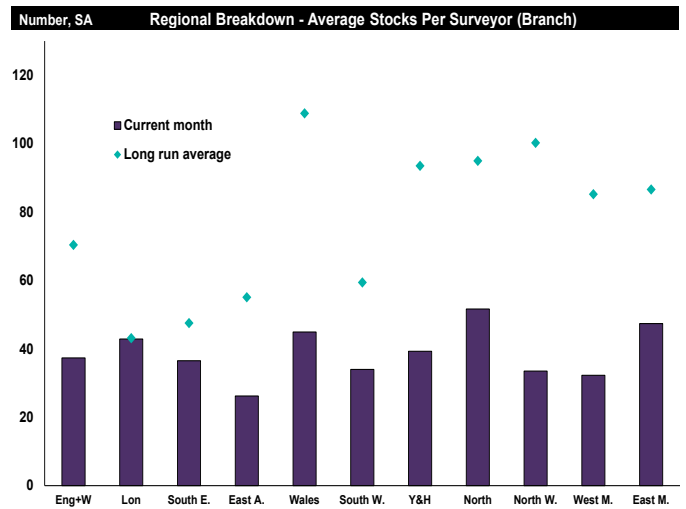
Regional Average Sales Per Surveyor - Past three months



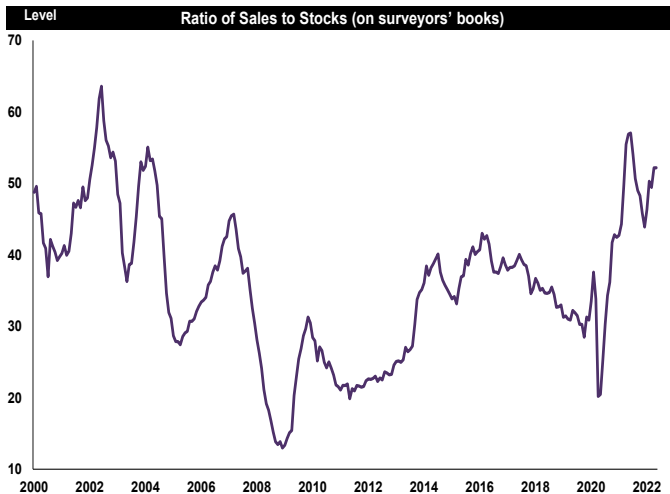
National Average Stocks Per Surveyor



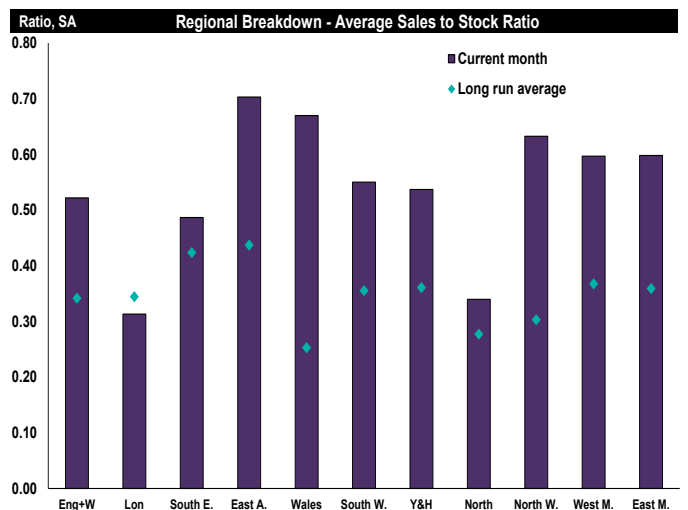
Regional Average Stock Per Surveyor



National Sales to Stock Ratio

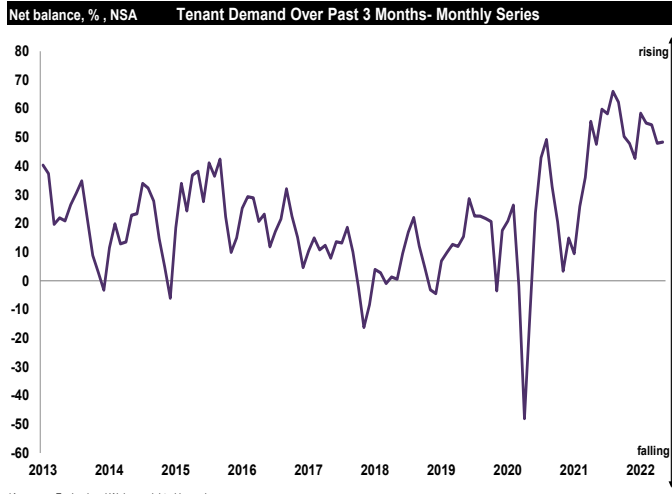


Regional Sales to Stock Ratio

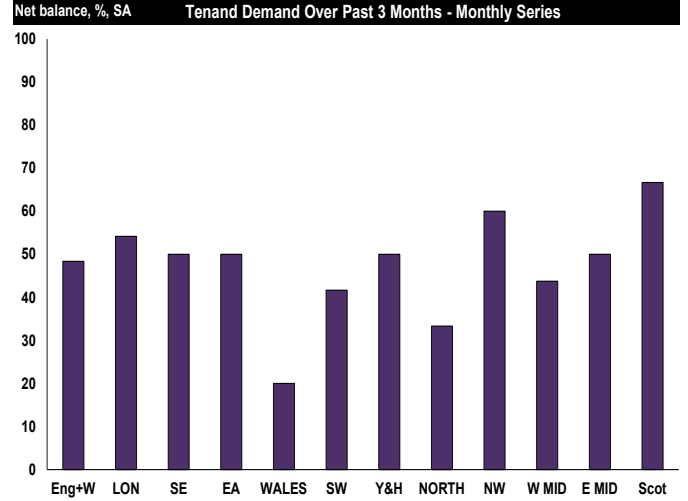


Lettings market charts

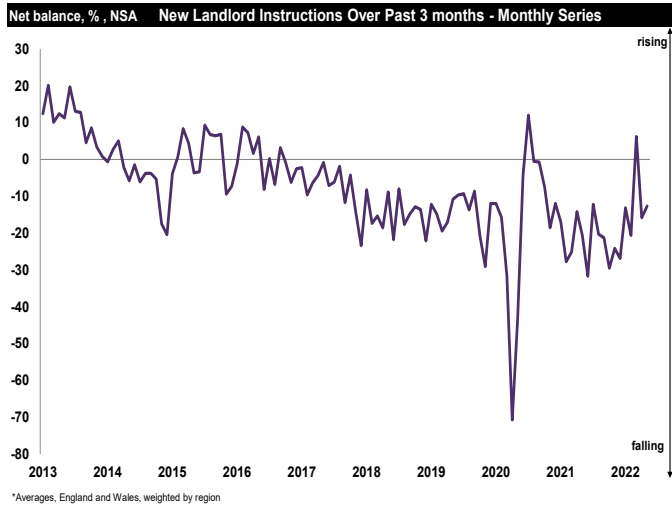
National Tenant Demand - Past three months



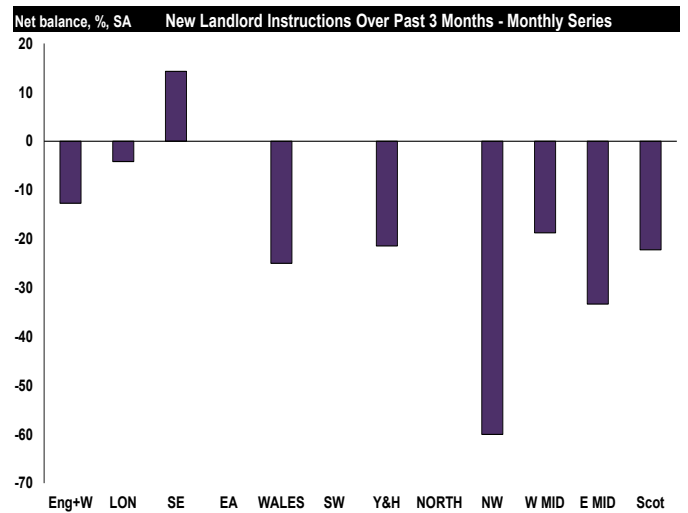
Regional Tenant Demand - Past three months



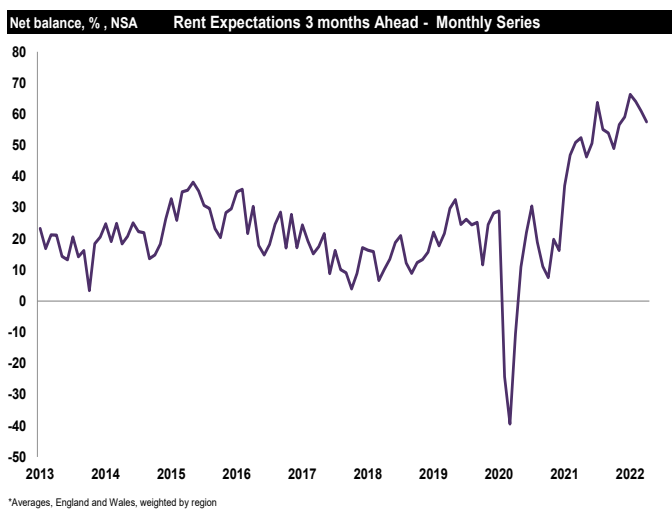
National New Landlord Instructions - Past three months



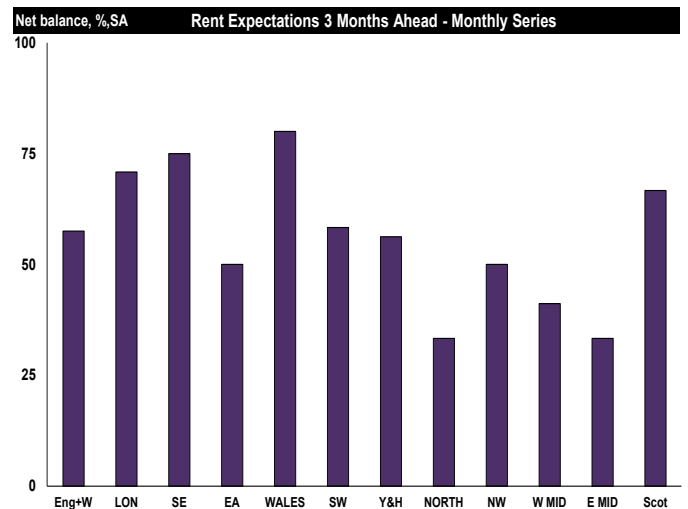
Regional New Landlord Instructions - Past three months



National Rent Expectations - Next three months

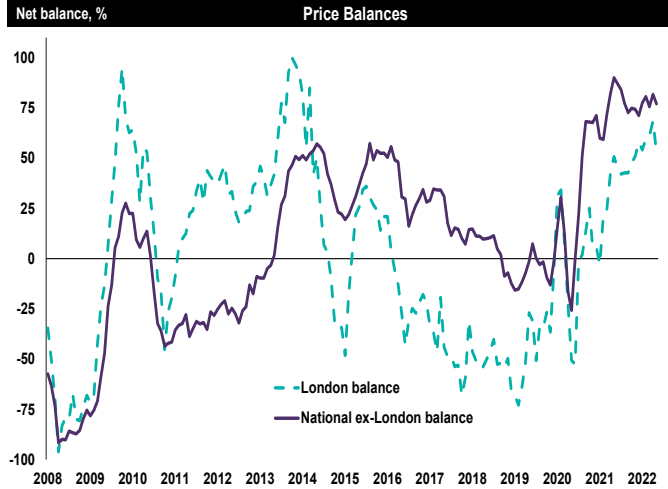


Regional Rent Expectations - Next three months

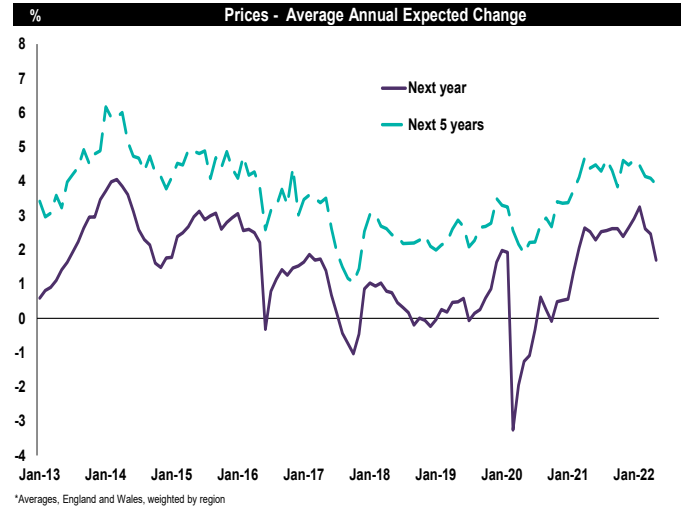


Expectations and other data

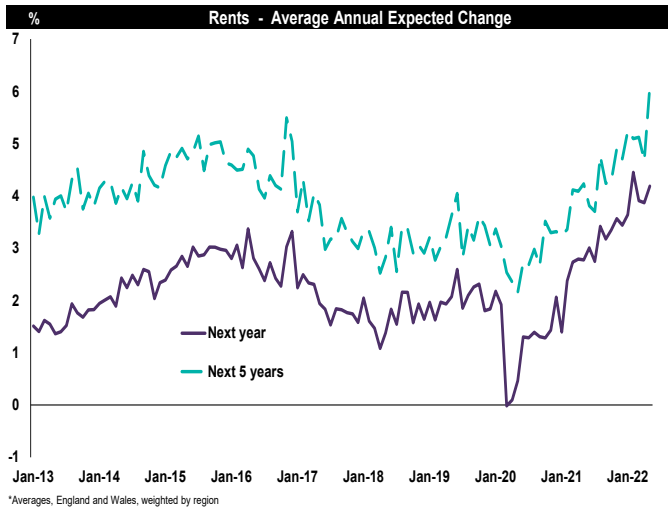
National Price Balance (excluding London) and London Price Balance - Past three months



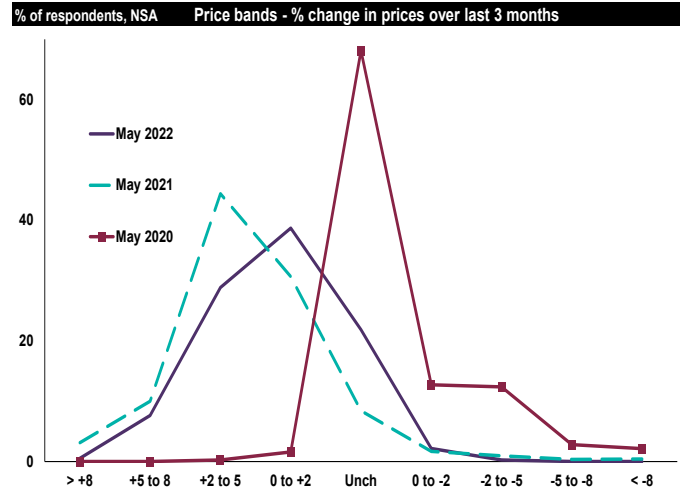
National Average Annual Expected Price Change (point estimate) - Next one and five years



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



Price Bands - Past three months



Surveyor comments - Sales

North

David Shaun Brannen AssocRICS, Whitley Bay, Brannen & Partners, shaun.brannen@brannen-partners.co.uk - Instructions - up. Sales agreed - up. Strong signs for the coastal market.

Keith Pattinson FRICS, Around Newcastle upon Tyne, Keith Pattinson Ltd, keith.pattinson@pattinson.co.uk - The property market looking forward is impossible to predict, as there are many existing factors and others we do not yet know. Working from home is possible for many people, needing extra space and being able to move further from office. Obviously many cannot work from home.

Simon Hobbs MRICS, London, London & City Estates Ltd, simonh@londonandcity.co.uk - Inflation, government policy, green agenda all adversely affecting buyer and seller sentiment.

Yorkshire & the Humber

Alexander James Mcneil MRICS, Huddersfield, Bramleys, alex.mcneil@bramleys1.co.uk - There is a sense that the party is nearly over with prices at their highest ever level and defying gravity. The frisky, frivolity & dancing is about to abate and we now must look forward to the following headaches sooner than we may wish.

Ben Hudson MRICS, York, Hudson Moody, benhudson@hudson-moody.com - Shortage of properties coming to market driving up prices, although slightly fewer potential purchasers wanting to move.

James Brown MRICS, Richmond, Norman F Brown, james@normanfbrown.co.uk - We haven't seen any of the predicted slow down yet in our patch.

James Watts MRICS, Bradford, Robert Watts Estate Agents, jameswatts@robertwatts.co.uk - The market is still undersupplied and buyer demand remains high particularly from family buyers for 3 bedroom semi detached and 4 bedroom detached homes in good areas with popular schools. However, we feel the market has slowed slightly due to the economic impact of the cost of living.

Kenneth Bird MRICS, Leeds, Renton & Parr, ken@rentonandparr.co.uk - Strong sellers market continues to drive sale prices upwards.

Mark Hunter MRICS, Doncaster, Grice and Hunter, griceandhunter@btconnect.com - Very selective activity. As usually occurs, after a strong period, there is now a considerable amount of over pricing occurring.

Mary Rose Swiers AssocRICS, Sheffield, Countrywide Surveying Services, maryrose.swiers@cwsurveyors.co.uk - Due to many contributing factors, the residential market has seen a boom in past year. I suspect the market will still be strong but will slightly cool down towards the end of 2022 and into 2023.

Mike Darwin MRICS, Northallerton, M W Darwin & Sons, info@darwin-homes.co.uk - The interest in new property continues to be strong but is showing some signs of slowing.

Tim Waring FRICS, Harrogate, Lister Haigh, timwaring@listerhaigh.co.uk - The market appears to be heading into a period of uncertainty. Agents continue to have stock shortages, there are buyers in rented accommodation unable to purchase, meanwhile macro uncertainties continue.

North West

Ainsley Ball MRICS & Registered Valuer, Chorley, Stonegate Surveyors, ainsley@chestersproperty.co.uk - We have seen a consistent increase in property value since the original Covid-19 lockdown. As of the second quarter 2022, the market has levelled out, although demand is still high.

Amin Mohammed, Greater Manchester, Le Baron Haussmann, aminm7@gmail.com - With excess printing of money and a post-pandemic economic slow down, the result will be an increase in demand by investors for traditional housing.

John Williams FRICS, MEWI, Wirral, Brennan Ayre O'Neill LLP, john@b-a-o.com - Limited supply continues to support some price growth as economic headwinds start to impact the market.

Lawrence Copeland FRICS, Salford Quays And Manchester City Centre, Elbonmill Limited T/A Lawrence Copeland Town and City Centre, lawrence@lawrencecopeland.com - Stock levels still remain low, buyers under pressure in most cases to bid. Stock levels will take at least 12 months to recover.

Nigel French FRICS, Liverpool, ESG, nigelsussex03@gmail.com - Still a case of lack of quality for sale.

East Midlands

David Hawke FRICS, Worksop, David Hawke Property Services, enquiries@davidhawke.co.uk - The workings of sales progression have got progressively worse during Covid.

Peter Buckingham, Market Harborough, Andrew Granger & Co, peter.buckingham@andrewgranger.co.uk - Much needed arrival of new instructions coming to market, albeit demand still exceeding supply. Purchaser caution is undoubtedly in the air, but the market is still very active, and sales are promising.

Simon Bentley MRICS, Lincoln, Mundys, simon.bentley@mundys.net - Over the month of May, we have noticed a large increase in sales falling through.

Stephen Gadsby BSc FRICS, Derby, Gadsby Nichols, stevegadsby@gadsbynichols.co.uk - House prices seem to have stabilized. Still a fairly buoyant market for low to mid priced properties. Higher priced properties receiving fewer enquiries.

Tom Wilson MRICS, Stamford, King West, twilson@kingwest.co.uk - A distinct increase in supply as vendors try to capture not only the enthusiasm of Spring, but also that of buyers starved of choice for so long. Time will tell what impact a changing economic environment will have on both.

Vyv Wainwright MRICS, Oakham, A V Wainwright, vyv@avwainwright.co.uk - Supply of new property for sale remains limited which is possibly keeping prices higher. But I have noticed 'Reduced for a quick sale' appear for the first time in the last 3 years. Given all that is going on in our world today the future still looks uncertain.

West Midlands

Alex Smith FRICS, Birmingham, Alex Smith & Co, alex@alex-smith.co.uk - Supply cannot keep up with demand.

Cheryl La AssocRICS, Wolverhampton, Countrywide, cheryl.la@cwsurveyors.co.uk - Continuous rise in cost of living and inflation.

Colin Townsend MRICS, Malvern, John Goodwin, colin@johngoodwin.co.uk - Another strong month but perhaps some early signs that the market might be slowing.

John Andrews FRICS, Kidderminster, Doolittle & Dalley Ltd, johnandrews@doolittle-dalley.co.uk - Increase in instructions has resulting in higher levels of enquiry and sales. Less activity than springtime but still no significant slow down as yet.

John Andrews FRICS, Bridgnorth, Doolittle & Dalley Ltd, johnandrews@doolittle-dalley.co.uk - Still no sign of a slowdown but prices are not increasing at the same rate as last year. Still good demand with more property needed to satisfy this demand.

Mark Killen AssocRICS, Coventry, K1l133n44@hotmail.com - Interest rate rises will dampen the inflation in the housing market and economy.

Richard Franklin MRICS, Tenbury Wells, Franklin Gallimore, richard@franklingallimore.co.uk - Experienced multiple delays from Land Registry which would indicate the other public offices are not alone in delivering a timeous service.

East Anglia

David Boyden Bsc MRICS, Colchester, Boydens, david.boyden@boydens.co.uk - Still lots of activity within the market, albeit at a slightly reduced level. Legals are taking far too long to complete, meaning we are now looking at six months from offer to completion which is not helpful as many are getting cold feet in this time and withdrawing.

Jeffrey Hazel FRICS, King's Lynn, Geoffrey Collings & Co, jhazel@geoffreycollings.co.uk - More properties now coming to market but not enough to satisfy demand.

Mark Duckworth AssocRICS, Ely, Martin & Mortimer, mark.duckworth@martinandmortimer.co.uk - The lack of housing stock continues to be an issue although demand appears to be decreasing slightly.

Rob Swiney MRICS, Bury St Edmunds, Lacy Scott and Knight, rswiney@lsk.co.uk - There are signs that things are slowing, it will be interesting to see what happens over the summer months and into the Autumn.

South East

Christopher Clark FRICS, Eastleigh, Ely Langley Greig, chrisclark@elgsurveyors.co.uk - Reduced disposable income and stiffer lending criteria are likely to reduce demand and depress market conditions.

David Nesbit FRICS, Portsmouth, D.M.Nesbit & Company, davidnesbit@nesbits.co.uk - The shortage of supply is hampering the market with higher, in some cases, excessive prices being achieved. Higher rates are affecting mortgages, especially for converted flats.

David Parish FRICS, Upminster, Gates, Parish & Co, professional@gates-parish.co.uk - The market has been quiet with a shortage of new instructions. However, there is still a good demand for houses and bungalows but not flats. Prices are likely to remain static due to interest rate rises and concerns over the cost of living.

Edward Rook MRICS, Sevenoaks, Knight Frank, edward.rook@knightfrank.com - Market still strong but not sure how long it will last.

Keith Fox MRICS, South East, Keith Fox, keithfox10@gmail.com - Covid

Martin Allen MRICS, Wingham, Canterbury, Elgars, m.allen@elgars.uk.com - Generally more caution from buyers but demand still strong and levels of offers made are more realistic. Fall throughs due to mortgage providers changing their criteria now more common.

Matt Ward MRICS, Reading, Haslams Surveyors LLP, msw600065@gmail.com - The general economic outlook and interest rate rises over the coming months will reduce new buyer enquiries and properties put on the market for sale. The current price rise trend is driven by low supply and high demand. These look like levelling out in the foreseeable future with prices stagnating.

Nick Harris AssocRICS, Wokingham, Quarters Residential, nick@quartersresidential.co.uk - We're certainly noticing some 'heat' leaving the market with buyers taking a beat and pausing to consider their purchase.

Perry Stock FRICS, Registered Valuer, Effingham, Leatherhead, Perry Stock FRICS, perrystock@gmail.com - Lack of people wanting to sell.

Stanley Shaw AssocRICS, Registered Valuer, Ham, Between Richmond And Kingston Upon Thames, Mervyn Smith & Co, stanleyshaw@hotmail.com - Despite buyers growing cautious about the economic backdrop going forward, they are still being driven on by a lack of supply and actually wanting to buy now before mortgage rates go higher.

Tim Green MRICS, Wantage, Green & Co.(Oxford) Ltd, tim.green@greenand.co.uk - A more balanced market being seen at present which we hope is sustainable moving into the months ahead.

Tony Jamieson MRICS, Guildford, Clarke Gammon, tony.jamieson@clarkegammon.co.uk - The market is still suffering due to lack of stock. Extensive list of buyers wanting to buy, so when a property comes onto the market, there are often multiple offers, but vendors are not prepared to move unless they can find, so sometimes it has become a vicious circle. Prices are still rising.

South West

G C Thorne FRICS, East Dorset, Thornes, graham@thornes.org.uk - The market still is defying gravity and we have seen large increases over the last month.

Ian Mcnaught Davis FRICS, Cirencester/Tetbury, Avon Construction Services Ltd, office@avonconstruction.co.uk - Uncertainty due to Russia/Ukraine.

James Mckillop MRICS, Salisbury, Savills, james.mckillop@savills.com - There is certainly some change afoot. The frenetic market of Q1 seems to have calmed somewhat and our stock is increasing. Properties are still getting multiple offers mind you and things are busy.

James Wilson MRICS, Shaftesbury, Jackson - Stops, james.wilson@jackson-stops.co.uk - Buyer demand remains strong and instructions starting to increase.

Jeff Cole MRICS, Wadebridge, Cole Rayment & White, jeff.cole@crw.co.uk - A much better month due to new stock coming to the market, mainly due to the time of the year we think. Stock levels still relatively low.

John Corben FRICS FCABE, Swanage, Corbens, john@corbens.co.uk - There is still a tremendous shortage of properties coming to the market and the imbalance in supply and demand continues to keep prices elevated.

Mark Annett FRICS, Chipping Campden, Mark Annett & Company, mark.f.annett@gmail.com - There is still an acute shortage of properties coming to the market and this demand is fuelling price rises. With the latest inflation, it could be fired up even more.

Mark Lewis FRICS, Sturminster Newton, Symonds & Sampson, mlewis@symondsandsampson.co.uk - Buyers are still keen to purchase in the South West but we are beginning to see more supply so we expect an equilibrium.

Michael Burkinshaw MRICS, Bristol, Skysurvuk, Michael.burkinshaw@skysurvuk.com - The PII market remains a complete barrier to many flat sales. Rental demand is growing faster than supply, beyond ownership as some are needing to sell up due to household changes and the cost of living crisis. These people are typically going into the rented sector, as opposed to buying.

Miles Kevin MRICS, Totnes, Chartsedge Ltd, miles@chartsedge.co.uk - The market is still strong but there are signs of softening. We are getting less people on viewing days (down about 30%).

Oliver Miles FRICS, Swanage, Oliver Miles, olivermiles@olivermiles.co.uk - Dearth of properties still putting pressure on prices with competitive bidding fairly common.

Peter Olivey MRICS, Padstow, Cole Rayment and White, peter.olivey@crw.co.uk - Despite a degree of negative sentiments from the press generally regarding the property market demand stays strong for property in all price ranges.

Roger Punch FRICS, South Devon, Marchand Petit, roger.punch@marchandpetit.co.uk - More properties are now coming onto the market, but demand still outstrips supply with the vast majority selling above guide price.

Sam Trounson MRICS, Cirencester, Strutt & Parker, sam.trounson@struttandparker.com - Demand way outstripping supply which in itself is self-perpetuating as potential sellers see nothing to buy so do not want to sell.

Simon Cooper FRICS, Exeter, Stags, s.cooper@stags.co.uk - The market is still busy though there is a sense May has been less frenetic than in previous months. Prices are holding up and there are signs that more properties are coming to the market which will help buyers.

Simon Lord Candidate, Bath, Allen and Harris, simonlord60@icloud.com - Lack of supply and robust demand is preventing negative price growth. Caution now evident in buyer behaviour due to inflation and rising interest rates.

Simon Milledge MRICS, Blandford Forum, Jackson-Stops, simon.milledge@jackson-stops.co.uk - Stock is now rising, mainly because rate of sales is slowing down. Signs of buyers beginning to get cautious, taking their time and less inclined to get into competitive bidding situations that was forcing prices up.

Trevor Brown FRICS, Southend-On-Sea, Trevor Brown surveyors, tbrownsurveyors@btinternet.com - This should be the busiest time of year - it is not! We are now seeing sales that fall through and resell at a lower figure. The worldwide negativity is starting to bite. Prices are only being held up by a shortage of supply - nothing else.

Wales

Anthony Filice FRICS, Cardiff, Kelvin Francis Ltd., tony@kelvinfrancis.com - Increasing numbers of appraisals and instructions, high demand persisting with multi-offers for attractive properties, leading to 'last & final' bids. More abortive sales due to mortgage terms being changed and offers reduced. Climate starting to change and a cooling anticipated.

David James FRICS, Brecon, James Dean, david@jamesdean.co.uk - The market remains strong.

Paul Lucas FRICS, Haverfordwest, R.K.Lucas & Son, paul@rkucas.co.uk - There are fewer buyers around but the limited number of properties available continues to push prices upwards.

London

Alec Harragin MRICS, London, Savills Plc, aharragin@savills.com - Despite the backdrop of global geopolitical uncertainty, London property appears to be in recovery. The pace of this recovery will be dictated by the return of international travel, requirements for greater transparency around property ownership, and constraints on levels of new build supply.

Allan Fuller FRICS, Putney, Allan Fuller Estate Agents, allan@allanfuller.co.uk - The time for a sales to be finalised has become very slow, conveyancing companies, seem slower than solicitors, chosen because they appear to be cheap. We have heard that some agents push hard for this because they get a hidden kick commission for recommending. It may be in the small print of an agreement.

Christopher Ames MRICS, London/Belgravia, Ames Belgravia, ca@amesbelgravia.co.uk - We are into an active spring market with preference for outside space but growing concern over fuel costs.

David Conway FRICS, Harrow, David Conway & Co, david@davidconway.co.uk - War in Ukraine with rising cost of living may dampen demand on more expensive property.

Jeremy Leaf FRICS, Finchley, Jeremy Leaf & Co, jeremy@jeremyleaf.co.uk - Successive monthly cost of living and interest rate rises are resulting in lower quantity but not quality of enquiries. Continuing stock shortages mean a market correction is unlikely but slowdown in price growth has already started, especially as listings are finally picking up.

John King FRICS, L.B.Merton, Andrew Scott Robertson, jking@as-r.co.uk - While pipeline sales continue to grow on new instructions, older sales in part have stalled for no particular reason just a combination of economic and uncertainty reasons. The key is closer monitoring but there is a fine line between putting pressure on buyers and providing a good service to clients.

John King FRICS, Wimbledon, Andrew Scott Robertson, jking@as-r.co.uk - With half term combined with jubilee celebrations, the market overall has slowed. There are exceptions where informal tenders have brought about exceedingly higher prices being paid particularly in the £1.5-£3m price range. Prolonged periods before exchange remains our concern.

Kam MRICS, Harrow, Ellis and Co, kam-kalra@ellisandco.co.uk - Interest rate rise, cost of living increasing dramatically with petrol gas and electricity. This may affect buyers attitude.

Robert Green MRICS, London, John D Wood & Co., rgreen@johndwood.co.uk - Good property remains in short supply. Houses in good order with gardens most popular. Building works are off putting for some. Very few downsizers limiting supply of family houses. Flat market much busier than during pandemic.

Rupert Merrison MRICS, London, Dexters, rupertmerrison@dexters.co.uk - The market is very busy with high buyer demand coupled with an increase in the number of properties coming to the market in recent weeks.

William Delaney AssocRICS, West End/Central London, Coopers of London Limited, william@lwllondon.com - Cost of living, inflation, war in Ukraine and confidence in the government are some of the factors that are contributing to doubt. This is making some buyers very hesitant. Correctly priced interesting properties that are well presented still sell quickly.

William Taper MRICS, W6, London, Willmotts, w.taper@willmotts.com - Buyer enquiries for many properties are down and the market certainly has slowed. It is very price sensitive. Vendors who are motivated and are marketing their properties at the right price from the outset are getting a good reaction from buyers and viewing activity is very strong.

Scotland

Alan Kennedy MRICS, Fraserburgh, Shepherd Chartered Surveyors, alankennedy@shepherd.co.uk - The local market remains active with good demand particularly for rural properties.

Craig Henderson MRICS, Ayrshire, Graham & Sibbald, craig.henderson@g-s.co.uk - Demand remains high for houses and modern flats with private outdoor space, this is resulting in closing dates being the normal, and prices well above Home Report values. Older flats off common entrances are now seeing demand much less than was the case, resulting in longer selling periods.

Grant Robertson FRICS, West Of Scotland, Allied Surveyors Scotland PLC, grant.robertson@alliedsurveyorsscotland.com - With properties no longer flying to offers inside a few days, buyers are more comfortable coming forward and stock levels are rising. Some frothy prices from the Spring might now be difficult to achieve as the market softens slightly. This gentle easing is a good thing allowing time to breathe.

Ian Morton MRICS, St Andrews, Bradburne and Co, info@bradburne.co.uk - The market has started to slow down probably due to economic uncertainty and fear of interest rises later this year. There is a hesitation from sellers coming forward as they cannot find suitable properties to buy due to lack of supply. Closing dates for offers are still the norm.

Jennifer Campbell MRICS, Scotland, DM Hall, Jennifer.Campbell@dmhall.co.uk - EPC'S have never been more important in sales negotiations. Landlords are selling up in Scotland, fearful of further onerous pro-tenant legislation.

John Brown DLE FRICS MRTPI, Edinburgh And Lothian, John Brown and Company, john.brown@jb-uk.com - The concern is now "chains" - sales subject to the buyer getting a sale and finance. This can be an issue and if the market softens through interest rates etc. then sales may be lost. Still positive though and the market for houses strong. More flats for sale, more choice and prices softening.

Marion Currie AssocRICS, RICS Registered Valuer, Dumfries & Galloway, Galbraith, marion.currie@galbraithgroup.com - There continues to be strong competition amongst buyers in Dumfries & Galloway. Premiums over asking are still being achieved, perhaps not to the percentages seen in 2020/21 but this is probably due to asking prices increasing in line with those previous results.

Mark Paton MRICS, Borders, Galbraith, mark.paton@galbraithgroup.com - Interest rates and cost of living will have an effect at some point.

Mr George P Brewster FRICS, Edinburgh, J&E Shepherd, gbrewster@shepherd.co.uk - Affordability now an issue with lenders so sales are falling out of bed post missives.

Philip Lovegrove MRICS, Edinburgh, DHKK Limited, pmlovegrove@dhkk.co.uk - The market shows some signs of slowing. Available stock is significantly reduced from this time last year. The margin paid above Market Value is starting to reduce.

Stuart Dalziell, Dunfermline, Abbey Forth Property Management Limited, stuart@abbeyforth.co.uk - The current cost of living crisis and other external factors will see prices drop from the highs on recent times over the coming 12-24 months but we do expect the market to recover and that prices will be at least at the level they are at now in five years time.

Thomas Baird MRICS, Glasgow, Select Surveyors, thomas.baird@selectsurveyors.co.uk - Slow down of properties currently available is affecting home report instructions.

Tom Murray AssocRICS and Registered Valuer, Girvan, Thomas Murray Property, tm@thomasmurrayproperty.com - The market in this part of Ayrshire is still very busy, strong demand against a backdrop of short supply is keeping the market moving and seeing prices paid far exceed Home Report valuations.

Northern Ireland

Daniel Mc Leron FRICS, Omagh, Mc Leron Estate Agents, damcleron@gmail.com - Number of enquiries has fallen. Stock levels have also reduced.

Gareth Gibson FRICS, Belfast, Douglas Huston, gareth@hustonestateagents.com - A shortage of supply continues to maintain prices and buyers still appear well funded, with monthly mortgage payments still deemed to be affordable.

Kirby O'Connor Assoc Rics, Belfast, Goc Estate Agents, kirby@gocestateagents.com - We have found surveys are taking longer and this is having an impact on how quickly the sale goes through.

Samuel Dickey MRICS, Belfast, Simon Brien Residential, sdickey@simonbrien.com - More vendors are coming to the market but the demand still outstrips supply.

Surveyor comments - lettings

North

David Shaun Brannen AssocRICS, Whitley Bay, Brannen & Partners, shaun.brannen@brannen-partners.co.uk - Confidence is returning to investors with more buy-to-let Landlords re-entering the market.

Keith Pattinson FRICS, Around Newcastle upon Tyne, Keith Pattinson Ltd, keith.pattinson@pattinson.co.uk - Serious consequences removing owners right to possession will reduce private sector landlords who were encouraged when the public sector withdrew. Private sector also getting older, many selling portfolios, those on fixed income will stop paying rent/mortgage as fuel costs rise.

Yorkshire & the Humber

Alexander James Mcneil MRICS, Huddersfield, Bramleys, alex.mcneil@bramleys1.co.uk - Reduction in private rented sector as many landlords divest while prices are thought to be peaking. Lack of supply maintaining rent levels. Hard to see rent levels changing much in the short term.

Ben Hudson MRICS, York, Hudson Moody, benhudson@hudson-moody.com - Shortage of properties to rent driving up prices.

David J Martindale MRICS, Wakefield, FSL estate agents, david.martindale@fslea.com - The lettings market continues to be very busy with a very high demand. Rents are continuing to increase.

North West

Ainsley Ball Mrics MRICS & Registered Valuer, Chorley, Stonegate Surveyors, ainsley@chestersproperty.co.uk - The number of smaller landlords who are selling all or parts of their portfolio is continuing to grow. This is mainly due to the changes in tax, landlord law, upcoming legislative changes and current market conditions.

Amin Mohammed, Greater Manchester, Le Baron Haussmann, aminm7@gmail.com - Rent rises will be in-line with the cost of living.

Lawrence Copeland FRICS, Salford Quays And Manchester City Centre, Elbonmill Limited T/A Lawrence Copeland Town and City Centre, lawrence@lawrencecopeland.com - Rentals have started to reach their peak due to cost of living issues even though stock levels are low. Existing tenants not moving as this would mean an increase in rental to move to an alternative property.

Nigel French FRICS, Liverpool, ESG, nigelsussex03@gmail.com - Shortage of supply, fewer available to rent.

East Midlands

Joanne Hudson, Boston, hudsonj1979@yahoo.com - There are not enough rental properties to go around which is forcing rents up to extortionate values.

John Chappell BSc.(Hons), MRICS, Skegness, Chappell & Co Surveyors Ltd, john@chappellandcosurveyors.co.uk - Tenant demand still quite strong from across the board but Landlords still looking to leave the sector to take advantage of current sale values of rented properties. Typical reasons given include diminishing returns for a sector that is subject to "excessive" government interference.

Katie Wilcox-Smith AssocRICS, Leicestershire & Rutland, KWS Lettings, Katie-w-s@hotmail.co.uk - The overriding majority of potential tenants I'm hearing from are having to move as landlords are selling. The Government need to address why!?

Peter Buckingham, Market Harborough, Andrew Granger & Co, peter.buckingham@andrewgranger.co.uk - Our larger investors are increasing their portfolios which is making up for the loss of a number of smaller investor landlords who have been exiting in order to sell in the current buoyant housing market. The demand from tenants is still high, with numerous applicants for most properties.

West Midlands

Colin Townsend MRICS, Malvern, John Goodwin, colin@john-goodwin.co.uk - A very busy month with multiple offers on many properties and still a shortage of supply. Rents continue to rise.

Dean Taylor MRICS, Edgbaston, Fishers, dean@fishers.co.uk - We are still struggling with property availability. When a property enters the market, we are receiving multiple applications each time.

Edward Rodgers FRICS, Birmingham, Edward Rodgers, ted@edwardassociates.co.uk - City centre apartments are overpriced.

John Andrews FRICS, Kidderminster, Doolittle & Dalley Ltd, johndrews@doolittle-dalley.co.uk - Very high demand for all types of rented property, particularly family properties. Rents still rising.

John Andrews FRICS, Bridgnorth, Doolittle & Dalley Ltd, johndrews@doolittle-dalley.co.uk - A very active market with multiple applications for most rented property. No sign of any real increase in stock levels in the short term.

Richard Franklin MRICS, Tenbury Wells, Franklin Gallimore, richard@franklingallimore.co.uk - Increasing concern from landlords from the very mixed messages coming from Whitehall concerning future Energy Efficiency and MEEs. This is unacceptable as changes to building services etc. need a lead-in time -especially when the property is occupied.

East Anglia

David Boyden Bsc MRICS, Colchester, Boydens, david.boyden@boydens.co.uk - May saw much improved activity compared to April, tenant demand remains strong, with instructions levels improving slightly. Still an issue with landlords leaving the PRS due to continued onslaught of regulations and legislation, which causes a real concern.

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

South East

Howard Mecklenburgh MRICS, Watford, LP&M, howard@lpandm.co.uk - Likely to be oversupply of 2 and 3 bedroomed accommodation due to planning permissions granted and new development.

Sam Askaroff MRICS, Eastbourne, Estatewise, estatewiselimited@gmail.com - Tenant demand remains strong despite the cost of living issues. This may be because our area has become very desirable post Covid with the benefit of being a coastal town and the South Down National Park.

South West

Marcus Arundell MRICS, Bath, HomeLets, marcus@homeletsbath.co.uk - Moving into Summer and still no let up, applicant demand and rents at a peak with chronically low stock levels. Looking forward to the long awaited White Paper next month.

Mark Annett FRICS, Chipping Campden, Mark Annett & Company, mark.f.annett@gmail.com - Demand far outstrips supply and rents seem to continue rising.

Martin Slade FRICS, Bournemouth, Wren Lettings, Martin@wren-lettings.co.uk - Potential recession conditions.

Michael Burkinshaw MRICS, Bristol, Skysurvuk, Michael.burkinshaw@skysurvuk.com - Many private landlords are beginning to force out long term tenants expressly to bring in new tenants so the currently high rent rates are able to be charged. This is leaving many in near impossible positions of finding new property to rent at what is for them an affordable figure. HMOs are increasing.

Paul Oughton MARLA, MNAEA, Cirencester And The Cotswolds, Moore Allen & Innocent, paul.oughton@mooreallen.co.uk - Existing landlords exiting the sector are reducing supply of properties whilst increasing demand from prospective tenants looking for homes.

Simon Cooper FRICS, Exeter, Stags, s.cooper@stags.co.uk - Tenant demand remains strong and there is still pressure on rents. A few more properties are coming up to rent and a few more BTL landlords are entering the market.

Wales

Anthony Filice FRICS, Cardiff, Kelvin Francis Ltd., tony@kelvin-francis.com - Several Landlords are choosing to sell, as increasing regulations, particularly in Wales, start to have an effect. 'Renting Homes' which was to be implemented in July, has been delayed until December, but increasing shortages of properties will inevitably lead to increased demand and rising rents.

David Cook MRICS, Caerphilly, Dave.bern@btinternet.com - So much expectation on private landlords will lead to a substantial reduction in properties available.

Paul Lucas FRICS, Haverfordwest, R.K.Lucas & Son, paul@rklucas.co.uk - Many landlords now withdrawing from the rental market as a result of statutory issues. Therefore fewer properties available to rent.

London

Alec Harragin MRICS, London, Savills Plc, aharragin@savills.com - Across London, we anticipate rents continuing to increase over 2022, supported by wage growth. There are some factors in the short and long term which may impact the prime market, such as regulatory changes and energy performance certificate requirements, both of which may limit available stock.

Allan Fuller FRICS, Putney, Allan Fuller Estate Agents, allan@allanfuller.co.uk - We are short of stock, more landlords are selling up, others doing Airbnb, there needs to be more encouragement to invest in this vital sector.

David Conway FRICS, Harrow, David Conway & Co, david@david-conway.co.uk - Change to section 21 will reduce rental supply and increase rentals.

Jeremy Leaf FRICS, Finchley, Jeremy Leaf & Co, jeremy@jeremyleaf.co.uk - What's happening in sales is mirroring what's happening in lettings. Supply shortages are driving up rents but affordability is hitting many tenants least able to weather the storm. Consequently, some landlords are negotiating lock-down-type deals again but this time including energy cost.

Jilly Bland, Wimbledon London, Robert Holmes & Co, jilly@robertholmes.co.uk - We feel that rents have reached their limit and prices will fall gradually over the next quarter.

John King FRICS, L.B.Merton, Andrew Scott Robertson, jking@as-r.co.uk - While there is a real need to increase the number of available properties to rent, landlords remain resolute in not venturing or committing further funds while prices have increased.

John King FRICS, Wimbledon, Andrew Scott Robertson, jking@as-r.co.uk - With stock levels remaining low, activity centers around renewals and rent increases. Tenants overall are taking longer leases.

Kam MRICS, Harrow, Ellis and Co, kam-kalra@ellisandco.co.uk - Change in lettings legislation towards landlords ie., no fault notice ban, unable to offset mortgage payments, non-payment of rent due to Covid has left many landlords struggling.

Mark Wilson MRICS, London, Globe Apartments, mark@globeapt.com - Still a shortage of flats as the market remains strong with rents inching higher. One has to wonder when or what will bring this bull run to an end.

Mr Paul Dolan Tech RICS, London, Dolan Pratley Associates, paul-johndolan@gmail.com - An unusually robust market with higher than expected demand.

Rupert Merrison MRICS, London, Dexters, rupertmerrison@dexters.co.uk - We continue to see high demand and a shortage of property resulting in record rents and we expect the market to be busy right through the summer.

William Delaney AssocRICS, West End/Central London, Coopers of London Limited, william@lwlondon.com - Landlords exiting the rental market and tenants extending tenancies are contributing to a lack of quality properties. As generally, headline rents have attained and in some cases exceeded pre-pandemic levels, tenants are becoming more particular, even though there is a lack of choice.

William Taper MRICS, W6, London, Willmotts, w.taper@willmotts.com - Supply and demand is still the major hurdle. Rents have started to cool off a little bit as more and more tenants are moving out so there is a bit more supply across London for tenants to choose from. However, many properties are going back onto the short let market which will cut supply.

Scotland

Carolyn Davies MRICS, Dumfries, Savills, cmadavies@savills.com - Very little supply, quite a lot of private deals taking place.

Fraser Crichton FRICS, Edinburgh, Dove Davies, fcrichton@dove-davies.com - There is a high level of demand for most types of properties that come on to the market.

Grant Robertson FRICS, West Of Scotland, Allied Surveyors Scotland PLC, grant.robertson@alliedsurveyorsscotland.com - Concerns about the rising cost of living shows no signs of impacting the sales market but more surprising the rental market is remaining robust. With low levels of availability, rents remain strong and the expected exit from the market to sofa surfing and back to the family hasn't materialised...yet.

Ian Morton MRICS, St Andrews, Bradburne and Co, info@bradburne.co.uk - People who have sold their property and want to rent until they find their ideal property to buy are keeping the rental market buoyant with a lack of family homes to rent.

Jennifer Campbell MRICS, Scotland, DM Hall, Jennifer.Campbell@dmhall.co.uk - Outcome awaited from the consultation period for the 'New Deal for Tenants'. I suspect there will be big changes including rent caps.

John Brown DLE FRICS MRTPI, Edinburgh And Lothian, John Brown and Company, john.brown@jb-uk.com - Very much supply driven market- having lost so much traditional stock, the supply chain is reduced. Rents are hardening- new Build To Rent supply has been added, rents more than traditional flats but services are added- Expectation is continued reduced stock - landlords worries about Rent Controls.

Mr George P Brewster FRICS, Edinburgh, J&E Shepherd, gbrewster@shepherd.co.uk - Strong and buoyant with large influx of new population to Edinburgh.

Stuart Dalziell , Dunfermline, Abbey Forth Property Management Limited, stuart@abbeyforth.co.uk - The lack of supply and the cost to buy is already seeing more varied and numerous tenants coming into the letting market and this will continue to see prices rise. Sellers are making the most of the market but there is evidence of sellers renting and waiting for prices to buy to come down.

Northern Ireland

Gareth Gibson FRICS, Belfast, Douglas Huston, gareth@huston-estateagents.com - As we enter the busy summer months, supply again appears restricted with less tenants moving property while landlords dispose of investment property and transfer to owner occupied.

Kirby O'Connor Assoc Rics, Belfast, Goc Estate Agents, kirby@gocestateagents.com - Due to lack of stock, high demand for rentals.

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

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
+44(0)20 7334 3774
srubinsohn@rics.org

Tarrant Parsons

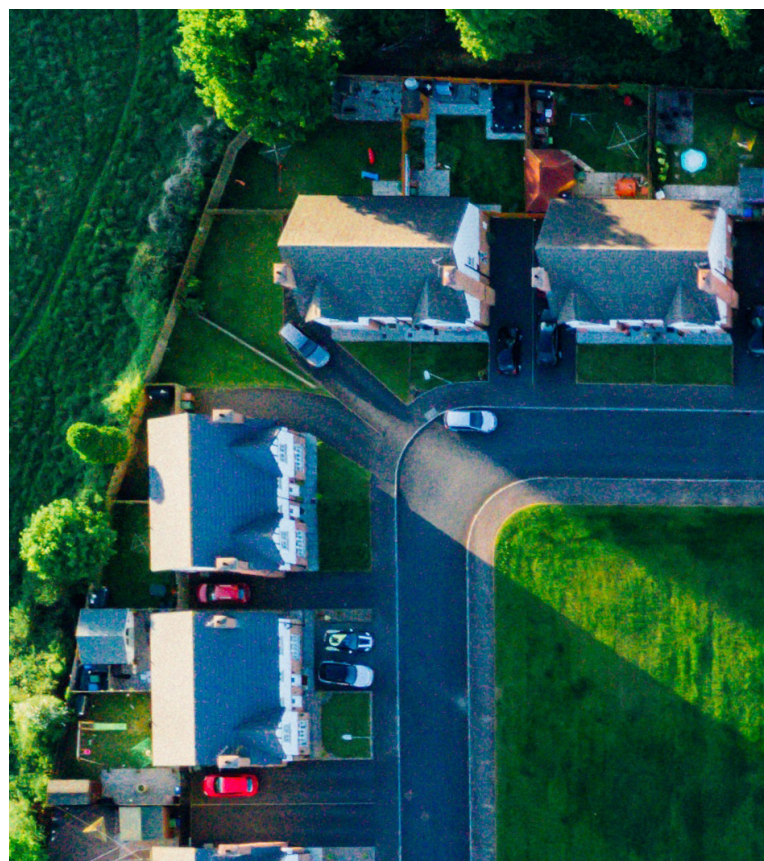
Senior Economist
+44(0)20 7695 1585
tparsons@rics.org

Market Surveys & Reports

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

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

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



Delivering confidence

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

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

Asia Pacific
apac@rics.org

United Kingdom & Ireland
contactrics@rics.org



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