



Property & Homemover Report

Q1 2024

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Preface

Welcome to the TwentyCi Property & Homemover Report for Q1 2024. It is compiled from the most robust, reliable and factual property change sources available.

In this report, we will primarily compare Q1 2024 with Q1 2023 to enable a considered view of whether the UK's inflationary pressures, elevated interest rates and general cost of living challenges continue to impact the residential property market.

Whether you're an industry professional, an investor or simply interested in the health of the property market, join us as we navigate the key highlights and fluctuations of this period.

About the Report

This report offers an insightful glimpse into trends and noteworthy developments that have shaped the property market during this period. We provide a real-time assessment of the UK residential market, covering 99.6% of all sale and rental property moves.

The report includes an overview of the state of the nation and unique insights that encompass:

- Factual data (not modelled or sentiment-based)
- Full market coverage
- Property sales data
- Property rental data
- Real-time data

"The housing market is clearly shaking off a subdued 2023, the risk that higher mortgage rates filtering through to homeowners will cause more substantial problems is low, given the robustness of the labour market. Unemployment remains at a historically low 4% and real incomes are growing again which suggests that while arrears and distressed sales may rise, they should not precipitate a crisis. Credit conditions also suggest lenders remain positive, well capitalised, and willing to lend which should underpin the market as evidenced by February's approvals for house purchase (up 40% on 2023 levels)."



ALEX BANNISTER
INDEPENDENT BOARD ADVISOR*

* former Director of Future Ventures, Nationwide Building Society

Executive Summary

Residential Property Sales Agreed:

- Q1 2024 has seen significant momentum return to the residential property sector.
- Sales Agreed are up by 15% compared to Q1 2023.
- Transactional levels are returning to the volumes seen in 2022, before the seismic events of the preceding year, including those attributed to the Truss/Kwarteng tenure and the challenges of mortgage affordability and availability.
- With the economic headwinds abating, we anticipate that the market will remain buoyant in the foreseeable future.

Residential Property - Price Per Square Foot:

- In the last 5 years, the average price per square foot has increased by 21.4%.
- Wales has seen the most price growth at 28%, followed closely by Northern Ireland.
- The slowest growth experienced has been in London at around 10%.

The Most Challenging Places in the UK to Sell a Residential Property:

- The region in the UK posing the greatest challenge for property sales is Inner London, and in particular within West Brompton, Chelsea, Paddington, Bayswater, Hyde Park, Little Venice, Westbourne Green, Notting Hill, South Kensington and Knightsbridge.

Hybrid Agents:

- The market share for exchanges stands at 5.2% for Q1 2024, down from 6.5% in Q1 2023.
- The traditional High Street agencies can be considered to have seen off the threat of the hybrid agents, at this moment in time.
- Self-employed agents within this category account for 34% of New Instructions in Q1 2024.

“The property market has time and time again, shown how robust it is despite all the gloomy headlines and all that has happened in the wider economy. The market momentum, certainly as measured by Sales Agreed, is gaining further positive pace which should be maintained throughout the year. Whilst there are some risks arising from the changes in mortgage and employment rates, these are relatively small. Overall prices and transaction levels are rising, so it’s a rather rosy picture in the grand scheme of things.”



COLIN BRADSHAW
CEO, TWENTYCI

The Owner-Occupied Residential Property Market

The Key Indicators

The arrival of 2024 could not have come soon enough for many in the residential property sector. In 2023, the UK economy navigated a barrage of interest rate hikes, stubbornly high levels of inflation and exorbitant energy costs, all placing significant pressure on the cost of living. Both the availability and affordability of mortgages sought to apply a brake to the property market. However, despite a succession of alarmist headlines, the property market did not go into freefall.

“The market view is that the Bank of England base rate will decline from its current level of 5.25% to around c4.5% by December 2024 and c4% by June 2025. That reduction is more modest than expected at the end of last year and has meant fixed mortgage rates have nudged back up, and while lower than last summer, they are close to 5.5%. While this should represent only a modest dampening of demand, those coming off deals secured a couple of years ago (with rates of around 2%) are still faced with substantial rate shock as they remortgage or mature onto standard rates. Cost-of-living is still exerting pressure on household budgets, but the housing market is displaying signs of improvement as people adjust to higher rates.”

ALEX BANNISTER
INDEPENDENT BOARD ADVISOR*

* former Director of Future Ventures, Nationwide Building Society

As we exit the first quarter of 2024, the market has a renewed level of momentum developing.

- The supply of New Instructions is up by 12% compared to Q1 2023. This is edging closer to 450k per quarter and a level consistent with a “normal” market.
- Sales Agreed are up by 15% as the mortgage market stabilises from the seismic shocks of 2023.
- Exchanges are down by 7% compared to Q1 2023. However, with conveyancing taking almost 22 weeks, this aligns with the stalling of the sales market in Q3 and Q4 of 2023 when the significant interest rate changes took effect.
- Fall Throughs, Price Changes and Withdrawn volumes are also in line with “normal” market levels.

	Q1 2023	Q1 2024	Change
New Instruction	395,854	441,934	↑12%
Sale Agreed	261,464	301,298	↑15%
Exchanged	201,040	186,160	↓-7%
Fallen Through	62,299	64,865	4%
Price Changed	217,004	242,127	12%
Withdrawn	170,653	183,449	7%

Average Price – National & Regional

The average asking price of residential properties for sale across the UK in Q1 2024 was £431k, up by £9k from Q1 2023. This figure reflects the mix of property coming to the market as a New Instruction and not necessarily the price realised.

Sales by Region & Major Cities

Sales Agreed have significantly risen in all regions of the UK in Q1 2024 compared to Q1 2023. This reflects the return of momentum on a national scale.

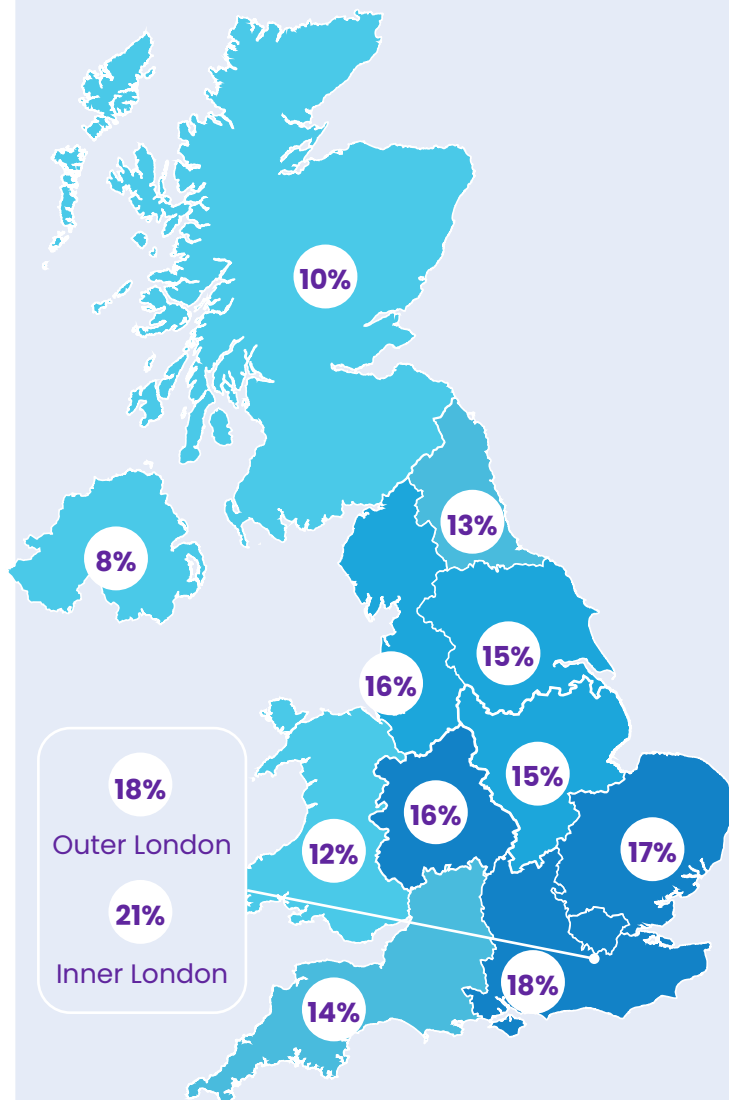
Our graphic highlights the national picture by region and by major cities.

Inner London emerged as the region with the most significant rise in Sales Agreed in Q1 2024 compared to Q1 2023, with homeowner activity surging by 21%. Outer London and the South East also witnessed notable growth, with Sales Agreed increasing by a healthy 18% in both regions. Even Northern Ireland's more modest 8% increase is a positive sign that the property market is showing improvement.

Sales Agreed by Major Cities Q1 2024 compared to Q1 2023

MAJOR CITIES	CHANGE
Inner London	21%
Edinburgh	20%
Cardiff	19%
Bristol	19%
Southampton	19%
Leeds	18%
Nottingham	16%
Sheffield	15%
Birmingham	14%
Newcastle upon Tyne	14%
Perterborough	14%
Plymouth	14%
Manchester	12%
Norwich	12%
Glasgow	9%

Sales Agreed by Region Q1 2024 compared to Q1 2023



UK REGION	CHANGE
Inner London	21%
South East	18%
Outer London	18%
East of England	17%
North West	16%
West Midlands	16%
Yorkshire and The Humber	15%
East Midlands	15%
South West	14%
North East	13%
Wales	12%
Scotland	10%
Northern Ireland	8%

The Availability of Residential Sale Stock

There is no longer a perceivable shortage of residential property stock. We see healthy availability for all property types and price points.

“Politics doesn’t appear to be influential for UK housing this year despite a recent budget, looming election and likely change of ruling party. Housing supply remains around 100,000 properties per year lower than the Government target, prompting another Barker review (20 years after the first fell on deaf ears). On the demand side, there was little in the budget nor potential labour policy that is likely to have much impact. Nevertheless, the election will probably delay some activity while homeowners assess their prospects under an incoming government. Rising real incomes should provide the backdrop to an improving market with more sales and modest price rises.”

ALEX BANNISTER
INDEPENDENT BOARD ADVISOR*

* former Director of Future Ventures, Nationwide Building Society

The Lettings Residential Property Market

Key Indicators

The duress experienced within the letting sector in 2023 shows no significant sign of a positive correction. A continuation of stock shortages, high demand and ever-rising rental costs continue to stifle the rental market.

Q1 2024 has seen an insignificant improvement in supply, barely sufficient to meet the demand. Stock levels and availability remain at historical lows and with demand significantly outstripping supply, rental price increases continue.

	CHANGE
New Instruction	5%
Let Agreed	6%
Let	-1%

New Instructions in Q1 2024 are 5% higher than in Q1 2023 with Lets Agreed running in parallel, with a 6% increase.

Rental Sector – The Affordability Crisis

In Q3 2023, we wrote extensively about the affordability crisis with the analysis showing that buying, if possible, was preferable in all but one region of the UK. **Read more here.**



Average Price of Lettings – National

The average asking price across the UK based on the available stock is now £1,923 per month. This is an increase of £269 per month in the last 12 months.

The shortage of rental properties compared to the demand remains a driving force behind the increase in rental rates.

There are many factors at play here including –

- The departure of many landlords from the market due to tax and regulatory changes
- The availability and affordability of mortgages in the owner-occupied sector remain fluid, forcing many to remain within the rental sector, further reducing the turnover of stock.

Rental Lets Agreed by Regions & Major Cities

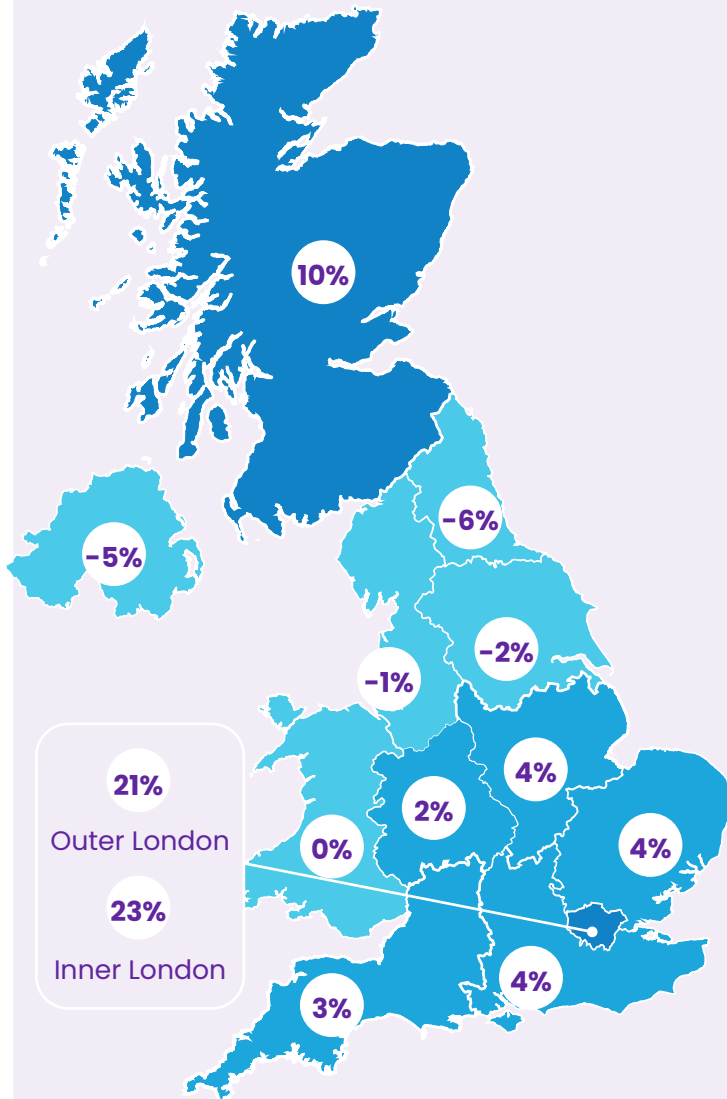
The following tables highlight the performance of the lettings sector in Q1 2024 compared to Q1 2023.

Both Inner and Outer London experienced a significant jump in Lets Agreed in Q1 2024 compared to 2023 at 23% and 21% respectively. Conversely, Yorkshire and the Humber, Northern Ireland, the North East, and the North West all saw a drop in Lets Agreed, as the North (barring Scotland) turned its back on surging rental prices. In terms of a North/South divide, Scotland’s rental market went against the grain and increased by 10% year-on-year. Looking at its major cities, Glasgow and Edinburgh experienced the highest jump year-on-year with a 24% and 20% increase in Lets Agreed. Ultimately, economic powerhouses London, Glasgow and Edinburgh remain attractive hubs for the 2024 renter, despite the substantial hike in rental prices.

Rental Lets by Major Cities Q1 2024 compared to Q1 2023

MAJOR CITIES	CHANGE
Glasgow	24%
Inner London	23%
Edinburgh	20%
Norwich	7%
Bristol	6%
Nottingham	4%
Southampton	3%
Perterborough	3%
Sheffield	2%
Birmingham	0%
Leeds	-1%
Plymouth	-1%
Manchester	-1%
Cardiff	-2%
Newcastle upon Tyne	-3%

Rental Lets Agreed by Region Q1 2024 compared to Q1 2023



UK REGION	CHANGE
Inner London	23%
Outer London	21%
Scotland	10%
South East	4%
East of England	4%
East Midlands	4%
South West	3%
West Midlands	2%
Wales	0%
North West	-1%
Yorkshire and The Humber	-2%
Northern Ireland	-5%
North East	-6%

Residential Property – Price per Square Foot

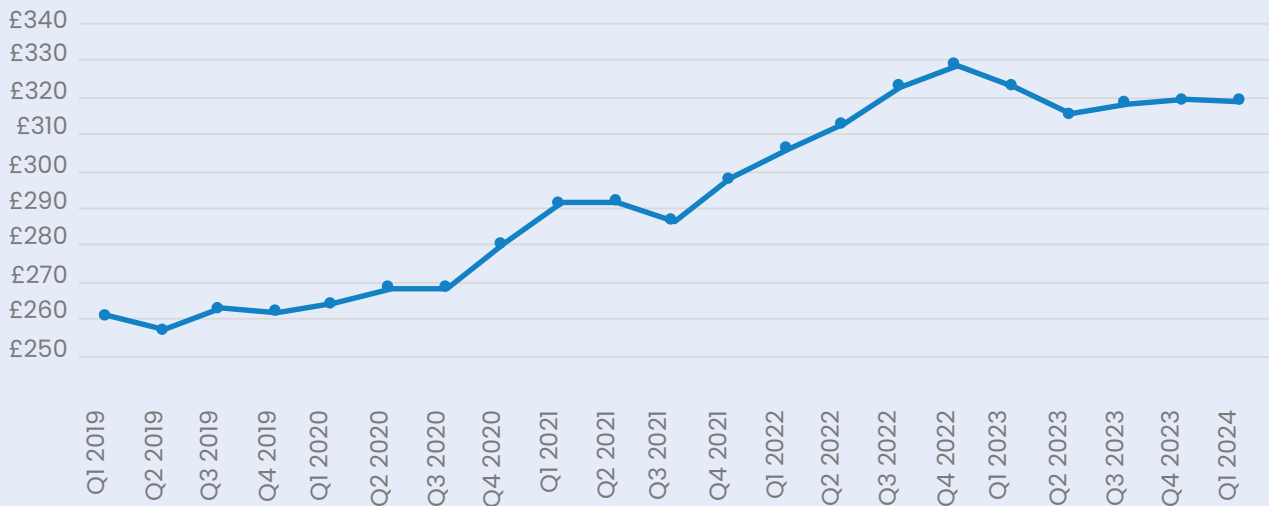
National:

Homeownership is a deeply ingrained part of the UK’s identity, and we attach significant importance to the value of our homes. In the last five years, the average price per square foot of residential property has increased by a colossal 21.4%, with the catalyst of increased demand following the reopening of the property market in May 2020, and subsequent Stamp Duty holiday, inducing this significant jump.

In the face of headwinds experienced by the property market over the last year, the average price per square foot declined by £4 or by 1.1%. The current average price stands at £329 per square foot.

The graphic below shows the change over the last five years.

Average Price Per Sq. Ft. from Q1 2019 to Q1 2024

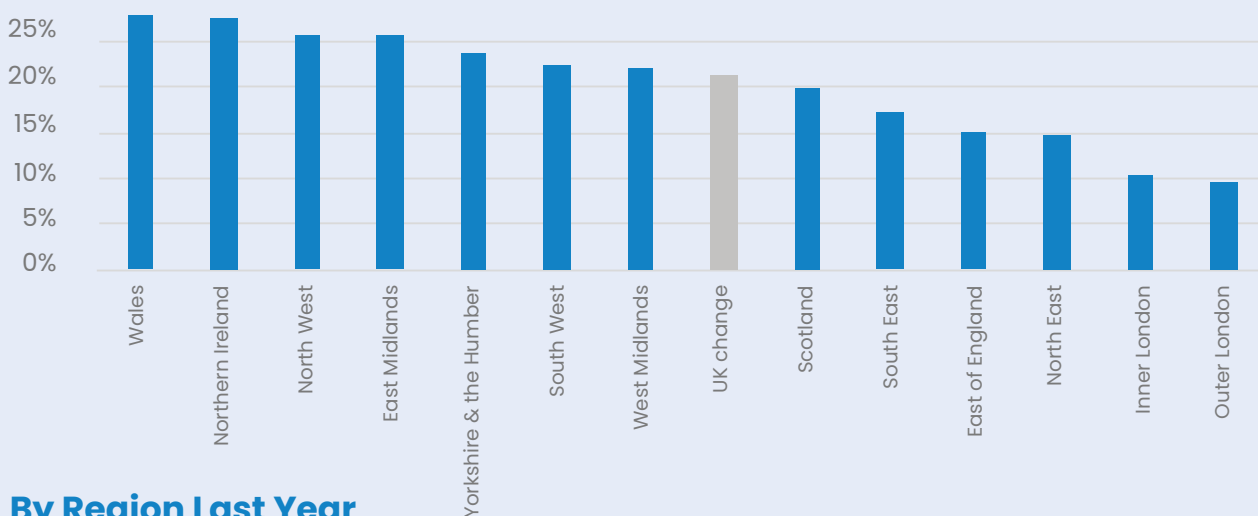


Residential Property – Price per Square Foot

By Region – the Last 5 Years:

In terms of the last five years, there is a large disparity between the regions that are performing well and those that are not. Wales has witnessed the highest price per square foot growth at 28%, followed closely by Northern Ireland. In contrast, London has experienced the slowest growth, hovering at around 10%.

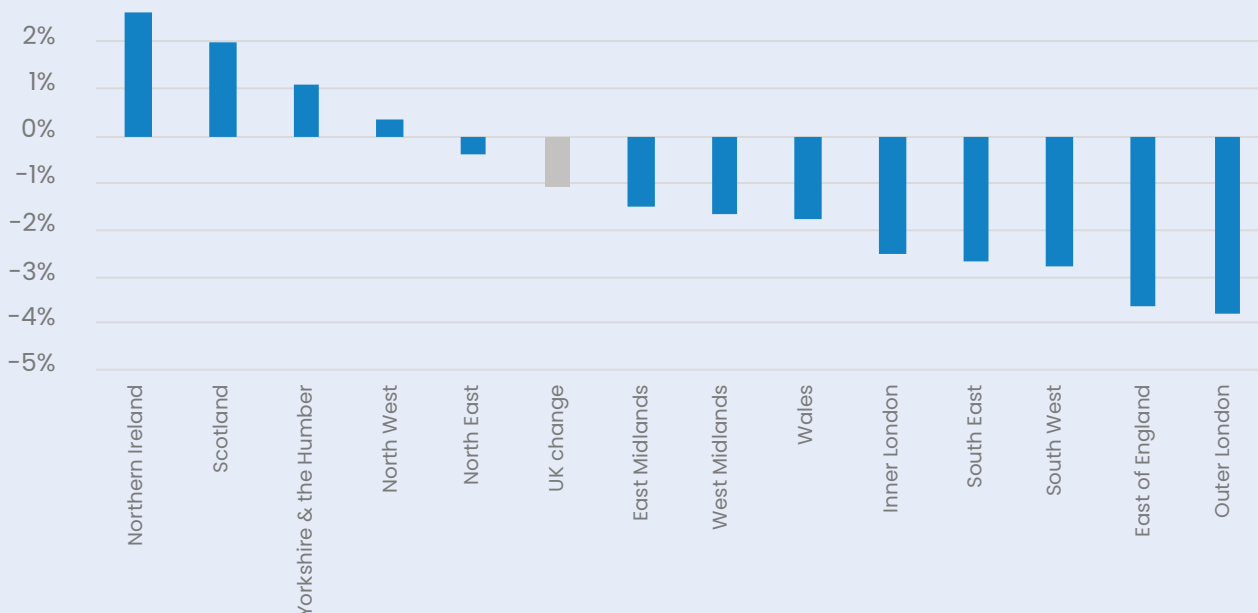
Average Price per Square Foot Change from Q1 2019 to Q1 2024 by UK Region



By Region Last Year

A substantial disparity exists in average price per square foot across regions when comparing Q1 2023 with Q1 2024. Nationally, the average price per square foot has exhibited a decline of 1.1%. Only four regions had positive price growth with Northern Ireland and Scotland topping the list. Areas with the largest decline in prices in the past year are all in the South, with Outer London topping the list. There has been a North-South divide when it comes to price growth in the past year.

Average Price per Square Foot Change from Q1 2023 to Q1 2024 by UK Region



The Most Challenging Places in the UK to Sell a Residential Property

It's official, the region in the UK where selling a property is most difficult is Inner London.

Property owners in our nation's capital city contemplating a sale need to be aware of the following:

- Inner London properties typically take longer to sell compared to other regions, averaging 96 days to secure an agreed sale versus the national average of 72 days.
- The likelihood of selling the property is lower, with only 35% of properties listed on the market ultimately securing a sale. In contrast, the national average sits at a more successful rate of 52%.
- The property is expected to sell for a lower price, typically achieving on average 94% of the asking price, as opposed to the national average of 96%.
- If you get a Sale Agreed, there is a higher probability of it falling through compared to the rest of the UK.

The easiest region in the UK to sell a property is Scotland. Contrary to Inner London, properties in Scotland:

- Sell the fastest
- Are the most likely to sell
- Proportionally sell for the most money
- Are less likely to have price reductions
- Are significantly less likely to have Fallen Throughs owing to the Scottish legal system.

When making these comparisons, it's important to note the pricing disparities between the two regions. The average property listed for sale in Scotland over the last year is just short of £230,000, whereas the average price of a property in Inner London was £998,000.

The full table depicting the ease of selling properties across UK regions is presented below. Lower scores are positioned at the top, indicating the easiest areas to sell a property, progressing to the most challenging at the bottom of the table.

UK REGION	Average Ranking
Scotland	1.0
Yorkshire and The Humber	2.4
North East	2.7
West Midlands	4.6
North West	5.1
South West	6.7
East Midlands	7.5
Wales	8.8
Outer London	9.1
East of England	9.2
South East	9.6
Inner London	10.7

The Most Challenging Places in the UK to Sell a Residential Property

The Most Challenging Areas in the UK to Sell a Property

When we look at this on a more granular level, and assuming at least 250 properties per annum come to market, the most challenging areas to sell a property in the UK are as follows:

1. Digbeth, Highgate & Lee Bank
2. West Brompton & Chelsea
3. Paddington, Bayswater, Hyde Park, Little Venice, Westbourne Green & Notting Hill
4. South Kensington & Knightsbridge
5. Alford

Notes:

All analysis was carried out in the year between Q2 2023 and Q1 2024 inclusive. Weightings were applied from an ownership perspective. By this, we mean that delivering the price was more important than having to reduce the advertised price of the property.

Weightings were applied in the following order:

- Sell for the most money (proportionally)
- Be the most likely to sell
- Sell in the fastest time
- Be less likely to have an agreed sale fall through
- Be less likely to require an advertised price reduction.



The Market for Premium Residential Properties

The premium end of the residential property market is frequently cited as being the most resilient, untouched by affordability challenges and consequently requires analysis to prove or disprove the theory.

We have defined the categories as follows:

- **Super-Premium - £1,500,000+**
- **Premium - £750,000 - £1,499,999**
- **Regular - £260,000 - £749,999**
- **Economy - £1 - £259,999**

In terms of the supply side, it is accurate to state that all pricing categories have experienced an increase in the volume of properties coming to the market for sale in the last year.

With respect to super-premium homes, this category has experienced the highest increase (16%) since Q1 2023. Economy homes have seen a rise in supply of just 9% in the last year.

In terms of the volume of Sales Agreed (which is our chosen measure of demand), Q1 2024 saw substantial increases across all four categories.

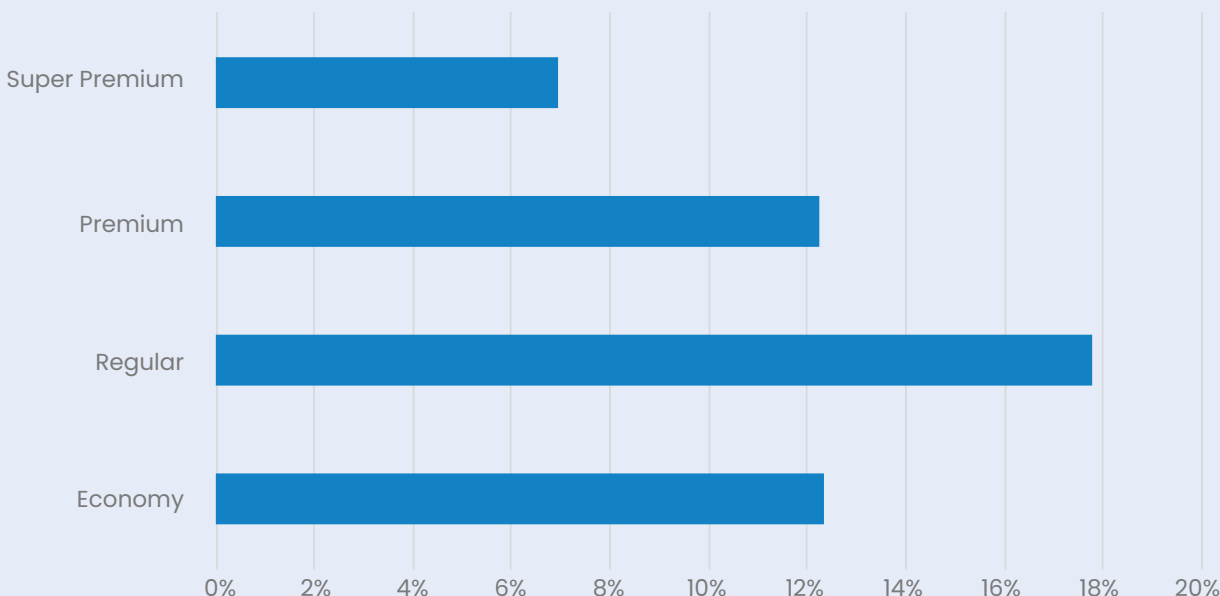
The increase in demand for super-premium properties however was the smallest increase at 7% versus a close to 18% year-on-year increase in demand for regular homes.

In summary, more super-premium properties are coming to the market now versus Q1 2023, and the volume of agreed sales on super-premium properties has also increased in the last year. However, supply is growing faster than demand, which means that super-premium properties are slightly less likely to get an agreed sale than they were last year.

In all other pricing categories, this phenomenon does not happen and certainly, with economy and regular homes, they are now much more likely to sell than they were a year ago.

The graphic below highlights the variation in demand.

Change in Sales Agreed (Demand) Q1 2024 vs Q1 2023



The Number of Property Millionaires

During the last year, the volume of residential properties worth £1m+ has fallen by 68,000 (6.1%). There has, however, been a very significant variance in the movement observed in each UK region over the past year.

In general, all of the decline of £1m+ properties originated from the South of England, but notably, this is where 87% of all £1m+ properties are located.

In terms of local authorities, Buckinghamshire has the largest reduction in £1m+ homes, with 1,223 homes losing their millionaire property status. This was, however, only a 3.6% reduction.

The growth of £1m+ properties has been in the North of the UK, where Northern Ireland tops the list of largest growth, followed by the North-East.

UK Region	Q1 24 v Q1 23	£1m+ Residential Properties Q1 2024
Northern Ireland	24.8%	1,168
North East	15.4%	3,568
Yorkshire and The Humber	7.7%	18,144
Wales	4.9%	8,102
North West	4.7%	32,194
Scotland	4.4%	23,650
West Midlands	2.9%	28,150
East Midlands	0.0%	18,907
South West	-4.0%	77,689
UK Total	-6.1%	1,038,570
South East	-6.2%	273,905
East of England	-7.6%	108,536
Inner London	-8.6%	362,788
Outer London	-9.8%	81,769

Hybrid Agents

This category of the Estate Agency market now represents just 5.3% of New Instructions and 5.2% of all Exchanges. We are yet to see the resurgence of Purplebricks following their near collapse and purchase by Strike. In respect of Self-Employed agents, this sub-set continues to gain momentum and now accounts for 34% of New Instructions in Q1 2024 within this category. Self-employed agents are represented by brands including eXp UK, Keller Williams and Hortons.

Currently, we do not see Hybrid Agents posing a significant challenge to traditional high-street agents but that could change if the Self-Employed model continues to grow in popularity.

Market Share – Exchanges

The market share of Hybrid agents continues to shrink, with exchanges representing 5.2% of the residential property market in Q1 2024 compared to 6.5% in Q1 2023. The share of the market has trended lower since a high of 8.2% in 2019.

The largest agents in this category continue to be represented by Yopa, Purplebricks and eXp.

Hybrid Agents – Market Share by Price Band

Penetration across all property values continues to fall and we are yet to see whether the change in the commercial model of Purplebricks (list for free) will make a significant difference.

	Q1 2023	Q1 2024	Change
Less than £200k	7.2%	6.5%	-10%
£200k – £350k	6.3%	5.8%	-8%
£350 – £1m	4.5%	3.6%	-19%
£1m +	1.3%	0.8%	-38%
Total	6.5%	5.2%	-20%

5.2%

OVERALL MARKET SHARE OF HYBRID AGENTS IN Q1 2024

Hybrid Agents – Market Share by Region

All regions of the UK continue to show a significant decline in market share for Hybrid Agents when comparing Q1 2024 with Q1 2023. The historical dominance of Purplebricks across the category and their troubles throughout 2023 will have exacerbated the dramatic decline.

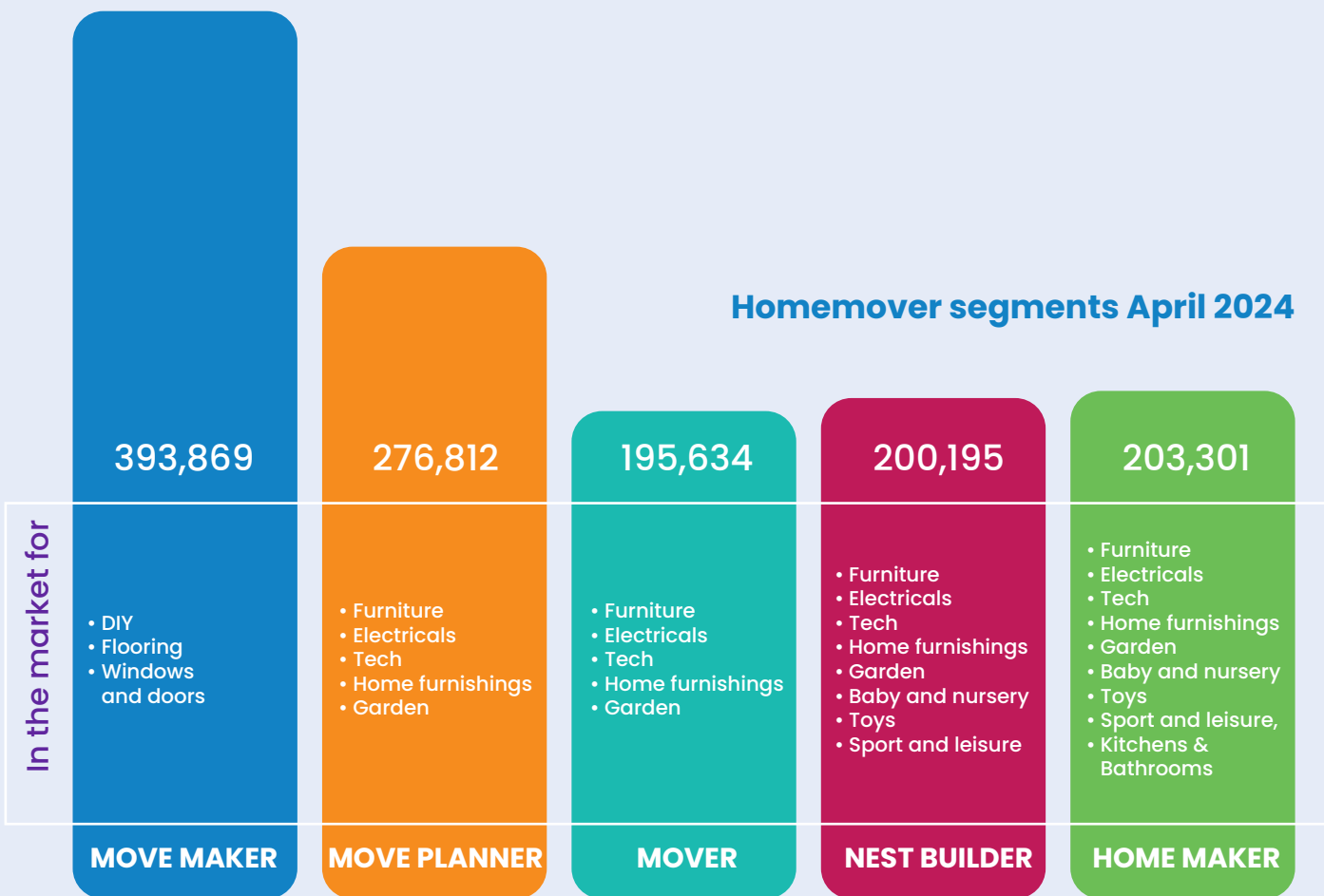
	Q1 2023	Q1 2024	Change
West Midlands	9.8%	8.3%	-15.8%
East Midlands	9.5%	7.9%	-16.8%
South West	4.5%	3.7%	-17.6%
South East	4.2%	3.3%	-21.6%
North West	10.2%	7.9%	-22.3%
Yorkshire and The Humber	11.2%	8.4%	-24.7%
Scotland	7.1%	5.3%	-25.6%
Outer London	5.9%	4.3%	-27.0%
East of England	3.7%	2.7%	-27.1%
Inner London	4.1%	2.9%	-28.1%
North East	6.5%	4.6%	-28.6%
Wales	7.7%	4.9%	-36.3%

The Homemover Wave

At the beginning of this month, nearly 1.27 million households were progressing through the homemover owner-occupied journey, up by 70,000 compared to January.

As the most valuable consumer on the planet during a home move this is a highly desirable audience for retailers.

Homemover segments April 2024



Catch Up on Our Latest Homemover Insights

In addition to our Property and Homemover Report publication, we are regularly featured in leading publications including The Times, The Sunday Times and the Financial Times, as an authority on the UK residential property market. Furthermore, we post a regular range of articles and special features to our blog which can be found [here](#)



TwentyCi is residential property data, analytics & insight for marketing and other key strategic purposes. We work with advertisers and agencies on effective targeting options and marketing campaigns. Our experience and client portfolio encompass multiple sectors and categories, including retailers, housebuilders, financial services, automotive and marketing agencies.

twentyci.co.uk



TwentyEA was formed in 2016 as a part of the TwentyCi Group to provide data-based solutions to UK estate agents and other residential property market professionals. With our real-time tracking of over 99% of residential property listings, we help estate agents increase their market share by providing expert data-based insights and cutting-edge marketing.

twentyea.co.uk

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