



ECONOMICS



UK Residential Market Survey

December 2023

ECONOMICS

Outlook for sales market activity continues to improve gradually

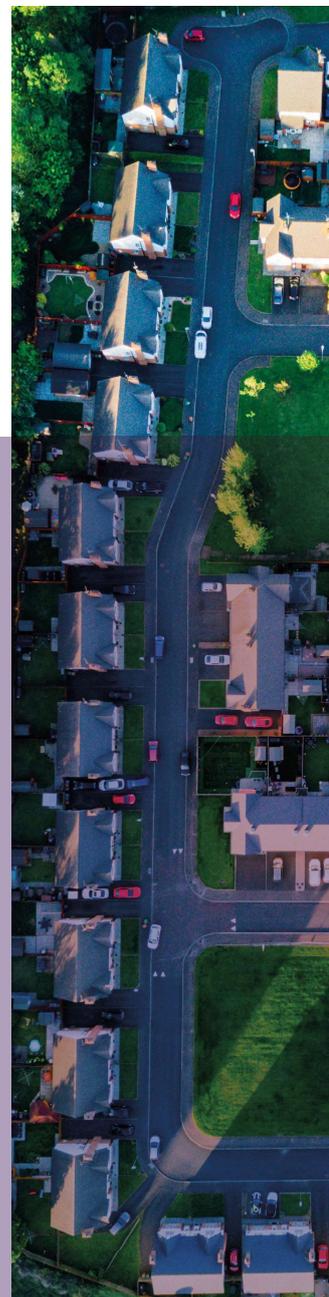
- Three and twelve-month sales expectations pick-up for a second consecutive month
- Buyer enquiries indicator records the least downbeat reading since April 2022
- House price declines continue to moderate at the national level, with respondents now anticipating a flat trend over the year ahead

The December 2023 RICS UK Residential Survey results signal another gradual improvement in market sentiment over the month. Indeed, likely driven by the continued easing in mortgage interest rates during recent weeks, near-term sales expectations moved a little further into positive territory. Meanwhile, the tide seems to be turning with respect to house prices, with contributors now envisaging a largely flat trend coming through at the twelve-month time horizon.

Looking at buyer demand, the headline net balance for the new buyer enquiries indicator registered a reading of -3% in December (compared to a figure of -13% in the previous results). Moreover, this metric has now turned less negative in each of the past four months, with the latest return moving into neutral territory (defined as a net balance reading between +5% and -5%) for the first time since April 2022.

Alongside this, the latest national net balance of -6% for the newly agreed sales measure also represents the least negative figure going back to early 2022. Looking ahead, near-term sales expectations continue to improve, with the December net balance edging up to +12%, building on a modestly positive reading of +7% beforehand. What's more, respondents now foresee a solid recovery in residential sales volumes emerging over the year ahead, with the latest net balance climbing to +34% (up from +24% last month). At the same time, the average length of time to complete a sale continues to shorten, with it now taking on average 18 weeks compared to a recent high of 20 weeks back in September.

With respect to supply, a generally stable trend was reported for new instructions over the month, evidenced by a flat net balance reading of +1% being recorded. In keeping with this, the average number of homes currently listed for sale on estate agents book



remained at 39 for a second consecutive month, albeit this has risen from 34 properties at the start of 2023. Nevertheless, current stock levels remain relatively low when viewed in a longer term historical comparison (inventory levels have averaged 51 homes per branch over the past fifteen years).

The headline house price gauge posted a net balance reading of -30% in December, which compares with readings of -41% and -60% in November and October respectively. As such, this continues to suggest that the downward pressure on prices is diminishing, with the latest reading in fact the least negative since November 2022. Even so, most regions still exhibit negative readings for this metric at present. Continuing to run counter to the aggregate trend however, respondents in Northern Ireland once again noted an increase in house prices during the latest survey period.

Going forward, near-term price expectations remain marginally negative, albeit the December reading of -13% again points to an anticipated easing in the pace of price declines relative to last month's net balance of -23%. Significantly, over the year ahead, respondents now foresee house prices stabilising at the national level (posting a net balance of zero vs -10% previously). The latest feedback on house price expectations remains varied across different parts of the UK, although respondents based in Northern Ireland, the North West of England and Scotland do anticipate prices moving higher on a twelve-month view.

In the lettings market, tenant demand rose over the month according to a net balance of +17% of survey participants (part of the non-seasonally adjusted monthly rental market dataset). It is worth noting however that demand growth appears to have softened noticeably over recent months, as the net balance for this indicator has moderated in five straight survey reports (down from a recent high of +59% back in July). Nevertheless, with landlord instructions remaining scarce, having declined continuously over the past year, a lack of properties available on the lettings market continues to underpin rental prices. Consequently, a net balance of +50% of respondents expect rents to continue to rise over the near-term, with longer term projections now pointing to a near 4% increase over the year ahead and for rental growth to average 5% per annum over the next five years.



Methodology

About:

The RICS Residential Market Survey is a monthly sentiment survey of Chartered Surveyors who operate in the residential sales and lettings markets.

Regions:

The 'headline' national readings cover England and Wales.

Specifically the 10 regions that make up the national readings are: 1) North 2) Yorkshire and Humberside 3) North West 4) East Midlands 5) West Midlands 6) East Anglia 7) South East 8) South West 9) Wales 10) London.

The national data is regionally weighted.

Data for Scotland and Northern Ireland is also collected, but does not feed into the 'headline' readings.

Questions asked:

1. How have average prices changed over the last 3 months? (down/ same/ up)
 2. How have new buyer enquiries changed over the last month? (down/ same/ up)
 3. How have new vendor instructions changed over the last month? (down/ same/ up)
 4. How have agreed sales changed over the last month? (down/ same/ up)
 5. How do you expect prices to change over the next 3 months? (down/ same/ up)
 6. How do you expect prices to change over the next 12 months? (% band, range options)
 7. How do you expect prices to change over the next 5 years? (% band, range options)
 8. How do you expect sales to change over the next 3 months? (down/ same/ up)
 9. How do you expect sales to change over the next 12 months? (down/ same/ up)
 10. Total sales over last 3 months i.e. post contract exchange (level)?
 11. Total number of unsold houses on books (level)?
 12. Total number of sales branches questions 1 & 2 relate to (level)?
 13. How long does the average sales take from listing to completion (weeks)?
 14. How has tenant demand changed over the last 3 months? (down/ same/ up)
 15. How have landlords instructions changed over the last 3 months? (down/ same/ up)
 16. How do you expect rents to change over the next 3 months? (down/ same/ up)
 17. How do you expect average rents, in your area, to change over the next 12 months? (% band, range options)
 18. What do you expect the average annual growth rate in rents will be over the next 5 years in your area? (% band, range options)
- Questions 6, 7, 17 and 18 are broken down by bedroom number viz. 1-bed, 2-bed, 3-bed, 4-bed or more. Headline readings weighted according to CLG English Housing Survey.

Net balance data:

- Net balance = Proportion of respondents reporting a rise in prices minus those reporting a fall (if 30% reported a rise and 5% reported a fall, the net balance will be 25%).
- The net balance measures breadth (how widespread e.g. price falls or rises are on balance), rather than depth (the magnitude of e.g. price falls or rises).
- Net balance data is opinion based; it does not quantify actual changes in an underlying variable.
- Net balance data can range from -100 to +100.
- A positive net balance implies that more respondents are seeing increases than decreases (in the underlying variable), a negative net balance implies that more respondents are seeing decreases than increases and a zero net balance implies an equal number of respondents are seeing increases and decreases.
- Therefore, a -100 reading implies that no respondents are seeing increases (or no change), and a +100 reading implies that no respondents are seeing decreases (or no change).
- In the case of the RICS price balance, a reading of +10 should not be interpreted as RICS saying that house prices are going up by 10%, but that 10% more surveyors reported increases rather than decreases in prices (over the last three months).
- A change from +30 to +60 does not mean that the variable grew by 30% in one period and by 60% in the next period, but it does indicate that twice as many surveyors reported an increase compared to a decrease than in the previous period.
- Likewise, if we get a reading dropping from +90 to +5, this still means that more respondents are reporting increases than decreases overall, but the breadth of those reporting increases has fallen dramatically; meanwhile, a shift in the reading from -90 to -5 still means that more respondents are reporting decreases than increases overall, but the breadth of those reporting decreases has fallen dramatically.

Seasonal adjustments:

The RICS Residential Market Survey data is seasonally adjusted using X-12.

Next embargo date:

January Survey: 8 February
February Survey: 14 March

Number of responses to this month's survey:

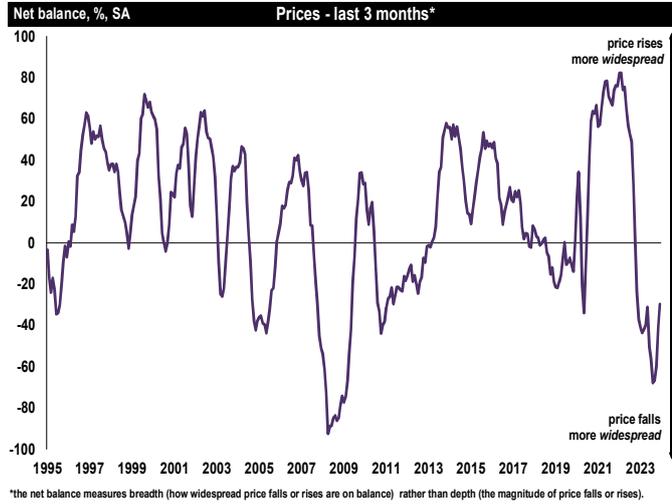
This survey sample covers 496 branches coming from 275 responses.

Disclaimer

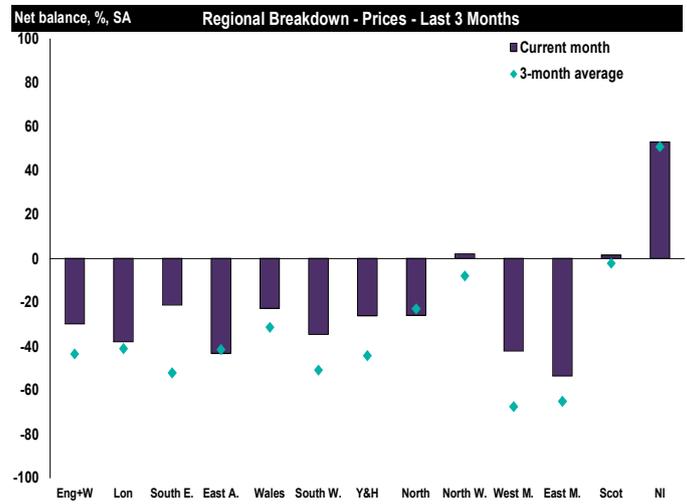
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Sales market charts

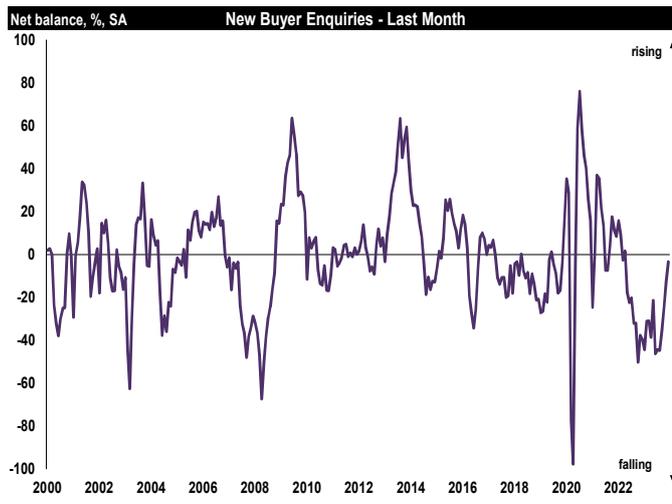
National Prices - Past three months



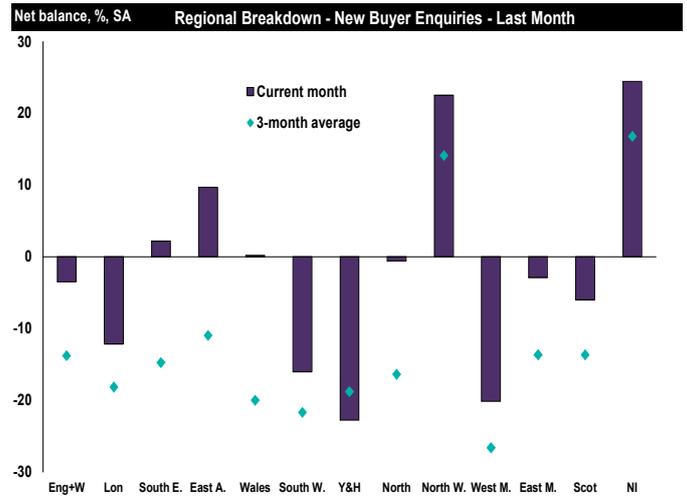
Regional Prices - Past three months



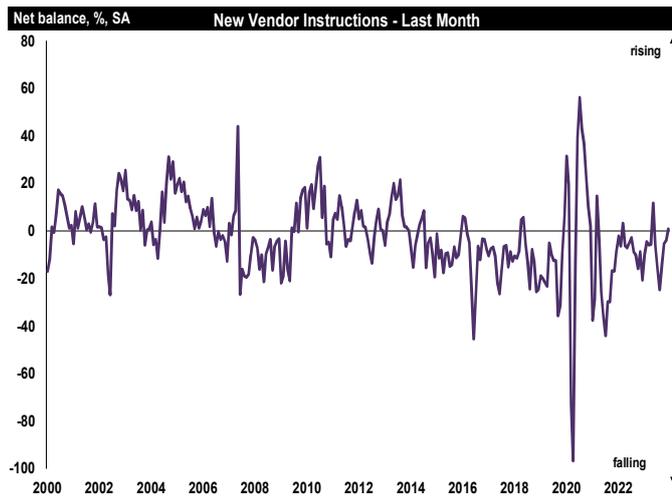
National Enquiries - Past month



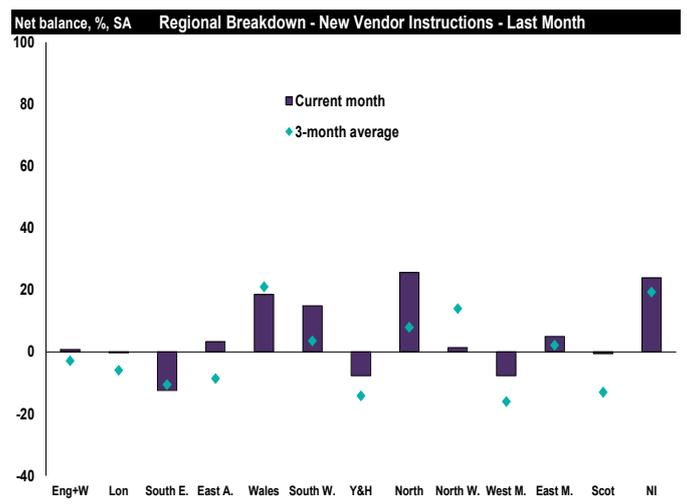
Regional New Buyer Enquiries - Past month



National New Vendor Instructions - Past month

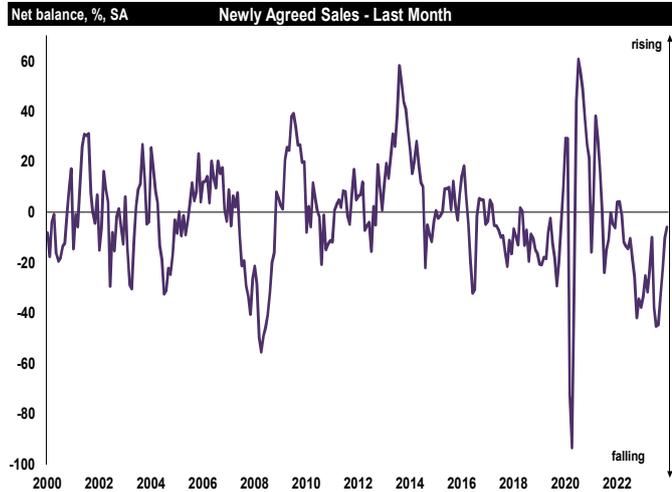


Regional New Vendor Instructions - Past month

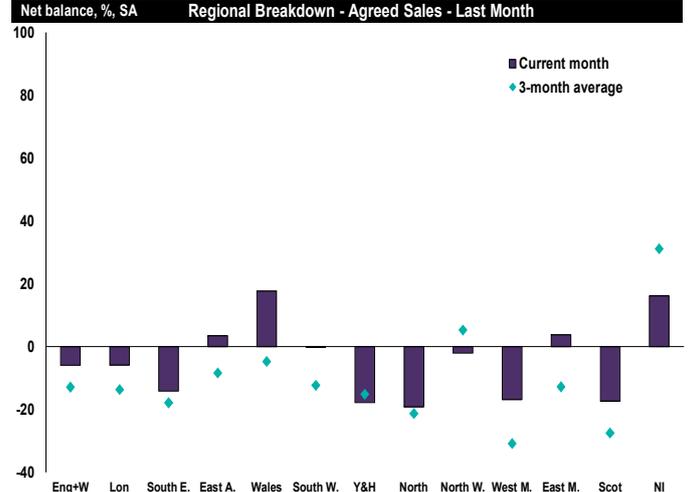


Sales market charts

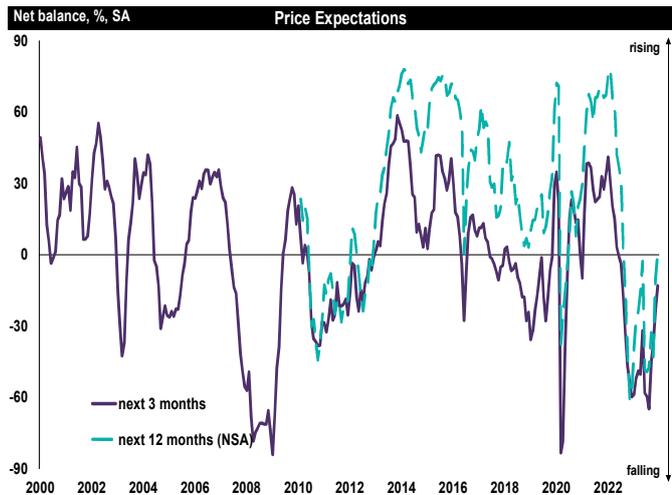
National Newly Agreed Sales - Past month



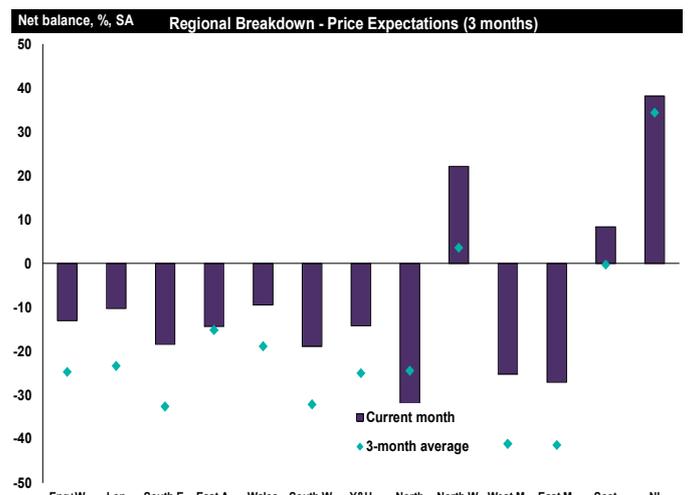
Regional Newly Agreed Sales - Past month



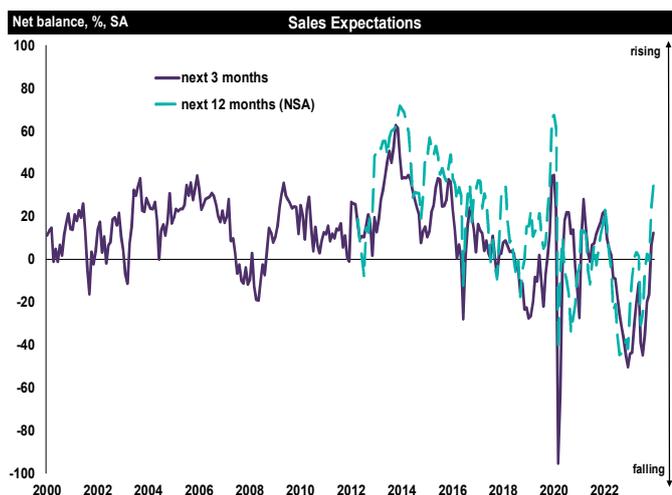
National Price Expectations - Three and twelve month expectations



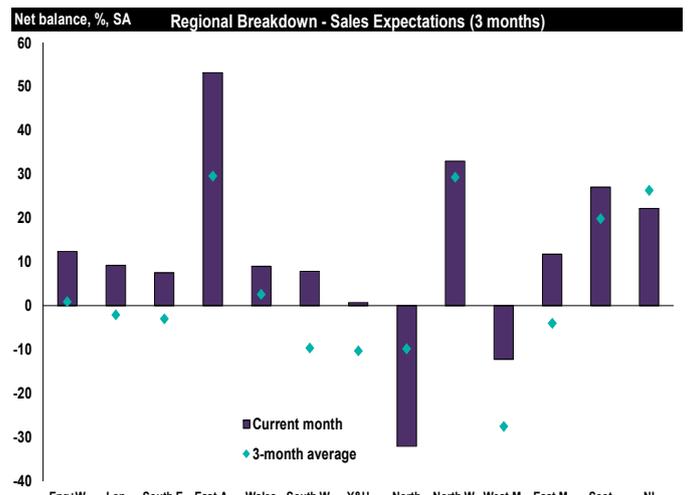
Regional Price Expectations - Next three months



National Sales Expectations - Three and twelve month expectations

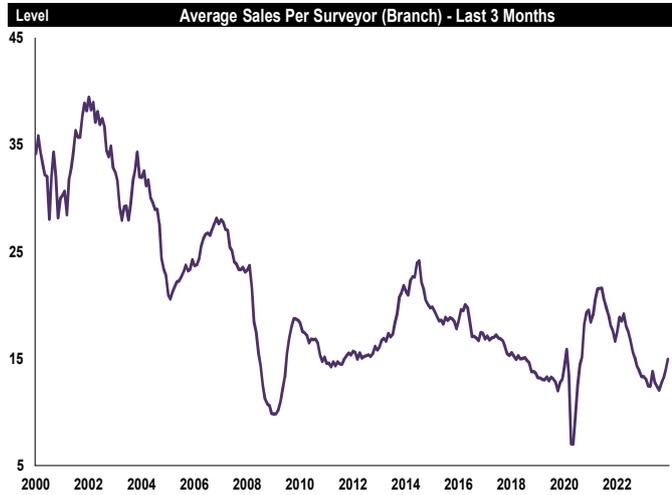


Regional Sales Expectations - Next three months

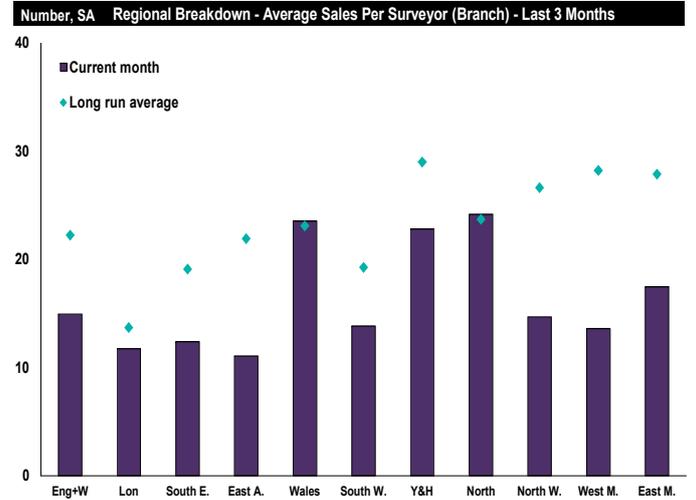


Sales market charts

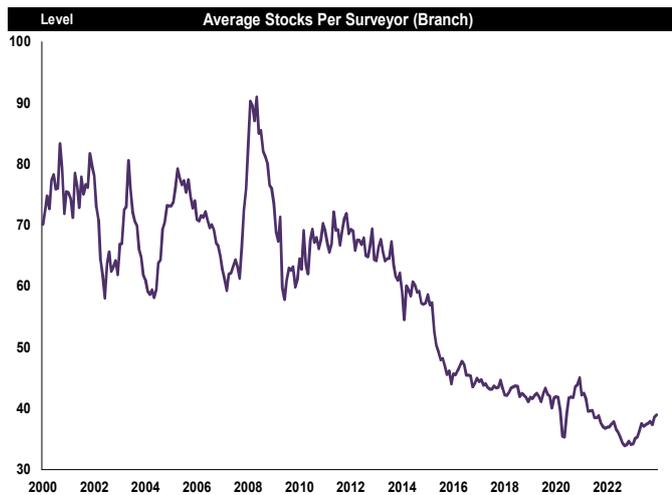
National Average Sales Per Surveyor - Past three months



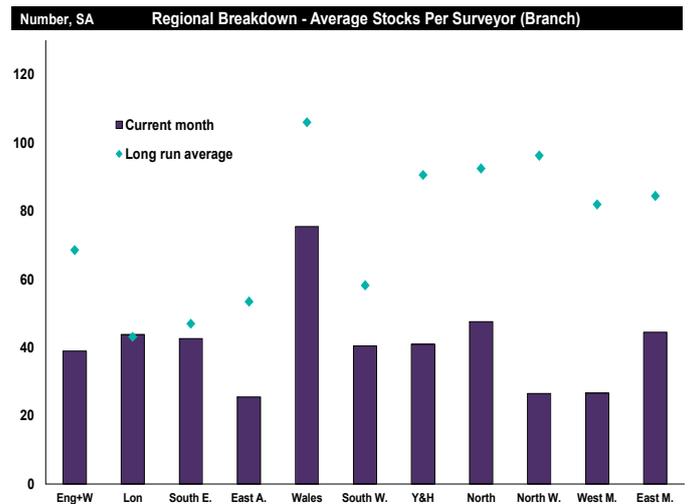
Regional Average Sales Per Surveyor - Past three months



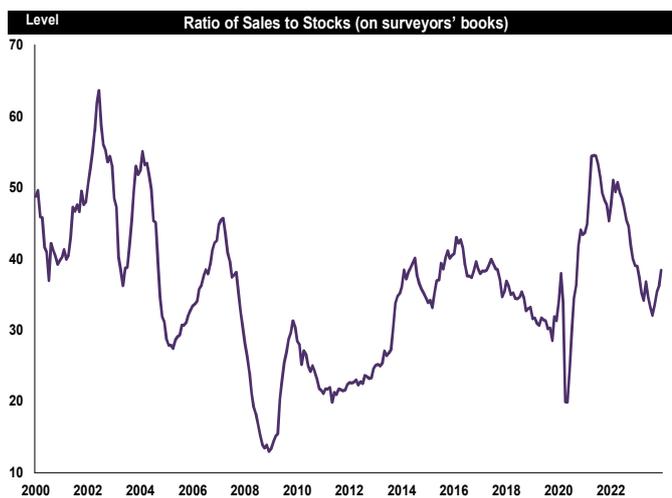
National Average Stocks Per Surveyor



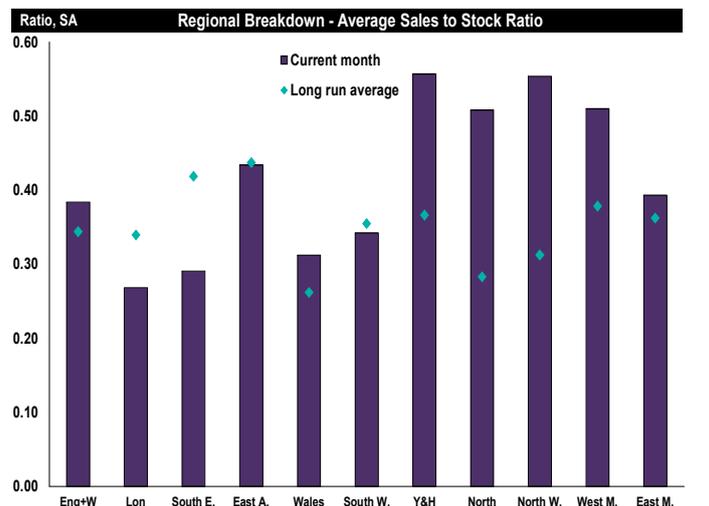
Regional Average Stock Per Surveyor



National Sales to Stock Ratio

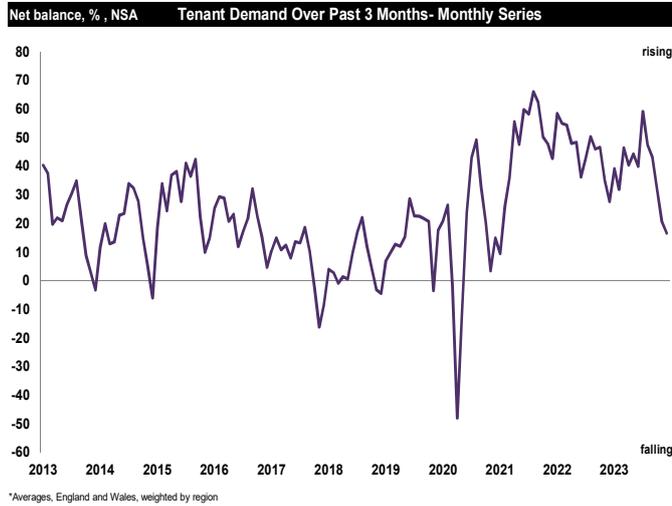


Regional Sales to Stock Ratio

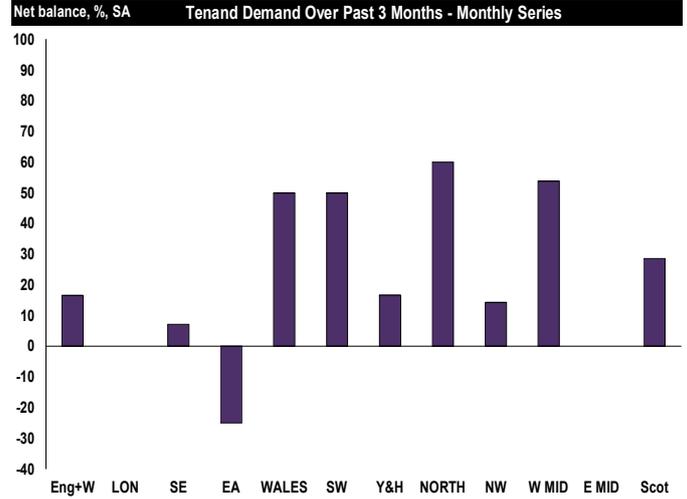


Lettings market charts

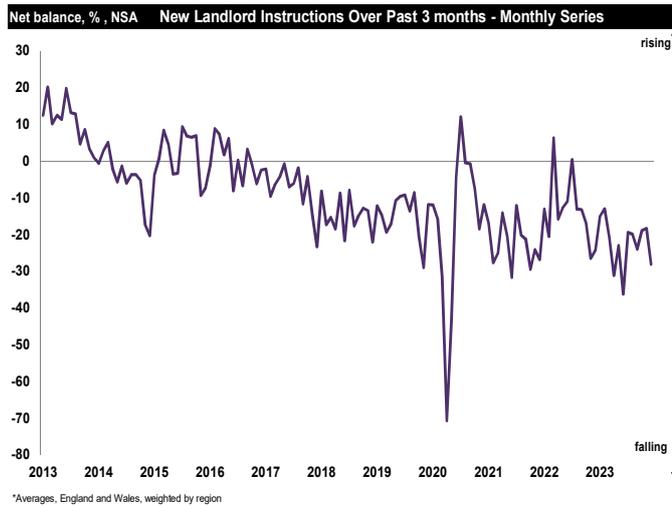
National Tenant Demand - Past three months



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

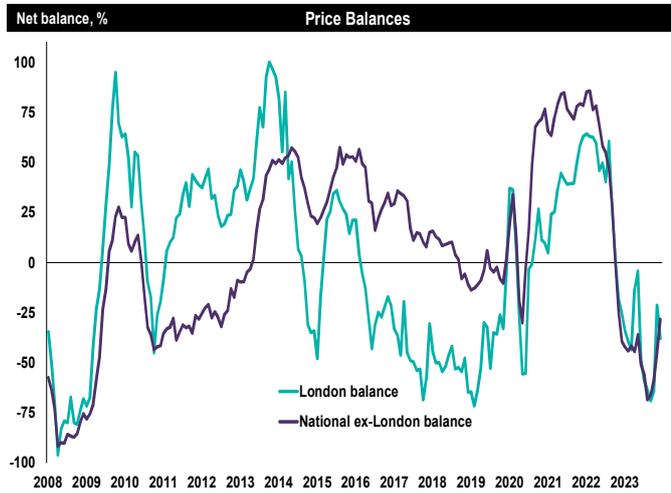


Regional Rent Expectations - Next three months

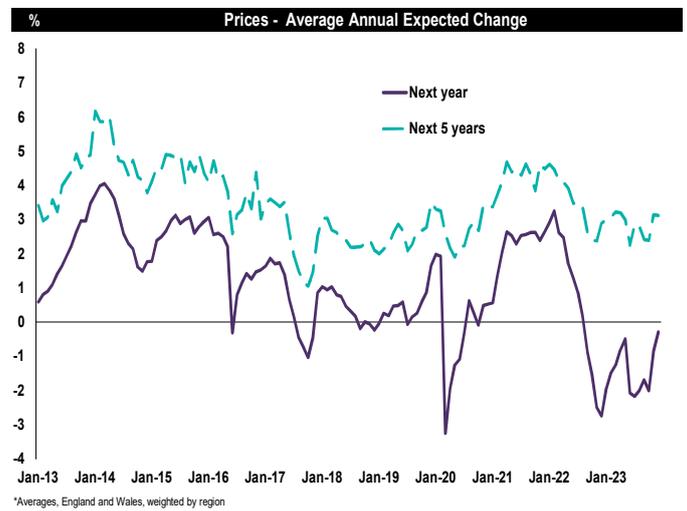


Expectations and other data

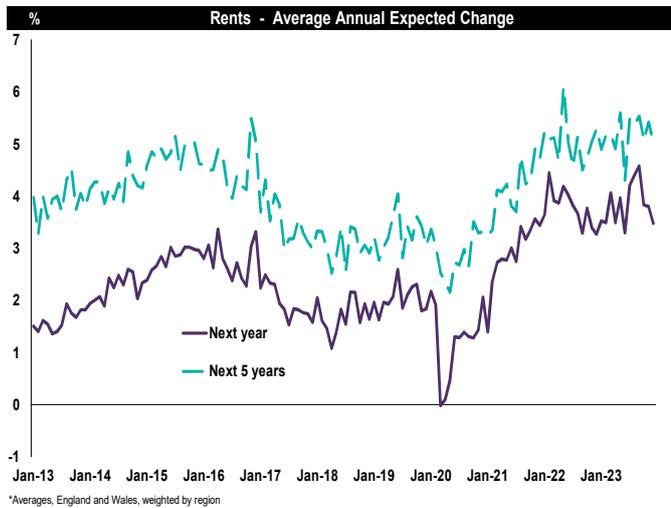
National Price Balance (excluding London) and London Price Balance - Past three months



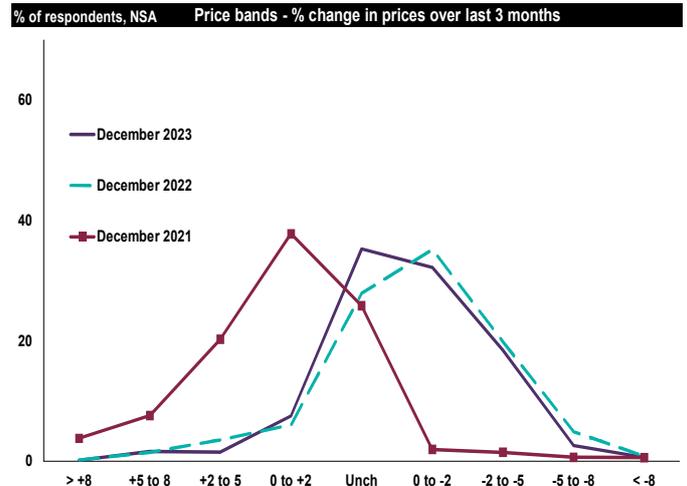
National Average Annual Expected Price Change (point estimate) - Next one and five years



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, keith.pattinson@pattinson.co.uk, Newcastle Upon Tyne - A big concern to anyone is the increase in minimum wage, which is not being related to increased productivity. This will cause more unrest, affecting staff and employers. Inflation as costs rise will mean most are worse off. There is interference with rental market, unlike other businesses.

Neil Foster, MRICS, Hadrian Property Partners, neil@hadrianproperty.co.uk, Hexham - Finally, finally, realism is permeating vendor aspirations on price. We are starting to see sales agreed below guide and in line with what feel to be fair and reasonable values. The premium price bubble appears to have burst but with lower supply expected in Q1, we don't expect a price freefall.

Yorkshire & the Humber

Alex Mcneil, MRICS, Bramleys, alex.mcneil@bramleys1.co.uk, Huddersfield - There remains a strong underlying demand if only more stock available. Buyer hesitancy over the last 12 months will turn into activity as economy stabilises. More new houses likely to be completed this year.

Ben Hudson, MRICS, Hudson Moody, benhudson@hudson-moody.com, York - Slowing down towards Christmas in a more seasonal market than we have seen for a number of years although a lot of positivity returning with instructions for 2024.

Ben Waites, AssocRICS, Walker Singleton, ben.waites@walkersingleton.co.uk, Halifax - There remains a lack of new developments coming to the market, with high land, material and labour costs still impacting on smaller developers ability to start and complete sites they currently hold. Purchasers are holding back with the expectation of announcements in the spring budget.

Bruce Collinson, FRICS, Adair Paxton, bruce@adairpaxton.co.uk, Leeds - Falling mortgage rates and generally more stable economic conditions continue to drive demand across all sectors. Smaller back to back houses are noticeably popular. City Centre flats remain ... flat.

Christopher R Jowett, MRICS, Jowett Chartered Surveyors and Estate Agents, chris@jowett-huddersfield.co.uk, Huddersfield - Interest rates seem to have steadied so this should help the market but they are likely to plateau for the next 6 months. Uncertainty is the main negative and potential recession suggests that prices are likely to fall slightly rather than increase.

James Watts, MRICS, Robert Watts Estate Agents, jameswatts@robertwatts.co.uk, Cleckheaton - Overall the market appears remarkably robust and demand and sales for houses upto £250,000 is still strong in our area. Higher value properties are struggling more due to lack of buyers and higher borrowing costs but the high costs of renting is still fuelling sale demand.

Kenneth Bird, MRICS, Renton & Parr, ken@rentonandparr.co.uk, Wetherby - Surprisingly busy for this time of year. With more stability in the mortgage market buyers and sellers are more positive about moving.

M J Hunter, MRICS, Grice and Hunter, griceandhunter@btconnect.com, Doncaster - As usual no meaningful business over Christmas and we will wait and see what happens mid to late January.

Michael Darwin, MRICS, M W Darwin & Sons, info@darwin-homes.co.uk, Northallerton - Sales have slowed, fewer buyers able to proceed and more chains breaking down at the last minute.

North West

Amin Mohammed, , Le Baron Haussmann, survey@haussmannchartedsurveyors.co.uk, Greater Manchester - Although sales are down, demand is still high due to lack of affordable housing. Self build incentives with local government subsidy could be a way forward.

Brian John Boys, MRICS, B&E Boys Limited, john.boys@beboys.co.uk, Waterfoot Rossendale - There is steady interest and there are still viewings. However, the market still holds a little uncertainty for the time being. Perhaps this will improve as inflation is demonstrably static.

David Champion, MRICS & Registered valuer, CHAMPSURY, championdavid@gmail.com, Lancashire Incl, Blackpool & Fylde Coast, Preston Southport And Lancaster - Historically quiet period over Christmas and cost of living affecting market. Asking prices are becoming more realistic but influx of out of town buyers may see some increased interest towards April.

John Williams, FRICS, MEWI, Brennan Ayre O'Neill LLP, john@b-a-o.com, Wirral - November and December sales exceeded expectations and when viewed alongside a growing sales pipeline, falling inflation and stable prices gives some grounds for optimism in 2024.

Robert Keith Dalrymple, FRICS, Keith Dalrymple Chartered Surveyor, keith.dalrymple@outlook.com, Isle Of Man - Estate Agents report that sales are being achieved by vendors accepting reduced offers.

Simon Wall, FRICS, Stephanie Macnab Estate Agents, simon@simonwall.com, Formby, Southport - 2024 has started with a positive outlook, valuation requests and buyer enquiries are up. The economic indicators and media commentary are looking more favourable.

East Midlands

Kirsty Keeton, MRICS, Richard Watkinson & Partners, kirsty@richardwatkinson.co.uk, Newark - Some positivity regained in December, with considerably higher sales levels. Confidence improving with sub 4% fixed 5 year mortgages back in the market. This should encourage more home movers in 2024. More first time buyers back into the market, which will stimulate next time buyers ability to move.

Peter Buckingham, , Andrew Granger & Co, peter.buckingham@andrewgranger.co.uk, Market Harborough - A surprisingly successful December, bolstered by determined buyers and limited stock. The outlook is positive in the light of projected falling interest rates and the possibility of some tax incentives later in the year.

Stephen Gadsby, BSc FRICS, Gadsby Nichols, stevegadsby@gadsbynichols.co.uk, Derby - Residential property market still rather stagnant although realistically priced properties still attracting interest

Tom Wilson, MRICS, King West, twilson@kingwest.co.uk, Stamford - A surprisingly active close to the year. Buyers still enquiring, some in the hope of "picking up a bargain". Too early to comment on next year yet, but it feels like prices might have fallen far enough now? Lets see what an election year brings.

West Midlands

Andrew Oulsnam, MRICS, Oulsnam, andrew@oulslam.net, Birmingham - A much quieter month as one would expect in December but a lot of clients withdrawing from the market to reappraise their plans.

Cheryl La, cheryl.la@cwsurveyors.co.uk, Wolverhampton - The sellers are continuing to reduce their asking price.

Colin Townsend, MRICS, John Goodwin, colin@johngoodwin.co.uk, Malvern - Activity was much as expected for December. A reasonable level of sales but holding chains together and getting them over the line is proving to be very challenging. We feel 2024 will be a steady year.

John Shepherd, John Shepherd, john@shepman.co.uk, Solihull - New Year should see an increase in enquiries.

Richard Franklin, MRICS, Franklin Gallimore Ltd., richard@franklingallimore.co.uk, Tenbury Wells - The predictions of a prolonged spell of interest rates at current levels has deterred all but the most hardy buyers. Lenders are being the most pedantic I can recall with petty matters inhibiting lending - which I read as "we don't really want to lend at present".

Richard Hall, FRICS, Doolittle & Dalley Holdings Limited, richardhall@doolittle-dalley.co.uk, Kidderminster - The market has remained pretty resilient with a consistent level of viewings and offers albeit many prospective buyers have properties to sell before they can proceed.

East Anglia

David Boyden, MRICS, Boydens Ltd, david.boyden@boydens.co.uk, Colchester - Not the greatest of months despite there being some activity, clearly everyone seemed to disengage with the industry in readiness for Xmas, however already in the early part of January we have seen a positive change and look forward to this gaining further momentum.

J Hazel, FRICS, Geoffrey Collings, jhazel@geoffreycollings.co.uk, King's Lynn - The signs are looking good for next year.

Kevin Burt-Gray, MRICS, Pocock and Shaw, kevin@pocock.co.uk, Cambridge - Slow end of year but hope/expect activity to pick up and the market to gain some traction as we go through 2024 things.

Mark Wood, MRICS, Blues Property Ltd, mark@bluesproperty.com, Cambridge - Very quiet market in run up to Christmas. Good news with falling mortgage interest rates which will hopefully kick start the market in the New Year.

Rob Swiney, MRICS, Lacy Scott and Knight, rswiney@lsc.co.uk, Bury St Edmunds - Market fairly subdued but not unusual for December.

Thomas Bloomfield, Student member, Bloomfield Grey/Brooks Leney, tab@bloomfieldgrey.co.uk, Colchester - In terms of viewings, offers and sales agreed, Q4 has already been busier than Q2 or Q3. This is the first time this has happened for at least eight years (since I began keeping data). Whilst this upturn is positive for all stakeholders, I believe prices are still falling.

South East

Christopher Clark, FRICS, Ely Langley Greig, chrisclark@elgsurveyors.co.uk, Eastleigh - Market remains difficult. Falling interest rates may assist marginal market improvement, but continuing domestic and global uncertainties will continue to hold back significant demand.

David Parish, FRICS, Gates, Parish & Co, professional@gates-parish.co.uk, Upminster - There are signs of increased activity with more valuations being undertaken and more enquiries being received from prospective purchasers. The reduction in interest rates will hopefully result in an improvement in the market.

Edward Rook, MRICS, Knight Frank, edward.rook@knightfrank.com, Sevenoaks - Reduced mortgage rates will bring buyers off the sidelines.

Julian Butcher, AssocRICS, EweMove Chilterns, j.butcher@ewemove.com, High Wycombe - Election this year is never good news especially with likely result.

Martin Allen, MRICS, Elgars, m.allen@elgars.uk.com, Wingham, Canterbury - Busier than normal December with vendors anticipating an improving market once Christmas is out of the way but interest from buyers is still lacking so no prospect of price improvement for the time being.

Montague Howard, MRICS, Montague Howard Associates, montaguehoward@tiscali.co.uk, High Wycombe - Prices may remain low as mortgages become more difficult for higher percentage loans.

Tim Green, MRICS, Green & Co.(Oxford) Ltd, tim.green@greenand.co.uk, Wantage - Increased activity, particularly in the lower price ranges, has been seen over the last month. This indicates a resurgence of interest from first time buyers. The New Year will soon show whether this is being felt across the property market as a whole.

Tony Jamieson, MRICS, Clarke Gammon, Tony.Jamieson@clarkegammon.co.uk, Guildford - December showed a few more positive signs than expected with more prospective vendors considering selling in new year. Sales are only occurring on property which is correctly and competitively priced. It will be interesting to see how the market reacts in the first quarter of 2024.

Trevor Brown, FRICS, Trevor Brown Surveyors Ltd, tbrownsurveyors@btinternet.com, Southend-On-Sea - December is always the quietest month and this one is no exception! New Year optimism may level prices out for a while but underlying worldwide issues (i.e. Ukraine, Israel/Palestine, interest rates) have to be resolved before there can be any realistic optimism.

South West

David Hickman, FRICS, , onetrip100@outlook.com, South Devon - Difficult to say if it is the time of year, interest rates or contracting economy and world conflicts but the market has died and values falling. Developers have cut back and corporates aren't waiting, they are shedding staff and surveyors too and expect branch closures too. 2007 all over again!

David J Robinson, AssocRICS, david J Robinson Estate Agents & Auctioneers, david@djrestateagents.co.uk, Cornwall, West Devon & Torridge - Normal slowdown as we approach Christmas coupled with dreadful weather. More possible instructions for early Spring but supply appears limited. Stabilising/reducing mortgage rates will help bolster fragile buyer confidence. See what March Budget may offer to stimulate market.

Graham Thorne, FRICS FCIQB, Thornes, graham@thornes.org.uk, Poole East Dorset - The market is still proving resilient but is always quieter before Christmas.

Ian Perry, FRICS, Perry Bishop, ianperry@perrybishop.co.uk, Cheltenham Cirencester Nailsworth Stroud Tetbury - As ever the case a well priced property attracts proceedable buyers.

James Mckillop, MRICS, Savills, james.mckillop@savills.com, Salisbury - Q4 was a fantastic period of agreed sales for the office, mostly in line with vendors "happy to sell" levels. If stock levels can be replenished, I think there is potential for a busy Q1 this year, with plenty of good buyers still on our books.

James Wilson, MRICS, Jackson-Stops, james.wilson@jackson-stops.co.uk, Shaftesbury - The market remains quiet - hopefully the declining cost of borrowing will help confidence.

Jeff Cole, MRICS, Cole Rayment & White, jeff.cole@crw.co.uk, Wadebridge - A typical December with a lot of completions but low levels of sales and viewings. We are hopeful with the recent good news regarding inflation that interest rates will fall earlier than expected in 2024.

John Corben, FRIS FCABE, Corbens, john@corbens.co.uk, Swanage - The market remains subdued which is not unusual at this time of year. One bright note is that the Halifax and other major lenders have substantially reduced their interest rate on fixed 5 year loans.

Mark Lewis, FRICS, Symonds & Sampson, mlewis@symondsandsampson.co.uk, Sturminster Newton - Buyers appear to be more motivated but lack urgency. They will pay the right money for a property that is just right for them. Talk of interest rate adjustments may concentrate the minds of the 'watch and wait' people.

Miles Kevin, MRICS, Chartsedge Ltd, miles@chartsedge.co.uk, Totnes - We feel more confident about 2024 than we did 6 months ago and with interest rates stabilising we are looking forward to a good year.

Nicholas Jonathan King, MRICS, The Hills Group, nick.king@hills-group.co.uk, Swindon - Steady but slow, around fifty percent down from peak in earlier 2022.

Robert Cooney, FRICS, Robert Cooney Chartered Surveyors & Estate Agents, robert@robertcooney.co.uk, Taunton - A quiet start to December but with an increase in activity and sales in the two weeks before Christmas!

Roderick Thomas, FRICS, Roderick Thomas Ltd, rdt@roderickthomas.co.uk, Wells - If the country is quiet on the political side there will be a rising housing market.

Roger Punch, FRICS, Marchand Petit, roger.punch@marchandpetit.co.uk, South Devon - A typically subdued month, but the sentiment is of mild optimism for the New Year ahead. Much will depend of the timing of the General Election, which will, as always, cause a pause in activity in the run-up. For now, asking prices need to be generally kept cautious for success.

Simon Cooper, FRICS, Stags, s.cooper@stags.co.uk, Wellington - Sales activity was surprisingly quiet in December with little enthusiasm to either buy or sell. One feels that one could be towards the bottom of the downward pressure on prices.

Simon Lord, AssocRICS, Allen & Harris, simonlord60@icloud.com, Bath - It is hard to forecast market movement in 2024. There will be hesitation in Q1 because of speculation about interest rate movement, currently a hot topic in the media. Also, the market always goes through a tentative and cautious period prior to an Election.

Simon Milledge, MRICS, Jackson-Stops Blandford Forum, simon.milledge@jackson-stops.co.uk, Blandford Forum - Activity levels right down in the lead up to Christmas, and more so than in previous years so difficult to draw conclusions. Suspect stabilisation and potential fall in interest rates in the new year may bode well for a good start to 2024. Prices will probably do likewise.

Wales

Anthony Filice, FRICS, Kelvin Francis Ltd., tony@kelvinfrancis.com, Cardiff - A good number of new instructions listing in the new year. Some vendors price expectations still too high, behind the curve on market conditions. There are still confident and able buyers, ready to purchase at the right price.

David James, FRICS, James Dean, david@jamesdean.co.uk, Brecon - Quieter December than a year ago.

Melfyn Williams, MRICS, Williams & Goodwin, mel@tppuk.com, Anglesey - As we moved to the end of 2023, activity, whilst expected to be lower due to the season festivities, remained rather pleasing with the outlook now looking more optimistic yet still with caution. With news of falling inflation & the new hope of lowering interest rates this will in turn be a relief.

Paul Lucas, FRICS, R.K.Lucas & Son, paul@rklucas.co.uk, Haverfordwest - The market slowed down in the pre Christmas period but there are signs of an impending increase in activity during the New Year.

Shaun Brannen, AssocRICS, Brannen & Partners, shaun.brannen@brannen-partners.co.uk, Whitley Bay - Wishing all a very Merry Christmas and a Happy and Healthy New Year. All the best for 2024.

Tim Goodwin, Associate RICS, Williams & Goodwin The Property People, tim@tppuk.com, Gwynedd - Whilst December brought about the expected seasonal lull, activity was noticeably stronger than in previous years which might be an indication that with expectation of lower interest rates in the year ahead, confidence is returning to the market for reasonably priced properties.

William Graham, FRICS, Graham & Co, surveys@grahamandcosurveyors.co.uk, Newport - Well priced attractive houses still sell well possibly due to lack of availability. High mortgage rates still depressing the market generally.

London

Alex Howard Baker, MRICS, Savills, ahowardbaker@savills.com, Putney - Whilst activity levels still way below where we would like them to be, there are signs that we are turning a corner. Mortgage rates and the interest rate outlook seem to be helping in this regard. Here's to 24!

Allan Fuller, FRICS, Allan Fuller Estate Agents, allan@allanfuller.co.uk, - December followed the normal pattern of being the slowest month for sales, however already in January we are seeing an increase in enquiries, the mortgage lenders reducing rates is a very positive sign and likely to be the incentive needed to restore confidence and thereby increase demand from buyers.

Ashley Osborne, MRICS, MyPropTech, ashley@myproptech.com, London - We appear to be hitting the bottom of the market from a pricing perspective in London & SE. We have seen a significant increase in activity in the BNO markets and institutional sales market. We are now starting to see enquiries from offshore buyers for BTL

Benn Churchill, MRICS, Hamways, bchurchill@hamways.com, Nationwide - The media has played a massive part in prices declining by down playing the market in general.

Brian Grante, RICS, Barnard Marcus Auctions, Briangrante@gmail.com, National - Auctions.

Charles Reynolds, MRICS, Home Counties Inspections Ltd, charles.reynolds@hcinspect.co.uk, Eltham - Many vendors are reluctant to accept a lower price, but those who need to sell are accepting offers at 2-5% below valuation. This will change as the BoE begins cutting rates over the next six months.

Christopher Ames, MRICS, Ames Belgravia, ca@amesbelgravia.co.uk, London - A shortage of good properties for sale is assisting in keeping demand relatively strong- but we are early in the year.

David Conway, FRICS, David Conway & Co, david@davidconway.co.uk, Hrrrow - Hopeful that interest rates will start to decrease.

Emmanouil Chatzimichalis, MRICS, Mfs, manos@smp.limited, London - Elections.

James Perris, MRICS, De Villiers, james.perris@devilliers-surveyors.co.uk, London - 2023 was a difficult year which has fortunately not seen the predicted falls in prices. This coming year seems to be offering glimmers of hope for an improvement with the fall in borrowing costs crucial to a healthier property market.

Javier Lauret, MRICS, Hurford Salvi Carr, javier.lauret@gmail.com, London - We have seen significant number of sales falling through due to buyers being worn down by the levels of compliance, including complications associated with lenders enquiries, the new freeholder certificates etc. This, in addition to the still high lending rates, has delivered a very subdued Q4.

Jeremy Leaf, FRICS, Jeremy Leaf & Co, jeremy@jeremyleaf.co.uk, Finchley - Recent falls in inflation and mortgage rates combined with strong employment is continuing to support demand. The prospect of a boost from the Budget is likely to give the market a lift in the next few months offsetting uncertainty as the election approaches.

John King, FRICS, ANDREW SCOTT ROBERTSON, jking@as-r.co.uk, Wimbledon - A short month but with a positive spin on the 2024 housing market. Stock levels will determine how values are projected.

John King, FRICS, ANDREW SCOTT ROBERTSON, jking@as-r.co.uk, L.B.Merton - A mixed month with a number of exchanges taking place after a great deal of work by the negotiators. When deals take 20 plus weeks to complete it does give rise to a greater number of fall throughs.

John Righiniotis, MRICS, Sampas Surveyors Limited, john@sampasurveyors.co.uk, London - No increase in sales or house and flat prices is expected before interest rates are significantly reduced.

Marcus Goodwille, MRICS, Savills Plc, marcus.goodwille@savills.com, London - Some confidence has returned to the prime London markets leading to the start of a realignment between buyer and seller expectations. Prices are expected to bottom out this year, as mortgage rates continue to ease.

Nicholas White, FRICS, Esurv, nick.white@esurv.co.uk, London - The decline stems from September 2022 when the economy was crashed by Truss.

Robert Green, MRICS, John D Wood & Co., rgreen@johnwood.co.uk, Chelsea - December was subject to the usual distractions that Christmas brings. However, confidence improved as mortgage rates started to fall closer to the longer term expectations of buyers. This trend has continued into the early days of January, helped by positive press commentary.

Rupert Merrison, MRICS, Dexters, rupertmerrison@dexters.co.uk, London - Unsold properties includes 2486 under offer. With mortgage lenders dropping rates to attract borrowers in January we anticipate a busy start to 2024 as people press on with their moves.

Steven Goovaerts, MRICS, Gerald Eve, SGoovaerts@geraldev.com, Central London - Despite the rumbling refrain of "survive 'til '25", London's Super Prime residential market seems to have remained remarkably robust going into 2024, with transaction momentum buttressing price movement. A departure from the "wait and see" inertia seen elsewhere in the run-up to this GE year.

William Delaney, AssocRICS, Coopers of London Limited, william@coopersonlondon.co.uk, Central London - The festive season traditionally sees sales activity greatly reduced. The softening of base rates has helped. Political and economic uncertainty continue to affect confidence. I expect that Q1 of 2024 will see no drastic changes save for lower transaction levels and incremental price adjustments.

Scotland

Craig Henderson, MRICS, Graham & Sibbald LLP, craig.henderson@g-s.co.uk, Ayrshire - In Ayrshire there was a marked slowdown during December. There were fewer houses placed on market, but as demand is still strong, these all sold within days of being marketed. We expect the market to start the year where it has left off, with strong demand likely to outstrip supply.

Grant Robertson, FRICS, Allied Surveyors Scotland Plc, grant.robertson@alliedsurveyorsscotland.com, Glasgow - Well it's a traditional winter slowdown however above the clouds sales non mortgage, non sale dependent keeps the market ticking over. Its starting to look like the market is gearing up for a quick start to 2024 with manageable stock levels and easing mortgage rates.

Greg Davidson, MRICS, Graham & Sibbald, gdavidson@g-s.co.uk, Perth - The underlying market seems stable and the improving mortgage rates and inflation figures should help support a cautiously optimistic start to 2024.

James Struthers, MRICS, DM Hall LLP, james.struthers@dmhall.co.uk, Inverurie - Interest rate rises are having an effect. This will lead to supply and demand issues within the next year. Cost of living crisis has also been affecting sales within the residential market in the North East of Scotland.

Marion Currie, AssocRICS, RICS Registered Valuer, Galbraith, marion.currie@galbraithgroup.com, Dumfries & Galloway - The seasonal lull was as expected in December but some interesting movement remained. However, moving into 2024 realistic pricing and managing seller expectations will be the best strategy in attracting buyers.

Thomas Baird, MRICS, Select Surveyors, thomas.baird@selectsurveyors.co.uk, Glasgow - Christmas slowdown in effect and home report instructions marginally down on same time last year.

Tom Murray, AssocRICS and RICS Registered Valuer, Thomas Murray Property, tm@thomasmurrayproperty.com, Girvan, Ayrshire - Properties for sale are in short supply, demand remains strong and so the market here continues to move well. Properties are selling at or over Home Report values and those sought after house are achieving generous premiums over market value.

Northern Ireland

Jonathan Dickson, Simon Brien Residential, jdickson@simonbrien.com, Belfast - A strong end to 2023 with positive market sentiment for 2024.

Keith Warwick, AssocRICS, Norman Devlin Estate Agents, keith@normandevlin.com, Cookstown - If interest rates come down 2 times in the next few months, the market will recover slowly.

Kirby Anne O'connor, Assoc Rics, GOC estate Agents, kirby@gocestateagents.com, Belfast - The market has still some activity which is unusual for this time of year. We are finding there is more demand to the supply available and this is driving prices up.

Nicola Kirkpatrick, FRICS, Simon Brien Residential, ntann@simonbrien.com, Belfast - Very positive end to the year. We are also seeing buyer confidence with the interest rate remaining unchanged, and are anticipating a positive start to 2024.

Samuel Dickey, MRICS, Simon Brien Residential, sdickey@simonbrien.com, Belfast - The sales market is remarkably resilient for this time of year.

Surveyor comments - lettings

North

Keith Pattinson, FRICS, Keith Pattinson Ltd, keith.pattinson@pattinson.co.uk, Newcastle Upon Tyne - Hating landlords has the opposite effect, as supply already low. Not enough properties being built, and help to buy puts too many into sales market. More houses need to be built and prices will reduce helping people move up market. Obsession in UK about property will continue through all gov parties, bad plans.

Neil Foster, MRICS, Hadrian Property Partners, neil@hadrianproperty.co.uk, Hexham - Our stuck record remains firmly in the same groove: too few private rental properties and too many tenant applicants keeps driving rents higher and ever less affordable. This is a crisis to which Government appears wholly content to turn a blind eye.

Rodrica Straker, MRICS, Leazes Estate Office, rodrica@leazesestate.co.uk, Hexham - The predictable impact on the market due to decline in buy-to-lets from disaffected landlords facing s21 amends, EPC improvement proposals & mortgage rate rises.

Yorkshire & the Humber

Alex Mcneil, MRICS, Bramleys, alex.mcneil@bramleys1.co.uk, Huddersfield - Shortage of housing to rent likely to sustain rent levels this year but growth likely to be more muted.

Ben Hudson, MRICS, Hudson Moody, benhudson@hudson-moody.com, York - Slowing towards Christmas in a more seasonal market than we have seen for a while.

Ben Waites, AssocRICS, Walker Singleton, ben.waites@walkersingleton.co.uk, Halifax - After a surge in rental values through 2022 and 2023, monthly rents have now levelled off and properties taking slightly longer to let. Still strong demand for good quality family accommodation and larger rental homes. Still a good availability of town centre apartments.

Bruce Collinson, FRICS, Adair Paxton, bruce@adairpaxton.co.uk, Leeds - Supply continues to shrink, demand continues to grow, rents continue to rise.

Christopher R Jowett, MRICS, Jowett Chartered Surveyors and Estate Agents, chris@jowett-huddersfield.co.uk, Huddersfield - In the last month we have noticed a slowdown and we think rentals are levelling off after a frenzied market over the last 2 years. Landlords are considering selling more with interest rates higher for savings and less hassle with tenants.

David J Martindale, MRICS, FSL Estate Agents, david.martindale@fslea.com, Wakefield - Demand has continued to be very strong.

Michael Darwin, MRICS, M W Darwin & Sons, info@darwin-homes.co.uk, Northallerton - Fewer private rentals available pushing up the rents of those that do come to the market.

East Midlands

John Chappell, MRICS, Chappell & Co Surveyors Ltd, john@chappellandcosurveyors.co.uk, Skegness - A spike in Landlords selling up but this is now investment rented property (blocks) rather than single houses. Years of diminishing returns and anti-Landlord legislation starting to really bite.

Peter Buckingham, Andrew Granger & Co, peter.buckingham@andrewgranger.co.uk, Market Harborough - Demand still exceeds supply.

Will Ravenhill, Readings, wravenhill@readingspropertygroup.com, Leicester - After a really sharp increase in rents over the last 12 months, it now seems that good quality prospective tenants are shopping around a little bit more. We therefore anticipate that the rate of rental increases will slow down in 2024.

West Midlands

Andrew Oulsnam, MRICS, Oulsnam, andrew@oulslam.net, Birmingham - A much quieter month as one would expect in December.

Cheryl La, cheryl.la@cwsurveyors.co.uk, Wolverhampton - Although the rental market is showing some stability, the rent is far higher than it was pre-pandemic level.

Colin Townsend, MRICS, John Goodwin, colin@johngoodwin.co.uk, Malvern - Still a shortage of new rentals coming to the market. High demand dictates that rents will continue their relentless rise.

Dean Taylor, MRICS, Fishers, dean@fishers.co.uk, Harborne/Birmingham - As it is December we have found a little less in inquiries, however when a property is priced correct we are still letting with relative ease. We don't see a change occurring as we go into 2024.

John Shepherd, John Shepherd, john@shepman.co.uk, Solihull - Stable interest rates should steady the market.

Richard Franklin, MRICS, Franklin Gallimore Ltd., richard@franklingallimore.co.uk, Tenbury Wells - There is a raft of tenants whose landlords have not increased rents recently - this is likely to change in 2024 and BTL landlords with mortgages will have little choice. The exodus of BTL landlords with one or two units is likely to continue - which will continue to exert upward pressure on rents.

Richard Hall, FRICS, Doolittle & Dalley Holdings Limited, richard-hall@doolittle-dalley.co.uk, Kidderminster - Throughout 2023 rents have increased significantly but appear to be stabilising.

East Anglia

David Boyden, MRICS, Boydens Ltd, david.boyden@boydens.co.uk, Colchester - Overall a good month, lets marginally exceeded expectations, instructions were very quite and relets came in thick and fast. Branches are already reporting a positive change as with sales so hopefully this too will continue.

J Hazel, FRICS, Geoffrey Collings, jhazel@geoffreycollings.co.uk, King's Lynn - Steady demand, reducing supply.

Kevin Burt-Gray, MRICS, Pocock and Shaw, kevin@pocock.co.uk, Cambridge - Quieter as Christmas approaches but expecting activity to pick up quite quickly in the New Year.

South East

Alexander Fischbaum, MRICS, AF Advisory Ltd, af@afadvisory.com, London & South East - Annual net migration of 700,000 equates to ~ 292,000 units (2.4 ppl/hh) equal to 97% of government annual build target & 169% of achieved completions. Political pressures aside, such grave imbalances lead to excessive pressure on market participants, infrastructure, the environment & strongly rising rents.

David Parish, FRICS, Gates, Parish & Co, professional@gates-parish.co.uk, Upminster - There are signs that rents are beginning to stabilise following the significant increases during the last year. Demand is still relatively high but we are hampered by a lack of new instructions.

Martin Allen, MRICS, Elgars, m.allen@elgars.uk.com, Wingham, Canterbury - Also busier than normal for this time of year with several new lets coming on. Unlike the sales market the demand has been very high in spite of the time of year and tenants for all properties on the market in December have been found.

South West

David Hickman, FRICS, onetrip100@outlook.com, South Devon - As a consequence of the market, even with some better mortgage deals now, potential buyers are electing to rent for the time being as they all know about negative equity now and someone who has been repossessed at some point. Some are still selling today for less than they paid in 2007!

Marcus Arundell, MRICS, HomeLets, marcus@homeletsbath.co.uk, Bath - Landlord instructions picking up, professional applicants slow to Christmas albeit student demand still strong. Will we see a reform bill passed in 2024?

Simon Cooper, FRICS, Stags, s.cooper@stags.co.uk, Wellington - Little availability of stock to rent ensures that properties meet with good demand with a choice of quality tenants to choose from. I do not see that changing for quite a few months.

Wales

Anthony Filice, FRICS, Kelvin Francis Ltd., tony@kelvinfrancis.com, Cardiff - A continuing shortage of choice is keeping rents rising and demand is still strong.

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

Paul Lucas, FRICS, R.K. Lucas & Son, paul@rkluccas.co.uk, Haverfordwest - Demand remains high with limited supply available.

Shaun Brannen, AssocRICS, Brannen & Partners, shaun.brannen@brannen-partners.co.uk, Whitley Bay - Wishing all a very Merry Christmas and a Happy and Healthy New Year. All the best for 2024.

Tim Goodwin, Associate RICS, Williams & Goodwin The Property People, tim@tppuk.com, Gwynedd - There is no indication of the demand for rented accommodation waning and with a shortage of property available rents are continuing to rise.

London

Allan Fuller, FRICS, Allan Fuller Estate Agents, allan@allanfuller.co.uk, - We have a perfect example of lack of supply increasing prices, until there are incentives that encourage private landlords this will continue, we need a system fair to tenants but also landlords, the promised legislation seems moribund. This needs fixing, and soon!

Charles Reynolds, MRICS, Home Counties Inspections Ltd, charles.reynolds@hcinspect.co.uk, Eltham - There is still very strong demand for smaller 1&2 bed properties but the cost of renting 4 bed houses seems to be much lower because of the higher cost.

Javier Lauret, MRICS, Hurford Salvi Carr, javier.lauret@gmail.com, London - We have seen rents flattening after several quarters of strong increases. Renters have decided to stay put in Q4 resulting in lower demand and rebalancing of the market with new stock coming available.

Jeremy Leaf, FRICS, Jeremy Leaf & Co, jeremy@jeremyleaf.co.uk, Finchley - Rents started to soften as the number of tenants registering dropped and stock increased. Improved choice means tenant decision making is taking longer but landlords must improve quality to differentiate and attract attention.

Jilly Bland, , Robert Holmes & Co, jilly@robertholmes.co.uk, Wimbledon London - Landlords continue to flee the Lettings market and with sales activity slowing at the same time - we are in for a tricky first quarter in 2024 (roll on spring - better weather and better spirits all round - fingers and toes crossed!)

John King, FRICS, Andrew Scott Robertson, jking@as-r.co.uk, Wimbledon - A quieter December month, but higher number of lettings already agreed for January than this time last year.

John King, FRICS, Andrew Scott Robertson, jking@as-r.co.uk, L.B.Merton - While being a shorter month, a higher number of lettings were agreed for January.

Marcus Goodwille, MRICS, Savills Plc, marcus.goodwille@savills.com, London - The rental market is now more 'needs-based', with demand for smaller properties remaining steady. However, demand for larger homes is softening, amid ongoing affordability pressures.

Mark Wilson, MRICS, Globe Apartments, mark@globeapt.com, London - New Year and off to a good start although tenants are negotiating for lower rents. Applicants have price ceilings. Older style flats are out of favour.

Rupert Merrison, MRICS, Dexters, rupertmerrison@dexters.co.uk, London - 2023 was a busy year in the lettings market and we expect 2024 to follow a similar pattern with high tenant demand and a regular supply of property.

William Delaney, AssocRICS, Coopers of London Limited, william@coopersonlondon.co.uk, Central London - The rental market, whilst remaining healthy, has in many instances seen prices reach an affordability threshold. The lack of rental stock, mostly caused by landlords selling up has distorted the market and supported annual rent increases, which I believe are unsustainable in the long term.

Scotland

Carolyn Davies, MRICS, Savills, cmadavies@savills.com, Dumfries - Ongoing concern about what rent control will actually look like in Scotland continue to impact on rent levels. Tenant demand far outstrips supply and continued removal of property from the PRS due to controls and unquantifiable expenditure is raising concern in the industry.

Craig Henderson, MRICS, Graham & Sibbald LLP, craig.henderson@g-s.co.uk, Ayrshire - Landlords are seeing any properties they have available for let, being snapped up quickly by tenants. I believe that many landlords have exited the market in the last few years, and as a consequence as demand increases we will see rents rise markedly as rent restrictions on landlords come to an end.

Grant Robertson, FRICS, Allied Surveyors Scotland Plc, grant.robertson@alliedsurveyorsscotland.com, Glasgow - Demand has slowed, as is expected but the level of stock remains fundamentally lower than in previous years. What will the Scot Gov try in 2024 to break the spirits of those daring to provide housing in the private rental sector. Who knows but its likely to be ill judged and poorly implemented.

Paul D. Letley, FRICS, Pavillion, paul@pavillion.net, Dundee - Dundee has experience high rent increases in the past year partly due to increasing student numbers and the Scottish governments cap on rent increases which inhibits tenant movement.

Northern Ireland

Keith Warwick, AssocRICS, Norman Devlin Estate Agents, keith@normandevlin.com, Cookstown - It is utter madness the policies of Westminster imposing more legislation and taxation on landlords. They are leaving the rental market in their droves leaving the tenants marginalized in our society.

Kirby Anne Oconnor, Assoc Rics, GOC estate Agents, kirby@gocestateagents.com, Belfast - Rentals are still strong. Plenty of parties looking if it is the right price even outside Belfast.

Samuel Dickey, MRICS, Simon Brien Residential, sdickey@simonbrien.com, Belfast - Rental demand is still strong across the board.

Contacts

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