



ECONOMICS



# UK Residential Market Survey

June 2023

## Rising interest rate expectations place renewed downward pressure on housing market activity

- Indicators on new buyer enquiries and agreed sales slip deeper into negative territory
- The ongoing dip in national house prices appears to gain momentum slightly during June
- Sales expectations deteriorate at both the three and twelve-month time horizons

The results of the June 2023 RICS UK Residential Survey point to a renewed deterioration in sales market activity. This is on the back of the recent escalation in interest rate expectations. Indeed, as borrowing costs increased, many of the survey's indicators fell deeper into negative territory this month, albeit most metrics remain at least somewhat above the lows hit towards the end of last year.

With respect to new buyer enquiries, the national net balance slipped to -45% in June, down from a reading of -20% last month. As such, this marks an eight month low for the buyer demand series. When disaggregated, respondents across all parts of the UK reported a firmly negative trend in buyer enquiries compared to May.

For newly agreed sales, the headline net balance fell to -34% this month, notably weaker than the figure of -8% posted last time around. In fact, June's return represents the most downbeat figure since December last year, when the net balance stood at -38%. Looking ahead, near-term sales expectations deteriorated to post a net balance of -36% in June (a four-month low), down sharply relative to the reading of -9% seen previously. On a twelve-month view, a net balance of -31% of survey participants foresee sales declining. This brings to an end a three-month run of largely stable sales expectations for the year ahead, and adds further evidence of the negative impact of rising interest rate expectations on market sentiment.

Looking at supply, having picked up slightly during May, new sales instructions reportedly held more or less steady this month (net balance -1% vs +14% previously). Meanwhile, average stock levels on estate agent's books were also little changed relative to last month (coming in at 37.4 properties). Although this level of inventory is still slightly higher than that reported at the



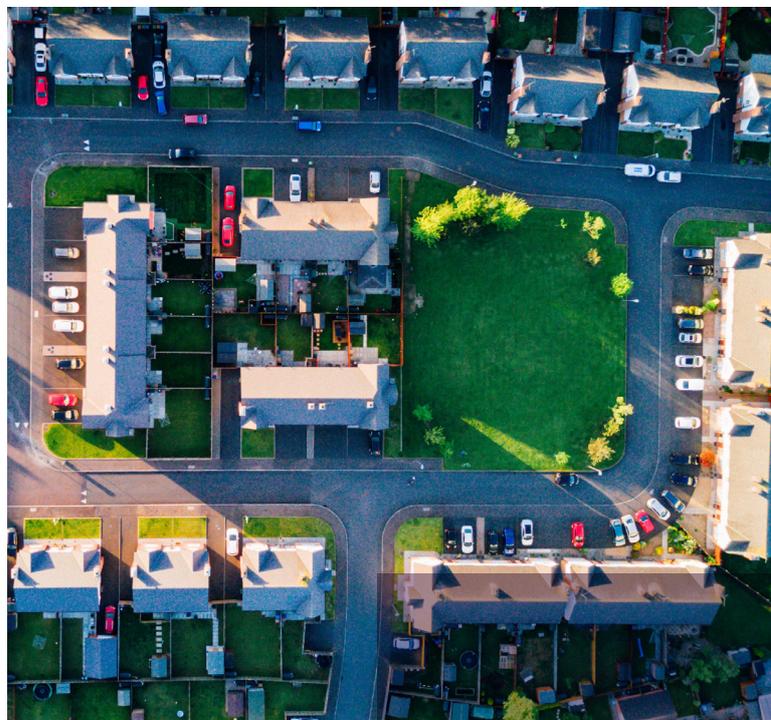
end of last year, the average number of homes available for purchase currently remains very low on a longer term historical comparison.

Turning to house prices, the national net balance fell to -46% in June, declining from a figure of -30% beforehand. Having turned slightly less negative in both April and May, the latest feedback on house prices signals downward impetus is gaining traction once more. When viewed at a more local level, all English regions are seeing house prices retreat, with East Anglia and the East Midlands exhibiting the sharpest monthly declines in net balance terms (-72% and -69% respectively). By way of contrast, house prices remain more resilient across Northern Ireland and Scotland, evidenced by respondents based in both countries continuing to cite an upward trend despite the weaker activity backdrop.

Going forward, national house price expectations are now firmly negative at both the three and twelve-month time horizons. Regarding the latter, the latest net balance fell to -49% compared to -3% returned in the previous iteration of the survey (marking the weakest price outlook since December 2022). Again, prices are expected to fall across all parts of the UK in the year ahead, with the exception of Northern Ireland and Scotland.

Significantly, of those that held a view on the subject, 58% of survey participants note that homes with better energy efficiency credentials are holding their value in the current market. This is similar to a share of 61% of respondents highlighting this dynamic when the question was last asked in the December 2022 survey. Meanwhile, on the same basis, 34% of contributors report seeing greater interest from buyers in homes that are more energy efficient.

In the lettings market, a headline net balance of +40% of respondents saw an increase in tenant demand during June (part of the non-seasonally adjusted monthly lettings dataset). At the same time, the net balance for landlord instructions sunk to -36% (the most negative reading for this metric since May 2020). With rising demand still being met with weakening supply, a net balance of +53% of contributors anticipate rental prices being driven higher over the near-term.



## 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:

July survey: 10 August  
August Survey: 14 September

### Number of responses to this month's survey:

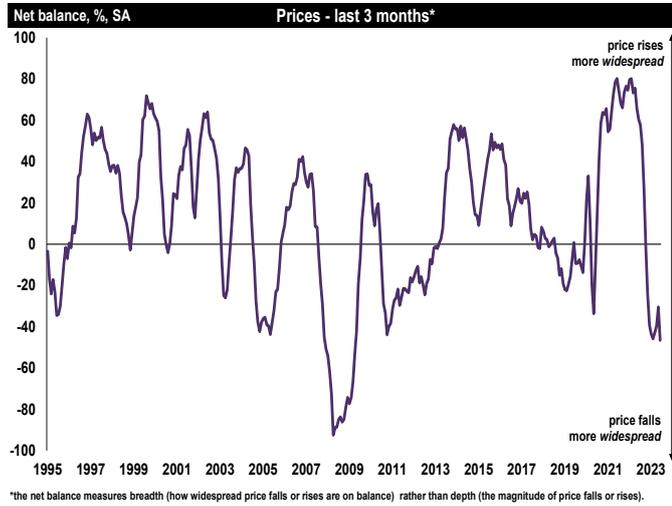
This survey sample covers 542 branches coming from 269 responses.

### Disclaimer

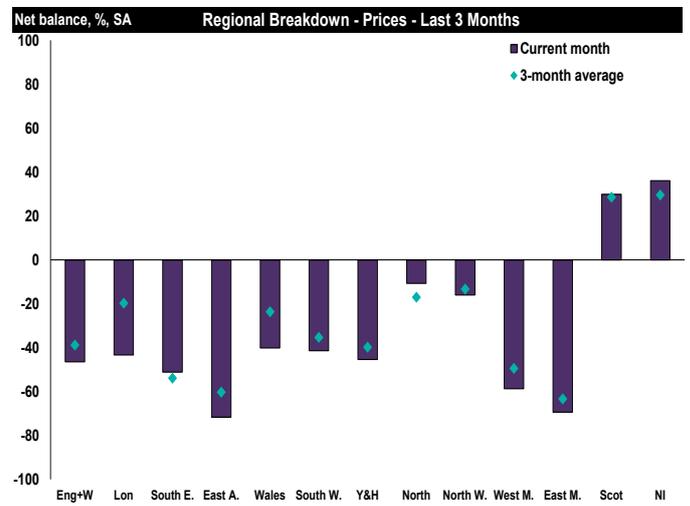
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# Sales market charts

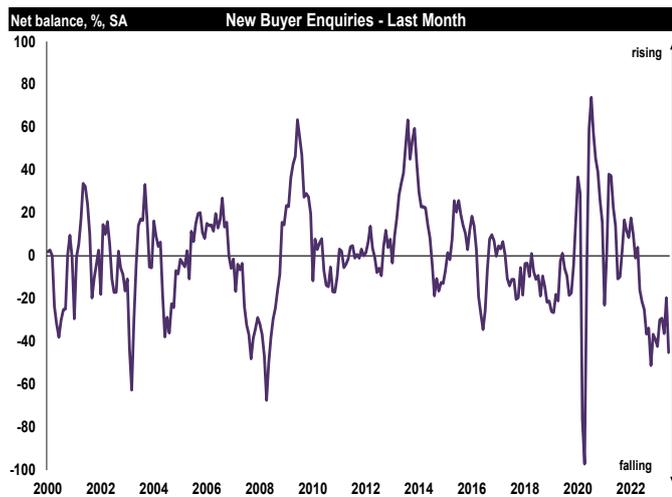
National Prices - Past three months



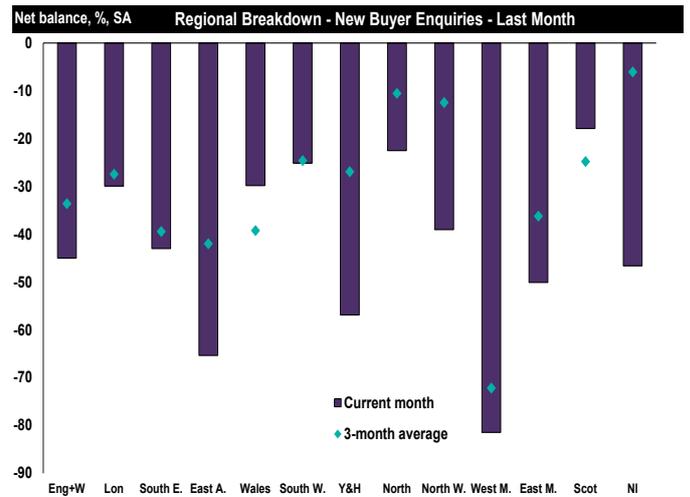
Regional Prices - Past three months



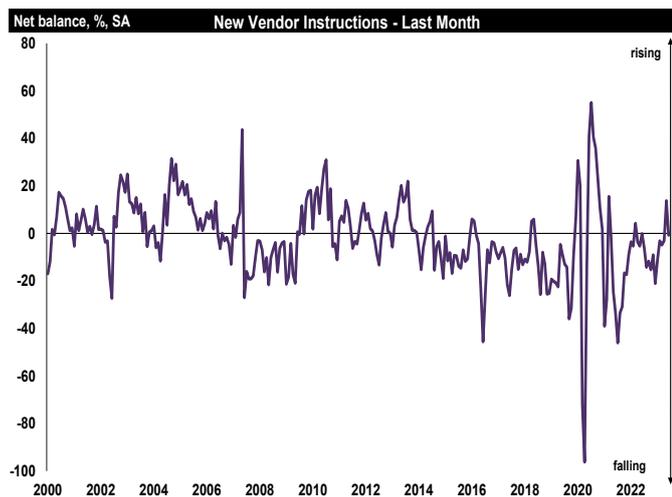
National Enquiries - Past month



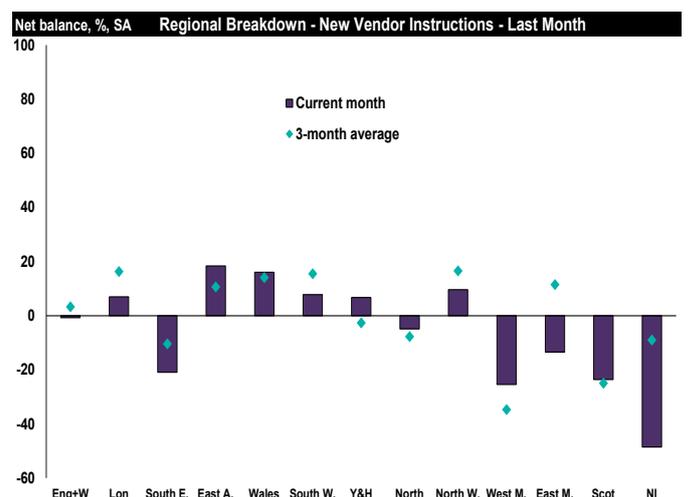
Regional New Buyer Enquiries - Past month



National New Vendor Instructions - Past month

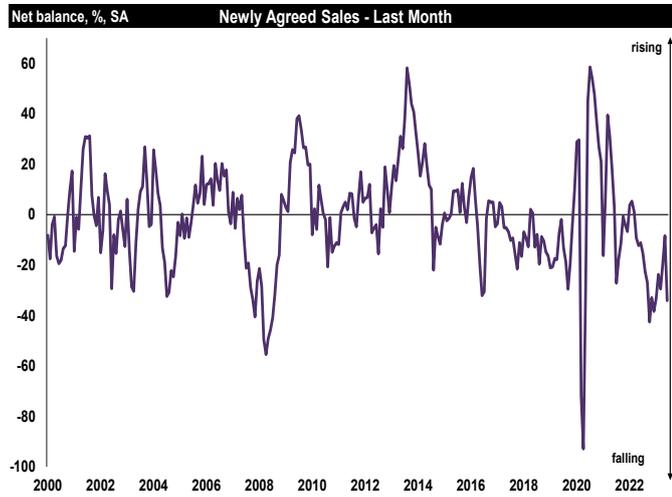


Regional New Vendor Instructions - Past month

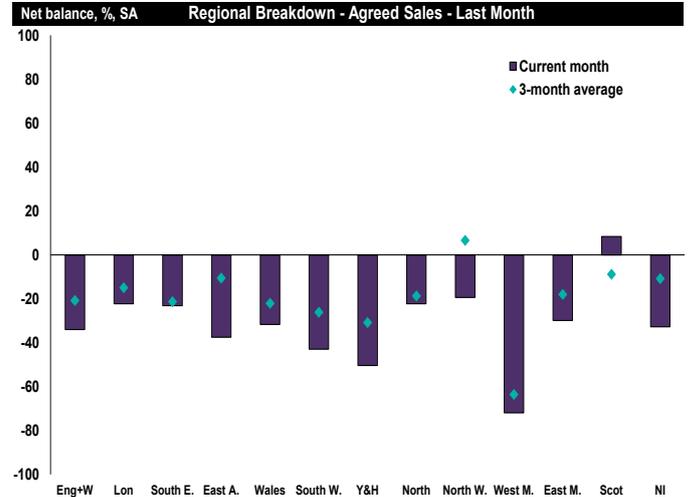


# Sales market charts

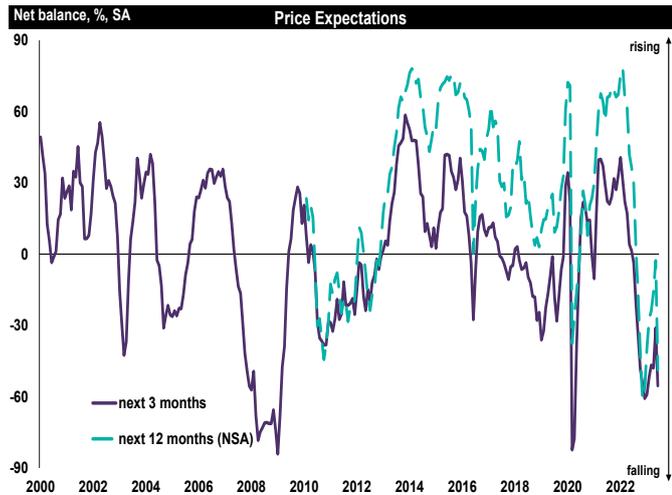
National Newly Agreed Sales - Past month



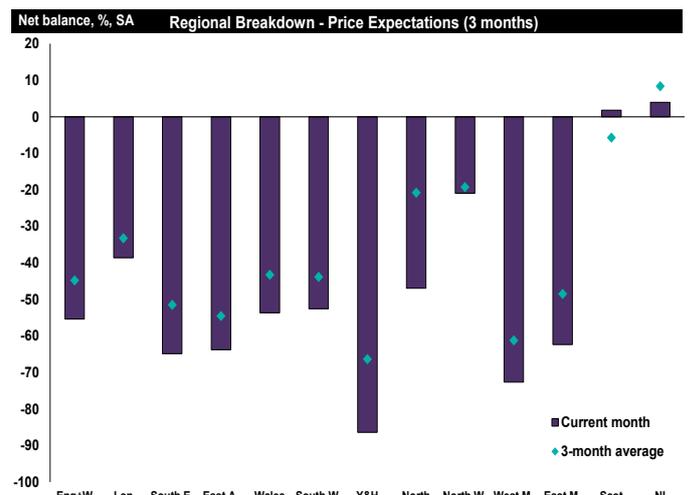
Regional Newly Agreed Sales - Past month



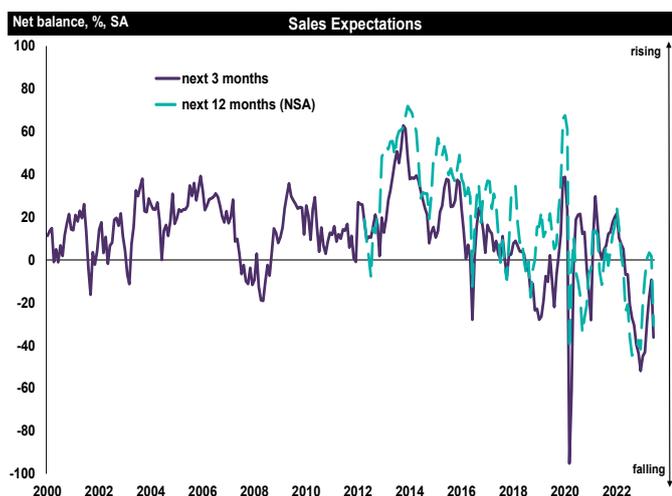
National Price Expectations - Three and twelve month expectations



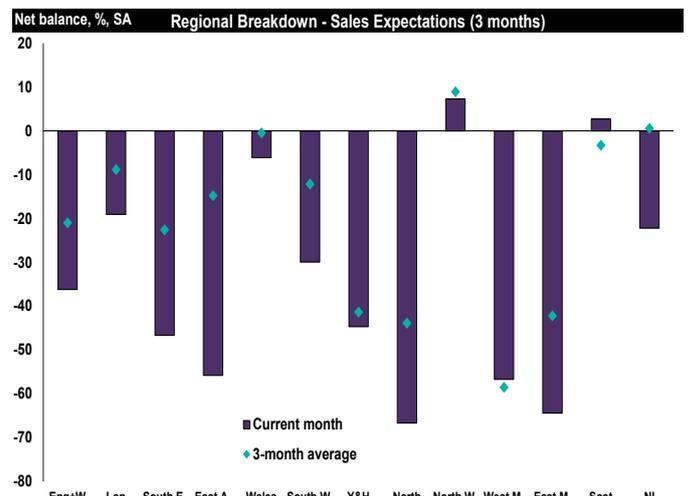
Regional Price Expectations - Next three months



National Sales Expectations - Three and twelve month expectations

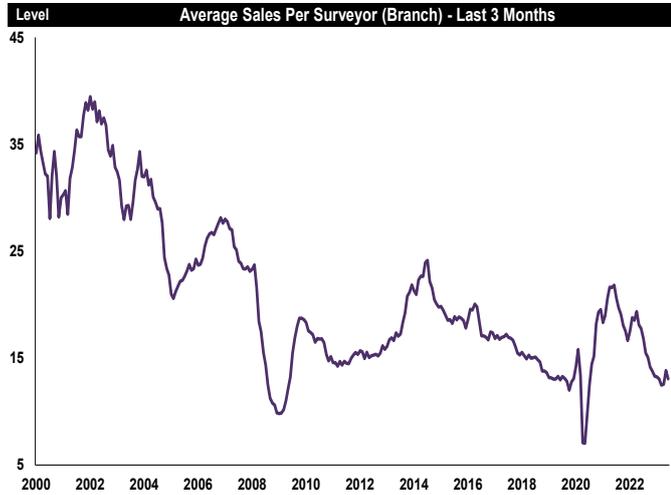


Regional Sales Expectations - Next three months

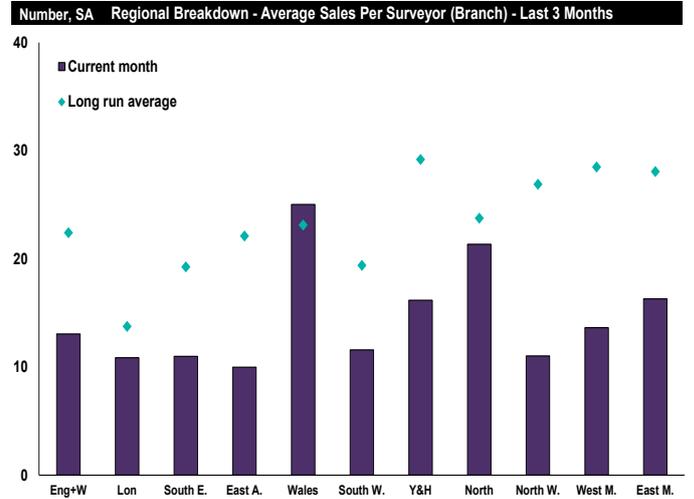


# Sales market charts

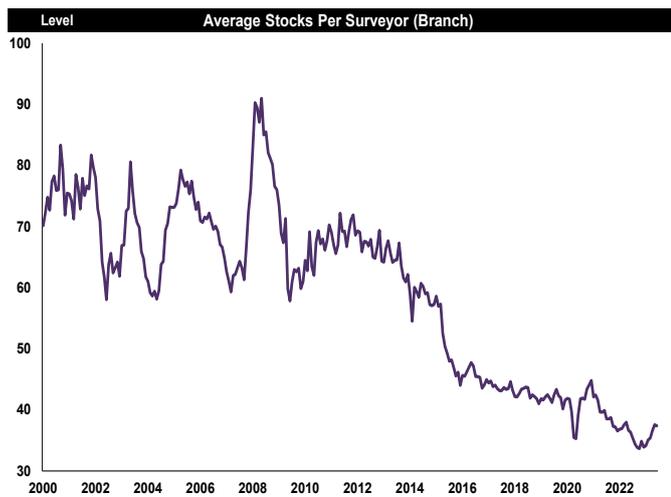
National Average Sales Per Surveyor - Past three months



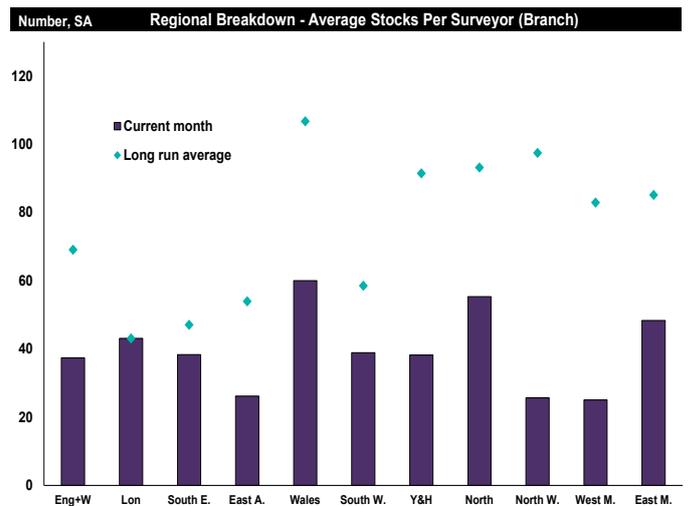
Regional Average Sales Per Surveyor - Past three months



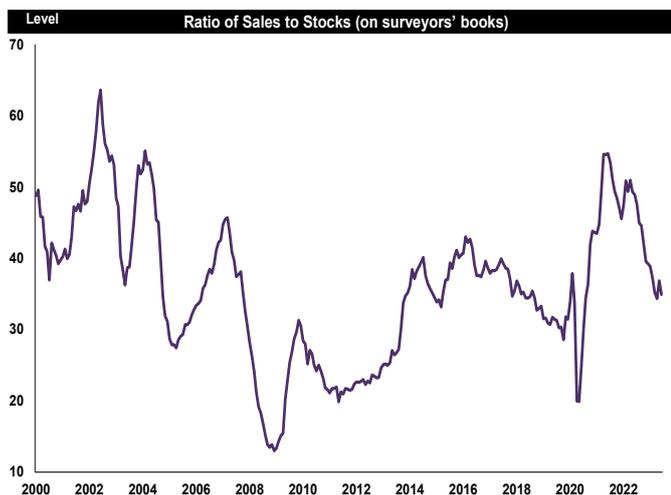
National Average Stocks Per Surveyor



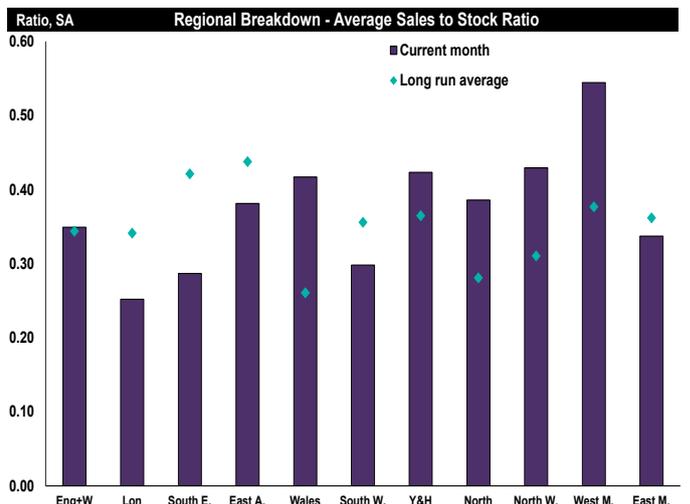
Regional Average Stock Per Surveyor



National Sales to Stock Ratio

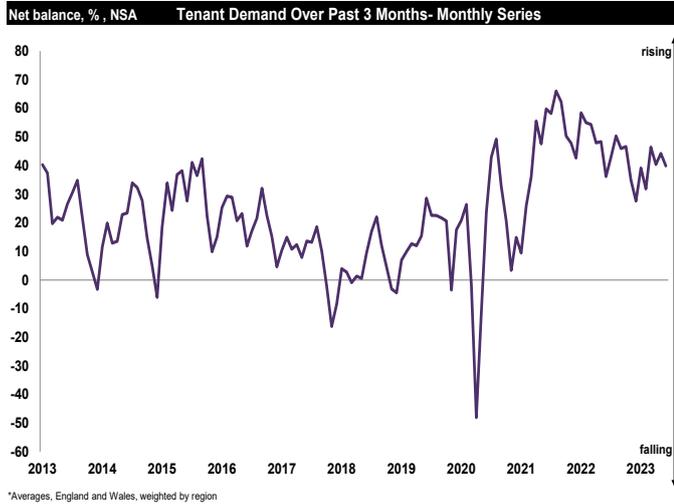


Regional Sales to Stock Ratio

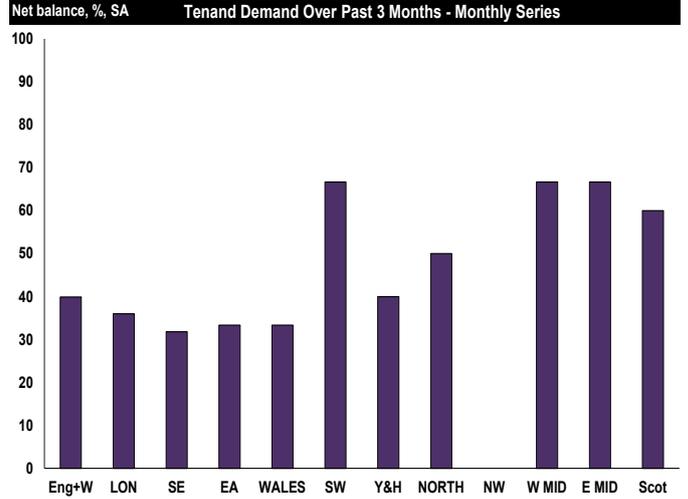


# Lettings market charts

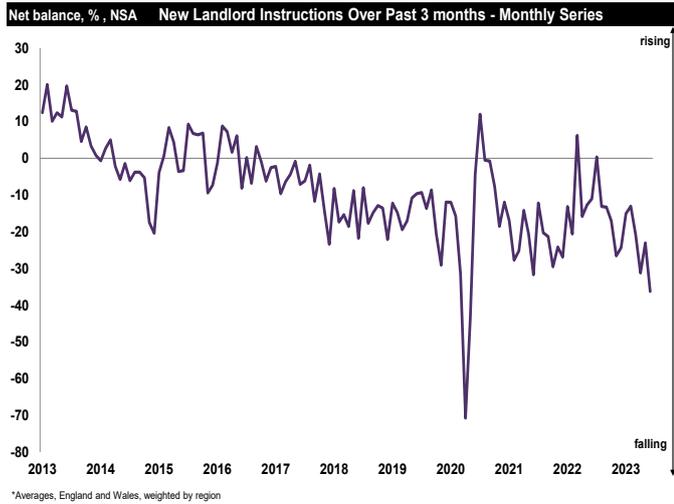
National Tenant Demand - Past three months



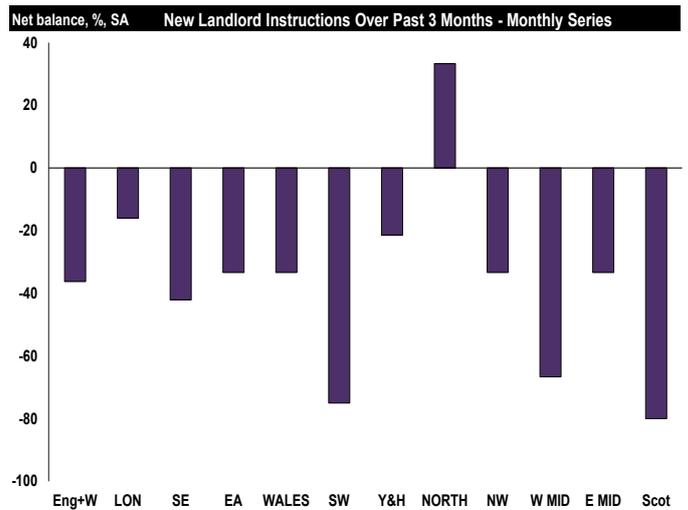
Regional Tenant Demand - Past three months



National New Landlord Instructions - Past three months



Regional New Landlord Instructions - Past three months



National Rent Expectations - Next three months

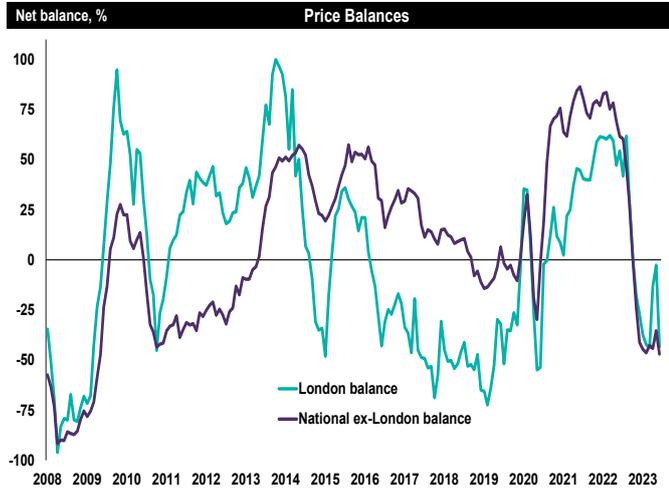


Regional Rent Expectations - Next three months

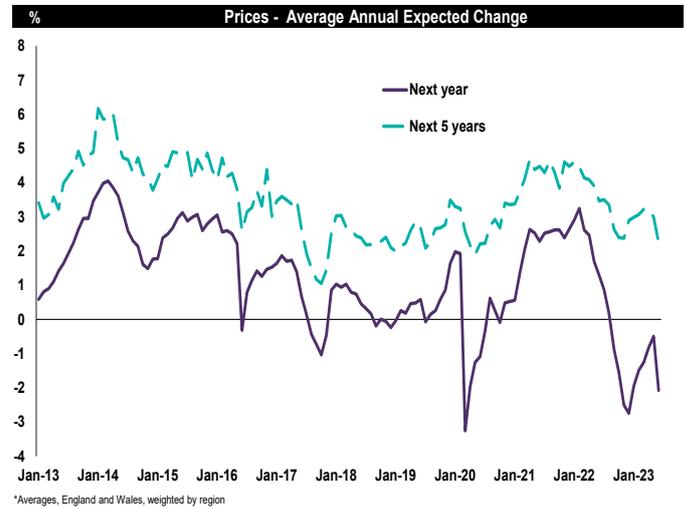


# Expectations and other data

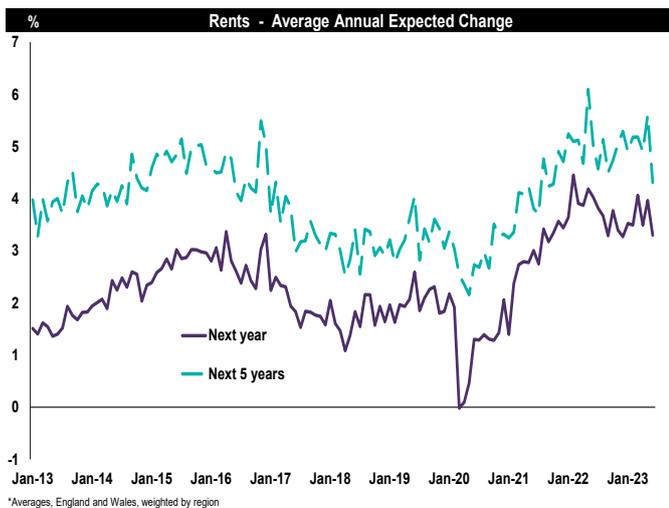
National Price Balance (excluding London) and London Price Balance - Past three months



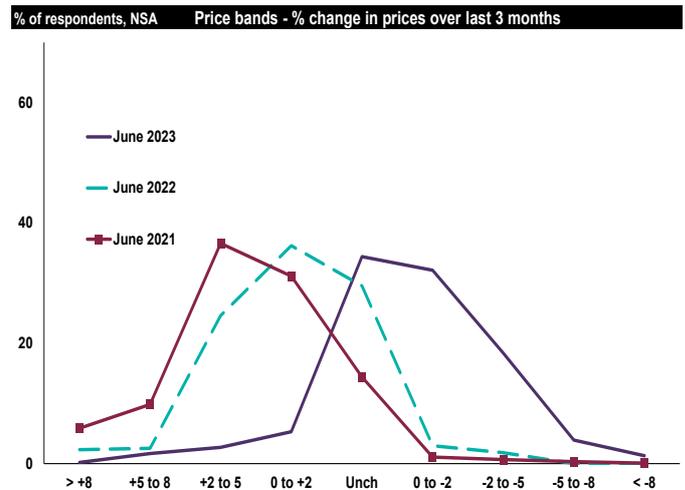
National Average Annual Expected Price Change (point estimate) - Next one and five years



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 - The North East market continues to be fairly robust. Property prices remain below the national average and are therefore generally more affordable. Rental yields make buy to let investments attractive to buyers from outside the region.

Neil Foster, MRICS, Hadrian Property Partners, Hexham, neil@hadrianproperty.co.uk - Sales market feels like an oxymoron this month. Deals are few and far between and there is clear caution, particularly amongst buy to let investors, with the prospect of a perfect storm to come if the cost of debt continues to rise as prices begin to fall.

Paul McSkimmings, MRICS, Edward Watson Associates, Newcastle upon Tyne, paul@edwardwatson-assoc.com - Following the interest rate increases buyers confidence is lower than in previous months. This has resulted in fewer enquiries and instructions. Potentially difficult times ahead. Sellers will have to be more realistic over asking due to buyers reduced affordability.

Shaun Brannen, AssocRICS, Brannen & Partners, Whitley Bay, shaun.brannen@brannen-partners.co.uk - Instructions are still high, along with sales agreed with the NE coastal market showing no signs of letting up.

### Yorkshire & the Humber

Alex Mcneil, MRICS, Bramleys, Huddersfield, alex.mcneil@bramleys1.co.uk - Some nervousness creeping into the market with some sales stalling. Lower and mid-market is still active, but upper end is more stifled.

Ben Hudson, MRICS, Hudson Moody, York, benhudson@hudson-moody.com - A busy sales month as sellers are accepting lower offers from buyers who are proceedable.

James Brown, MRICS, Norman F Brown, Richmond, james@normanfbrown.co.uk - The sales market remains the same. Vendors need to be realistic about what their property is worth if they wish to sell.

James Watts, MRICS, Robert Watts Estate Agents, Cleckheaton, jameswatts@robertwatts.co.uk - The impact of the latest rise in interest rates in June is yet to be felt, but there is more caution generally across the market and the number of suitable buyers has fallen. We fully expect sale prices to drop in the next 6 months, particularly for the higher end of the market.

Kenneth Bird, MRICS, Renton & Parr, Wetherby, ken@rentonandparr.co.uk - Interest rates appear to be biting. Confidence has been impacted by the increase in rates and fear of falling prices.

Mark Hunter, MRICS, Grice And Hunter, Doncaster, griceandhunter@btconnect.com - Transactions have slowed, but there are sales to be made if asking prices match market conditions.

Michael Darwin, MRICS, M W Darwin And Sons, Northallerton, info@darwin-homes.co.uk - Buyers and sellers becoming more cautious, with increasing interest rates and press reports regarding house market contracting.

### North West

Amin, Le Baron Haussmann, Greater Manchester, aminm7@gmail.com - Those coming off fixed rate mortgages may not be able to hold onto their properties resulting in a increase in supply, however the demand may not be there if mortgages are difficult to obtain and interest rates too high. This scenario will cause prices to drop and distort new build developer plans.

Brian John Boys, MRICS, B&E Boys Limited, Waterfoot Rossendale, john.boys@beboys.co.uk - Footfall has reduced in the past six weeks. Further sales incentives are being used to maintain buyer interest. Longer term, it is likely that sales prices will require a slight reset.

David Champion, ARICS, Champsurv, Blackpool, Fylde, Wyre, Lancaster, championdavid@ymail.com - Interest rates starting to affect market.

John Williams, FRICS, Brennan Ayre O'Neill LLP, Wirral, john@b-a-o.com - The latest interest rate rise has reduced activity levels, but limited stock availability continues to provide some support for prices.

Robert Keith Dalrymple, FRICS, Keith Dalrymple Chartered Surveyor, Isle Of Man, Keith.dalrymple@outlook.com - My comments refer to Isle of Man specifically and not UK, consequently the market locally is subject to insular conditions and factors. Construction costs are high with skill shortages and supply chain difficulties evident. Political, economic and fiscal uncertainties are adversely impacting.

### East Midlands

David Hawke, FRICS, David Hawke T/A Newton Fallowell, Worksop, enquiries@davidhawke.co.uk - Media and climate significantly depressing the market.

Gary Thompson, FRICS, Paul Fox, Scunthorpe, gftfrics1@aol.com - With an end to low interest rates, vendors can no longer be over optimistic with their asking prices as buyers and lenders have become careful when committing to long term finance.

Kirsty Keeton, MRICS, Richard Watkinson & Partners, Newark, kirsty@richardwatkinson.co.uk - Interest rates at this level are biting, combined with affordability for home movers. Highest stock levels since 2020, buyers have more choice.

Tom Wilson, MRICS, King West, Stamford, twilson@kingwest.co.uk - It is pretty obvious the impact that the increase in interest rates to 5% will have on sentiment.

### West Midlands

Andrew Oulsnam, MRICS, Oulsnam, Birmingham, andrew@oulznam.net - June was a much better month for sales and with a good level of new instructions, but exchanges are a major problem with solicitors taking an average of 20 weeks to get to exchange and some lasting up to a year. Interest rate increases could make July a difficult month.

Cheryl, AssocRICS, Countrywide, Wolverhampton, cheryl.la@cwsurveyors.co.uk - The market price has been slowly decreasing and it appears it is reverting back to pre-pandemic level.

Colin Townsend, MRICS, John Goodwin, Malvern, colin@johngoodwin.co.uk - A much more challenging month for vendors. Properties are definitely taking longer to negotiate and prices are now falling. It feels as though the tide is turning.

John Andrews, FRICS, Doolittle & Dalley Holdings Ltd, Kidderminster, johnandrews@doolittle-dalley.co.uk - A much slower market than earlier this year as buyers are cautious and fewer people looking to move unless it is an essential move, rather than through choice. Market continuing to flatten and sales volumes are decreasing.

John Andrews, FRICS, Doolittle & Dalley Holdings Ltd, Bridgnorth, johnandrews@doolittle-dalley.co.uk - Sales slowing, but still happening at realistic prices. Volume of properties is reducing, but demand still evident particularly individual country property.

John Shepherd, Shepherdvine, Solihull, john@shepman.co.uk - The continued rise in interest rates is having a significant effect on both house sales and the rental market.

Mark Killeen, AssocRICS, Coventry, k11l33n44@hotmail.com - The current situation with the interest rate rises is causing problems within the affordability for homebuyers. This will take a while to filter into the economy.

Mark Wiggin, Mark Wiggin Estate Agents, Ludlow, mark@markwiggin.co.uk - The last rise in rates has knocked confidence and values are on their way down. Vendors still being slow to accept.

Richard Franklin, MRICS, Franklin Gallimore, Tenbury Wells, richard@franklingallimore.co.uk - The lack of confidence in the financial system prompted by Truss' experiments are manifesting and higher interest rates are beginning to impact, with a significant drop in applicants. Correction of asking prices is expected in certain sub-markets as they do not reflect market sentiment.

#### East Anglia

Adrian Singleton, Registered Valuer, AJS, Thurrock, adrian@adrianjingleton.co.uk - As energy efficiency and tax becomes more important, good bands in both improve prospects for sales.

David Boyden, MRICS, Boydens Ltd, Colchester, david.boyden@boydens.co.uk - An encouraging month at our larger branches, but chains are still being broken and difficult to get sales over the line before they fall through with buyers withdrawing.

John Lewis, MRICS, Lewis Valuation, Southend On Sea, john@lewisvaluation.co.uk - There has been a general downward trend in values since the Autumn of 2022, primarily due to higher interest rates and difficult lending criteria.

Kevin Burt-Gray, MRICS, Pocock And Shaw, Cambridge, kevin@pocock.co.uk - Market confidence has weakened since the Bank of England 0.5% rate rise. Difficult to predict the next few months, but feel we are likely to see activity continuing to slow and prices possibly adjusting downwards.

Mark Wood, MRICS, Blues Property Ltd, Cambridge, mark@bluesproperty.com - Although quality city homes in good locations are generating interest and holding their value, the rest of the market has slowed and we are seeing price reductions becoming common, with the top end of the market extremely slow.

Rob Swiney, MRICS, Lacy Scott And Knight, Bury St Edmunds, rswiney@lsk.co.uk - Very sluggish market, buyers are holding back to see what interest rates will be doing and 'uncertainty' is the key word at the moment.

#### South East

Alexander Fischbaum, MRICS, AF Advisory, af@afadvisory.com - From Jan 2013-Nov 2021 the BoE Base Rate moved 5 times, range 0.65%. In the last 19 months 13 times, range 4.9%. This extreme Base Rate volatility mocks the BoE's mission to: Promote the good of the people of the UK by maintaining monetary financial stability; instead unsettling the entire UK economy.

Andrew Burnett, AssocRICS, Burnett's Estate Agents, Wadhurst, andrew@burnetts-ea.com - The press need to realise that the 50 year average base rate is 5%, so whilst high in comparison to the last 14 years, it is manageable, and buyers need to recognise that fact. A 10% decrease in property prices is still only back to 2021 levels, so again, hardly a hardship!

David Conway, FRICS, David Conway & Co, Harrow, david@davidconway.co.uk - High interest rates dampening the market.

David Nesbit, FRICS, D.M. Nesbit & Company, Portsmouth, davidnesbit@nesbits.co.uk - The market is changing and drifting lower. Higher rates are having their affect, but confidence is lacking. Many factors now affect decisions, but owners are still optimistic despite price reductions.

David Parish, FRICS, Gates, Parish & Co, Upminster, professional@gates-parish.co.uk - We are receiving more instructions at present, but buyers are hesitant in view of the increase in interest rates. Matters will not improve until interest rates are known to be stable.

Edward Rook, MRICS, Knight Frank, Sevenoaks, edward.rook@knightfrank.com - Increasing interest rates will stagnate the market.

Eoin Hill, MRICS, SDL surveying, Newbury, eoin.hill@sdl surveying.co.uk - Detecting some green shoots, but some overpriced listings still persist.

James Goodman, Green & Co., Wantage, james.goodman@greenand.co.uk - Tough times, but there are always sales to find.

Martin Allen, MRICS, Elgars, Wingham, Canterbury, info@elgars.uk.com - More bad news on interest rates and mortgages equals an early summer break for buyers who are showing little interest in all but the bargain basement property.

Paul Loveridge, FRICS, The Frost Partnership, Reading, loveridges@ntlworld.com - Government measures tend to exacerbate trends, the market has yet to come to terms with the increase in mortgage rates and heading to quieter time over summer holiday period.

Paul Lynch, AssocRICS, Romans, Guildford, plynch@romans.co.uk - Continuous interest rate rises are affecting buyer finances, resulting in much lower offers, or lack of confidence to offer at all whilst the market falls. Motivated sellers know they must price competitively to secure buyers. Leasehold flats continue to struggle due to fierce competition in this sector.

Stan Shaw, AssocRICS, Registered Valuer, Mervyn Smith, Ham, Between Richmond And Kingston, Surrey, stanleyshaw@hotmail.com - Despite rising mortgage rates, there has been surprisingly little adverse effect on headline prices yet, partly due to buyers buying in cash or with equity from a previous property. Vendors are though prepared to renegotiate more to keep ongoing sales together.

Tim Green, MRICS, Green & Co. (Oxford) Ltd, Wantage, tim.green@greenand.co.uk - Transactions remain at lower levels, but with willing buyers and sellers agreeing on a sensible prices. Current conditions are still not considered to be long term and so transaction levels are likely to stay lower rather than major price corrections being seen.

Tony Jamieson, MRICS, Clarke Gammon, Guildford, tony.jamieson@clarkegammon.co.uk - Only those properties which are correctly priced are attracting interest. If a property hasn't sold in first 4-6 weeks, its time to bring the price down. Interest rates rises are now affecting peoples decisions on whether to move or not.

Trevor Brown, FRICS, Trevor Brown Surveyors Ltd, Southend-On-Sea, tbrownsurveyors@btinternet.com - More fixed rate mortgages are reaching the end of terms and revised repayments are substantially higher. Energy costs have eased slightly, but there is no end in sight for the Ukraine situation. Interest rates continue to rise. The 'best selling' months are now nearly over & demand/prices will fall.

### South West

David Hickman, FRICS, South Devon, onetrip100@outlook.com - Asking prices are optimistic as always, but agreed sales prices haven't slumped and are usually at asking or only just below. Any overpriced properties are quickly reduced by less than 10% and then a sale is agreed. Time to completion has dragged out as buyers have time for a survey now.

David J Robinson, AssocRICS, David J Robinson Estate Agents & Auctioneers Ltd, North Cornwall & West Devon, david@djrestateagents.co.uk - The market is resilient, but definitely price sensitive under the weight of the negative economic press and interest rate increases. We need some positive economic stability.

Ian Perry, FRICS, Cheltenham Cirencester Nailsworth Stroud Tetbury, ianperry@perrybishop.co.uk - Early signs that the market is contracting, but houses that are well priced are still selling.

James Wilson, MRICS, Jackson-Stops, Shaftesbury, james.wilson@jackson-stops.co.uk - Buyers are becoming increasingly cautious.

Jeff Cole, MRICS, Cole Rayment & White, Wadebridge, jeff.cole@crw.co.uk - Definitely signs of a 2 tiered market, with those that are mortgage dependent being a lot more cautious. We are starting to see some price reductions following the latest interest rate rise. We are hopeful that rates will now stabilise to avoid further disruption to the first time buyer market.

John Corben, FRICS FCABE, Corbens, Swanage, john@corbens.co.uk - The market remains subdued and the continued increase in interest rates will remain so for some time to come.

John Doody, FRICS, John S Doody Frics, Gloucestershire, johndoody@msn.com - Press comments on guessed reductions seems to focus on the obvious link to interest rates. This is not borne out yet by the evidence of sales. Perhaps prices will remain as vendors will not sell, putting themselves in to negative equity/making a paper loss.

Oiver Miles Frics Registered Valuer, FRICS, Oliver Miles, Swanage, olivermiles@olivermiles.co.uk - With increased number of market appraisals and new instructions supply is now exceeding demand which is putting pressure on prices.

Richard Addington, MRICS, Jackson-Stops, Devon, richard.addington@jackson-stops.co.uk - The market is still in a state of flux with insufficient evidence of price falls to comfort sellers of where the market lies.

Roger Punch, FRICS, Marchand Petit, South Devon, roger.punch@marchandpetit.co.uk - Caution prevails, and confidence is fragile, but the instruction to sale ratio remains healthy, dependent on cautious pricing.

Simon Cooper, FRICS, Stags, Wellington, s.cooper@stags.co.uk - The market is certainly stalling. With the Bank of England raising interest rates repeatedly with no end in sight, buyers are becoming very wary and are "waiting to see". Sellers are generally not reacting to this tightening market so fewer sales are being achieved.

### Wales

Anthony Filice, FRICS, Kelvin Francis Ltd., Cardiff, tony@kelvinfrancis.com - Vendors taking advice on values are more likely to achieve sales, early on. Several sales being agreed at full asking figures and even over. Higher numbers of properties coming onto the market, fewer viewings, but with serious buyers.

David James, FRICS, James Dean, Brecon, david@jamesdean.co.uk - The market remains good for properties up to £500,000, but slower for those above.

John Caines, FRICS, Payton Jewell & Caines Ltd, Bridgend, john.caines@pjchomes.co.uk - The market is now more price conscious than previous years, with the impact of higher mortgage rates reflected in achieved selling figures.

Melfyn Williams, MRICS, Williams & Goodwin Tpp Ltd, Anglesey & Gwynedd, mel@tppuk.com - Property market continues to be active with property in the right location at the right price selling well. Properties initially priced too high could now result in selling for less in the long run. Important now to price right and choose best method of sale to suit circumstances.

Paul Lucas, FRICS, R.K. Lucas & Son, Haverfordwest, paul@rklucas.co.uk - Sales instructions are increasing whilst actual sales are slow.

Sam Burston, David James, Monmouth, sam.burston@david-james.co.uk - Most activity with cash buyers or those with small mortgages. Properties that require little or no 'work' are getting far more activity than those that do require 'work'. Higher value properties are getting viewings, but offers have dropped off. Vendor expectations are starting to reduce.

William Graham, FRICS, Graham & Co, Newport, surveys@grahamandcosurveyors.co.uk - Land Registry reported sales prices increased by 9.7% to end march, but have fallen since. However, this will quickly recover when interest rates fall.

### London

Allan Fuller, FRICS, Allan Fuller Estate Agents, Putney, allan@allanfuller.co.uk - We have seen an increase in enquiries and viewings, but given the pervading uncertainty over interest rates and the economy, values have dipped slightly. But, the general undersupply in London is likely to keep values relatively high unless the economy enters a serious recession.

Ashley Dale Osborne, MRICS, Myproptech, London, ashley@myproptech.com - We have seen a significant increase in buyer enquiries in the international and domestic investment markets.

Ben Kwabena Edusei Preko, AssocRICS, Salter Rex LLP, London, bp@salter-rex.co.uk - Interest rate increases causing uncertainties in the market.

Christopher Ames, MRICS, Ames Belgravia, London, ca@amesbelgravia.co.uk - There is market uncertainty due to rising interest rates, but plenty of people want or need to move. Prices are looking more affordable for first time buyers which should help to stabilise the market as they no longer have to compete with 'buy-to-let' purchasers.

James Perris, MRICS, De Villiers, London, james.perris@devilliers-surveyors.co.uk - Whilst the flat market continues to struggle, the house market in London remains relatively robust.

Jeffrey Hazel, FRICS, Geoffrey Collings & Co, King, S Lynn, jhazel@geoffreycollings.co.uk - Slower market, but there is still a demand.

Jeremy Leaf, FRICS, Jeremy Leaf & Cop, Finchley, jeremy@jeremyleaf.co.uk - Continuing worries about rising mortgage rates and the cost of living are prompting many prospective purchasers to 'sit on their hands' which is softening sales prices. However, negative publicity is beginning to lower seller expectations-and not before time!

John King, FRICS, Andrew Scott Robertson, L.B. Merton, jking@as-r.co.uk - A better June for instructions as vendors begin to understand the changing in attitude by purchasers when inspecting. Should interest rates go any higher we may start to see values beginning to slide. Houses and flats in good order will find buyers first, it will all be about the timing.

John King, FRICS, Andrew Scott Robertson, Wimbledon, jking@as-r.co.uk - A mixed month with viewing numbers up and sales down, due to a further increase in interest rates. Largely the market is correcting itself, as purchasers count the cost and reduce their offers, while vendors hold out in the hope that the economy will right itself this year.

Joshua Homans, MRICS, Haringey Council, Wood Green And Tottenham, joshuaritblat@icloud.com - A positive year with increases across the board. The inflationary pressures have distorted expectations. Many have been priced out of the market. Question on everybody's lips is how high will rates have to go before inflation comes down? This is going to shape the markets.

Robert Green, MRICS, John D Wood & Co., Chelsea, rgreen@johnwood.co.uk - June has been a good month for family houses where completion has developed for a number of instructions, pushing prices above guide. Fair pricing is essential. Vendors are realistic, but not under pressure, and buyers are focused.

Rupert Merrison, MRICS, Dexters, London, rupertmerrison@dexters.co.uk - The total homes on the market includes under offer. The market is busier than you think, there are plenty of buyers around and lots of motivated sellers. We anticipate a busy summer.

William Delaney, AssocRICS, Coopers Of London Limited, Central/West End, william@coopersonlondon.co.uk - With another increase in interest rates and the knock effect on mortgage rates, anyone requiring finance may now encounter affordability issues. We find buyer confidence is frail and vulnerable to further rate increases, exacerbated by pessimistic economic and political forecasts.

#### Scotland

David Cruickshank, MRICS, D M Hall Llp, Elgin, David. Cruickshank@dmhall.co.uk - The residential market in Morayshire is still characterised by scarcity, with many properties selling readily. Remote rural and country locations remain popular, with good quality homes selling readily for a premium. Rising interest rates do not appear to have impacted the market significantly.

Grant Robertson, FRICS, Allied Surveyors Scotland Plc, Glasgow, grant.robertson@alliedsurveyorsscotland.com - Every sense says that market activity and values should be down, but the resilience of the West of Scotland market has not been impacted by mortgage rates and cost of living gloom. When will that change? Surely before the year is out.

Greg Davidson, MRICS, Graham + Sibbald, Perth, gdavidson@g-s.co.uk - The market continues to perform reasonably well as some sectors still have an unsatisfied demand. Increasing interest rates and the summer holiday season may keep the market slightly subdued but the underlying market remains stable.

Ian Morton, MRICS, Bradburne & Co, St Andrews, info@bradburne.co.uk - The summer school holidays are upon us and the added lack of confidence in the general economy with higher interest rates has meant the property market has stagnated this summer. The hesitancy is from sellers coming to the market and buyers paying over the Home Report value.

Jennifer Helen Campbell, MRICS, DM Hall, Bridge of Allan, jennifer.campbell@dmhall.co.uk - Higher interest rates, lower capital gains allowance, and higher ADS are all having a combined impact. However, a dearth of available properties in the rural sector continues to drive land sales with competitive closing dates.

Marion Currie, AssocRICS, Galbraith, Dumfries And Galloway, marion.currie@galbraithgroup.com - Summer activity remains steady with solid prices achieved. Competition still being seen for the most desirable properties, but perhaps with fewer closing dates being set.

Richard Clowes, MRICS, DM Hall Llp, Scottish Borders/North Northumberland, richard.clowes@dmhall.co.uk - Another busy month with signs of the local market showing continuing resilience so far. While sale times appear to be slightly longer for certain property types, generally agents remain positive. It is clear that the upcoming summer break and interest rate rises may make for a slower period ahead.

Thomas Baird, MRICS, Select Surveyors, Glasgow, thomas.baird@selectsurveyors.co.uk - Increase in home report instructions as usual over the summer start, however numbers still slower than previous years.

#### Northern Ireland

Daniel Mc Crory, MRICS, D.S Mccrory & Co, Ederney, dsmccrory123@gmail.com - Banks are putting further and further barriers in the way of purchasers. If the truth be told there is little appetite for lending, especially second time buyers. Buy to let mortgages are next to impossible to get.

Kirby O'Connor, AssocRICS, Goc Estate Agents, Belfast, kirby@gocestateagents.com - The sales market is continuing to be strong and we are seeing bidding still, especially in modern new builds.

Nicola Tann, FRICS, Simon Brien Residential, Belfast, ntann@simonbrien.com - Prices are consistent within the Belfast market, however it is anticipated to be quieter in July during the holiday period.

Samuel Dickey, MRICS, Simon Brien Residential, Hollywood, sdickey@simonbrien.com - Sales continue to perform well despite the inflationary pressure on interest rates.

## Surveyor comments - lettings

### North

Keith Pattinson, FRICS, Keith Pattinson Ltd, ,Keith.pattinson@pattinson.co.uk - Tenant demand still far outstrips supply, and this increased demand is seeing rents continuing to rise.

Neil Foster, MRICS, Hadrian Property Partners,Hexham, neil@hadrianproperty.co.uk - A slight increase in tenant turnover (the extremely low level of which has been fuelling demand), but that is just boosting the opportunity for landlords to seek a new ceiling for new rentals. No end in sight for tenants.

Shaun Brannen, AssocRICS, Brannen & Partners,Whitley Bay, shaun.brannen@brannen-partners.co.uk - Still a shortage of all types of rental properties available at the NE coast, which is subsequently increasing rents for existing tenants.

### Yorkshire & the Humber

Alex Mcneil, MRICS, Bramleys,Huddersfield, alex.mcneil@bramleys1.co.uk - Rents keep increasing and availability keeps receding.

Ben Hudson, MRICS, Hudson Moody,York, benhudson@hudson-moody.com - Lack of rental properties still driving up rents.

Michael Darwin, MRICS, M W Darwin And Sons,Northallerton, Info@darwin-homes.co.uk - The reduction in the numbers of rental property in the general market means demand is greater.

Mr. David Martindale, MRICS, F S L Estate Agents,Wakefield, david.martindale@fslea.com - Lettings continue to be very busy at all levels.

### East Midlands

Gary Thompson, FRICS, Paul Fox,Scunthorpe, gftfrics1@aol.com - Landlords have become aware of the financial commitments associated with the letting of older and less efficient properties plus with pending no fault possession legislation, they are choosing to exit the market which has reduced the availability of rental stock.

John Chappell, MRICS, Chappell & Co Surveyors Ltd,Skegness, john@chappellandcosurveyors.co.uk - Market is still unbalanced and likely to remain so under current economic and legislative conditions. UK still suffering a large disconnect between economics, practicality and understanding of supply and demand at government level, with little prospect of short term change.

### West Midlands

Andrew Oulsnam, MRICS, Oulsnam,Birmingham, andrew@oulznam.net - The major problem of too many tenants chasing not enough properties remains, each month more and more landlords are choosing to sell when their property becomes vacant, rents can only go higher and higher.

Cheryl, AssocRICS, Countrywide,Wolverhampton, cheryl.la@cw-surveyors.co.uk - It appears that the market rental is stabilising.

Colin Townsend, MRICS, John Goodwin,Malvern, colin@johngoodwin.co.uk - Demand remains very high and supply is short. Rents continue their upward march.

Jason Coombes, AssocRICS & RICS Registered Valuer, Cottons Chartered Surveyors,Birmingham, jcoombes@cottons.co.uk - Market uncertainty has increased with the latest interest rise from the Bank of England. This is putting huge upward pressure on Landlords to increase rent. Locally Birmingham City Council have chosen now to license landlords, further increasing pressure to increase rents, ultimately hurting tenants.

John Andrews, FRICS, Doolittle & Dalleuy Holdings Ltd,Kidderminster, johnandrews@doolittle-dalley.co.uk - Less new property coming available and some landlords looking to sell, creating a greater demand for property coming available and driving rents up. Stock levels unlikely to increase short term.

John Andrews, FRICS, Doolittle & Dalleuy Holdings Ltd,Bridgnorth, johnandrews@doolittle-dalley.co.uk - Demand is still exceeding supply and rents are still being driven upwards, but not so much as earlier this year. Fewer landlords are coming to the market and some are selling prior to changes in letting legislation.

Richard Franklin, MRICS, Franklin Gallimore,Tenbury Wells, richard@franklingallimore.co.uk - The heralding of the Rent Reform Bill and accepting it may change prior to enactment, this has caused landlords to review and and sell. Such stock leaves the rental sector and forces rents up as supply side is imbalanced with demand.

### East Anglia

David Boyden, MRICS, Boydens Ltd,Colchester, david.boyden@boydens.co.uk - Stock remains an issue, slight reduction in demand, more confidence from tenants to move about so more relets each month making up for the lack of new instructions coming to the market. Rents reaching tipping point in terms of affordability at the moment with no sign of them reducing any time soon.

Kevin Burt-Gray, MRICS, Pocock And Shaw,Cambridge, kevin@pocock.co.uk - Letting market remains robust with most properties securing multiple offers within a few days of going to market.

### South East

David Conway, FRICS, David Conway & Co,Harrow, david@davidconway.co.uk - Government anti-landlord policies will result in fewer rentals, but with increased rents.

David Parish, FRICS, Gates, Parish & Co,Upminster, professional@gates-parish.co.uk - There is good demand for all types of property. Rents have increased due to the shortage of properties available.

Eoin Hill, MRICS, SDLsurveying,Newbury, eoin.hill@sdlsurveying.co.uk - Rents for lettings are still increasing due to lack of stock, plus some landlords are quitting due to looming EPC challenges.

Howard Mecklenburgh, MRICS, LP&M,Watford, howard@lpandm.co.uk - There is an expected oversupply of new apartments over the next 12 months in Watford due to developments under way.

Jonathan Price, AssocRICS, Southside Property Management Services Ltd,Bromley, jonathan@southside-property.co.uk - The rental market appears to have peaked with demand for 'over-priced' properties now falling away.

Martin Allen, MRICS, Elgars,Wingham, Canterbury, info@elgars.uk.com - Definite swing from buying to renting now evident, but tenants are aware of affordability and want value for money.

Sam Collins, AssocRICS, Balcombe Estate,Balcombe, administrator@balcombeestate.co.uk - Interest in larger properties are still down from post Covid periods. Tenants concerned over running costs of such houses.

Stan Shaw, AssocRICS, Registered Valuer, Mervyn Smith,Ham, Between Richmond And Kingston, Surrey, stanleyshaw@hotmail.com - After a massive climb in achieved rents, these may have hit a bar for now as tenants faced with higher costs of living have nothing more to give, despite a continuing dearth of new rental properties available and significant numbers of existing landlords heading for the exit.

### South West

David Hickman, FRICS, South Devon, onetrip100@outlook.com - Still a shortage of stock despite landlords continuing to buy and rents keep creeping up.

David J Robinson, AssocRICS, David J Robinson Estate Agents & Auctioneers Ltd, North Cornwall & West Devon, david@djrestate-agents.co.uk -

Greg Walsh, MRICS, Meyrick Estate Management Limited, Bournemouth, greg.walsh@meyrickestate.com - The market in Bournemouth remains strong and tenant driven. We expect changes to the PRS proposed via the Renters (Reform) Bill to detrimentally impact the market in the coming years.

Marcus Arundell, MRICS, Homelets, Bath, marcus@homeletsbath.co.uk - Supply and demand squeeze seems to be dragging on, not helped by the wider macro picture. Rents still robust, but now off peak levels. Student market turning around and ready for 23-24.

Rhodri Mcatee, Associate RICS, Mcatee Property Group, Truro, rhodri@mcateepropertygroup.co.uk - The market is such that the demand is still outweighing the supply so tenants cannot afford to be choosing based on EPC etc., on the fear of missing out.

Simon Cooper, FRICS, Stags, Wellington, s.cooper@stags.co.uk - The massive shortage of houses to rent ensures that most properties are let to quality tenants almost immediately. Not surprisingly this is having an upward effect on rents. Some landlords are selling up due to government legislation on the rental sector. Few properties are being built to rent out.

### Wales

Anthony Filice, FRICS, Kelvin Francis Ltd., Cardiff, tony@kelvinfrancis.com - Demand is still strong at all levels. Decreasing numbers of properties, as small Landlords exit the market. Rents are therefore increasing, fed further by the cost of increasing regulation, particularly in Wales.

David James, FRICS, James Dean, Brecon, david@jamesdean.co.uk - Shortage of rental properties is forcing up rents and making it difficult for tenants to find suitable homes.

John Caines, FRICS, Payton Jewell & Caines Ltd, Bridgend, john.caines@pjchomes.co.uk - The supply side remains limited with many landlords still choosing to sell as a consequence of government intervention.

Paul Lucas, FRICS, R.K. Lucas & Son, Haverfordwest, paul@rklucas.co.uk - As before. Government interference has unsettled the lettings market. Rents remain high as there are fewer properties available. Many Landlords are getting out of the letting market.

### London

Alec Harragin, MRICS, Savills Plc, London, aharragin@savills.com - Financial pressures faced by mortgaged and un-mortgaged landlords has widened substantially, as costs of mortgage debt rises and the potential impact of restricted tax relief in a higher interest rate environment begins to emerge.

Allan Fuller, FRICS, Allan Fuller Estate Agents, Putney, allan@allanfuller.co.uk - The rate of growth of rents is slowing, but demand is still outstripping supply. Landlords are not investing, some are selling fearing greater restrictions and legislation that they think will make investing in this property unwise, whatever system emerges it must be fair to tenants and landlords.

David Cook, MRICS, Ccaerphilly, dave.bern@btinternet.com - Ongoing changes in legislation causing wide spread concern for landlords.

Jeffrey Hazel, FRICS, Geoffrey Collings & Co, King, S Lynn, jhazel@geoffreycollings.co.uk - Steady demand, but supply is reducing.

Jeremy Leaf, FRICS, Jeremy Leaf & Cop, Finchley, jeremy@jeremyleaf.co.uk - Shortage of supply is still driving up rents, though not as rapidly as last month. We're definitely approaching an affordability ceiling. Demand for smaller 1 and 2 bedroom, as well as HMOs, seems insatiable.

Jilly Bland, Robert Holmes & Co, Wimbledon, jilly@robertholmes.co.uk - Tenants are increasingly keen to rent energy efficient properties with some corporates not permitted to view any properties unless their EPC rating is C or above.

John King, FRICS, Andrew Scott Robertson, L.B. Merton, jking@as-r.co.uk - Applicant numbers are growing week on week, stock levels improved during June, hence the interest received. More tenant renewals are occurring as landlords see the benefit of holding onto good tenants and reap higher capital values in the long term than seek shorter rental increases.

John King, FRICS, Andrew Scott Robertson, Wimbledon, jking@as-r.co.uk - Letting enquires have improved month on month, so many disappointed tenants as there remains a shortage of stock and this enhances scarcity value to be factored into guided rental offers.

Mark Wilson, MRICS, Globe Apartments, London, mark@globeapt.com - Still doing business, but the phones are quieter. We will need to wait to see the level of demand from the overseas student market this fall, as that may impact on the rest of 2023.

Mr Paul Dolan, Tech RICS, Dolan Pratley Associates, London, paul-johndolan@gmail.com - With sales currently devaluing in London every month coupled with the unexpected interest rise, there has been a decline in the private rental market confidence. The economics of supply and demand has been left to flourish, pushing up rents not seen for a decade.

Rupert Merrison, MRICS, Dexters, London, rupertmerrison@dexters.co.uk - The lettings market is extremely busy and we expect that to continue through the summer months.

Will Barnes Yallowley, AssocRICS, Tate Residential, Kensington, will@lhhresidential.co.uk - The Law of Supply and Demand indicates rents will increase as supply of property decreases. It appears the politicians, on all sides, "hope" this won't happen. In a similar way, some "hope" for the tooth fairy.

William Delaney, AssocRICS, Coopers Of London Limited, Central/West End, william@coopersoflondon.co.uk - Some landlords hit with further interest rate increases are finding themselves in a negative cash flow position once other costs are accounted for. The inevitable departure of private landlords from the sector will exacerbate the problems of lack of housing and rising rents.

### Scotland

Carolyn Davies, MRICS, Savills, Dumfries, cmadavies@savills.com - Continued lack of supply is significantly impacting on the market, and now seeing a higher number of landlords selling properties when they become vacant.

Fraser Crichton, FRICS, Dove Davies, Edinburgh, fcrichton@dovedavies.com - There is a distinct shortage of property to let in and around Edinburgh.

Grant Robertson, FRICS, Allied Surveyors Scotland Plc, Glasgow, grant.robertson@alliedsurveyorsscotland.com - Landlords continue to exit where possible with only a few brave new entrants coming in. The gross incompetence and ignorance of the Green inspired war on private landlords continues at pace. I don't know if the market can take much more of this!

Ian Morton, MRICS, Bradburne & Co, St Andrews, info@bradburne.co.uk - Tenant demand still outstrips supply of rental properties. Rents have increased significantly on new tenancies due to the 3% cap on existing tenancies. Landlords are delaying planned improvement works on existing tenanted properties due to the rent cap restricting the return on investment.

Jennifer Helen Campbell, MRICS, DM Hall, Bridge of Allan, jennifer.campbell@dmhall.co.uk - You will be aware that in Scotland currently there is a rent freeze and moratorium on evictions to help people through the cost crisis, which is in place until March 2024. It is important to note that legislation changes regularly in this sector.

#### **Northern Ireland**

Daniel Mc Crory, MRICS, D.S Mccrory & Co, Ederney, dsmccrory123@gmail.com - Quality housing is hard to find. There is strong competition for anything rentable at the moment - especially for social housing. Office accommodation/storage is also scarce.

David Irwin, MRICS, Ikon Property Group, Belfast, david.irwin@ikonpropertygroup.com - Demand from domestic and international tenants for high quality and well managed rental properties is exceptionally high. The imbalance between housing supply and tenant demand is driving the upward trajectory of rents payable in the city of Belfast.

Kirby O'Connor, AssocRICS, Goc Estate Agents, Belfast, kirby@gocestateagents.com - Rentals are very strong for demand and prices.

Samuel Dickey, MRICS, Simon Brien Residential, Hollywood, sdickey@simonbrien.com - The lack of supply continues to be an issue for the rental market.

## Contacts

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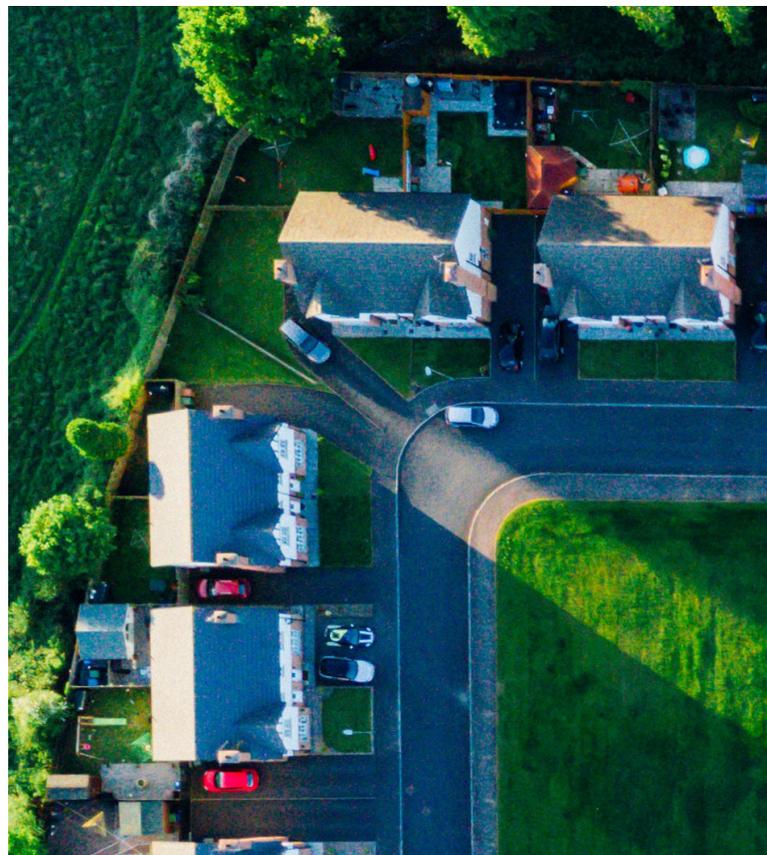
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