QUARTER/ **ONE** MARKET **REPORT** 2023

Connells group

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Connells group

MARKET **REPORT** Q1 2023

METHODOLOGY

Connells Group analyses detailed data from its estate agency, land & new homes, lettings, mortgage, survey & valuation and asset management businesses from October 2012 to today. Individual measures are stated on a like-for-like basis and are subject to restatement following acquisitions. Each month, the researchers analyse tens of thousands of registrations, instructions, applications, approvals and valuations and use these trends to publish a quarterly report which reflects trends across the entire property spectrum. Where commercial sensitivity may be an issue, figures are indexed to show trends without publishing raw data.

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David Livesey
GROUP CHIEF EXECUTIVE

INTRODUCTION

The start of year has seen the market continue to stabilise following the turbulent end to 2022. Overall, the market remains challenging, activity levels are continuing to improve month on month, but prospective buyers remain hesitant as uncertainties around inflation, house prices and mortgage rates continue to hold back some discretionary buyers. The market dynamics have changed, but overall, 2023 has started more positively than many had predicted.

Despite the uncertainty at the end of 2022 the festive period provided the usual seasonal boost to activity level as we entered the new year. Rightmove reported an uplift in property listings on Boxing Day and their 3rd busiest day ever for people contacting agents to value their properties on 5th January. This increased appetite from homeowners looking to bring their properties to market a key feature of the first quarter of 2023.

On a less positive note, the recovery in buyer demand has been slower than we had expected, the level of enquiries from property portals showing a 30% reduction on the levels seen in Q1 2022, however, even with this reduction, portal enquiries are still 48% ahead of the levels seen at the start 2019, a reference point for the last 'normal' year for the UK housing market. With demand stepping down, applicant registrations were 24% lower than Q1 2022, with those customers more exposed to changes in mortgage products, first-time buyers and investors, both showing a significant decline on last year.

As the quarter progressed, the uplift in both valuation and instruction activity continued. Market appraisals were up 6% on Q1 2022, supporting a 7% uplift in new instructions over Q1 2022. With more properties coming to the market we ended the quarter with 49% more stock available than was the case at the same point in 2022, offering greater choice to those looking to secure their next step on the property ladder. Our average available stock per branch is now in line with the levels seen in November 2020 and close to breaking through the 50 available properties per branch that we saw in 2019.

The new homes market started the year in similar fashion with applicant demand easing as supply improved. House builders are continuing to release new sites. Whilst prospective purchasers are seeing increased choice within the resale market, many are attracted by the unique offering presented by a new build property in terms of flexible energy efficient living and offerings such as part exchange and assisted move, these along with other incentives are seeing increased usage across the market.

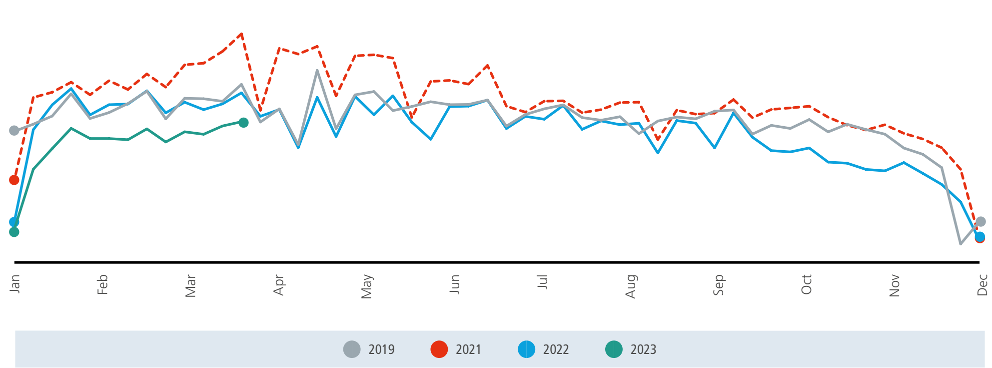
The increases to supply are welcome, however whilst these increases have started to address the long-standing imbalance between housing supply and applicant demand, there is still much to be done to address the underlying shortage that exists. House builders continue to play a key role in addressing this, however faced with continuing planning challenges and changes in approach to the National Planning Policy Framework, the shortage of housing stock is set to remain a constraining factor across all sectors of the market in the short to medium term.

Gross house sales

Viewing activity during Q1 was 12% lower than in Q1 2022, despite the increased level of stock available. Uncertainties in respect of inflation and some consumer expectations of reducing house prices and mortgage rates, that were set by media headlines at the start of the year, have made some prospective purchasers hesitant to commit.

The reduced viewing activity and buyer hesitancy have suppressed sales activity which was 21% lower than Q1 2022, an improvement on the 26% reduction seen in the final quarter of 2022. I am glad to say that this figure masks an improving position which can be seen in the graph showing sales activity in March just 17% lower than March 2022, with the gap continuing to close.

Weekly house sales



There has been a slight increase in cancellations during the quarter but those buyers already in a transaction have broadly remained committed. The number of days taken to get from SSTC to exchange is 119 days, ahead of the 129 days seen in March 2022 but much longer than the 90 days taken in March 2019.

Within the rental market, tenant demand has also eased as supply has seen some improvement, but properties continue to let quickly. Average rents continue to increase but there are some signs of affordability issues within the West and South West. Despite these increasing rental values some landlords are absorbing increased operating costs, with many keen to retain their existing tenants. We are yet to see any significant signs of landlords exiting the market, with fewer electing to sell in Q1 2023 than we saw in Q1 2022 and 2021.

The mortgage market improved during the quarter as mortgage rates stabilised and as residential sales activity started to recover. Customers had more confidence to progress, and we saw month-on-month improvements on most KPIs. Overall residential activity levels were 30% ahead of Q4 2022, with the remortgage market seeing increased activity as remortgage customers who had delayed in the hope of lower rates decided to progress. First time buyer activity saw a 47% increase over Q4. With the increased number of properties for sale on the market, many are again starting to consider taking their first step onto the property ladder.

In summary, whilst the market remains challenging, we have seen a positive and improving start to the year. Stability within the financial markets has helped give many the confidence to progress but there are still some that remain hesitant. House prices remain sensitive but we are not seeing the significant reductions that many predicted, and based upon current activity we still expect house price inflation for 2023 to be between 0 to -5%. With increased stock, demand stable and sales activity starting to increase we expect to see continued improvement during the coming quarter.

ESTATE AGENCY

David Plumtree
GROUP CHIEF EXECUTIVE
(ESTATE AGENCY)

Throughout the first quarter of the year we have seen conditions improve as the market continued to stabilise following the turbulent end to 2022. We have seen activity levels continue their recovery with some increased positivity from vendors whilst prospective purchasers have remained hesitant and discretionary buyers suppressed.

Despite the increase in the number of properties available for sale, supply remains significantly lower than we would have seen five years ago, and whilst prices remain sensitive they have proved firmer than many had expected. The outlook for the remainder of the year is likely to be influenced by the level to which buyer sentiment improves.

There is every opportunity for activity levels to increase as the year progresses, however, without a step uplift in sales activity during Q2 or a significant improvement in transaction times, it may be challenging for the market to pass to far beyond one million transactions this year.

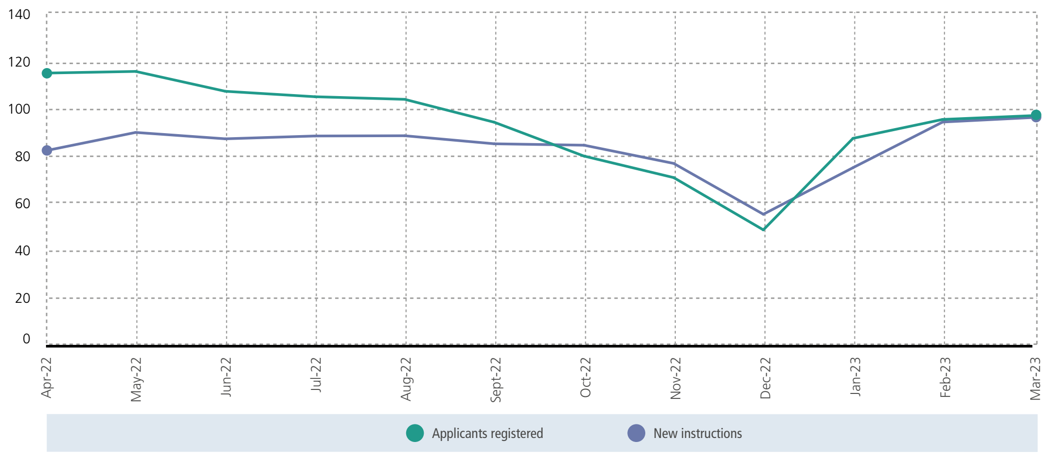
Sales agreed were down **21%** on Q1 2022

Available stock levels are now up by **49%** on Q1 2022

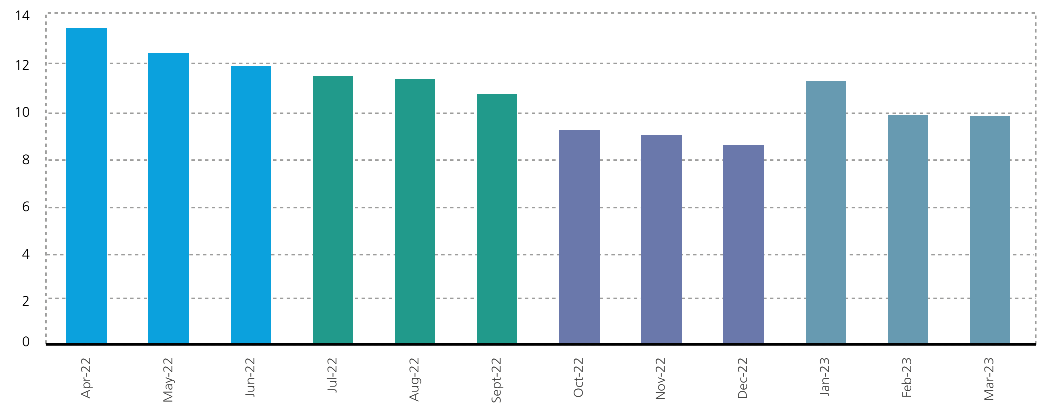
New buyers and instructions

- During the quarter we have seen activity levels recover from the disruption seen during the final quarter of 2022, with some increased positivity seen from vendors whilst prospective purchasers remained more hesitant.
- Buyer demand remains weakened, with applicant registrations down 24% on Q1 2022, but showing an improving trend. Whilst down on 2022, when compared to 2019 applicant enquiries are 48% higher, highlighting that, whilst weakened, demand remains above historical norms.
- Additionally vendors are keen to enter the market, with market appraisal activity 6% higher than Q1 2022. This increase in the number of vendors actively considering bringing their properties to market is pulling through to actual instructions which in Q1 were 7% ahead of Q1 2022.
- As the market has stabilised, the reduction in demand coupled with the increased supply have started to address the imbalance that has been a feature of the market in recent years.
- Reflecting the easing of buyer demand, the ratio of applicants registered per new instruction was 10.0 in Q1 2023, down from 14.2 in Q1 2022.
- Whilst new instructions activity has remained positive, the improvement in sales activity has been slower resulting in an increase in the number of properties available for sale. At the end of the quarter there were 49% more properties available than in March 2022.

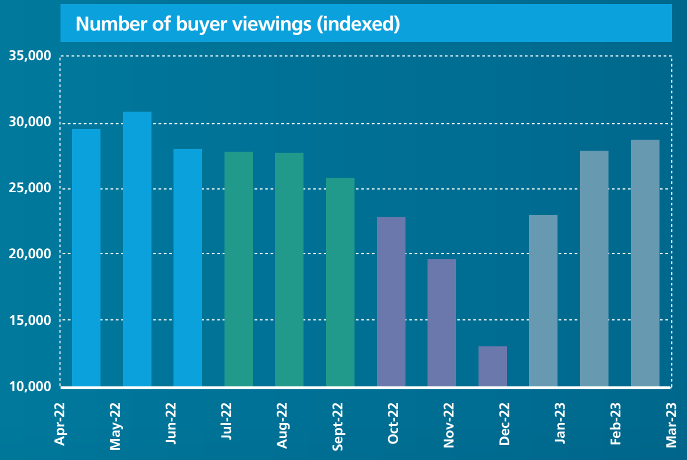
Number of applicants registered and new instructions (indexed)

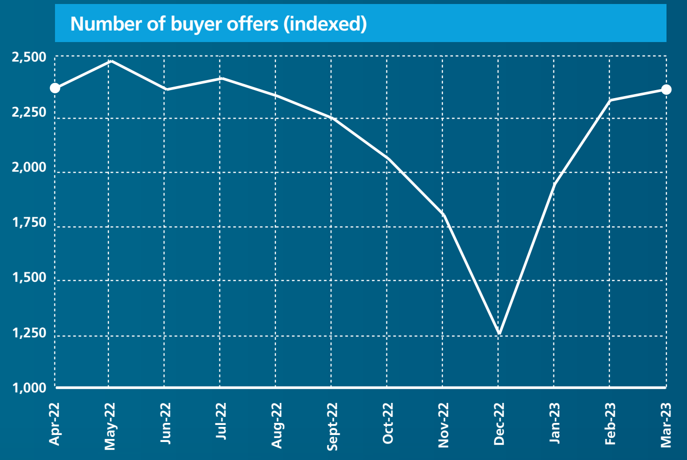


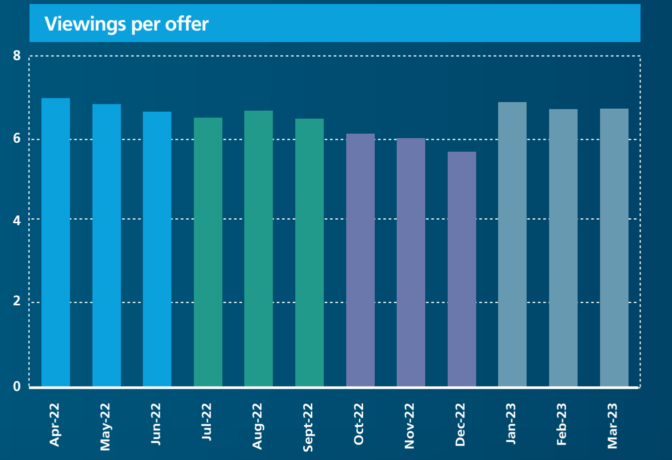
Applicants registered per new instruction



ESTATE AGENCY







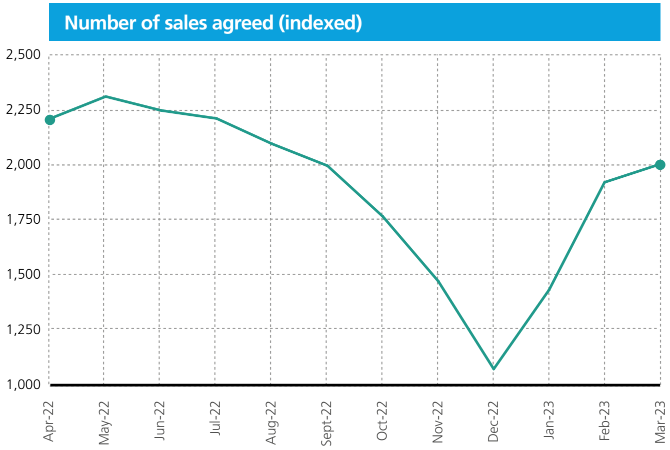
Viewings

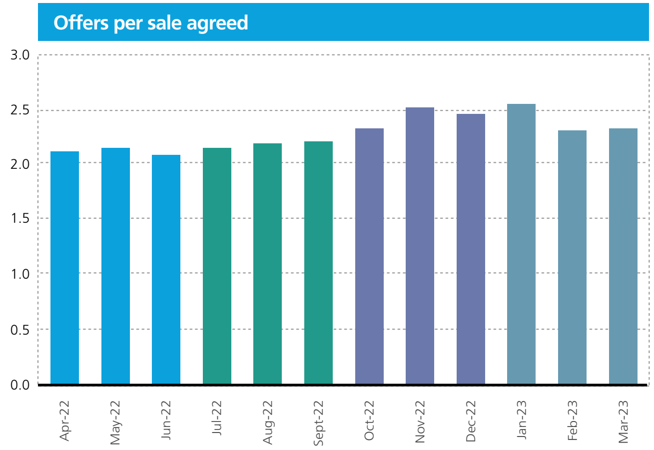
- Viewing activity showed a 12% reduction when compared to Q1 2022, prospective purchasers remaining hesitant despite the increased number of properties on the market.
- At the end of the quarter, the number of properties available for sale was 49% higher than in March 2022.

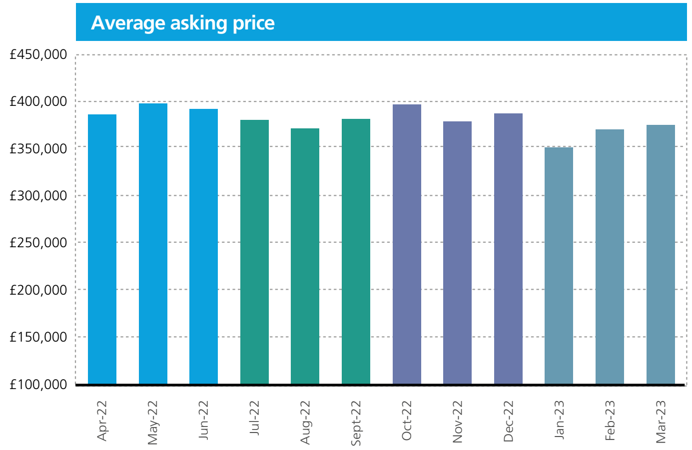
Offers

- The number of buyer offers saw a marked uptick during Q1, up 33% on Q4 2022. When compared to Q1 2022 the level of offers made was 11% lower in line with the level of viewing activity.

- The average level of viewings per offer in Q1 increased to 6.8, the same level as was seen in Q1.







Sales

- The number of sales agreed has seen a gradual recovery following the significant reduction seen after the mini-budget, with the position improving on a monthly basis throughout Q1.
- Q1 2023 sales activity was down 21% on Q1 2022, but this step ahead of the 26% reduction we saw in the final quarter of 2022.
- The average number of offers per sale agreed remained stable at 2.4 when compared to Q4 2022, but higher than the 2.1 seen in Q1 2022.

Prices

- The average asking price at instruction in March was £376,638 down by 2% on March 2022.

LAND & NEW HOMES

Roger Barrett
GROUP LAND & NEW HOMES
MANAGING DIRECTOR

Within the land and new homes market house builders continue to face a number of challenges due to the current planning system which impact productivity at a local and national level. The signalled change in Government policy in respect of the National Planning Policy Framework looks set to impact further with the loss of the much needed commitment to the significant increase in housing supply in the UK.

During the first quarter of the year we have continued to see supply side increases. As new sites have been released to market, with these attracting a good level of interest, as demand for new build is maintained despite the increases in the number of properties available for sale within the resale market. Across the board, sale activity is improving, but this has been gradual and we still have some way to go before we return to what could be classed as 'normal' market conditions.

In addition to house builders offering a quality product, with many benefits over resale properties, they are also helping to support increased sales activity. Part exchange, assisted move and incentives have all seen an increased usage when compared to 2022. However, if we are to see a step change in activity, and ultimately an uplift in transaction volumes across the market, further support is likely to be required to enable our house builders to deliver the increase in housing stock that the UK requires to support its growing population.

March instructions up

2%
on
March 2022

Q1 New homes sales up

30%
on
Q4 2022

New buyers and instructions

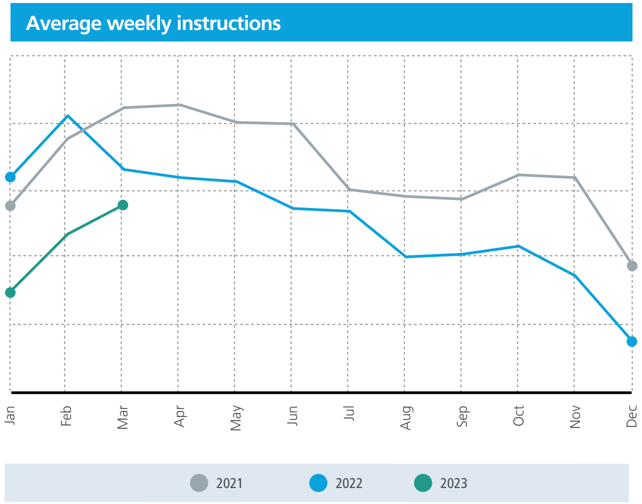
- Increasing demand for new homes as supply continues to improve, however overall stock levels still have some way to go to reach the levels seen in 2019 and to help meet the nation's need for housing stock.
- New instruction activity during the quarter failed to match the levels that we saw in Q1 2022, however the market improved as the quarter progressed, ending with March 2% ahead of March 2022. The pipeline of instructions remains strong and we expect to see continued improvement as we move into the second quarter of the year.
- With an increase in the number of sites coming to market, the overall number of new homes marketed for sale continues to increase, and at the end of March stock levels were up 20% on December 2022.

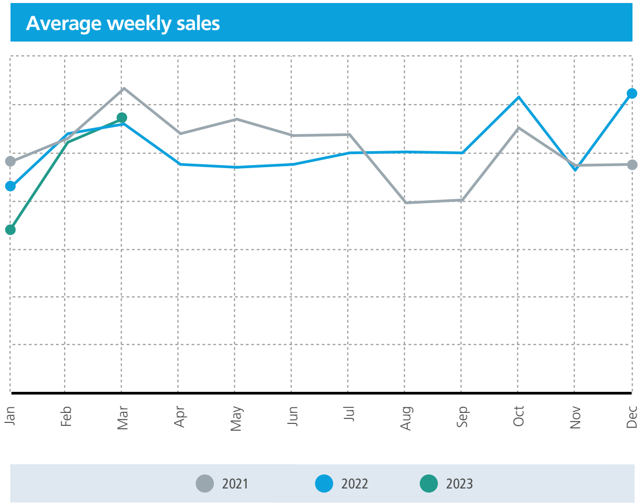
Sales activity

- Sales activity during the quarter showed a 30% increase when compared to Q4 2022, however Q4 was adversely impacted by the step down in activity that immediately followed the mini-budget. When compared to Q1 2022, the first quarter of 2023 saw 28% fewer sales agreed.
- The underlying position mirrors what we are seeing within the residential sales market, with some customers remaining hesitant to commit whilst the economy continues to face inflationary pressures and economic uncertainties. Although viewing levels continue to increase these are yet to drive a step increase in sales activity, and at present the improvements remain slow but steady.
- With the increased number of properties available, the new homes market is well positioned to benefit as we start to see more confidence from prospective purchasers in the coming months.

Housing supply and market activity

- House builders continue to face challenges as they work to help increase the supply of property across the UK. In addition to the continuing challenge of resource availability, materials and inflationary pressures, we are seeing the challenges of the planning system constrain.
- Whilst the NHBC recently reported a 26% increase in the number of new home registered in 2022 over 2021, the latest Housing Pipeline report from the Home Builders Federation highlighted that the pipeline of projects granted planning permission during the final quarter of 2022 was down 12% on the same period in 2023, mirroring the reduction seen for the full year, suggesting that the positive news from the NHBC may well be short lived.
- In the absence of clear Government commitment and targets that would help support the house builder community deliver the level of new housing stock that the country so desperately needs, the imbalance between demand from an increasing population and limited housing supply looks set to remain.





RESIDENTIAL LETTINGS

Stephen Nation
GROUP LETTINGS
MANAGING DIRECTOR

The start of 2023 has seen a shift in the lettings market as we have seen tenant demand ease and some improvement in the number of properties available for let, continuing the movements that we started to see during the final quarter of last year. Whilst these movements are positive for the market, the availability of good quality stock remains a key challenge for the market and, with no sign of an imminent solution to this, tenants continue to face competition when seeking to secure their desired property.

Rental arrears remain stable, however inflationary pressures remain a concern with many landlords absorbing higher operating and financing costs as they retain their existing good tenants in situ. Alongside this, landlords also face a level of legislative uncertainty as we await further updates on the Renters Reform Bill.

Despite these challenges we are not seeing any mass exodus of landlords from the market, and Q1 has seen the number of landlords looking to sell their property at the end of a tenancy running four percentage points lower than the level seen in Q1 2021 and 2022.

Finally, despite the easing of demand and improvement in stock levels we have seen average rents continue to increase, particularly across the south. There have been some signs of affordability issues in some locations which have tempered these increases but the continued imbalance between supply and demand is maintaining pressure on rental values.

National average agreed rents

£1,060
pcm

Q1 New instructions

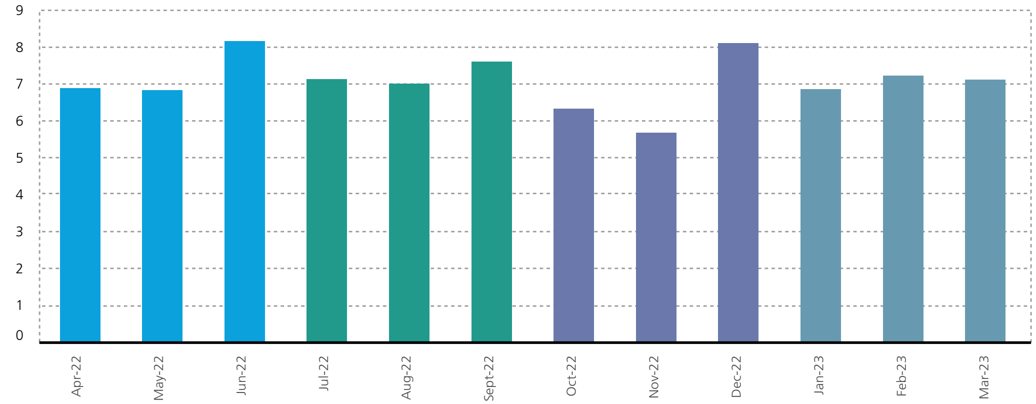
7%
up on previous year

New applicants and instructions

- Applicant demand eased at the start of the year, with Q1 overall seeing the same number of registrations as Q1 2022. Despite this, demand remains strong with tenants still having to move quickly to secure their rental property as new stock enters the market.
- The ratio of registered applicants to new instructions stood at 7.1 in Q1 2023, marginally down on the 7.2 seen in Q1 2022.
- The number of new instructions saw a 7% increase on Q4 2022, and was 2% ahead of Q1 2022, with new properties attracting immediate interest from prospective tenants.
- Overall, the number of properties available for rental at the end of March showed a 9% increase on March 2022. This position looks likely to continue to improve in the short term, helping to provide prospective tenants with increased choice and more opportunity, something that has been lacking in the market in recent times.

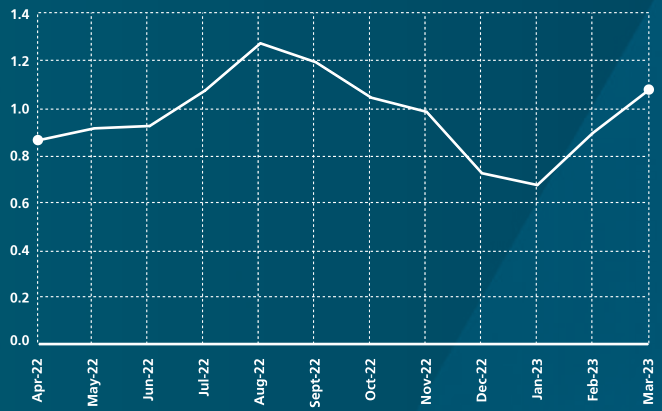
Number of applicants registered and new instructions (indexed)

Applicants registered per new instruction

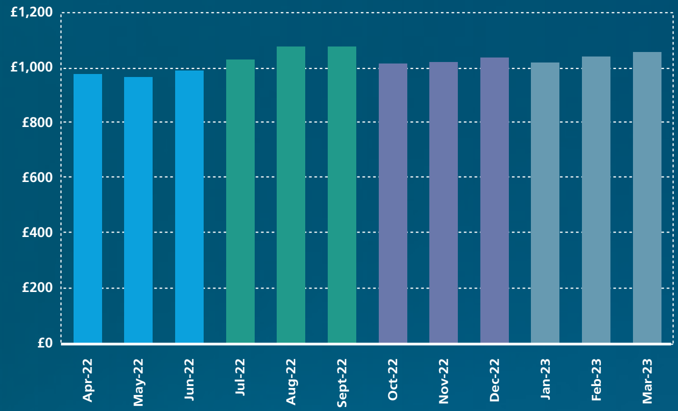


RESIDENTIAL LETTINGS

Number of agreed tenancies (indexed)



Monthly average agreed rents (UK)



Average agreed rents (regional)

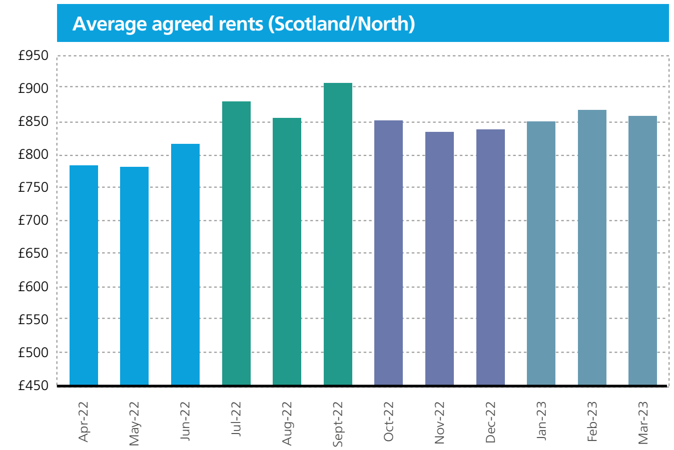
Agreed tenancies and average rents

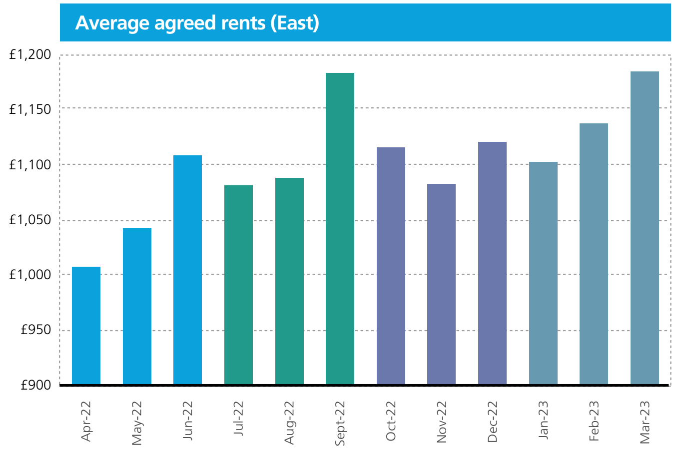
- An increase in the number of properties available for rent supported a positive start to the year with the number of tenancies agreed during Q1, being 2% ahead of Q1 2022.
- The average monthly agreed rent for the UK stood at £1,060 pcm at the end of the first quarter of the year, 2% ahead of December 2022.
- Upward pressure on rents has eased slightly, with average rental vales increasing during Q1 in all regions with the exception of Wales and the South West.

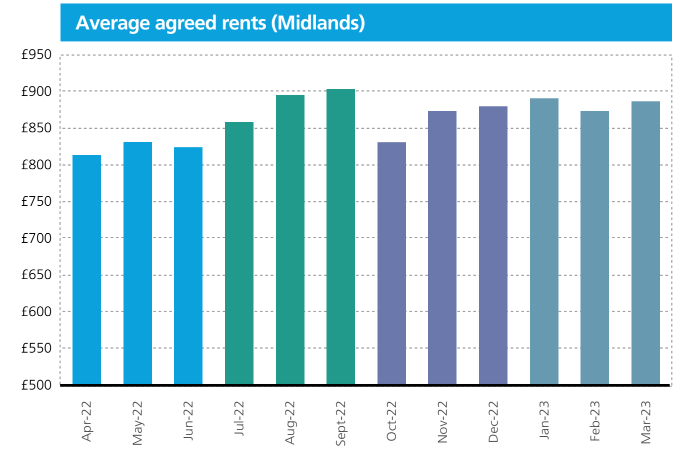
Regional rents

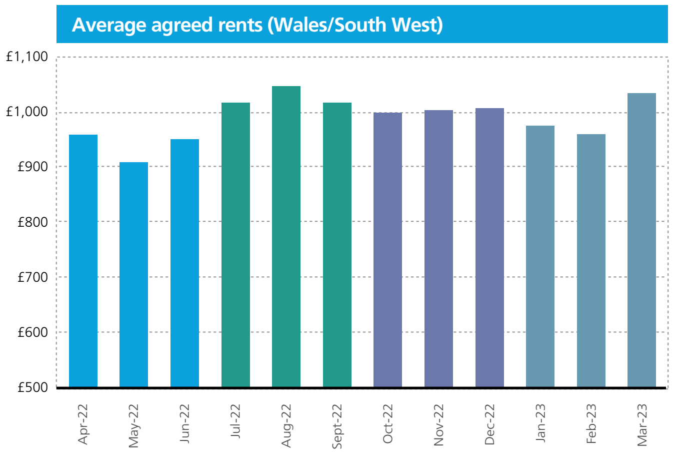
- Despite the number of properties available to rent in March being 9% ahead of March 2022, we saw averages rents increase by 2% in the quarter, this despite some easing in tenant demand.
- With stock levels remaining low by historical standards, upward pressure on rents remains albeit with some signs of affordability issues starting to be seen, particularly in the West and the South West where average rents reduced by 1% in Q1.
- The largest rental increases were seen in London and across the South, with agreed rents for Q1 4% higher than Q4 2022. In the North the increase was lower at just 2%.
- We continue to see landlords across all regions retaining existing tenants, with the average tenancy length now 27 months.

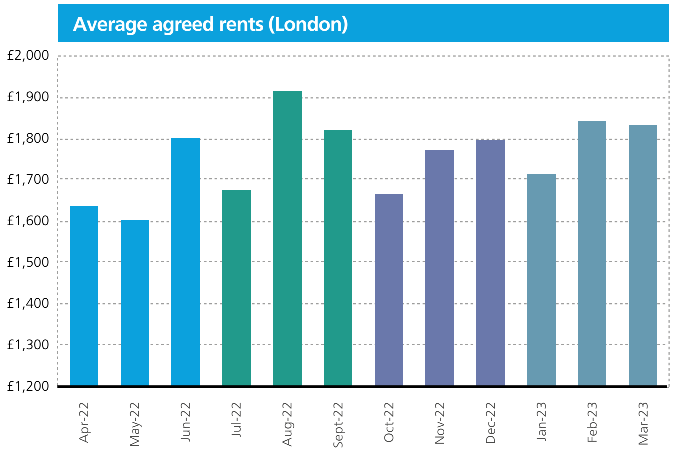
RESIDENTIAL LETTINGS

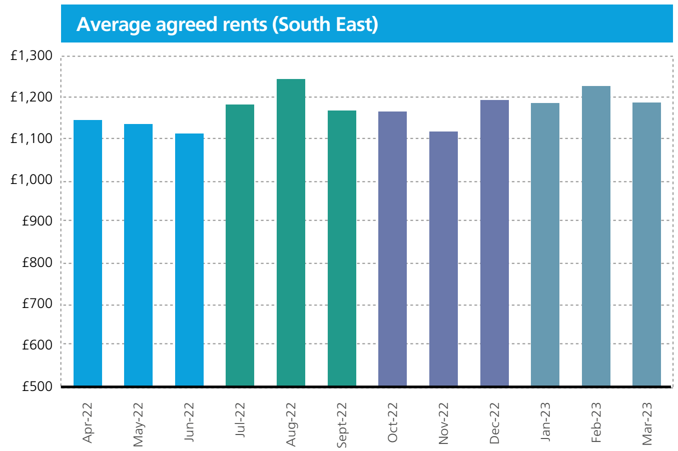












MORTGAGES

Adrian Scott
GROUP LENDER SERVICES
MANAGING DIRECTOR

Most areas of the mortgage market improved during Q1, when compared to the dire market of Q4 following the political and economic issues in the autumn. Overall the market improved month on month as the quarter progressed, fuelled primarily by strong remortgage activity in February and into March.

As mortgage interest rates stabilised during the quarter, particularly fixed rates, and stakeholders in the market accepted this, customers became comfortable making decisions to proceed. This was particularly true of remortgage customers, many of whom had delayed their review in the hope of lower mortgage rates.

First-time buyers also started to return to the market and commit to purchases, albeit this was a slow but steady return. However, home movers have not returned at the same rate, despite an increase in properties on the market.

Residential mortgages were up

30%
on
Q4 2022

The average mortgage value remains low at £165,753

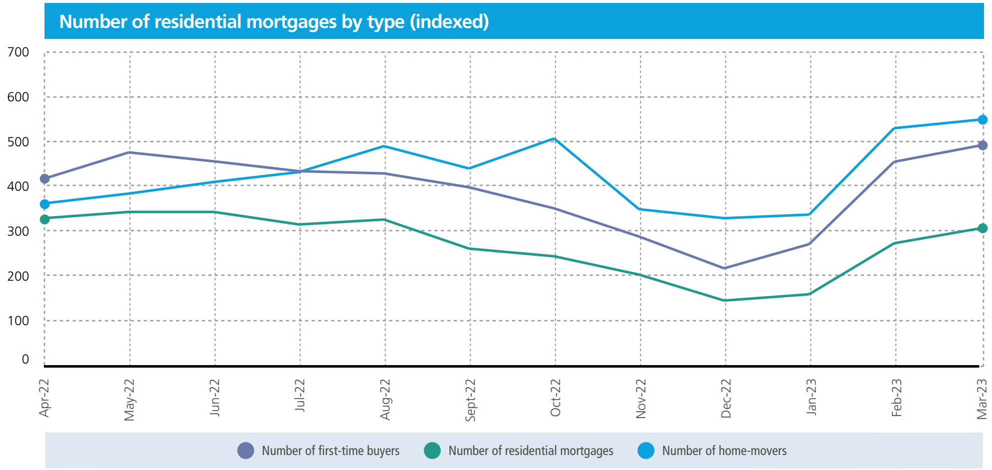
9%
below
March 2022

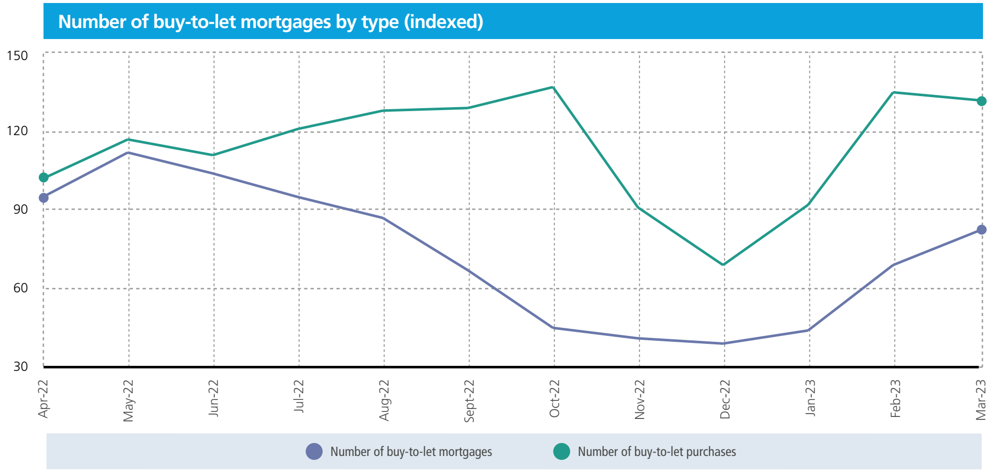
Residential

- Overall, residential mortgage activity saw a 30% increase over the final quarter of 2022, the normal new year uplift benefiting from an improvement in customer sentiment with the greater stability in the financial and wider housing markets.
- This uplift in activity was not quite sufficient to move the market ahead of the start of last year, with activity levels in Q1 2023 3% lower than Q1 2022 reflecting a suppressed residential sales market. Overall the improvement has been gradual, and as the markets have remained stable we have seen month-on-month improvements, ending the quarter with March 2% ahead of March 2022. A positive sign following the turbulent end to last year.
- Remortgage activity has been a driving force, with volumes showing a 23% uplift on Q1 2022. With interest rates and the wider economic outlook remaining uncertain, many are taking the opportunity to review their current arrangements. In the quarter, remortgage activity accounted for 35% of residential activity, a six point increase on the 29% seen in Q1 2022.
- The 47% increase in first-time buyer activity over Q4 2022 highlights both the significant retreat in first-time buyers from the market at the end of 2022, and the improving appetite that we are seeing from first-time buyers in 2023. With the increased number of properties for sale on the market, and limited rental stock, many are again starting to consider taking their first step onto the property ladder.
- Homemover activity is improving but remains a step below the levels that we saw in early last year, Q1 showing a 22% reduction on Q1 2022. A marked step forward from Q4 but many still lacking confidence to commit to their next purchase.

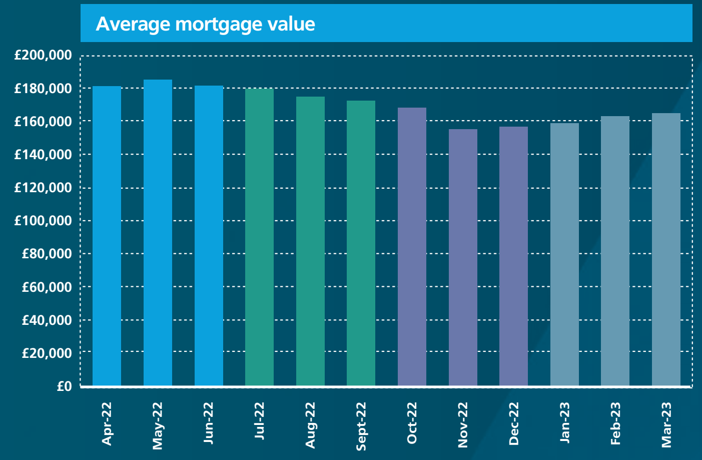
Buy-to-let

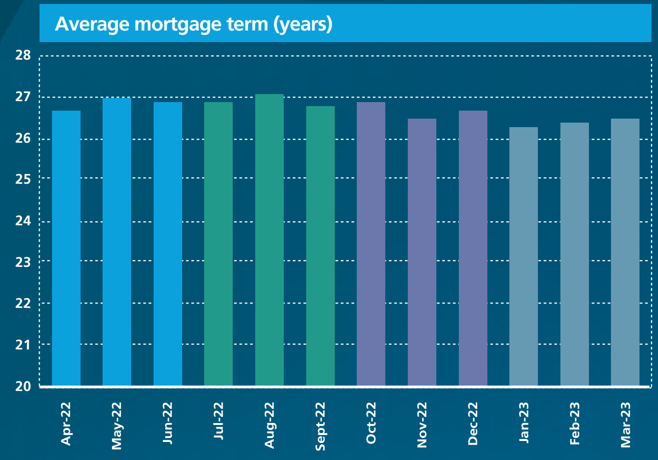
- Mirroring the increased activity within the residential market, the buy-to-let sector saw overall activity increase by 35% when compared to Q4 2022, however activity levels were still 19% lower than Q1 2022. The drop in purchase activity the key feature of this reduction.
- Buy-to-let purchase activity has dropped by 38% when compared to Q1 2022, however this improved as the quarter progressed, with March 31% lower than March 2022. This movement reflecting the gradual increase in sales activity that we have started to see during the start of the year, and as some investors are attracted by the easing of prices in certain areas.
- The share of mortgage activity accounted for by the buy-to-let sector in Q1 stood at 13%, down three points on Q1 2022. The mix of buy-to let business has remained broadly stable, with remortgage activity accounting for 65% of business in Q1.





MORTGAGES





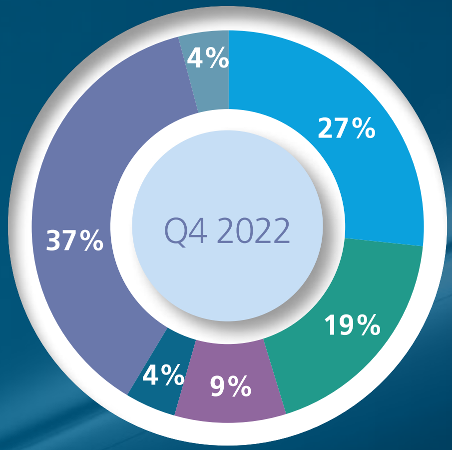
Mortgage values

- The average mortgage value at the end of the quarter was £165,753, this a 9% reduction when compared to March 2022. When compared to December the average mortgage value has increase by 5%.

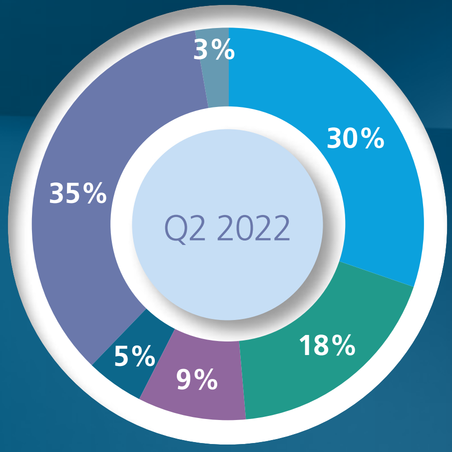
Mortgage terms

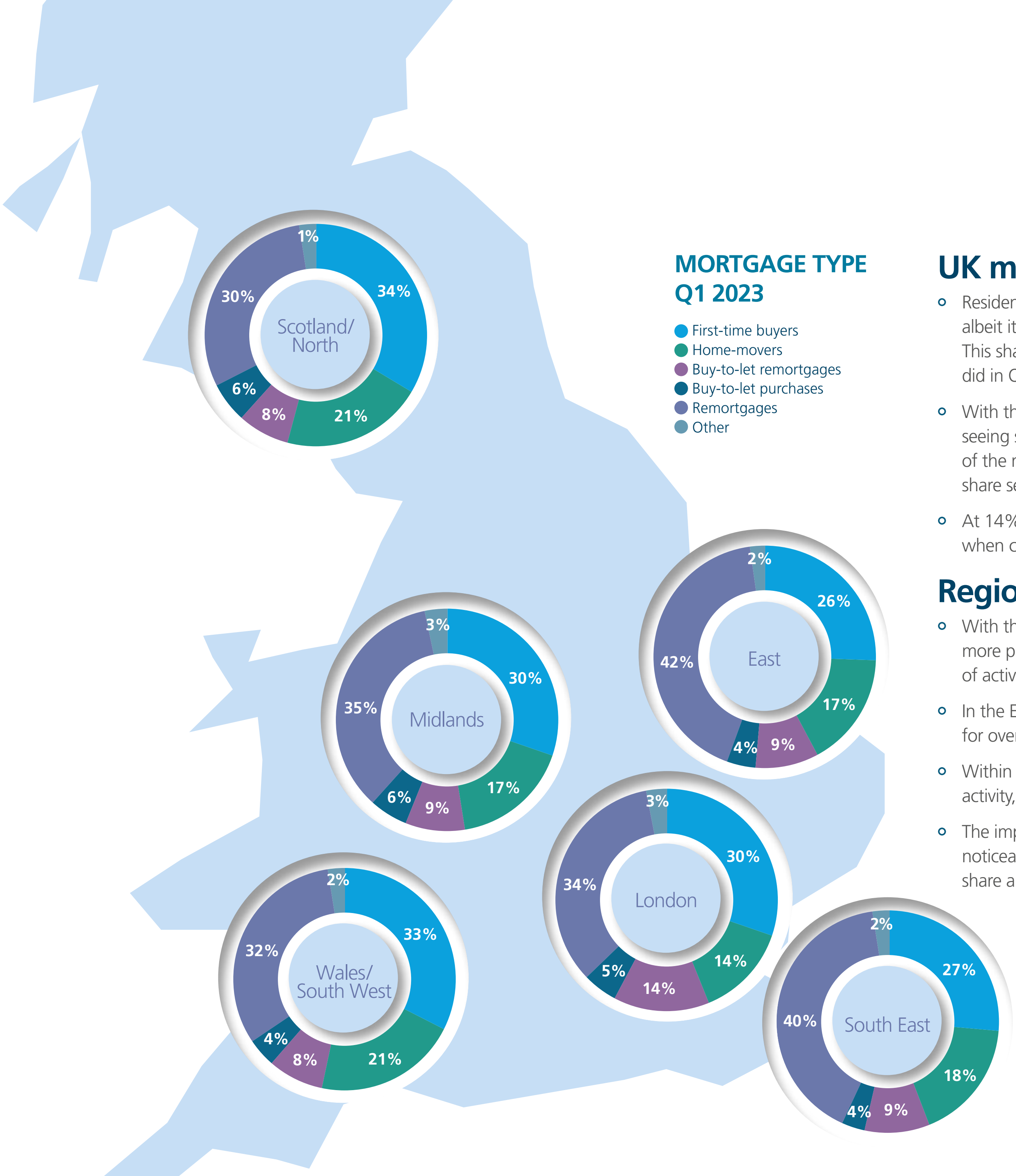
- The average mortgage term has eased slightly remaining at just over 26 years.

UK MORTGAGE TYPE SPLIT



- First-time buyers
- Home-movers
- Buy-to-let remortgages
- Buy-to-let purchases
- Remortgages
- Other





UK mortgage type split

- Residential remortgages continue to account for the largest share of activity, albeit it has seen its share overall drop by two points to 36% during the quarter. This share was lost to first-time buyers who accounted for 30% of activity, as it did in Q1 2022.
- With the number of properties marketed for sale continuing to increase we are seeing some improvement in purchase activity. Overall the home-mover section of the market has remained steady at 18% of activity, four points behind the share seen in Q1 2022.
- At 14%, the buy-to-let sector accounted for a slightly lower share of activity when compared to Q1 2022 when its share stood at 16%.

Regional picture

- With the exception of the North and South West, where first-time buyers were more prevalent, residential remortgage activity accounted for the largest share of activity across the regions.
- In the East and South East regions homeowner remortgage business accounted for over 40% of activity in the quarter.
- Within the London region, buy-to-let remortgages accounted for 14% of activity, this is the same level as seen for home-mover activity during the quarter.
- The improvement in first-time buyer activity during the quarter was most noticeable in the South West, East and North regions where the increase in share amounted to more than four points.

ASSET MANAGEMENT

Simon Matthews
MANAGING DIRECTOR,
AMG

UK Finance are yet to release figures for the first quarter of 2023. The most recent figures, for the final quarter of 2022, showed market activity dropped by 25% on the third quarter of 2022. With the market now stabilised following the September mini-budget it is likely that we will see the number of possessions start to increase again as had been the case post-Covid.

There were a total of 820 possessions during Q4 2022, representing a 15% increase on Q4 2021 where activity levels were still recovering after the possession moratorium that was in place between March 2020 and 1 April 2021.

In Q4 2022, the total number of mortgages, owner-occupied and buy-to-let, with arrears representing 10% or more of the balance outstanding showed a 5% reduction on Q4 2021.

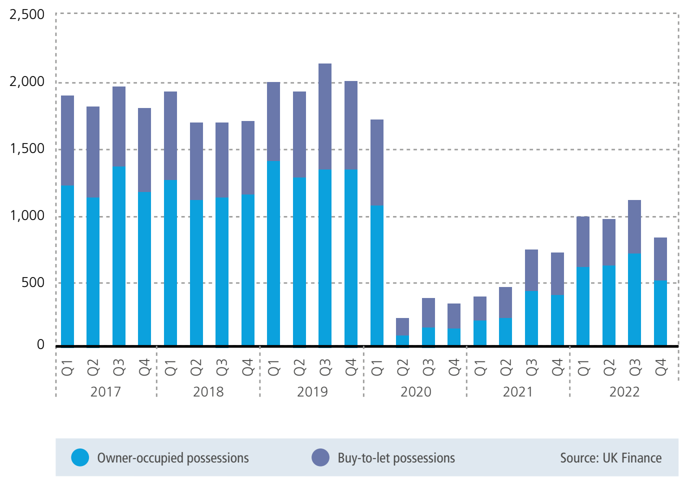
Total number of possessions in Q4 2022

820

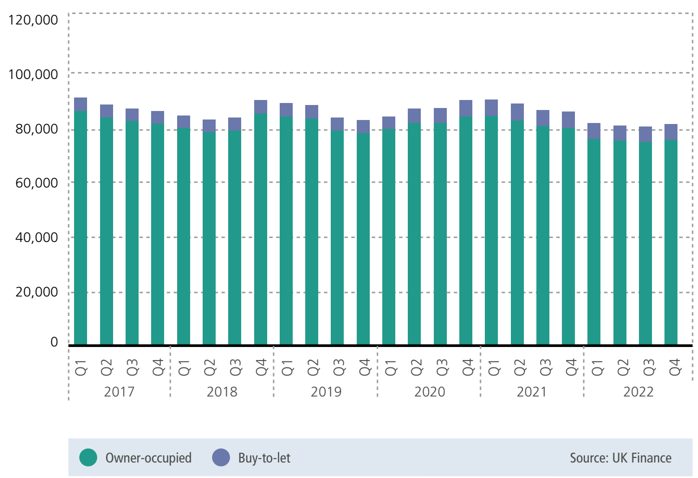
Number of mortgagees with arrears >2.5% up

1% on Q3 2022

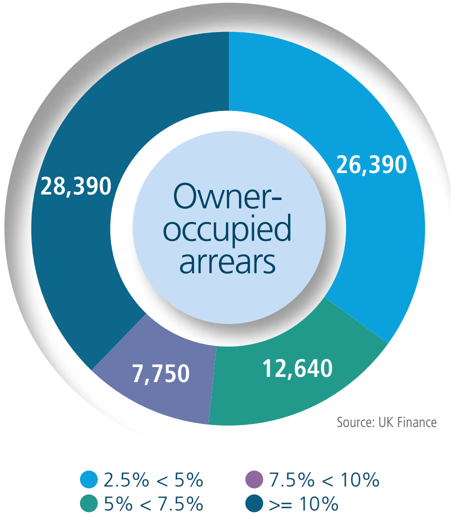
Number of possessions, buy-to-let and owner-occupied

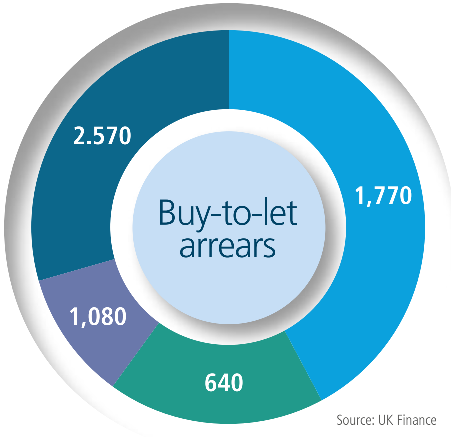


Arrears on mortgages, 2.5% or more of balance outstanding



ARREARS BANDING Q1 2023





Possessions

- On a full year basis, the percentage of possessions accounted for by the owner-occupied sector accounted for 62% of all possessions, this figure up from 54% in 2021.
- Owner-occupier possessions increased to 2,410 in 2022, a 95% increase on the 1,230 seen in 2021, but still significantly below the 5,230 that was seen in 2019 pre-Covid.
- On a full-year basis, the percentage of possessions accounted for by the buy-to-let sector stood at 38%, down from the 45% share of activity seen in 2021.

Possession sales

- During March 2023 we have seen an average sale price at completion of £158,003, this 6% below the figure achieved in December 2022.
- Houses accounted for 63% of completions during Q1 2023, slightly up on the 62% seen in Q4 2022.

Arrears

- Within the buy-to-let sector, the number with arrears of 2.5% or more of the total balance remaining, totalled 6,060 in Q4 2022, 1% ahead of the 6,010 seen in Q4 2021.
- The equivalent comparison for owner-occupiers showed a 6% reduction on Q4 2021, but in total there were 75,170 with arrears of 2.5% or more of the total remaining balance.
- The total number of mortgages with arrears of 10% or more of the balance in Q4 was 30,160.

SURVEY & VALUATION

Ross Bowen
MANAGING DIRECTOR,
CONNELLS SURVEY & VALUATION

The first quarter of 2023 has been heavily influenced by the hiatus in activity that we saw at the end of 2022 as lenders took stock of market conditions following the mini-budget and autumn statement. Some consumers have remained hesitant as they assess the outlook for both house prices and mortgage rates, but more are now starting to commit.

Product updates along with changes in borrowing rates and affordability criteria within many lenders during the quarter have impacted volumes, with overall activity for Q1 being 39% lower than Q1 of 2022. However we are continuing to see activity levels recover, increasing month on month during the quarter.

Whilst momentum has now started to build, driven by the increased activity within the sales and mortgage markets, it is likely to take some months for activity levels and pipelines to fully return to more normal levels.

Mortgage valuations up

8% on Q4 2022

Surveys up

26% on Q4 2022

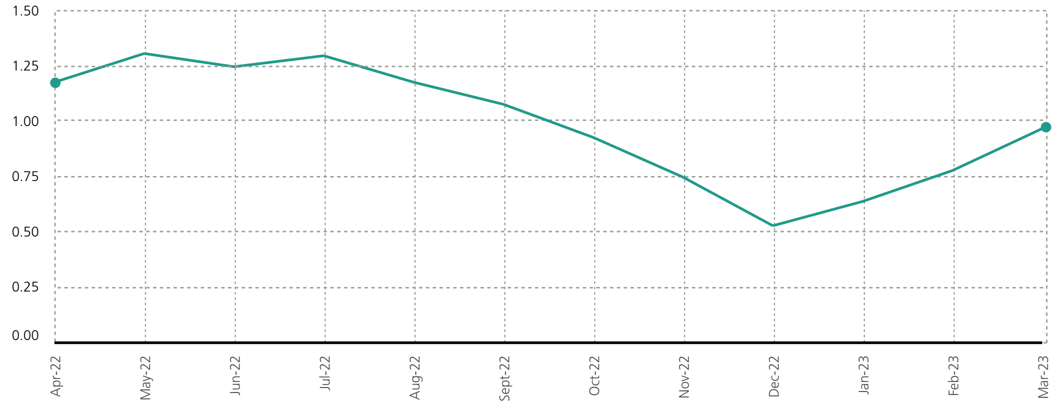
Mortgage valuations

- The number of mortgage valuations in the quarter saw an increase when compared to Q4 2022, as the markets stabilised and the sales and mortgage markets started to see activity levels increase.
- When compared to Q4 2022, the number of mortgage valuations undertaken in Q1 showed an 8% increase, however this was still 37% lower than was seen in Q1 2022.
- Our mortgage business reported a stronger recovery in remortgage activity during the quarter, with homeowner remortgage activity up 23%, and buy-to-let remortgage activity up 24% on Q4 2022. The uncertainty over higher mortgage rates prompted many to review their current arrangements.

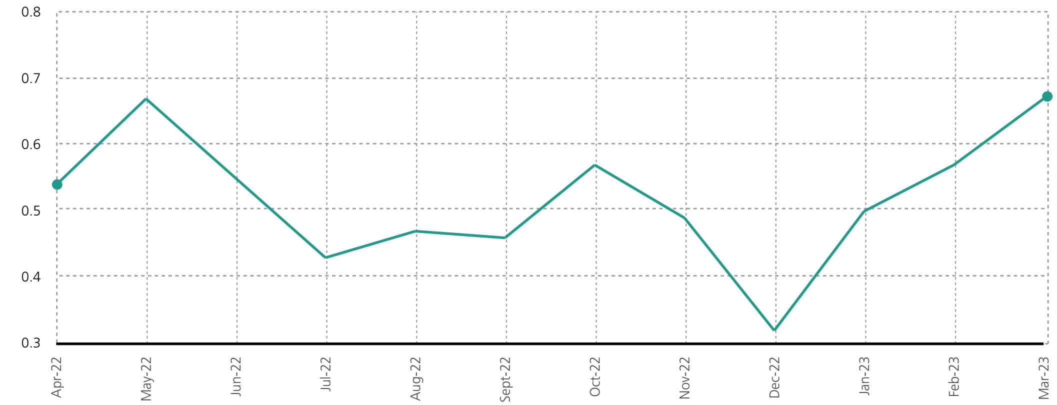
Surveys

- The number of surveys in Q1 saw a stronger uptick when compared to Q4 2022, increasing by 26%. Despite the challenges within the market this was just 1% lower than Q1 2022.
- Surveys accounted for 6% of overall activity, two points ahead of the 4% seen in Q1 2022.

Number of mortgage valuations (indexed)



Number of surveys (indexed)



SURVEY & VALUATION

Buy-to-let

- Investors are slow to return to the market, however buy-to-let valuations saw a 10% increase on Q4 2022. When compared to Q1 2022 volumes were 54% lower.
- As a share of overall activity, the buy-to-let sector remained steady accounting for 17% of all activity during Q1 2023 as it did in Q4 2022.

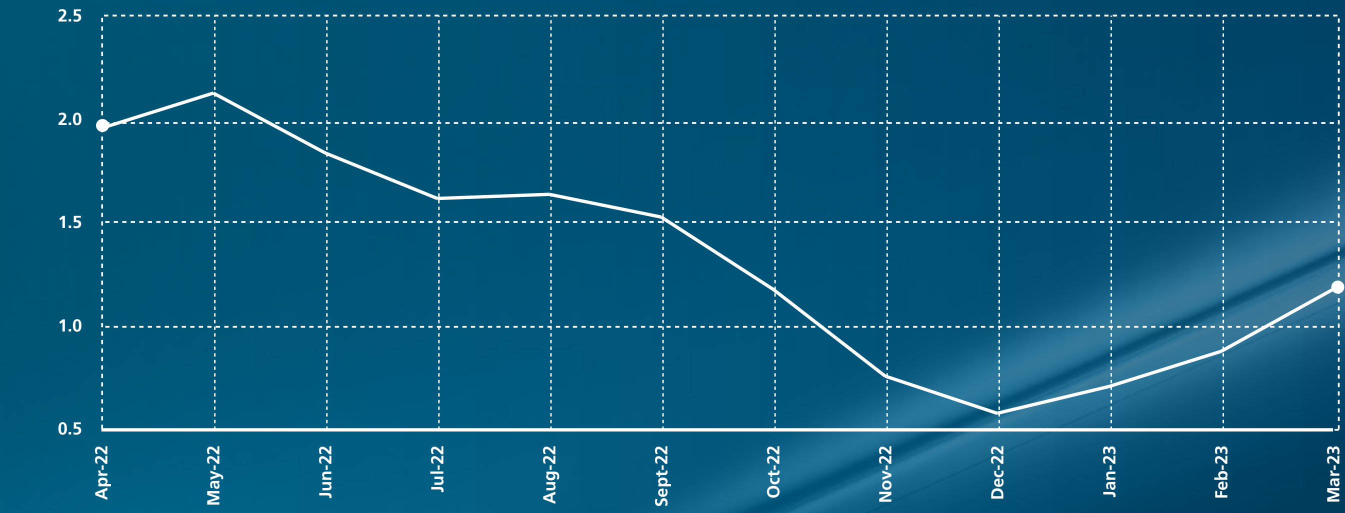
Average valuation

- The average valuation price has decreased to £325,909, this a 3% reduction on Q4 2022.

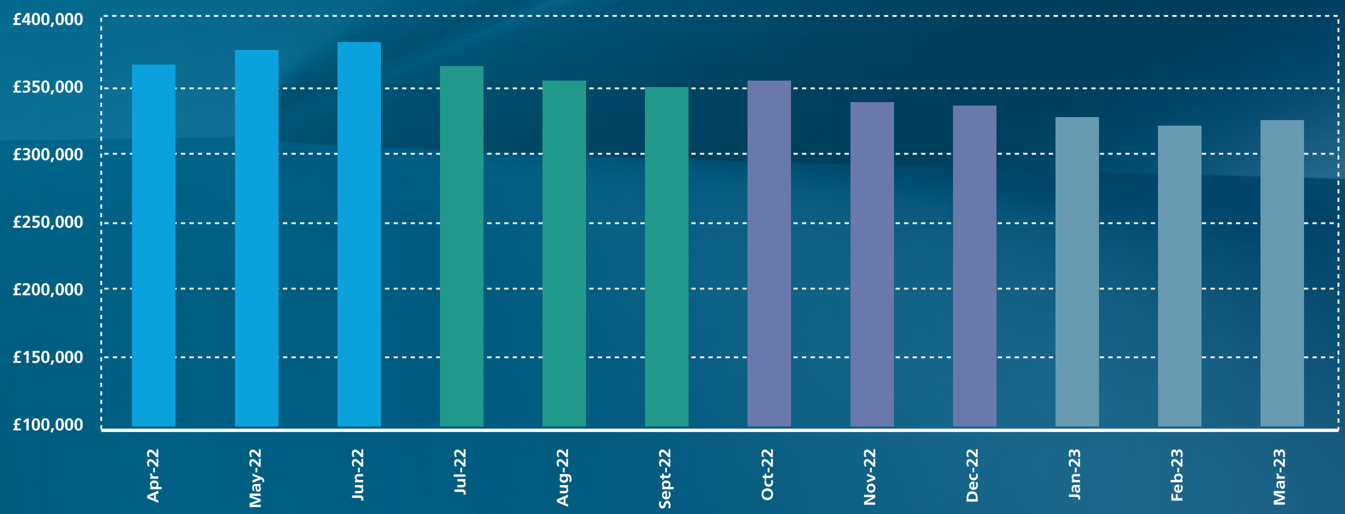
Service delivery

- With the reduced level of activity in the market, Q1 saw a continued improvement in the speed of report delivery across the market.
- During the first quarter of the year we have seen the reporting quality score improve further to 98%.

Number of buy-to-let valuations (indexed)



Average valuation price



REGIONAL AVERAGE HOUSE PRICE AT COMPLETION Q1 2023

Scotland/North
6% down from Q2 2021
£187,071

East
4% down from Q2 2021
£312,376

Midlands
5% down from Q2 2021
£222,977

London
11% down from Q2 2021
£654,687

Wales/South West
8% down from Q2 2021
£281,857

South East
10% down from Q2 2021
£399,790

MARKET SUMMARY

UK average house price at completion Q1 2023

£289,251

down
2%
from Q1 2022
(£294,903)

down 9%
from Q4 2022
(£317,208)

MARKET SUMMARY

REGIONAL AVERAGE RENT Q1 2023

Scotland/North
2% up from Q2 2021
£187,071

East
3% up from Q2 2021
£312,376

Midlands
3% up from Q2 2021
£222,977

London
4% up from Q2 2021
£654,687

Wales/South West
1% down from Q2 2021
£281,857

South East
4% up from Q2 2021
£399,790

UK average rent Q1 2023

£1,042

up
4%
from Q4 2022
(£1,026)

UK average mortgage value Q1 2023

£163,890

up
1%
from Q4 2022
(£161,785)

ABOUT CONNELLS GROUP

Connells Group is the largest and most successful estate agency and property services providers in the UK.

Founded in 1936 and with a network of over 1,200 branches nationwide, the Group combines residential sales and lettings expertise with a range of consumer and corporate services including new homes, mortgage services, conveyancing, EPC provision, surveying, corporate lettings, PRS, Built to Rent, asset management, land and planning, LPA receivers, commercial real estate and auctions.

Alongside the Connells estate agency brand, the Group trades under well-known and trusted local names.

Corporate clients benefit from Connells Group's broad range of award-winning services and depth of experience and expertise.

We work with some of the UK's leading organisations and institutions on property and land acquisition and disposal, asset management, mortgage sales and distribution, corporate lettings, auctions, conveyancing and surveying, to name a few.

Connells Group is a subsidiary of the Skipton Building Society, one of the UK's largest providers of financial services and products.

10% market share

over **1,200** branches

over **15,000** colleagues

Committed to developing our people and providing opportunities for all

80 local estate agency brands

UK's **most profitable** estate agency business

115,000 property sales a year

Largest agency for new homes sales in the UK

over **9,000** new homes sold per year

100 land specialists nationwide

Connells group

The largest and most successful estate agency & property services provider in the UK

Multi-award winning service

One of the largest volume residential property auctioneers in the UK

£36bn mortgage lending

1,250 employed Mortgage Consultants

One of the UK's largest conveyancing businesses

150,000+ tenancies managed

UK's **largest** survey and valuation business

700+ Chartered Surveyors

ISO 9001:2015 panel and risk manager of valuations

UK's leading EPC provider

One of the UK's largest commercial property consultancies

Figures quoted for full year 2022 or correct as at February 2023, based on internal data. V10, CG February 2023.

OUR BUSINESS TO BUSINESS BRANDS

LAND, NEW HOMES AND PLANNING

- Connells
- Countrywide Land & Planning
- Countrywide New Homes
- sequence

COMMERCIAL PROPERTY

- ikon
- Lambert Smith Hampton

PROPERTY AUCTIONS

- Countrywide Property Auctions
- sequence

ASSET MANAGEMENT

- AMG
- Connells Living
- Connells LPA Receiver
- Countrywide Corporate Property Services
- Countrywide Estate Management
- sequence
- The New Homes Group

STRATEGIC INVESTMENTS

- Hearthstone Investments
- lms

EPCS AND INVENTORIES

- Vibrant Your Property Partner

LEGAL SERVICES

- Conveyancing Direct Property Lawyers
- Redstone Wills

SURVEYS AND VALUATIONS

- Connells Survey & Valuation
- Countrywide Surveying Services
- Harvey Donaldson & Gibson Chartered Surveyors
- HomeReportScotland.scot

OUR ESTATE AGENCY BRANDS

Brands with 10 or more branches

Abbotts, allen & harris, Austin & Wyatt, Bairstow Eves, barnard marcus, Beresford Adams, blundells, bridgfords, brown & merry, burchell edwards, Connells, Countrywide, DIXONS, Entwistle Green, fox & sons, Frank Innes, fulfords, Gascoigne Halman, Gascoigne-Pees, Hamptons, John D Wood & Co, John Francis, jones & chapman, King & Chasemore, MANN, Miller Countrywide, Palmer Snell, peter alan, Rook Matthews Sayer, Sharman Quinney, shipways, Slater Hogg & Howison, TAYLORS, william h brown

and over 45 well-known, local names across the country

Accord Lets, Alan de Maid, anderson, andrew reeves, APW, Ashby Lowery, ashley adams, ashton burkinshaw, Atkinson Stilgoe, bagshaws residential, barnfields, bulmersletting, Chappell & Matthews, chattings, CHK Mountford, CityLetsYork, Clive Watkin, cm rent & sales, Country & Waterside, cryers, FindersKeepers, Freeman Forman, Geering & Colyer, hall & benson, Hurfords, holroyds, Kevin Henry, Knight, Lighthouse Property Services, manners & harrison, midcornwall, Morris Dibben, Pattison Lane, Paul Dubberley, RA Bennett, Regal, roger platt, Spencers, Stratton Creber, SuttonKersh, swetenhams, TuckerGardner, urbanspaces, Watson Bull & Porter, wilson peacock, woods

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