



Jason Tebb, Chief Executive Officer
OnTheMarket plc



Property Sentiment Index

JULY 2021
(reporting on June 2021 data)

‘Flaming June’ for UK housing market with exceptionally high buyer and seller confidence levels

- 75.5% of active buyers in the UK were confident that they would purchase a property within the next 3 months
- 84% of sellers in the UK were confident that they would sell their property within the next 3 months
- 28.5% of properties were Sold Subject to Contract (SSTC) within 30 days of first being advertised for sale, compared with 8% in June 2020.

I’m delighted to be releasing the inaugural official data series from OnTheMarket today. In featuring our consumer survey, which provides both highly relevant and unique insights into consumer confidence around residential property on both a UK wide and regional basis, we believe this to be the largest monthly consumer sentiment index to date in terms of buying and selling residential property in the UK.

The reason for our focus on consumer confidence is due to the old but very true adage that ‘sentiment fuels markets’. In the world of residential property, data will only ever provide half the picture. In my two decades as an estate agent prior to taking my current role with OnTheMarket, I’ve personally been involved in thousands of property transactions. When showing prospective buyers around a property, my question was never ‘what do you think of the property?’. Instead, I would ask, ‘how do you feel about the property?’. That distinct difference between the empirical and the emotional is at the core of what we aim to provide as we launch this monthly index.

In terms of the UK residential property market over the last month, the overwhelming feedback from our thousands of agents up and down the country suggests that the momentum seen over the past year continued in June, with new buyers starting their search regardless of the fact that they were fully aware that they wouldn’t beat the stamp duty holiday deadline. This was evident in the levels of website traffic we received, which in June 2021 reached the second highest total ever recorded since OnTheMarket launched in 2015.

This is also reflected in the positive nature of the responses to our sentiment survey, as looking at our key indicators, 75.5% of active buyers in June were confident that they would purchase a property within the next three months. Of sellers who responded over the same period, 84% were confident that they would sell their property within the next three months. Market momentum is also demonstrated clearly by the fact that in June, 28.5% of properties advertised on the OnTheMarket website were sold subject to contract (SSTC) within 30 days of first listing, compared to just 8% in the same period in June 2020.

We believe that this ongoing momentum is the result of a perfect storm of long-term pent-up demand stemming from the lead up to the 2019 General Election and Brexit in early 2020, which due to the start of the Covid-19 pandemic last spring never had a chance to unwind as it would in a normally functioning market. This dynamic, together with the ‘race for space’ that we’ve observed as a direct result of successive lockdowns together with the market stimulus from the stamp duty holiday and record low mortgage rates, means that while the window for any major savings closed at the end of the month, buyer appetite hasn’t as yet dissipated, with all signs pointing to the fact that the market will continue in the same direction of travel over the summer.”

Seller Sentiment - how confident were sellers in June 2021?

June 2021 Headlines

From our sample of sellers surveyed, UK average rates of confidence over the last month were as follows:

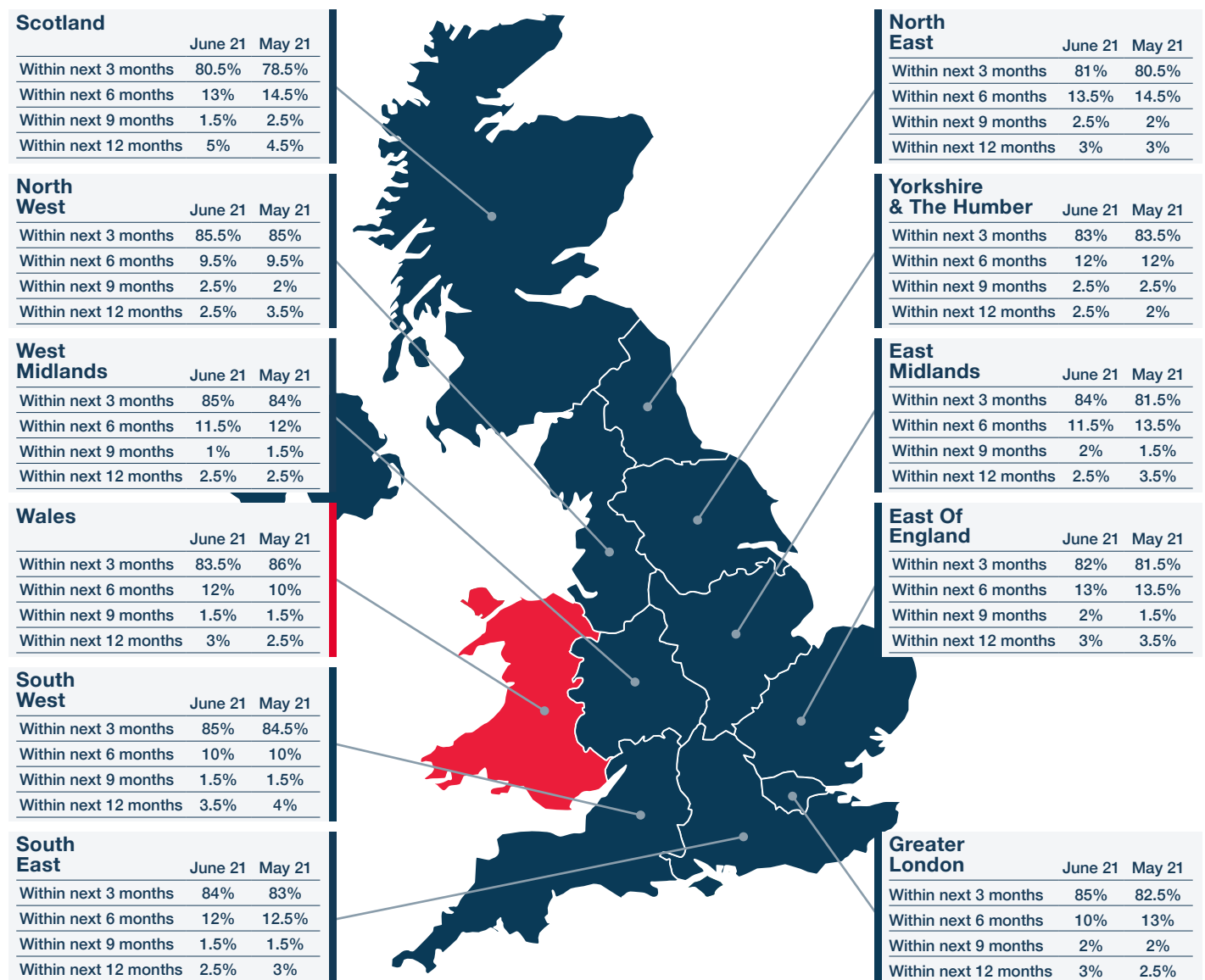
- 84% of sellers were confident that they would sell their home within the next 3 months, a slight increase from May 2021 (83%)
- 11.5% of sellers were confident that they would sell their home within the next 6 months, a slight decrease from May 2021 (12%)
- 1.5% of sellers were confident that they would sell their home within the next 9 months, unchanged from 1.5% in May 2021
- 3% of sellers were confident that they would sell their home within the next 12 months, a slight decrease from May 2021 (3.5%)

The OnTheMarket Property Sentiment Survey asks sellers across the UK how confident they feel about selling their home in order to provide a 'temperature check' of market sentiment both on a national and regional basis.

Sellers are asked to indicate how confident they are that they will sell their home:

- Within the next 3 months
- Within the next 6 months
- Within the next 9 months
- Within the next 12 months

■ Increase on previous month ■ Decrease on previous month (based on Seller confidence within next 3 months)



Buyer Sentiment - how confident were buyers in June 2021?

June 2021 Headlines

From our sample of buyers surveyed, UK average rates of confidence over the last month were as follows:

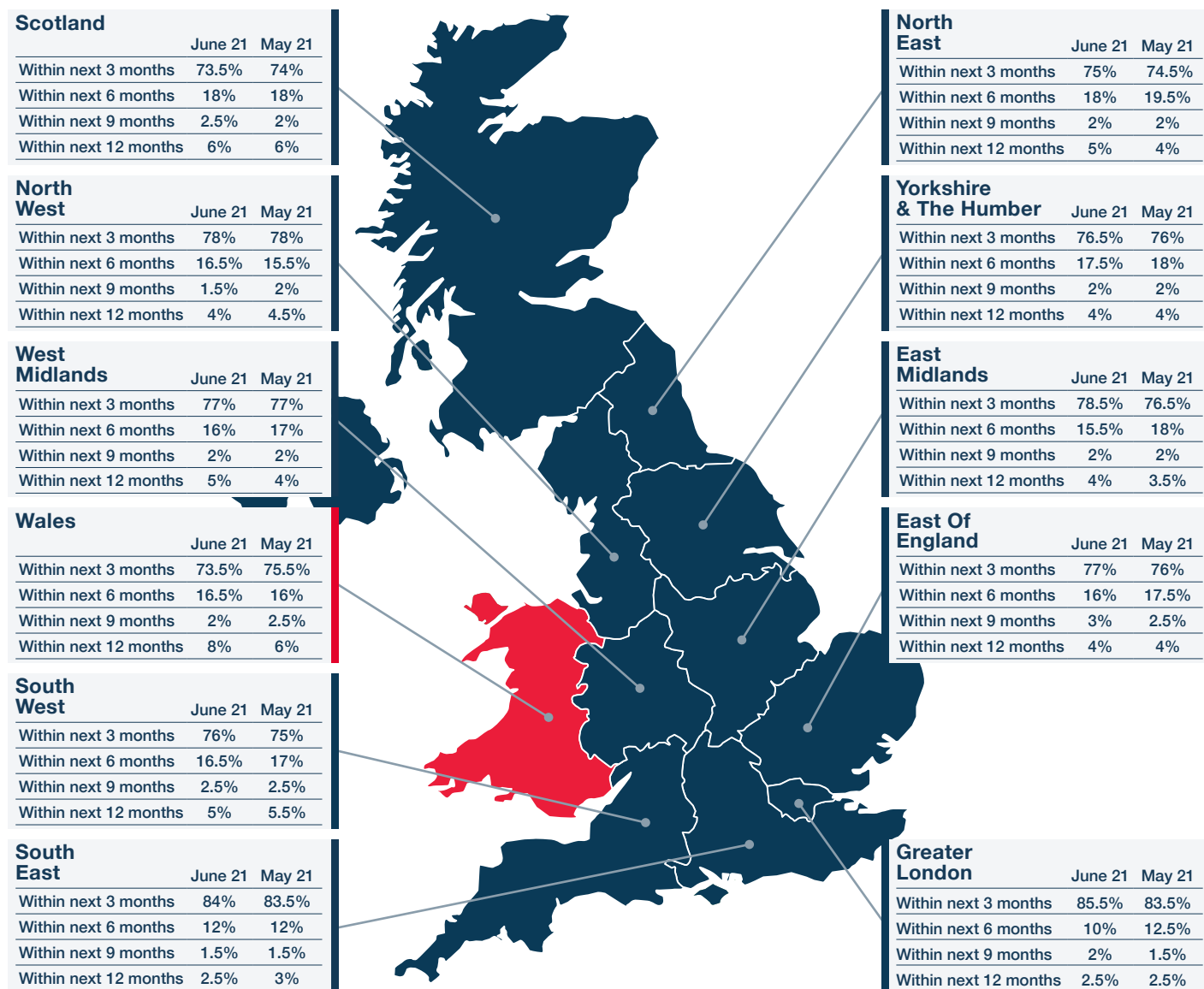
- 75.5% of buyers were confident that they would purchase a property within the next 3 months, unchanged from May 2021 (75.5%)
- 17% of buyers were confident that they would purchase a property within the next 6 months, a slight decrease from May 2021 (17.5%)
- 2.5% of buyers were confident that they would purchase a property within the next 9 months, a slight increase from May 2021 (2%)
- 5% of buyers were confident that they would purchase a property within the next 12 months, unchanged on May 2021 (5%)

The OnTheMarket Property Sentiment Survey asks buyers across the UK how confident they feel about purchasing their next property in order to provide a 'temperature check' of market sentiment both on a national and regional basis.

Buyers are asked to indicate how confident they are that they will purchase their next property:

- Within the next 3 months
- Within the next 6 months
- Within the next 9 months
- Within the next 12 months

■ Increase on previous month ■ Decrease on previous month (based on Buyer confidence within next 3 months)



Mover attitudes towards mortgage availability







June 2021 headlines:

- As a UK average, in June 2021 only 4% of movers were concerned (either slightly worried or very worried) about securing a mortgage to purchase their property, a slight increase from 3% in May 2021.
- Greater London had the highest number of buyers who already had their mortgage Agreement In Principle in place prior to starting to search for their property (39%). The South West region had the lowest number of prospective buyers with a mortgage Agreement In Principle in place (26%).
- As a UK average, 30% of buyers hadn't considered applying for a mortgage before starting their property search, with buyers in Greater London the least likely to have considered applying for a mortgage before starting their search for a property (39%).
- As a UK average, 32% of buyers surveyed said that they didn't need a mortgage in order to purchase a property. Greater London had the lowest number of respondents that indicated that they wouldn't require a mortgage to purchase a property (16%). The South West saw the highest number of respondents who indicated that they didn't need a mortgage to buy their next property (47%).

The OnTheMarket Property Sentiment Index provides insights in terms of how confident movers across the UK feel about securing a mortgage in order to fund the purchase of their next property. Since increased affordability assessments were introduced by lenders in 2014 as part of the Mortgage Market Review, the ability to both successfully secure a mortgage and borrow enough to fund a property purchase are key factors which can have a significant impact on home mover sentiment.

Respondents to the OnTheMarket survey are asked to indicate how they feel about raising the necessary funds to purchase their next property by choosing from the following options:

- I'm very worried
- I'm slightly concerned
- I'm sure it will be fine
- I have a mortgage Agreement in Principle already
- I don't need a mortgage to buy a property
- I've not thought about it

	 I'm very worried		 I'm slightly concerned		 I'm sure it will be fine		 I've already got a mortgage AIP		 I don't need a mortgage		 I've not thought about it yet	
	June 21	May 21	June 21	May 21	June 21	May 21	June 21	May 21	June 21	May 21	June 21	May 21
UK average	1%	1%	3%	2%	2%	2%	32%	33.5%	32%	32%	30%	29.5%
Greater London	1%	1%	3%	3%	2%	2%	39%	40%	16%	17%	39%	37%
South East	1%	0.5%	2%	1.5%	2%	2%	34%	34%	32%	32%	29%	30%
South West	0.5%	0.5%	2%	1.5%	1.5%	1.5%	26%	25%	47%	48%	23%	23.5%
East of England	1%	1%	3%	3%	2%	2%	32%	34.5%	32.5%	30%	29.5%	29.5%
West Midlands	1%	1.5%	3%	3%	2.5%	1.5%	35.5%	36.5%	28%	27%	30%	30.5%
East Midlands	1.5%	1%	3%	3.5%	2.5%	1.5%	34%	34.5%	28%	30%	31%	29.5%
Yorkshire & The Humberside	1%	1%	3%	2.5%	2%	2%	32.5%	35%	29.5%	30%	32%	29.5%
North East	1%	0.5%	3%	2%	2%	2.5%	29%	29%	34%	35%	31%	31%
North West	1%	1%	3%	2%	2.5%	2%	36%	39%	28.5%	29%	29%	27%
Wales	0.5%	0.5%	1%	2%	2%	1.5%	27%	29%	42%	41%	27.5%	26%
Scotland	0.5%	0.5%	2%	2%	1.5%	1.5%	29%	29.5%	41%	36.5%	26%	30%

Average asking prices and most popular property types in June 2021

Most popular property types - June 2021 Headlines

By analysing data compiled from thousands of estate agents' listings across the UK, we can track the most sought after property types, based on properties which have been Sold Subject To Contract (SSTC) each month. We base this data on the four main property types, as defined by HM Land Registry:



Detached



Semi-Detached



Terraced



Flat

UK Average (excl. Greater London)

In June 2021 the most popular properties as a UK average were three bedroom semi-detached houses, unchanged on May 2021 and June 2020.

Greater London

In June 2021 in Greater London the most popular properties were two bedroom apartments, unchanged on May 2021 and June 2020.

Asking prices - June 2021 Headlines

UK Average (excl. Greater London)

Type	Jun 21	May 21	Jun 20
Detached	£566,672	£556,989	£528,063
Semi-Detached	£334,395	£332,734	£305,997
Terraced	£253,276	£253,671	£234,776
Flat	£227,161	£225,618	£216,188
Grand Total	£366,326	£362,210	£356,879

Greater London

Type	Jun 21	May 21	Jun 20
Detached	£1,988,958	£2,002,648	£1,829,295
Semi-Detached	£1,283,354	£1,256,393	1,162,772
Terraced	£1,262,643	£1,264,678	£1,136,969
Flat	£817,559	£809,517	£854,213
Grand Total	£977,624	£972,909	£999,115

Time to Sold Subject to Contract (SSTC) in June 2021

From analysis of OnTheMarket.com's data compiled from estate agents' listings across the UK, we're able to track where properties are Sold Subject to Contract (SSTC) the quickest and where they take the longest.

- In June 2021, as a UK average 28.5% of properties were SSTC within 30 days of first being advertised for sale, compared with 28% in May 2021, and 8% in June 2020.
- In June 2021, Scotland was the fastest selling region, with 33% of homes SSTC within 30 days of first being listed for sale. Greater London had the lowest number of properties which were SSTC within 30 days (20%)
- In June 2021, the region with the highest number of properties that had taken 120 days or more to be SSTC was Wales (48.5%) compared with the East Midlands which had the lowest number of properties that had taken 120 days or more to achieve an offer (35%)

June 2021 Headlines

Region	% of homes first listed and SSTC within 30 days			% available homes first listed for sale over 30 days ago but were SSTC within 60 days			% available homes first listed for sale over 30 days ago but were SSTC within 90 days			% available homes first listed for sale over 30 days ago but were SSTC within 120 days			% available homes first listed for sale over 30 days ago but were SSTC within 150 days		
	June 21	May 21	June 20	June 21	May 21	June 20	June 21	May 21	June 20	June 21	May 21	June 20	June 21	May 21	June 20
UK average	28.5	28	8	12.5	11.5	3	7.5	7.5	6.5	5.5	5.5	14.5	46	47.5	68
Greater London	20	21.5	17.5	15	15	4	11	10	5	7.5	6.5	12.5	46.5	47	61
South East	26.5	27	19.5	15.5	15	4	10.5	9.5	6.5	7.5	6	14.5	40	42.5	55.5
South West	29	28	21.5	13.5	13.5	4.5	9	8.5	6	6	5	12.5	42.5	45	55.5
East of England	29	28.5	21.5	15	15	4.5	10	9.5	5.5	6.5	6	14	39.5	41	54.5
West Midlands	27.5	27.5	20.5	14	14	4	9.5	9	6	6.5	6	13.5	42.5	43.5	56
East Midlands	31.5	31	20	15.5	15.5	4.5	10.5	10.5	6.5	7.5	6	14.5	35	37	54.5
Yorkshire & The Humberside	27.5	27	18.5	13.5	12.5	4	8.5	8	6	6	5	12.5	44.5	47.5	59
North East	24.5	24.5	15.5	13.5	12.5	4	8.5	9	5.5	6.5	6.5	12	47	47.5	63
North West	29	28.5	18	14.5	13.5	4	9	10	6.5	7.5	6	13.5	40	42	58
Wales	25	24.5	8.5	13	11.5	3.5	8	7.5	6	5.5	6	13	48.5	50.5	69
Scotland	33	32	7	11.5	11	2	7	7	8	5	5	17	43.5	45	66

Regional market commentary from OnTheMarket's agents

Trevor Abrahmsohn, Managing Director,
Glentree International - London

'The London market is still healthy and liquid, in fact as liquid as we've ever seen since 2007'

Buyers have been shrugging aside the state of the economy and budget deficit over the last few months and have continued to transact unabated in the Capital, across almost all price ranges. The end of the stamp duty savings window in June did nothing to dampen their enthusiasm. We received a raft of new applicants throughout the month, particularly in the £800,000 to £4million price bracket.

Although asking prices in London softened very slightly in June when compared to the same period last year, we've observed in recent weeks that providing a property is marketed at the correct level initially, within the space of two to three weeks we will attract twenty to thirty viewings, and achieve at least five offers, invariably competitive bids via informal tender. This is particularly prevalent in areas such as Hampstead, Hampstead Garden Suburb and St John's Wood which have been perennially desirable previously, but even more so now.

Such is the current sellers' market that we encourage all our buyers to ensure that their mortgage arrangements, should they need them, are firmly in place ahead of making an offer so that they are coming to the market armed and ready. However, we also do our best to ensure that sellers are prepared too and particularly over the last few weeks, have advised our vendors to apply for searches in advance, as it's prudent for them to bear the initial cost and then sell on to the purchaser in order to save time. Encouraging sellers to have their full sales pack prepared upfront so that they are 'ready to rock and roll' as soon as a formal offer is accepted has, in many instances, really helped us to drastically reduce transaction times in recent weeks despite the conveyancing backlog. It's also meant that many of our transactions were, in the end, able to complete before the end of June, albeit that for buyers at higher price points the reduction in tax payable wasn't the motivating factor for their move.

One legacy from the Covid pandemic is that outside space is now crucial, so properties in the leafy suburbs of St John's Wood, Regent's Park and along the northwest London corridor are seeing huge demand and attracting a premium, a trend we don't foresee coming to an end any time soon. Demand from overseas buyers is still very much in evidence, although transaction numbers from those outside of the UK have attenuated slightly of late due to the restriction on air travel. That said, enquiries and expressions of interest from the UAE and Hong Kong in particular were higher than usual in June, and we are very confident that there is a veritable tsunami of buyers waiting purchase a slice of England as soon as they are able to do so, fuelled by their faith in the UK economy and thirst for our culture and the London lifestyle. Meanwhile, UK buyers are realising that borrowing is cheap right now and product rates won't remain this low forever, another factor that's fuelling demand and putting a spring in their step.

Ultimately, we'd suggest that the London market is still healthy and liquid, in fact as liquid as we've ever seen since 2007.

Regional market commentary from OnTheMarket's agents

Mark Proctor, South West Regional Partner, Knight Frank - Devon

'Properties that were listed last year but didn't sell at the time that have now been successfully remarketed and sold in excess of asking price'

We've seen a huge amount of activity across the South West region in June, particularly in the price bracket up to £1million, which is understandable as this is where the stamp duty saving has had the most impact. Despite the fact that buyers registering over the last month have known that they wouldn't benefit from the main savings available as they wouldn't complete in time to meet the deadline, we've still had a significant volume of new applicants. This, together with the very limited amount of supply, has meant that many of our properties have gone to 'best and final' bids. What's been particularly interesting is seeing a few properties that were listed last year but didn't sell at the time that have now been successfully remarketed and sold in excess of asking price.

We'd suggest that levels of buyer demand in the South West have been driven higher by successive lockdowns, as buyers seem to be even more keen to secure a property 'while they are still able' to do so. Although we would traditionally see a number of properties purchased as second homes and holiday lets, what we've observed over the last month is that more buyers are now making decisions based on permanent relocation. As a result, areas inland rather than just those on the coast have performed really well. We'd suggest that this has been driven by families who are relocating and want to put down roots and feel a sense of community, rather than living amongst second homes and holiday lets for most of the year. This would potentially explain the increasing popularity of vibrant market towns such as Ashburton, Moretonhampstead and Chagford.

That all said, coastal areas have benefitted from the highest levels of price growth, with Cornwall seeing some of the highest values achieved on record; St Ives in particular seeing demand driven primarily by prospective second homeowners. However, the inland market in Cornwall is also thriving, as one only has to go a couple of miles inland to achieve more property for their budget and there are plenty of charming towns and villages which provide a rural idyl for those who crave more space.

Probably one of the biggest surprises over the last month has been demand at the top end of the market, which in our region is £2million upwards. We've observed a significant increase in the number of overseas buyers, many of whom are moving back to the UK from overseas seeking a permanent base, and increased competition between purchasers for character homes, such as typically 'chocolate box' thatched cottages, elegant larger Georgian or similar period properties and farmhouses with land.

Regional market commentary from OnTheMarket's agents

Scott Holley, Associate Estate Agent, Galbraith - Edinburgh

'We've simply never seen demand like it'

As the temporary reduction in Land and Buildings Transaction Tax (LBTT) in Scotland was never as generous as the Stamp Duty holiday in the rest of the UK, the end of month June deadline didn't apply north of the border, therefore we've been more insulated from the reported 'cliff edge' of trying to get transactions completed by a certain date. As a result, the market was still consistently busy in June, and we'd suggest that buyers have been making decisions based on Covid, lockdowns and other life circumstances, rather than just cost saving factors. In that sense, June very much mirrored May and April, with the number of buyers remaining consistent.

Over the past month, we've seen a new wave of vendors enter the market with optimistic expectations; the combination of improving weather, gardens looking their best and general feel-good factor seems to have encouraged those who've been considering putting their property on the market over the summer to actually do so. Having said that, we'd suggest that there's still an imbalance between number of buyers on our books and properties available, which is leading to competitive offers for any one property. The minute we launch a property for sale, enquiries and viewing requests start immediately and as a consequence, we've seen properties go under offer on first viewings, multiple offers being received and closing dates being the norm.

In June we've observed an increase in the number of inter-generational movers as families have sold respective homes to pool their assets and trade up, for example buying a family home with an annexe or separate property to a larger house. We'd suggest that this has been driven by the events of the last year, where families have been separated for a long period of time, but now those of working age are comfortable that their employers are committing to flexible and home-based working for the longer term they can make those significant relocation decisions in confidence. This has been prevalent in areas such as Dunkeld, Pitlochry, Kelso, Melrose and Peebles due to their proximity to Edinburgh.

One sector that's been particularly turbo-charged over the past month are country cottages which are used either as second homes for personal use or income-generating holiday lets. We've simply never seen demand like it. Properties in a rural setting with a large garden or a lovely view have seen significant demand. We've seen this trend consistently around the Highlands and Perthshire, Inverness-shire and again, certain parts of the Borders, with a particularly high number of buyers from London and the South East, as well as a noticeable increase in the amount of overseas buyers. In many cases, virtual viewings conducted via Facetime or Zoom have been utilised effectively, with local friends or family based in the UK attending physical viewings where possible, but in some cases, we've had buyers proceeding on video viewings only. However, as an indicator of sentiment levels, we'd suggest the fact that they are to some extent 'buying blind' highlights the high levels of buyer confidence over the past few weeks, which looks set to continue for the foreseeable future.

Regional market commentary from OnTheMarket's agents

Chris Hope, Senior Partner, Dawsons - Swansea

'There's been an upswing of accidental landlords'

The majority of our transactions and completions last month resulted from deals agreed in March and early April, after the welcome news that the Land Transaction Tax (Stamp Duty) holiday was to be pushed back to the end of June, so it was very pleasing to see them progress smoothly and complete before the end of the month, albeit that we had a few issues with a lack of availability of removal companies, which actually was the main cause of the very small number of fall-throughs we had.

There's been an upswing of accidental landlords selling properties over the past few weeks, clearly deciding to cash in on the current levels of demand. However, what's been interesting is that the majority of these properties have been purchased by serial investors and professional landlords to add to their existing portfolios, meaning that the overall level of rental stock has remained relatively level. This has been particularly prevalent in areas with good universities and colleges such as Cardiff, Bridgend and Swansea where there is a strong market for student and HMO properties, with healthy yields still a very tempting prospect.

At the top end of the market, we've observed significant growth in the coastal 'arc' that includes The Mumbles, Tenby and Saundersfoot where buyers of homes between £1m to £3m have been seeking a lifestyle move, mostly driven by the events of the past year which has focused people's minds, to find the 'perfect home'. These transactions have been as a result of movers trading up from a smaller property of the same value in London to a much larger property with land and coastal views, enabled by the greater flexibility of home working which is now commonplace.

Family movers is the third cohort that has been substantially busier over the course of the last month, with those wishing to trade up to a larger property taking the opportunity to sell in the current market to optimise their budget on their onwards purchase. Of course, these buyers are very much driven by school catchment area where family homes are always in high demand, but this has been exacerbated recently which has supported upwards pressure on prices.

That said, in the vast majority of cases, we've observed over the course of the month that vendors are now happy for us to revert to using asking prices when marketing properties, rather than taking the 'offers over' approach. We would suggest that this is an indicator that the trend of competitive bidding has now potentially calmed, albeit that advertised prices – or very close to – are still being achieved and in many cases, multiple offers being received. Given the number of enquiries we've had from potential sellers in the last few days of June, we're confident that moving into July there will be fresh stock coming to the market over the summer, although we'd suggest that it will take time for levels to rebalance.

Notes for Editors

Methodology

Sentiment data (Buyer sentiment, Seller sentiment and Mover attitudes towards mortgage availability) are collected via questions on the OnTheMarket website monthly. With over 120,000 total consumer responses on average per month, it is believed by OnTheMarket to be the largest monthly consumer sentiment index to date in terms of buying and selling residential property in the UK.

Data on time to Sold Subject to Contract (SSTC), Average Asking Prices and Most Popular Property Types is drawn from OnTheMarket's data compiled from thousands of estate agent branches and housebuilders who list their properties with the portal every month.

Regions referred to are as classified by the Nomenclature of Territorial Units for Statistics (NUTS) geocode standard.

Breakdown of regions

Greater London: All

South East: Buckinghamshire, Oxfordshire, Berkshire, Surrey, Hampshire, Kent, West and East Sussex, Isle of White

South West: Gloucestershire, Wiltshire, Somerset, Devon, Dorset, Cornwall, Bristol

East of England: Norfolk, Suffolk, Cambridgeshire, Essex, Hertfordshire, Bedfordshire

West Midlands: Shropshire, Staffordshire, West Midlands, Warwickshire, Herefordshire, Worcestershire

East Midlands: Derbyshire, Nottinghamshire, Lincolnshire, Leicestershire, Northamptonshire, Rutland

Yorkshire and The Humber: North, South and West Yorkshire, East Riding

North East: Northumberland, Tyne & Wear, County Durham

North West: Lancashire, Greater Manchester, Merseyside, Cumbria, Cheshire

Wales: All

Scotland: All

About OnTheMarket.com

OnTheMarket.com is a leading UK residential property website, providing consumers with a simple way to search for their perfect home. The website and its apps list hundreds of thousands of homes for sale and to rent, and aim to provide all potential buyers, sellers, landlords and tenants with an exceptional property search service. This includes the opportunity to set-up personalised property alerts to help find a new home quickly and easily.

OnTheMarket.com displays thousands of UK residential properties exclusively to serious home movers every month – 24 hours or more before agents release these properties to other portals – and these are predominantly featured as 'New & Exclusive'. With thousands of estate and letting agents advertising their properties on the website, together with many of the UK's major house builders offering consumers a wide selection of new build homes, OnTheMarket.com provides a choice of properties at all price points. It also offers Overseas and Commercial search services.

OnTheMarket.com is owned by OnTheMarket plc, which was admitted to the Alternative Investment Market (AIM) in February 2018.

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