Connells
group

MARKET **REPORT** Q3 2020

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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. 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.

David Livesey
GROUP CHIEF EXECUTIVE

INTRODUCTION

Despite the continuing challenge presented by Covid-19, the potential for further spikes and uncertain economic impact, the UK housing market stepped up a gear during Q3 with record activity levels across a number of top line KPIs. Supported by the potential savings offered by the stamp duty holiday, we have seen a strong appetite from prospective purchasers looking to make their next move, matched by a willingness from homeowners to enter the market.

It has been some years since we have seen such a positive and active market, and there was certainly no evidence of the usual easing of activity over the summer months this year. The high level of online enquiries seen during Q2 showed no sign of faltering and, with an increased impetus to make their next move, buyer registrations were 36% ahead of Q3 2019.

First-time buyers remain a driving force, and investor activity is increasing, however, it is the home-movers that are the key enabler for the increased level of transactions that we are now seeing. Market appraisal activity was 22% ahead of Q3 2019 and, attracted by the potential for stamp duty savings, strong demand for new to market property, and upward movement on pricing, homeowners saw plenty of reasons not to delay putting their property on the market and take their next step on the property ladder. This move to take action was reflected in the level of new instructions during the quarter, which were 29% ahead of Q3 2019.

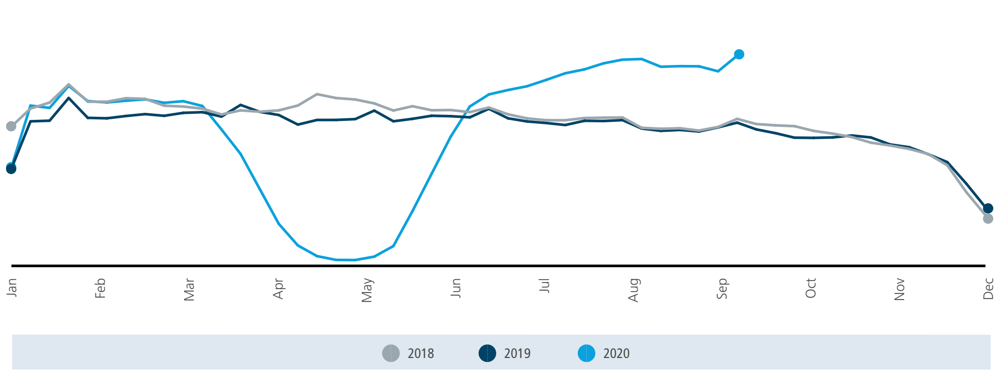
In more normal market conditions we would expect this level of new instructions to have a direct impact on the number of properties available for sale, potentially starting to address the shortages that have been a feature of the market for some time. However, with the increased number of buyers seeking to benefit from the potential savings offered by the stamp duty holiday, sales activity continued to outstrip this increase in supply. With strong levels of sales activity throughout the quarter, 41% ahead of 2019, we ended Q3 with 2% fewer properties available for sale than at the end of the same period last year.

Whilst it has been great to see our branches record their highest ever sales performances, what has been really positive to note is that the increase in activity levels has been broadly consistent across the whole country, with those markets that were later to reopen, and those that have experienced more localised lockdowns, all seeing a very active marketplace.

The increased sales activity means that our sales pipeline at the end of September was 37% ahead of September 2019. All of these sales, as well as many more that will be agreed in the coming months, will be seeking completion in advance of the stamp duty holiday deadline at the end of March 2021. Whilst that may seem a distant milestone, we are already seeing some early signs that the industry is going to face challenges in managing this volume of activity over the next six months. With all parties continuing to operate with remote teams and new operational procedures, we have already seen pinch points with local searches and lender processing which may cause delay. As a result, it is important that we all band together to overcome these challenges in the approaching months.

Whilst activity levels on both the demand and supply side of the equation are stronger than we have seen in recent times, demand continues to outstrip supply resulting in upward pressure on house prices. The average asking price for properties instructed during Q3 was 7% ahead of Q3 2019, and the average exchange price was 5% ahead. With sales in the quarter seeing even stronger price increases as buyers seek to secure their next property, we expect annual house price growth of 7% for 2020.

Weekly house sales



The new homes market also experienced a positive Q3 with good demand for new build, however, the sector still needs time to recover some of the output lost during Q2. Whilst new instructions and sales activity are running ahead of Q3 2019, they are well behind the significant increases that we have seen in the resale market, and with available stock at the end of the quarter 16% lower than September 2019, the sector is unlikely to see a real uptick in sales activity until Q1 2021.

Overall, the lettings market has moved back in line with what would normally be expected during the summer months, with the usual uplift towards the end of the quarter. Tenant demand eased slightly as many looked to extend their existing agreements or take the opportunity to buy and benefit from the stamp duty saving. The number of new instructions saw a decline, and whilst some landlords have been tempted by the active sales market, the main driver appears to be the fact that many landlords are more than happy to keep their current tenants in situ whilst the economic outlook remains uncertain. Average rental values were 2% higher than Q3 2019, and we expect some upward pressure to be maintained as properties available to rent remain in short supply.

Our mortgage business has benefited from the significant increase in house purchase activity during the quarter, and whilst we have seen remortgage business drop back to more usual levels, overall volumes were up 11% on Q3 2019. The uplift in purchase activity was evident within both the residential and buy-to-let sector as investors sought to expand their portfolios. First-time buyer activity remained strong despite the ongoing challenge presented by a lack of higher LTV products, with Help to Buy continuing to be an attractive option where new build properties are available. Product availability and lender appetite will no doubt see further changes as we move into 2021.

Whilst we entered Q3 with an optimistic outlook, it is fair to say that the market exceeded all our expectations for the quarter, which gives us good reason to maintain a positive stance as we head towards the end of the year and look forward to 2021. We will still face challenges that are outside our control with Brexit, Covid, and the wider economy, as well as others that we can exert greater influence upon, however, we look set to enter 2021 with record pipelines, potential light at the end of the Covid tunnel, and a skilled and dedicated team that continue to make it possible for us to deliver a great service to our customers and clients.

ESTATE AGENCY

David Plumtree
GROUP CHIEF EXECUTIVE
(ESTATE AGENCY)

Activity within the housing market remained ahead of expectations during Q3 as momentum continued to build throughout the summer period. Both vendors and purchasers are still displaying a strong desire to transact, and benefit from the savings offered by the temporary stamp duty holiday. The market has not seen such a sustained period of positive customer sentiment for some time.

Our branch network has seen applicant registrations up 36% and new instructions up 29% compared to Q3 2019, running at levels that would normally be expected during a strong first quarter of the year. Whilst the longer-term economic impact of the Covid crisis remains unknown, this has not distracted or tempered the recovery. Our branches continue to see record levels of sales activity across the country, and exchange activity is now starting to build momentum also.

There are early signs that the increased activity levels are presenting some challenges for the industry, as many organisations are still adjusting to new ways of working and unfurloughing their teams. With an increased pressure on completions by the end of the year and at the end of Q1 2021, the progression of sales during the coming months will be a key priority for all.

With demand exceeding supply we are seeing an increase in the upward pressure on prices at all stages of the home buying process, as vendors seek to benefit from the strong market conditions, and purchasers make use of their stamp duty savings to help them secure their preferred home. This is set to continue into Q4 and we forecast that house prices for 2020 will be 7% ahead of 2019.

New buyer registrations in Q3 were

36% ahead of Q3 2019

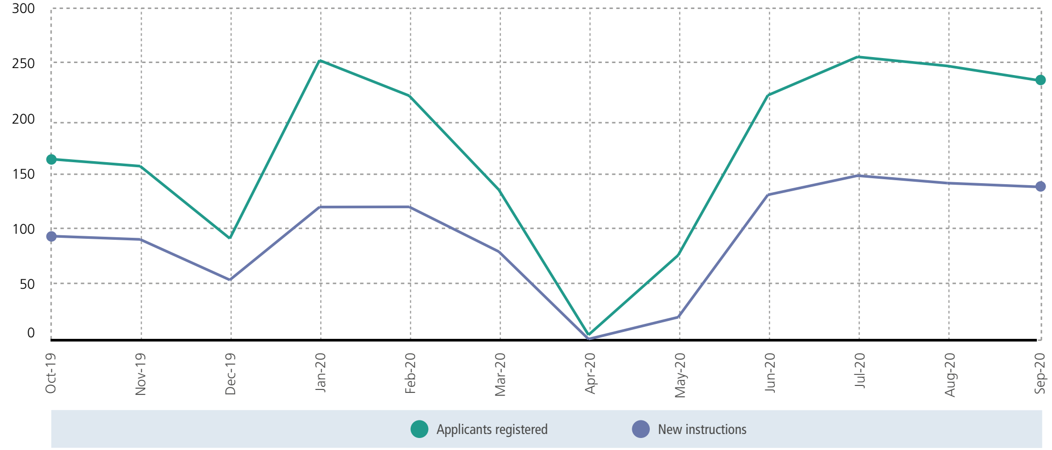
Sales activity in Q3 was

41% ahead of Q3 2019

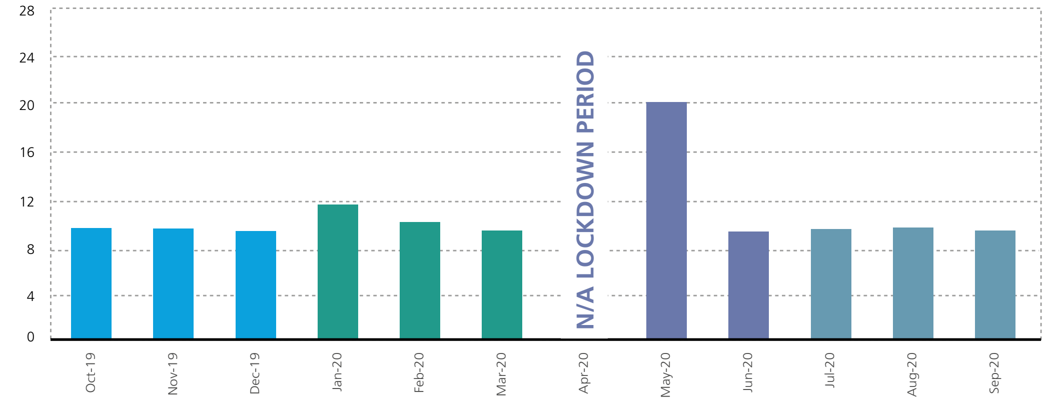
New buyers and instructions

- After the positive reopening of the market in May, appetite from both buyers and sellers strengthened throughout the summer period with no sign of the usual summer slowdown.
- With customer sentiment remaining strong, despite the continuing Covid-19 crisis and economic uncertainties, we have seen new applicant registrations 36% ahead of Q3 2019. Within this, first-time buyers were up 27%, whilst investment buyers increased by 28%.
- Although market appraisal activity failed to match these increases, we saw vendors show an increased desire to enter the market, with activity up 22% on Q3 2019.
- The number of new instructions during the quarter was 29% higher than that of the previous year, reflecting both positive market appraisal conversion, and an increased number of homeowners looking to benefit from the positive market conditions.
- The ratio of applicants registered to new instructions declined to 9.4, but was still ahead of the 8.9 seen in Q3 2019.

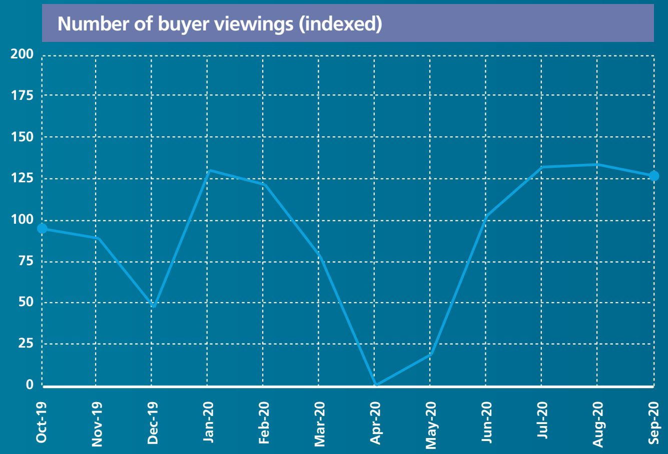
Number of applicants registered and new instructions (indexed)

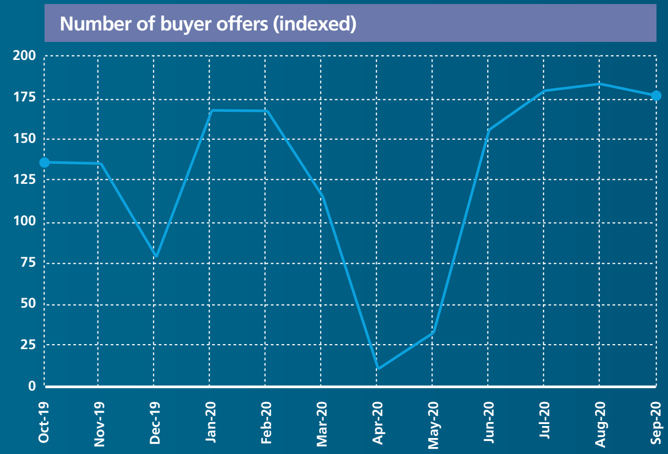


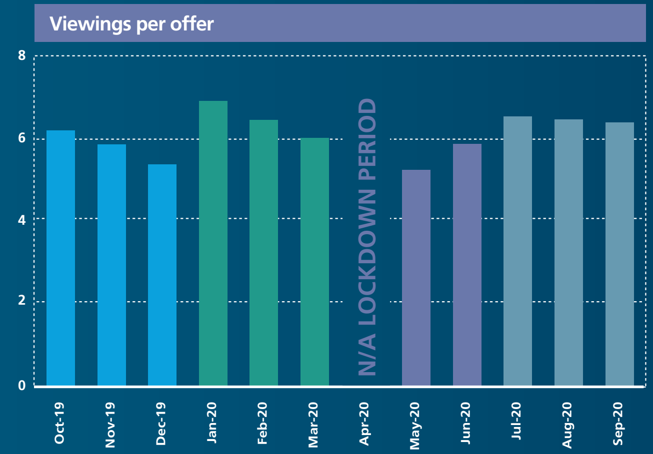
Applicants registered per new instruction



ESTATE AGENCY







Viewings

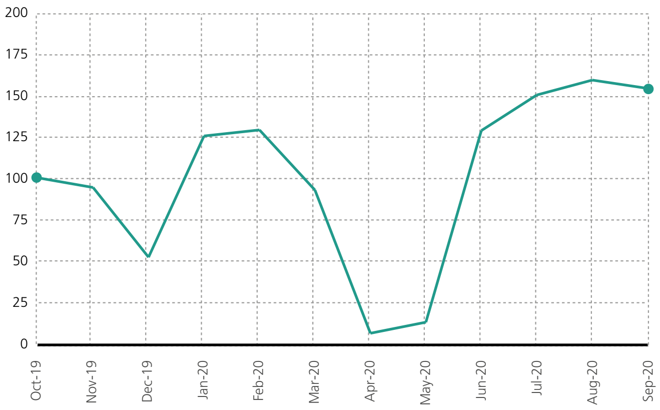
- With the level of new stock coming to market higher than we have seen for some time, prospective purchasers are keen to undertake physical viewing as soon as possible, with viewing activity 28% ahead of Q3 2019.
- The total number of properties available for sale at the end of September was 2% lower than that of September 2019, reflecting the increased sales activity.

Offers

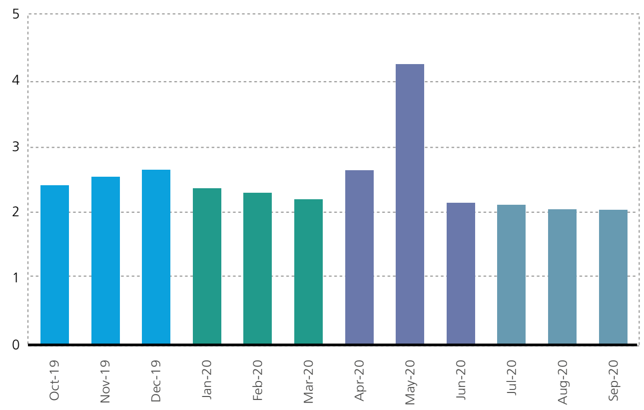
- The number of offers made during the quarter followed the increased viewing activity, with 28% more offers made when compared to the same period last year.
- The strong appetite being shown by prospective purchasers has seen the average house price at sale agreed move 7% ahead of Q3 2019.

- The average level of viewings per offer was 6.5, the same as was recorded in Q3 2019.

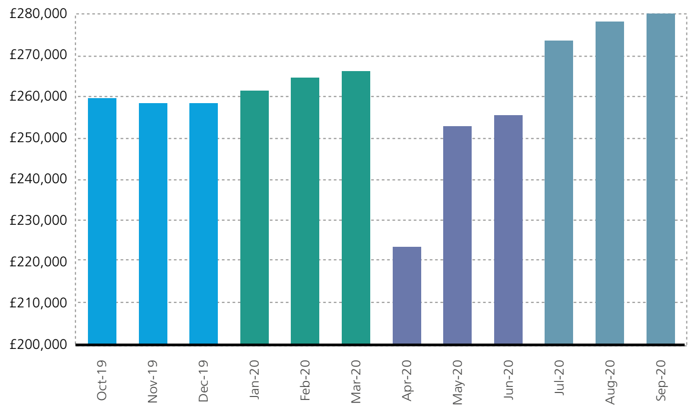
Number of sales agreed (indexed)



Offers per sale agreed



Average asking price



Sales

- Driven by the announcement of the stamp duty holiday, we have seen increased sales activity with strong appetite from both buyers and sellers who are keen to make their next move.
- Our branches reported record sales levels for the summer period, with sales agreed during Q3 41% ahead of 2019.
- The average number of offers per sale agreed during Q3 was 2.1, this compares to the 2.3 seen in 2019.

Prices

- The average asking price at instruction in September was £280,701, a 7% increase on the previous year.

LAND & NEW HOMES

Roger Barrett
GROUP LAND & NEW HOMES
MANAGING DIRECTOR

Whilst housebuilders have continued to progress the reopening of existing sites and new phases of developments, plans for new site openings are subject to continued delays.

The sales activity we have seen over recent months, with levels well above the same months in 2019, have considerably boosted our new homes pipelines. The challenge that lies ahead for the housebuilding sector is to get these sales to exchange and completion. Our teams continue to support developers, conveyancers, solicitors, valuers and local authorities in pulling together these stakeholders to deliver the desired results for the sector.

Challenges around production, supply chains and contracted labour still exist and will do so for some time ahead. It is difficult to assess the full impact at this time, but dependent upon the developer, the shortfall in production could be between 20% and 40%. With Help to Buy and stamp duty deadlines in play, developers will be under continued pressure to ensure that completion objectives are met, and it is hoped the front end sales activity will give them the confidence to achieve this.

In order to replenish the land stock, we continue to see improving demand from developers for "oven ready" consented sites, but with much greater activity for medium and long-term strategic opportunities, and sites that can be bought on a conditional basis. This activity is still being affected by delays in the planning system, and continued difficulties in delivering new residential allocations via the local and development plan process.

New homes instructions up

1% on Q3 2019

New homes sales up

7% on Q3 2019

New buyers and instructions

- In line with the wider housing market, we have seen a more positive appetite from prospective purchasers during Q3, with an increased desire to find their next home despite the ongoing Covid crisis.
- Buyer demand remained strong with both first-time and investment buyers active in the market. With many homeowners reassessing their accommodation needs, and attracted to the flexibility offered by new builds, we continued to see high enquiry levels.
- New instruction activity was just ahead of last year, up 1% on Q3 2019, which, given the challenges in fully reopening the market, is a positive achievement. At present this level looks set to be maintained into Q4, suggesting that the sector may not be able to recover much of the production output earlier this year.

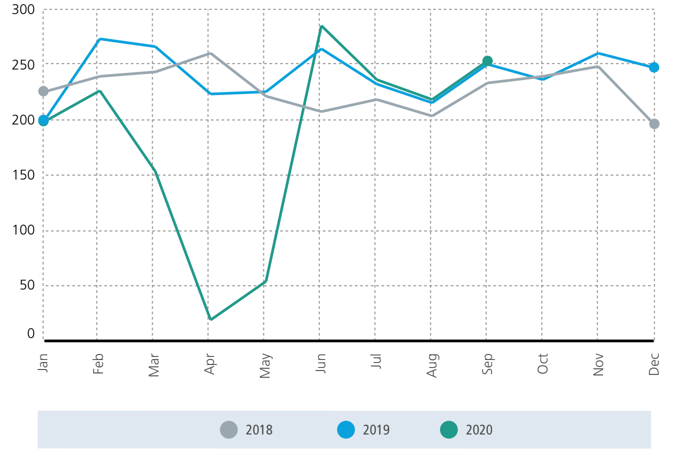
Sales activity

- The stamp duty holiday and extension of Help to Buy are helping to drive sales appetite but, with the number of properties available for sale at the end of September 16% below September 2019, many are struggling to find their next new home.
- New homes sales activity during Q3 was 7% ahead of Q3 2019, a positive performance but significantly behind the increase seen in the resale market. A pattern that looks set to continue during the final quarter of the year.
- We enter Q4 with the number of new homes in our sales pipeline 14% higher than at the end of Q3 last year, and we are set to deliver a strong end to the year for developer clients.

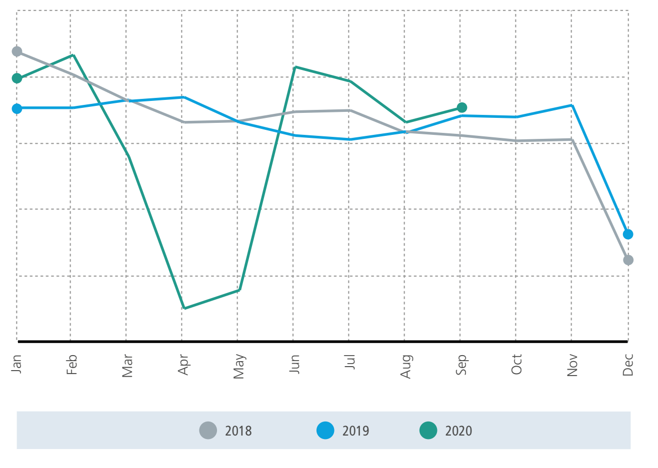
Housing supply and market activity

- As already highlighted, the recovery from lockdown continues, and one of the greatest challenges facing the sector is the path to increased output to satisfy the demand that we are seeing from prospective purchasers.
- With lockdown impacting onsite activities, pre-construction activities and the broader supply chain, and the wider economic environment still recovering, there are a number of factors that suggest that more time will be needed to regain the lost Q2 output in the short term, and with planning approvals showing a marked reduction in Q2, the impact looks set to be felt for some time.
- The stamp duty holiday announcement by the Chancellor is of course good news, however, there are still uncertainties. Lenders seem reluctant to support the industry with a shortage of higher LTV rates, and whilst Help to Buy continues to support new home purchasers, an extension of the current system would still be welcomed rather than transitioning to a new version in April 2021. With the backlog of valuations now being worked through, it is hoped that new instructions will be actioned reflecting current pricing and demand.

Average weekly instructions



Average weekly sales



RESIDENTIAL LETTINGS

Stephen Nation
GROUP LETTINGS
MANAGING DIRECTOR

The lettings market delivered a positive result in Q3, and whilst tenant demand eased slightly during the quarter, it remains strong and in line with what we would expect at this time of the year.

With an active market, the reduced level of new instructions combined with an appetite from tenants to 'stay put', has seen the length of tenancies grow. This, inevitably, has impacted the availability of properties to rent, presenting a challenge for would-be tenants, especially outside of London. The active sales market has tempted some landlords to review their portfolios, but after testing the market, many are returning and finding tenants quickly.

Overall demand continues to outpace supply, and we have seen average rental values increase, although slower in London, with Q3 3% ahead of Q3 2019. This upward pressure looks set to continue as we go into in Q4. Rental arrears are now in line with what we saw at the start of the year, and with uncertainties remaining in respect of evictions, landlords are keen to retain their existing good tenants.

Average rents up

3% on Q3 2019

Arrears at

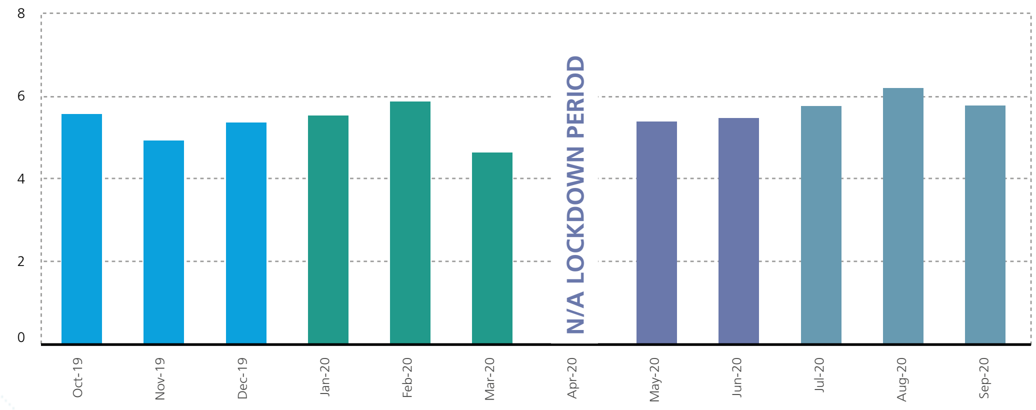
c.2.1% of total rent roll have returned to pre-lockdown levels

New applicants and instructions

- The lettings market remains active, with tenants ready to make their move and particularly keen to see new properties as soon as they come to market. However, faced with restricted choice, tenant demand eased during the quarter, although the number of new applicants registering to rent in September was still 4% higher than September 2019.
- With some landlords tempted by the active sales market and keen to retain their existing tenants, the number of new instructions coming to market in September was 14% lower than September 2019.
- The decline in new instructions, coupled with the high number of tenancies being agreed, resulted in the number of properties available to rent at the end of the quarter being 30% below the same period last year. This shortfall in stock is likely to maintain the upward pressure on average rents that we have seen during Q3.
- The ratio of registered applicants to new instructions increased to 5.9, ahead of the 5.7 seen in Q3 2019.

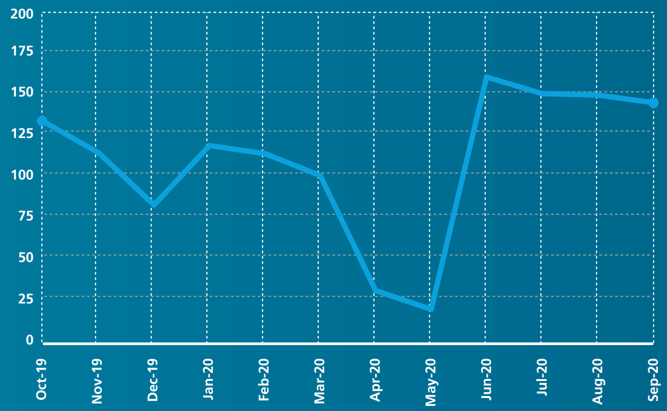
Number of applicants registered and new instructions (indexed)

Applicants registered per new instruction

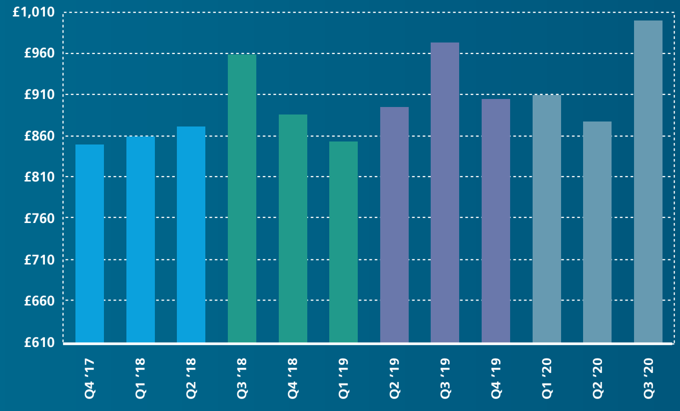


RESIDENTIAL LETTINGS

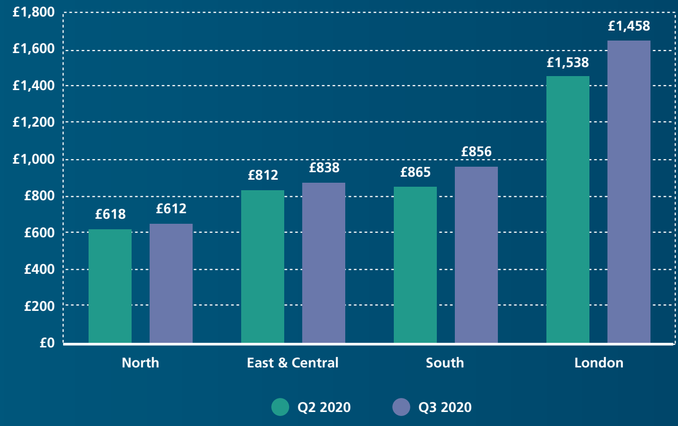
Number of agreed tenancies (indexed)



Monthly average agreed rents (UK)

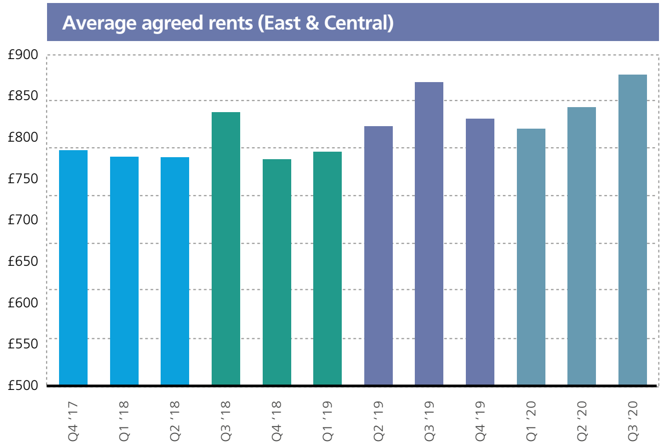


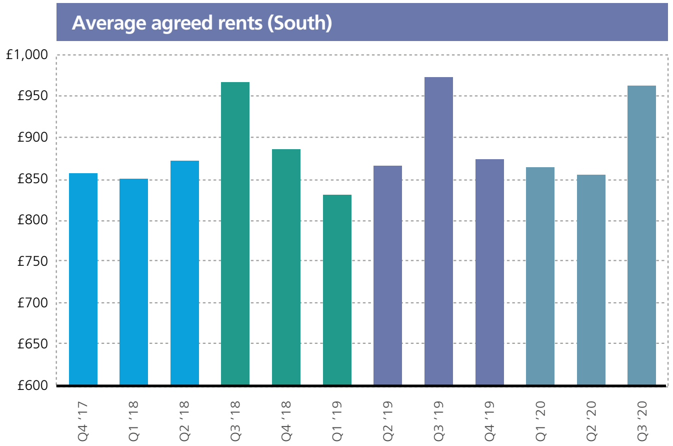
Average agreed rents (regional)

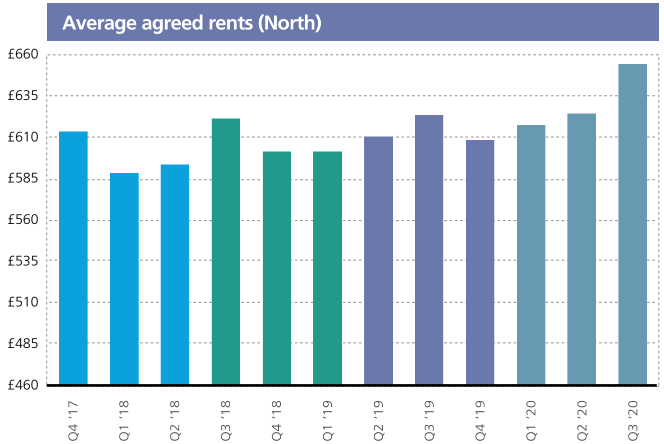


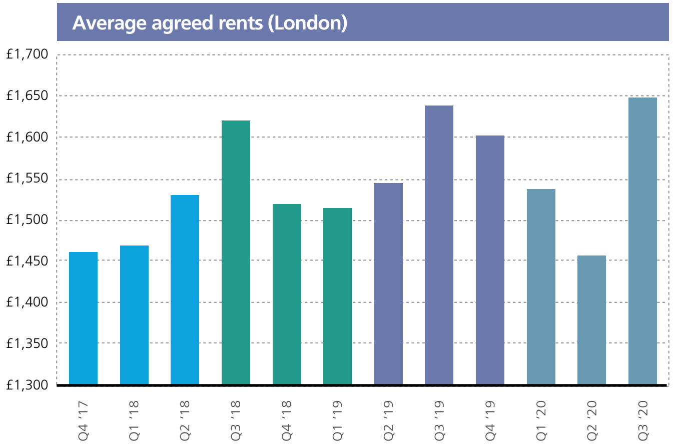
Agreed tenancies and average rents

- Influenced by the number of properties available to rent, the number of new tenancies agreed in September was 2% lower than September 2019.
- The average UK rent in Q3 stood at £1,001, a 2% increase on Q3 2019.
- During Q3 we saw the greatest increases in average rental values across London and the South.









Regional rents

- Whilst new transactions were significantly above the levels seen during Q2, volumes were 2% lower than Q3 2019.
- When compared to Q3 2019, the North saw a 5% increase in average rental values, with rents in the quarter averaging £655.
- With an average rental value of £964, rents in the South were 1% lower than in Q3 2019.
- London rents recovered during Q3, showing a 1% increase over Q3 2019, a similar increase to that seen in the East & Central region.

MORTGAGES

Adrian Scott
GROUP MORTGAGE SERVICES DIRECTOR

Q3 has been an incredibly strong month for purchase business. However, this has been partially offset by a material drop in remortgage business leading to an overall uplift in volumes of 11% when compared to Q3 2019. The quarter started with a buoyant market after a strong June, post-lockdown, and was then boosted further with the announcement of the reduction in stamp duty due until 31 March 2021.

As soon as the stamp duty news filtered through, the home-mover market grew and remained at historically elevated levels throughout Q3. Home-mover business, along with robust first-time buyer levels and an opportunistic buy-to-let purchase market, has fuelled purchase business levels throughout Q3. As a result of the strong housing market, prices have risen, and each month through the quarter the average mortgage value grew to finish at £168,356.

However, this growth in business at a time when the operational capacity of many firms in the value chain is stretched, is causing a bottleneck of transactions that will become increasingly desperate to complete as the stamp duty and Help to Buy deadlines at the end of Q1 2021 loom. The whole market needs to come together and help our customers to navigate this key time successfully.

Home-mover activity
up

58%
on
Q3 2019

Mortgage volumes
up

11%
on
Q3 2019

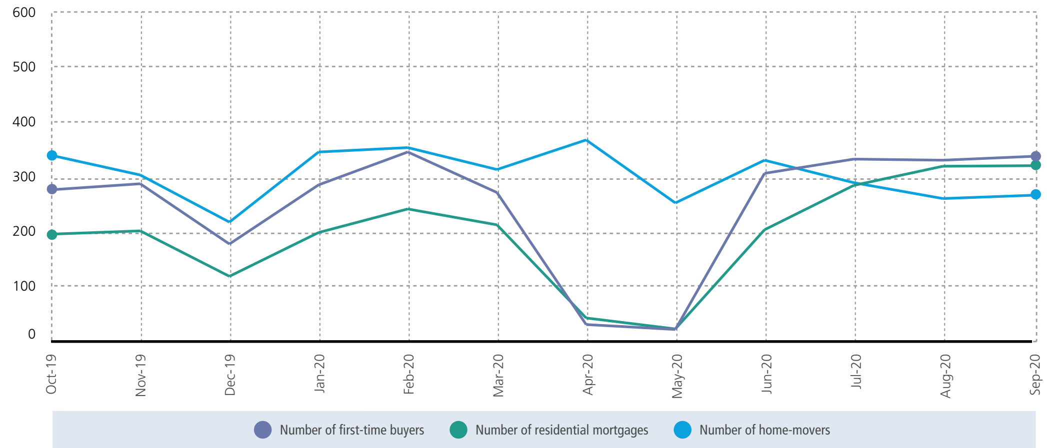
Residential

- With activity levels within the housing market running significantly ahead of the equivalent period in 2019, activity within the residential mortgage sector was 15% ahead, with the profile showing a significant shift towards purchase activity.
- Whilst first-time buyers were quick to return to the market post-lockdown, it has been the home-movers who have come to the fore during Q3, with home-mover activity in the quarter 58% ahead of that in Q3 2019. This customer segment benefits significantly from the stamp duty holiday. With our branch network continuing to see strong levels of sales activity, we expect to see a similar profile during the coming quarter.
- First-time buyers continue to show a strong appetite to take their first step onto the property ladder despite the number of higher LTV products to support them remaining low. This issue is eased for new build purchases due to the Help to Buy scheme, but the attraction of the savings available through the stamp duty holiday is also helping the continuing uplift in activity, which stands at 20% up on Q3 2019.
- Residential remortgage activity during the quarter saw a 17% reduction when compared to Q3 2019, accounting for only 29% of residential activity compared to the 40% seen in Q3 2019.

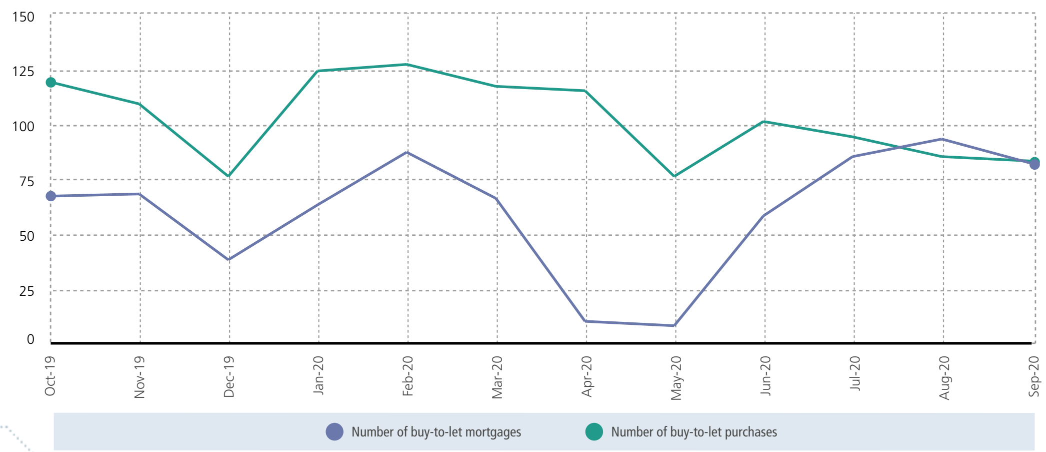
Buy-to-let

- Following the trend seen with the residential market, we saw a sharp uptick in purchase activity during the quarter. With investors showing an increased appetite to extend their portfolios, volumes were up 34% on Q3 2019 - the highest level of buy-to-let purchase activity since early 2016.
- After a positive end to Q2, the volume of buy-to-let remortgage business saw a continuing decline, with activity 27% below Q3 2019. Remortgage activity accounted for 50% of all buy-to-let activity during the quarter, a 15 point reduction on the share seen in Q3 2019.

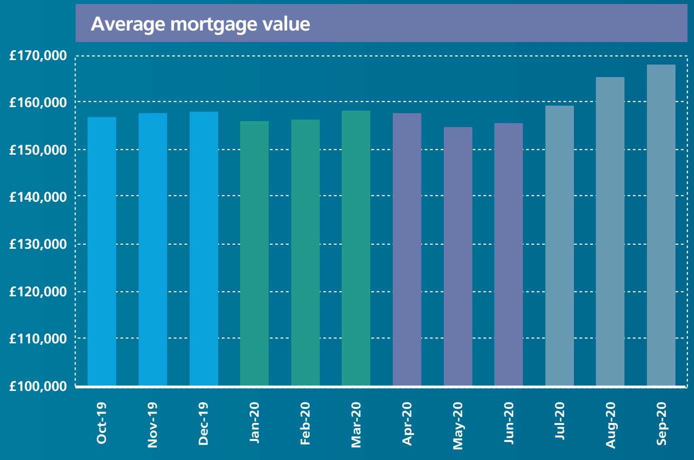
Number of residential mortgages by type (indexed)

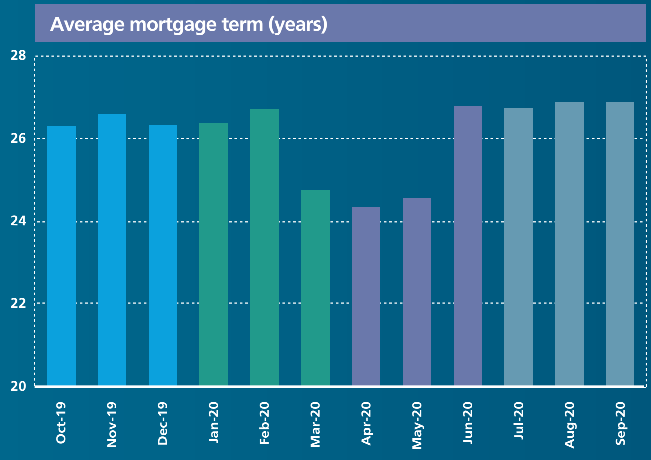


Number of buy-to-let mortgages by type (indexed)



MORTGAGES





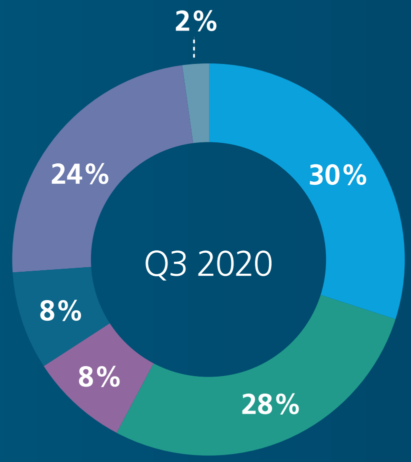
Mortgage values

- At £168,356, the average mortgage value saw a 9% increase on Q3 2019, reflecting the growth in house prices since lockdown.

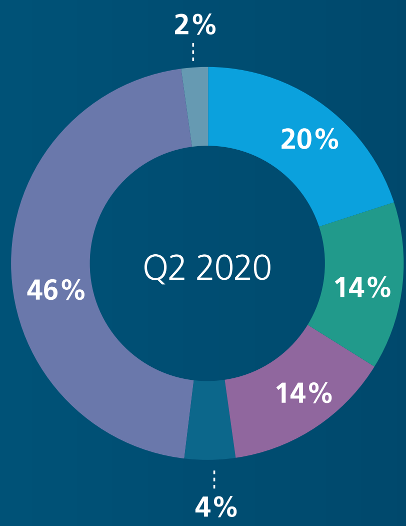
Mortgage terms

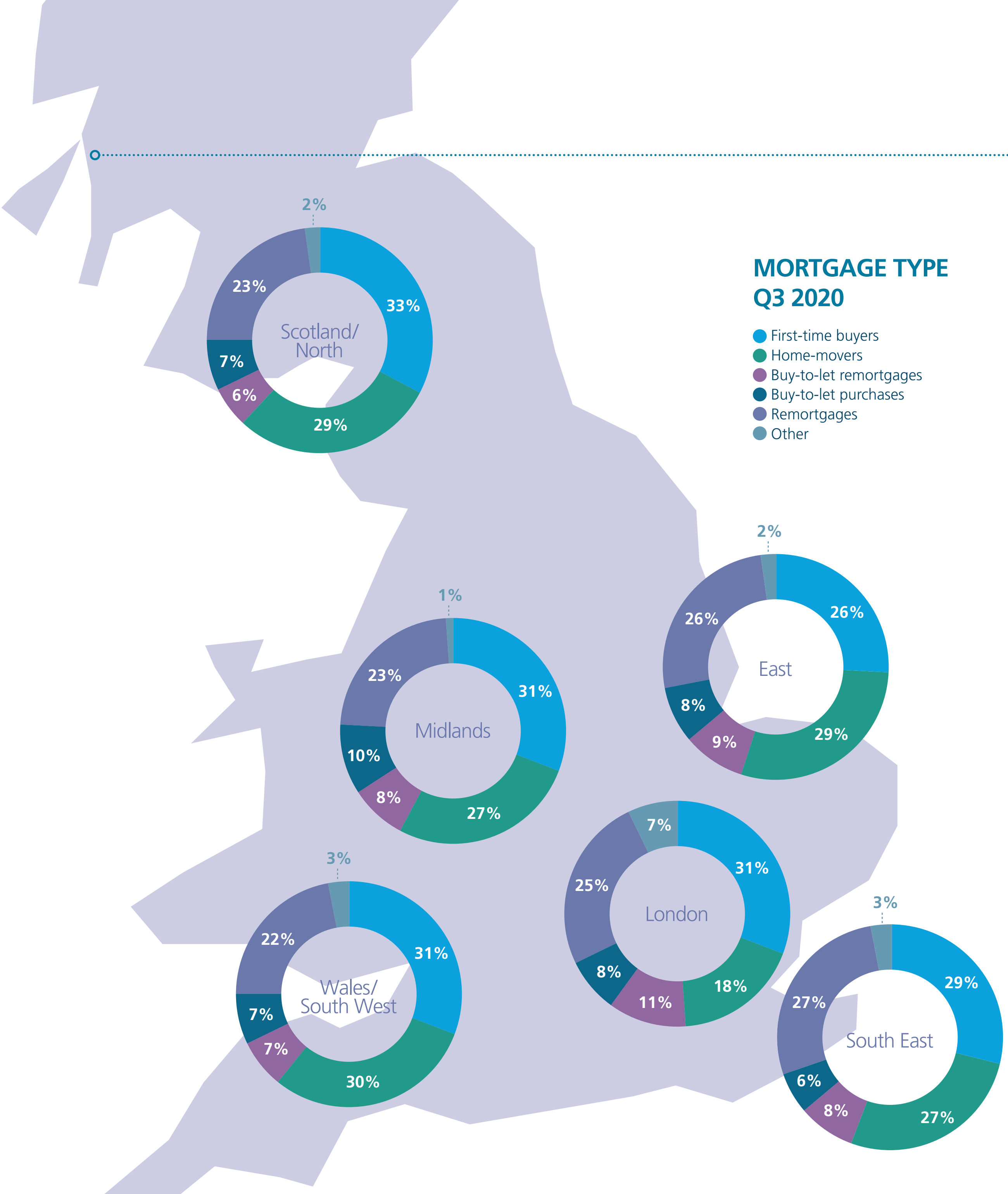
- The average mortgage term at the end of Q2 was 26.9 years, an increase on the 26.7 at the end of Q3 2019.

UK MORTGAGE TYPE SPLIT



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





UK mortgage type split

- With an increase in activity from home-movers and first-time buyers during Q3, residential business increased its share of activity to 85% from the 82% seen in Q2 2020 and Q3 2019, with every sign that these will remain the key drivers into Q4.
- Following the move towards remortgages earlier in the year as customers reassessed their mortgage arrangements, Q3 has seen a sharp decline in remortgage business. Homeowners and landlord remortgage activity during the quarter accounted for 32% of business compared to the 44% seen in Q3 2019.
- With the mix of business reflecting the shift towards purchase activity, the share of business accounted for by home-movers increased by 8 points, and the share for first-time buyers increased by 2 points when compared to Q3 2019.

Regional picture

- With the positive sales market, it is no surprise that we have seen the overall mix of activity shift, with a stronger bias towards purchase activity than we saw during 2019.
- Whilst the increase in home-mover activity was evident across the country, the greatest shift in business mix during the quarter was in the East and South West, where we saw a 15 point and 14 point increase respectively in the share of business accounted for by home-mover activity when compared to Q2.
- The marked reduction in home-owner remortgage activity was apparent across all regions, with the share of business reducing by more than 20 points in all regions when compared to Q2.
- The uplift in first-time buyer activity was strongest in the South West and Midlands, with both regions seeing a 13 point increase over Q2.

ASSET MANAGEMENT

Simon Matthews
MANAGING DIRECTOR, AMG

The latest figures published by UK Finance were released in August and cover the second quarter of 2020. These show an 88% reduction in the number of properties taken into possession when compared to Q2 2019.

These figures reflect the closure of the UK property market during the initial Covid lockdown and the moratorium on involuntary possessions on the asset management market during the period. With restrictions due to remain in place until the end of October we expect volumes to remain suppressed in the short term.

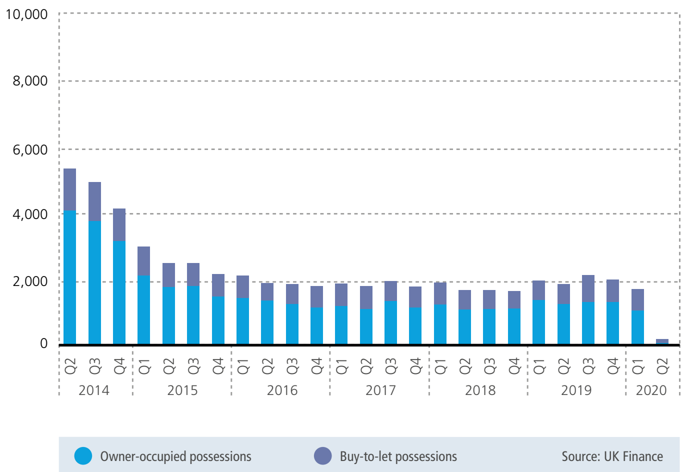
Total number of possessions for Q2 2020

220

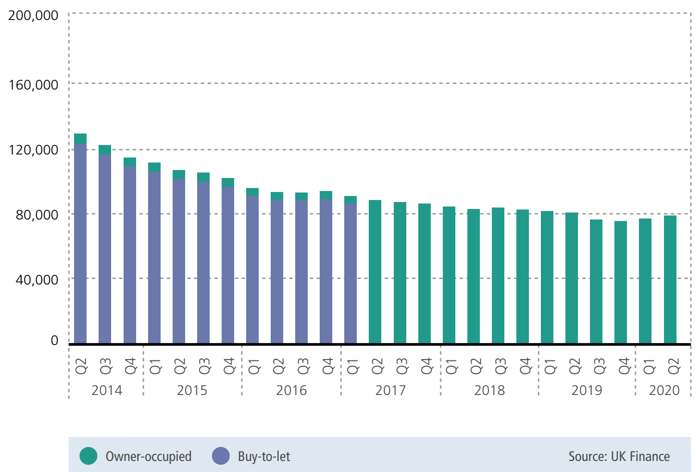
Average property price for properties sold in September 2020

£159,636

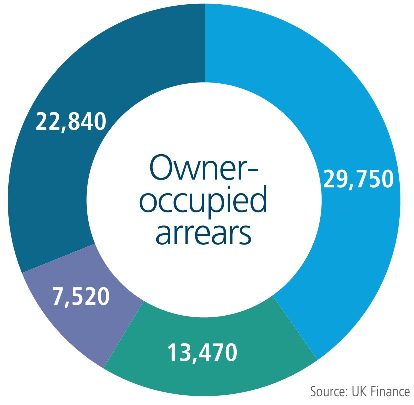
Number of possessions, buy-to-let and owner-occupied



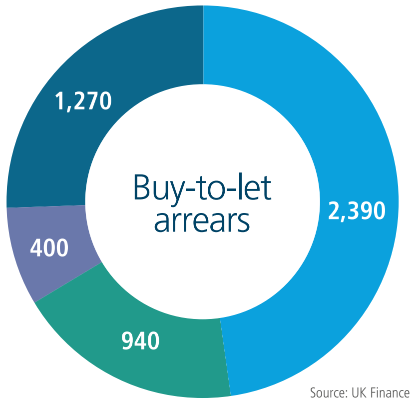
Arrears on mortgages, 2.5% or more of balance outstanding



ARREARS BANDING Q2 2020



2.5% < 5%
5% < 7.5%
7.5% < 10%
>= 10%



Possessions

- With various market restrictions in place, the 220 possessions represent an historic low and cover those possessions that owners wanted to progress or could be progressed due to the property being vacant.
- With mortgage payment holidays, and the moratorium on involuntary possessions extended until 31st October 2020, we are expecting volumes to remain suppressed for the remainder of the year.

Possession sales

- In line with the wider UK housing market, we saw a positive level of sales activity during the quarter with the mix of property broadly in line with Q3 2019.
- The average sale price for completed possession sales in September was £159,636.

Arrears

- Owner-occupiers, with arrears of 2.5% or more of the total balance, saw a 3% decrease on Q1 2019 and totalled 73,580 in Q2 2020. Whilst this represented a 2% increase on Q1 2020 it is too early to say what the full impact of Covid-19 may be on these numbers.
- There were 5,000 arrears of 2.5% or more of the total balance within the buy-to-let sector, an increase of 13% on Q1 2020, and the first time that the quarterly number has hit 5,000 since Q4 2015.
- The number of owner-occupied mortgages with arrears of 10% or more of the balance in Q2 2020 was 2% lower than 2019, whilst the buy-to-let sector saw a 5% increase across the same period.

SURVEY & VALUATION

Ross Bowen
MANAGING DIRECTOR,
CONNELLS SURVEY & VALUATION

Throughout the third quarter of 2020, the residential survey and valuation sector continued to play a crucial role supporting the housing market. High property sales levels resulted in record demand for chartered surveying and valuation panel management services.

Overall, the sector responded well to meet demand, despite the impact of tighter controls to manage rising Covid infection rates in some areas and regions. Understandably, the finite number of surveyors across the sector and the need to continue to operate under strict Covid-19 Secure operating protocols meant that the speed of service delivery was behind pre-pandemic levels.

In response to the continued high level of housing market activity, and to boost the number of surveyors available to meet demand, Connells Survey & Valuation re-started its trainee surveyor academy, bringing new surveyors into the industry. As a result, we already have a pipeline of 50 new surveyors at various stages in the training programme. The next cohort is expected to graduate and add to sector capacity from December 2020. Other suppliers in the sector are starting to follow suit, and collectively this is expected to expand surveyor supply significantly in 2021.

Whilst uncertainty remains around the ongoing impacts of the pandemic, market activity after the end of the temporary SDLT reduction in March, and the post-Brexit economy, we remain optimistic about the resilience of the long-term housing market and the critical contribution the survey and valuation sector will make to it.

Connells Survey & Valuation's service quality superiority remained

17% ahead of other providers

Average reporting turnaround times

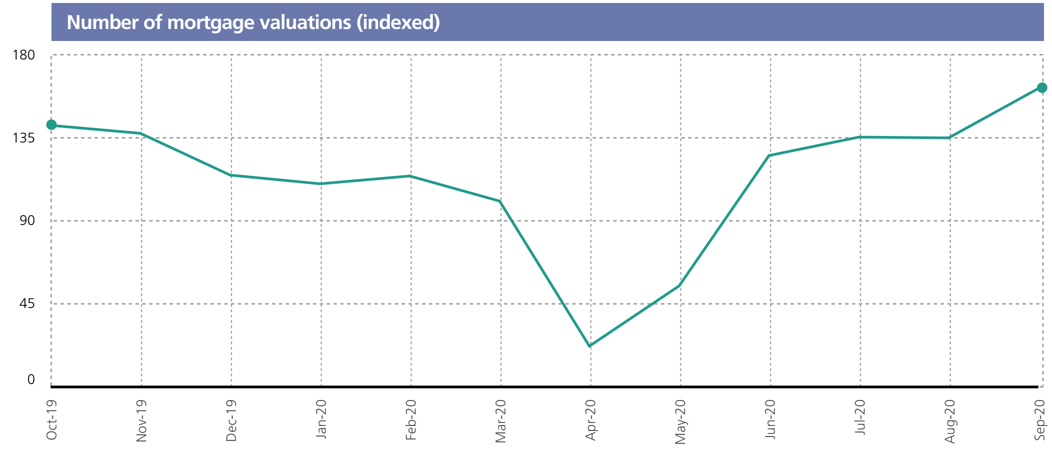
1.7 days faster than the market

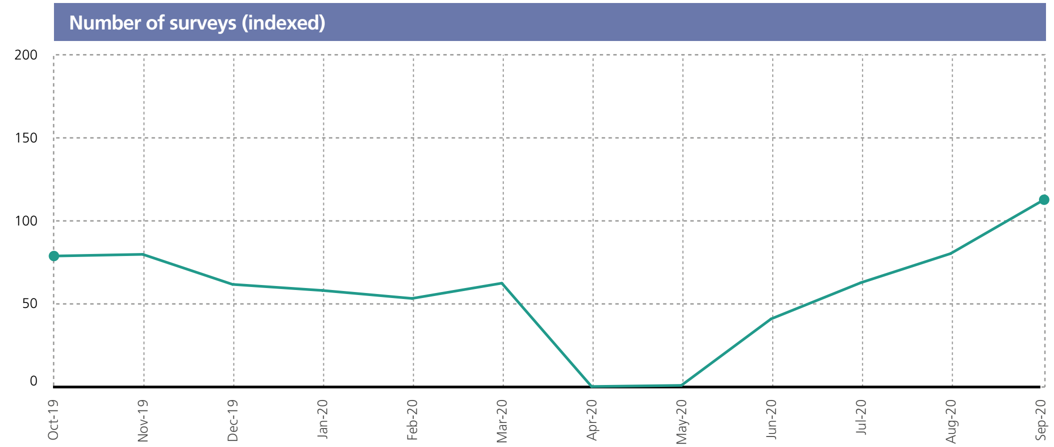
Mortgage valuations

- With the return of purchase activity within the residential sales market, we saw a steep increase in the number of mortgage valuations being undertaken this quarter, with volumes 24% ahead of Q3 2019 and growing.
- As noted by our Group mortgage business, the remortgage market saw a marked decline, with activity levels in Q3 22% below Q3 2019.

Surveys

- As expected with the return to more normal market conditions, we saw the greatest uptick in activity during the quarter within our survey business. The residential sales market drove survey volumes 9% ahead of Q3 2019, and activity increased on a weekly basis with September 28% ahead of September 2019.





SURVEY & VALUATION

Buy-to-let

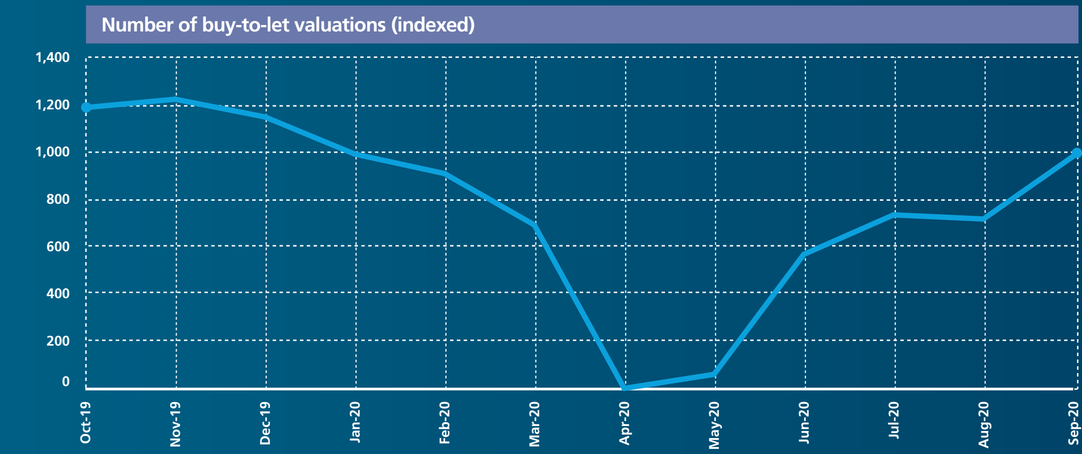
- Buy-to-let activity declined with investors slower to return to the market than other customer types, and although volumes in Q3 show a 12% reduction on the same period last year, there continues to be plenty of activity in this sector of the market.

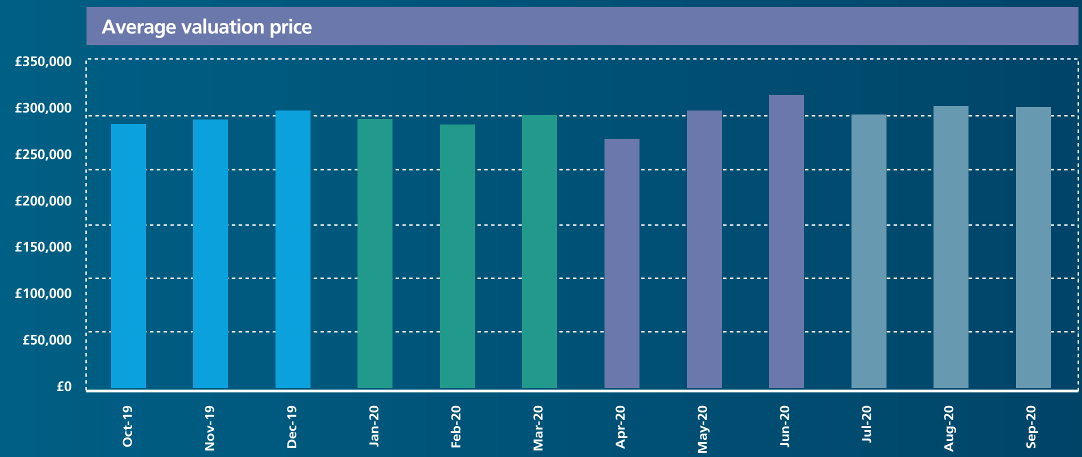
Average valuation

- The average property valuation during Q3 was £302,497, 6% up on Q3 2019.

Overall market activity

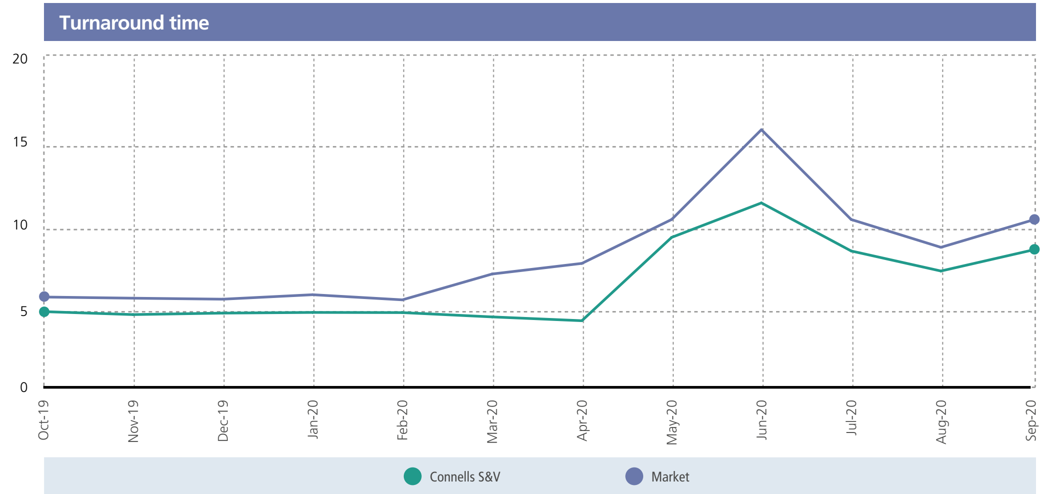
- As activity across the residential sales market continued to increase during the summer period, we saw valuation activities follow a similar, although slightly delayed, pattern. With the residential market remaining strong throughout September, and many purchasers looking to benefit from the temporary stamp duty discounts, we are expecting to see a continued increase in activity during the coming quarter.

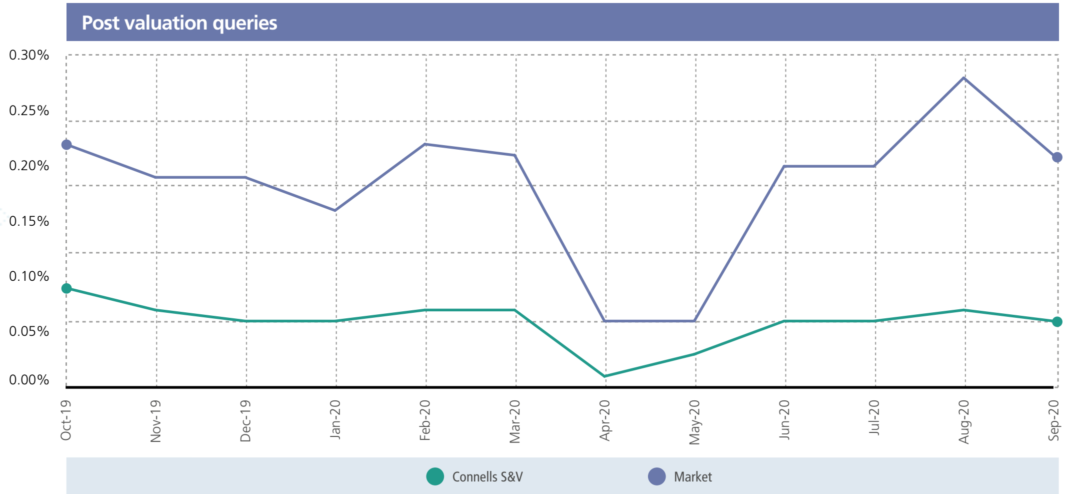




Service delivery

- With record transactions levels, finite surveying resources and revised Covid-19 Secure operating protocols in place, the speed of delivery is yet to return to pre-Covid delivery times. However, our delivery in September was 2.9 days ahead of June, and we remain nearly 2 days ahead of the rest of the market.
- During Q3, the reporting quality by Connells Survey & Valuation averaged 94% compared with the 77% delivered across the rest of the market. As expected, post valuation queries have continued to see some fluctuation as the market and consumers assess any underlying impact on prices. However, the incidence of valuation challenges has fallen away and are now lower than pre-Covid levels.





MARKET SUMMARY

REGIONAL AVERAGE HOUSE PRICE AT COMPLETION Q3 2020

Scotland/North	**1% up** from Q3 2019	£151,805
East	**4% up** from Q3 2019	£270,668
Midlands	**3% up** from Q3 2019	£197,928
Wales/South West	**1% up** from Q3 2019	£210,124
London	**14% up** from Q3 2019	£488,341
South East	**9% up** from Q3 2019	£297,854

UK average house price at completion Q3 2020

£234,274

up

5%

from Q2 2020 (£223,002)

up 6% from Q3 2019 (£221,934)

REGIONAL AVERAGE RENT Q3 2020

North £655
5% up from Q3 2019

East & Central £877
1% up from Q3 2019

London £1,649
1% up from Q3 2019

South £964
1% down from Q3 2019

UK average rent Q3 2020

£1,001

up **3%** from Q3 2019 (£974)

UK average mortgage value Q3 2020

£168,356

up **9%** from Q3 2019 (£155,091)

ABOUT CONNELLS GROUP

Connells Group is one of the largest and most successful estate agency and property services providers in the UK. Founded in 1936 and with a network of nearly 600 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, asset management, land and planning, LPA receivers and auctions.

Alongside the Connells estate agency brand, the Group trades under other well-known and trusted local names including Allen & Harris, Bagshaws Residential, Barnard Marcus, Barnfields, Brown & Merry, Fox & Sons, Jones & Chapman, Manners & Harrison, Roger Platt, Shipways, Swetenhams, William H Brown, Sharman Quinney, Pattison Lane, Burchell Edwards, Ashley Adams, Atkinson Stilgoe, Kevin Henry, Peter Alan, Rook Matthews Sayer, Paul Dubberley, Hurfords, Knight Partnership and Gascoigne Halman.

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.

connellsgroup.co.uk

@connellsgroup

5.5% market share

Nearly **600** branches

6,800 staff

Successful apprenticeship scheme

25 local brands from Glasgow to Plymouth

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

63,000 property sales a year

Largest agency for new homes sales in the UK

90+ land and new homes specialists nationwide

9,000 new homes sold per year

Connells group

One of the largest & most successful estate agency & property services providers in the UK

65 industry awards

UK's leading EPC provider

£10bn+ mortgage lending

750+ employed Mortgage Consultants

One of the UK's largest conveyancing businesses

60,000+ tenancies managed

Leading survey and valuation business

300+ RICS Surveyors

ISO 9001:2015 panel and risk manager of valuations

One of the largest volume residential property auctioneers in the UK

OUR BUSINESS BRANDS

AMG

Connells Survey & Valuation

Conveyancing Direct Property Lawyers

The New Homes Group

Vibrant Your Property Partner

OUR LOCAL ESTATE AGENCY BRANDS

ashley adams

Atkinson Stilgoe

allen & harris

bagshaws residential

barnard marcus

barnfields

brown & merry

burchell edwards

Connells

fox & sons

Gascoigne Halman

Hurfords

jones & chapman

Kevin Henry

Knight Partnership

manners & harrison

Pattison Lane

Paul Dubberley

peter alan

roger platt

Rook Matthews Sayer

Sharman Quinney

shipways

swetenhams

william h brown

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