TWO Q

Connells group

MARKET REPORT 2022

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Connells group

MARKET **REPORT** 2022

Q TWO

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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INTRODUCTION

David Livesey
GROUP CHIEF EXECUTIVE

Overall market activity has remained resilient and, whilst we have seen some cooling of demand and a slight improvement in supply, these reflect a gradual easing of conditions. However, demand continues to significantly outstrip the available supply in the residential sales, new homes and lettings markets. Whilst rising inflation, base rate increases, general economic factors and wider world events have shaped some activity during the quarter, the absence of any significant shift in demand or supply means that upward pressure on prices looks set to continue in the short term.

As the quarter progressed, both valuation and instruction activity started to show some early signs of improvement. Whilst valuation activity in Q2 was 4% lower than Q1, on a year-to-date basis we have seen the same number undertaken in the first six months of the year as during 2021. In recent times, we have seen many homeowners remain hesitant to bring their property to the market until they had found their next property, however, during the quarter we have seen this start to change with more homeowners having an increased appetite to enter the market - Q2 saw new instruction activity 4% ahead of Q1. Hopefully this will continue in the second half of the year, as the availability of new stock is key to unlocking an increased level of transactions.

Whilst applicant registrations eased, on a year-to-date basis they are 4% lower than in the first six months of 2021, with most regions following a similar pattern. Overall buyer confidence remains strong, portal enquiries continue to run at close to double the levels seen in 2019 despite stock levels running well below historical norms, and house prices continue to rise.

The new homes market is following a similar pattern, with applicant demand exceeding the available supply. Those sites releasing new properties to the market are attracting immediate interest from buyers that are ready to move. However, with the number of new homes available for sale at the end of the quarter 22% lower than June 2021, stock remains a constraining factor for the sector. The pipeline of new build stock continues to show improvements, but we are still some way away from the level that is needed to address the underlying shortage of housing stock.

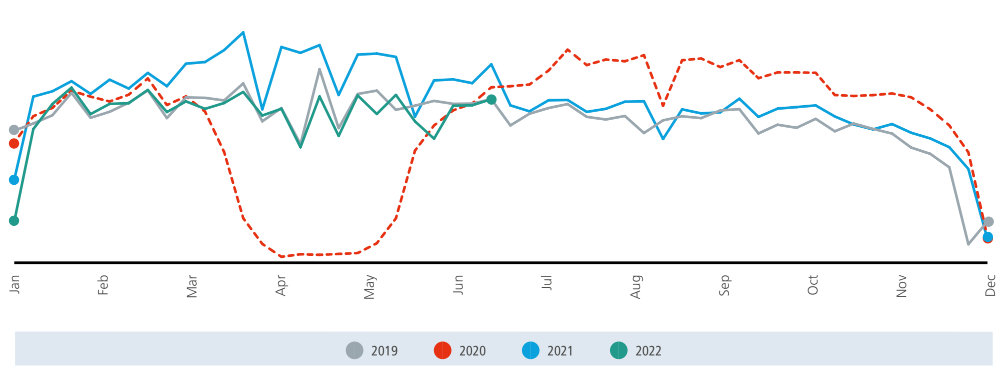
Supported by the increased level of instructions, the number of resale properties available for sale at the end of June was just 1% below June 2021. Whilst this is a positive sign, it masks the fact that when compared to June 2019 the number of properties available is 40% lower, a figure that increases to 50% within the lettings market. Both of these figures help to illustrate the real challenge that applicants face as they are seeking out their next property.

Despite this reduction in the number of properties available, sales activity remains positive albeit constrained. When compared to Q2 2021, the quarter shows a 22% reduction. However, when compared to Q1 2019, pre-Covid, activity levels reduce by just 5%.

Gross house sales

Whilst house prices are continuing to increase, we have seen some gradual reduction in the rate of increase with initial asking prices in June 3% ahead of March. The outlook for house prices for the rest of the year has some uncertainties but remains positive, and we expect to see annual house price inflation of around 4-5% for 2022.

Weekly house sales



Within the lettings market, rents have continued to rise, with the average rental value now exceeding £1,000 per month. Rental increases continue to be driven by strong tenant demand and a lack of supply. The supply of rental properties continues to be impacted by the trend for longer tenancies, with many landlords happy to accommodate existing tenants remaining in situ. The lack of stock within the resale and new homes market is also adding to demand within the rental market, as those tenants aspiring to own their own property are unable to find suitable properties and are opting to remain in the rental market for the time being.

The mortgage market remained steady, seeing a good level of activity during the quarter supported by increases in purchase activity from first-time buyers and home-movers. Activity levels were, in part, driven by lender product and pricing changes following the movement in the base rate, with these prompting some customers to take action. Within the buy-to-let sector, activity eased during the quarter, dropping 7% below the level seen in Q1 and primarily driven by a reduction in remortgage activity.

Alongside the lack of supply, the continuing increase in transaction times remains a significant challenge for the industry, with completions now exceeding five months. Despite the increased transaction times, we have not seen any real movement in the level of sales that are falling through and the pipeline remains stable. Whilst much focus is placed on the role that the conveyancing industry plays in this, it is important that all parties work together to identify and drive forward those actions that can improve the overall experience and shorten transaction times for all.

In summary, the market remains active despite the ongoing imbalance between demand and supply, the changing economic environment and the delays facing those that are seeking to complete on their next home. There are no signs that there will be a step change in conditions in the coming quarter, but we are hopeful that some of the some early signs of improvement will be maintained. The market remains a challenging one, but one that requires a good agent to demonstrate their true value to their customers and clients.

ESTATE AGENCY

David Plumtree
GROUP CHIEF EXECUTIVE
(ESTATE AGENCY)

Despite the backdrop of base rate increases, wider world events and the spiralling cost of living, the housing market remained remarkably resilient, with strong buyer demand in evidence throughout our branch network. Whilst the supply of new instructions improved marginally, the lack of available stock continues to fuel both demand and urgency amongst buyers.

Though a more material increase in available stock is not expected, it would enable buyers to take a 'back seat' to see what impact these world and economic events have on the housing market. However, whilst stock levels remain depleted, then the absence of choice is driving decisive action from proceedable buyers and feeding further house price inflation. Average asking prices are approaching £400k and up by circa 20% over the last two years.

The conveyancing process continues to dominate discussion amongst property professionals, with the average period from sale agreed to completion reaching 160 days. The need to modernise and innovate has never been more compelling!

New instructions
up

4%
on
Q1 2021

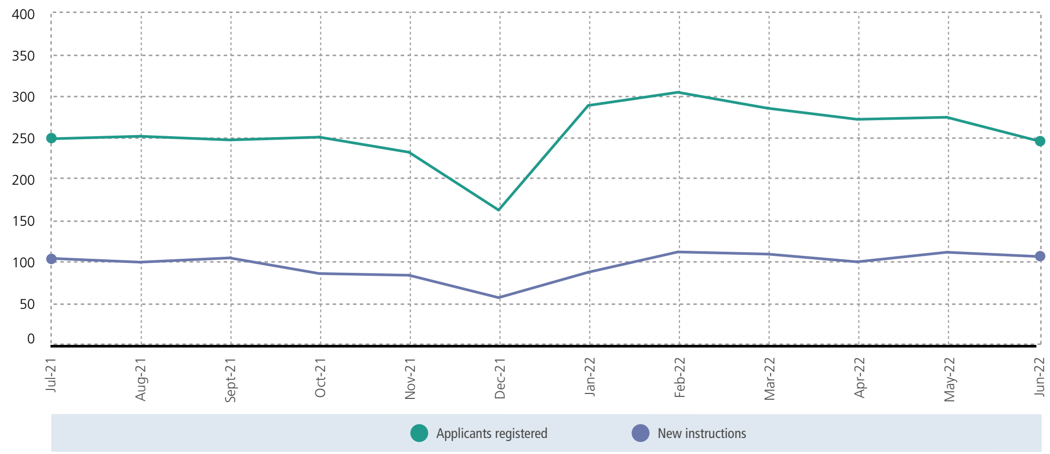
Sales pipeline
up

9%
on
June 2021

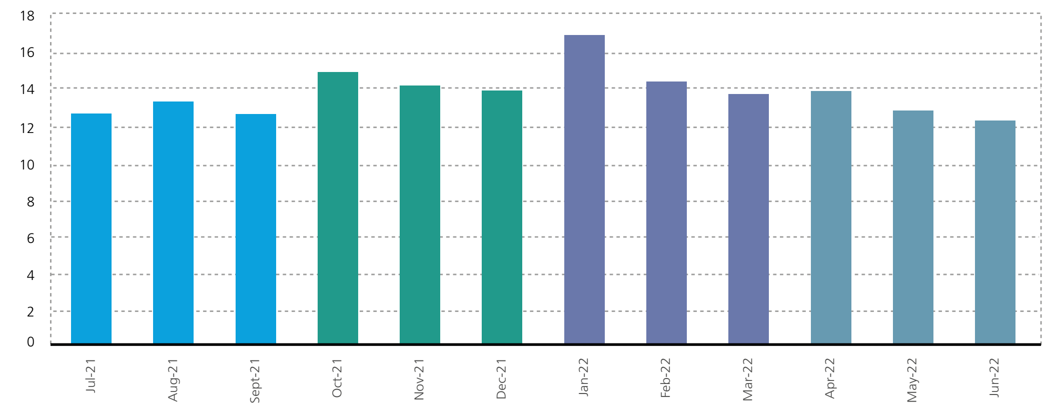
New buyers and instructions

- Whilst a number of key indicators are showing early signs of a return to what would have been considered normal market conditions pre-Covid, the imbalance within the market remains, with applicant demand continuing to outstrip supply.
- Market appraisal activity in Q2 was 4% below Q2 2021 and, with this gap continuing to narrow as the quarter progressed, June was 3% below June 2021. A small movement, but with positive signs at the end of the quarter indicating that some vendors are more actively considering bringing their properties to market.
- The level of new instructions has also started to trend more positively, and whilst Q2 overall saw a 9% reduction on Q2 2021, June was just 2% behind June 2021. Although not the step change that the market so desperately needs in order to satisfy demand, the gradual improvement is starting to move the market in the right direction.
- Buyer demand remains strong and, whilst we have seen this ease slightly with applicant registrations during the first half of the year 4% below H1 2021, demand remains strong across all regions.
- The ratio of applicants registered per new instruction reduced to 12.8 from 13.1 in Q2 2021, a figure that is still well above the 8.6 seen in Q2 2019.
- The number of properties available for sale continues to run below previous years. However, in recent months the position has been trending upwards and we ended the quarter with the number of properties available for sale just 1% below June 2021. This is by no way sufficient to make up for the 40% differential when compared to June 2019, but perhaps the market is starting to turn a corner.

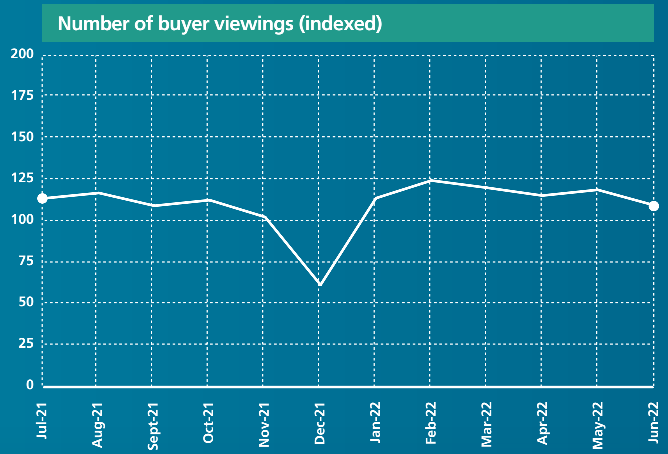
Number of applicants registered and new instructions (indexed)

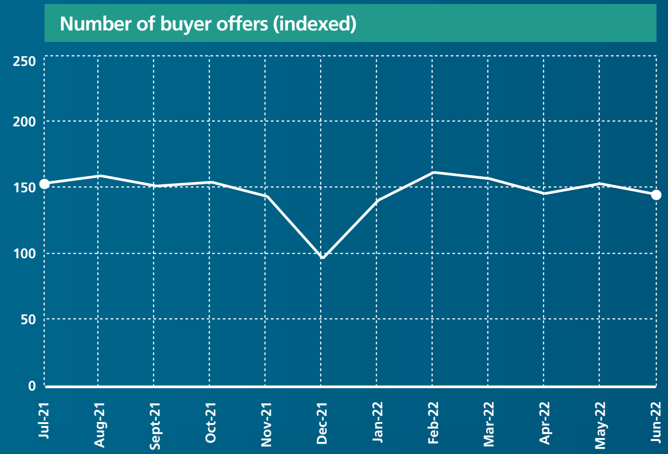


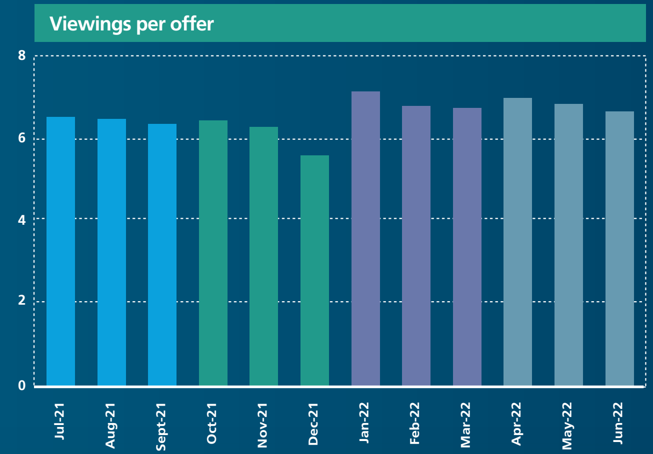
Applicants registered per new instruction



ESTATE AGENCY







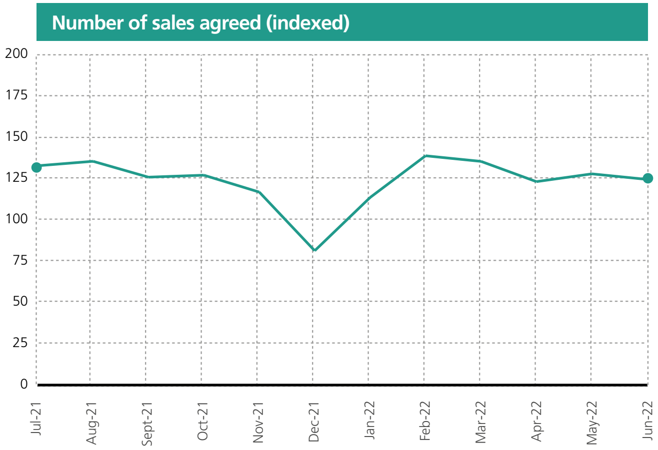
Viewings

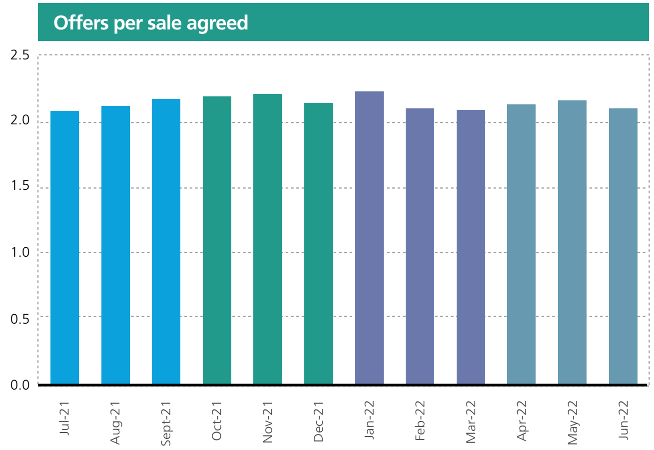
- Viewing activity showed a 4% reduction on Q1 2022, this is despite the gradual improvement that we have seen in the number of properties available for sale during the quarter.
- At the end of June, the number of properties available for sale was 1% below June 2021.

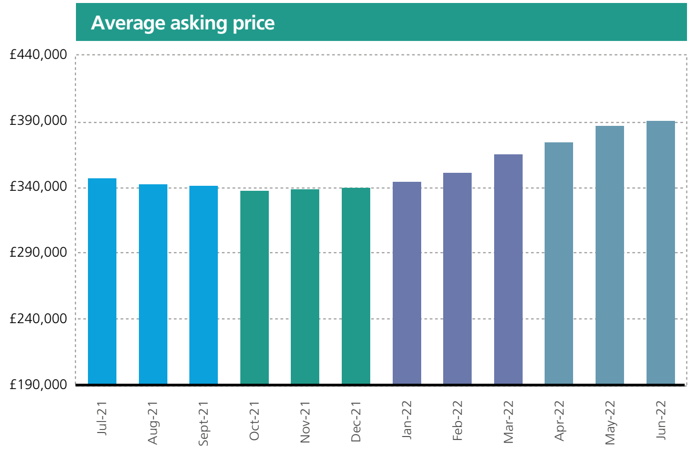
Offers

- The number of offers made during the quarter followed a similar pattern to viewing activity, showing a 4% reduction on Q1 2022.

- The average level of viewings per offer increased to 6.8, up from 6.4 in Q2 2021, but comparable to the 6.9 seen in Q2 2019.







Sales

- With the number of properties for sale still constrained, Q2 sales activity was level with that seen in the first quarter of the year, something which may persist during Q3 should there be no step change in the number of new instructions coming to market.

- The average number of offers per sale agreed has remained static at 2.1, slightly ahead of the 2.0 seen in Q2 2021.

Prices

- The average asking price at instruction in June was £390,490, up 3% on March 2022.

LAND & NEW HOMES

Roger Barrett
GROUP LAND & NEW HOMES
MANAGING DIRECTOR

The new homes market continues to see very strong applicant demand which is exceeding the number of new homes coming to the market. Whilst headline indicators from both the Home Builders Federation (HBF) and the National House Building Council (NHBC) give some comfort that increased output is coming down the line, there are a series of headwinds that are constraining housing supply and general stock levels.

Planning challenges remain an issue, with many local authorities under-resourced, lacking clear guidance from government and receiving mixed messages on their role in increasing housing delivery in relation to short, medium and strategic planning. In addition, and in the context of housing supply, water nutrient neutrality, which started off as a relatively localised issue in the Solent, has quickly become a barrier to development across the country. Natural England has released advice that could have significant and long-running implications, and the HBF's recently published research suggests up to 100,000 homes are currently delayed as a result.

Consequently, we continue to see unprecedented demand from housebuilders, housing associations and SMEs for short, medium and longer term residential development sites.

In order to maintain and increase demand, housebuilders continue to innovate in housing design, embrace Modern Methods of Construction (MMC) and create developments which are sustainable for the future, providing home ownership opportunities of varying tenures to attract both first-time buyers and those looking to take their next step on the property ladder.

New home instructions down

8%
on
Q1 2022

New homes for sale at end of Q2 down

22%
on
2021

New buyers and instructions

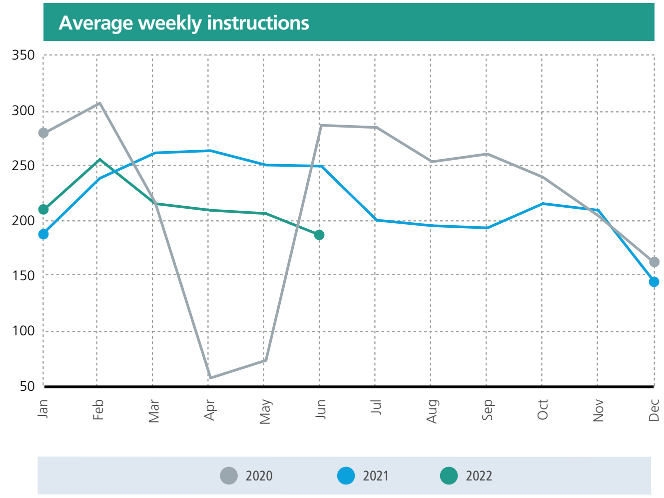
- Whilst demand for new homes remains strong, the availability of new homes for sale remains a constraining factor for the market. Improvements in output, as evidenced by NHBC registrations, show an improving position but similar to the resale market demand remains above pre-Covid levels.
- New instruction activity continues to lag behind that seen in 2021, with Q2 13% lower than Q2 2021.
- The position has been improving as the quarter progressed and we expect this to continue into H2 as an increasing number of new sites come to the market.
- At the end of June the number of new homes available for sale was 22% lower than at the end of June 2021, leaving prospective purchasers with limited choice as they seek out their ideal property.

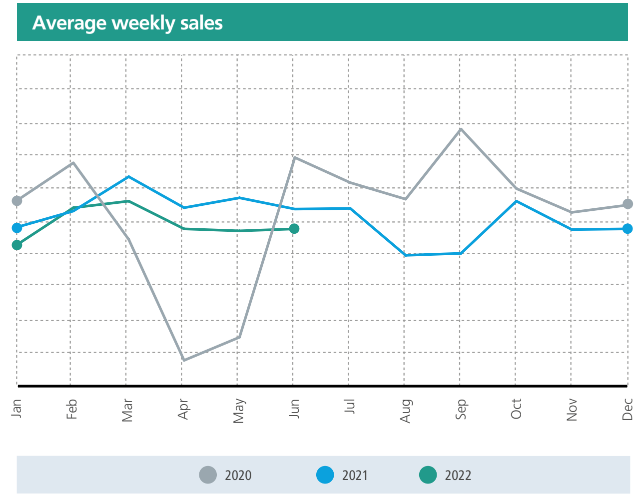
Sales activity

- New to market stock continues to attract immediate interest and sell quickly, but overall the number of properties available for sale continues to be a constraining factor.
- Q2 saw new homes sales activity 12% lower than the first quarter of the year.

Housing supply and market activity

- The latest NHBC figures show that the level of new homes registered in Q1 2022 was 25% ahead of Q1 2021, giving some comfort that the much needed increase in stock levels is in the pipeline, however with Q1 completions 4% lower than Q1 2021 it is evident that this improvement may take some time to fully materialise.
- The largest increases in registrations have been seen across Wales and the Midlands, with all other regions other than Scotland and Eastern, also seeing annual increases.
- With residential planning approvals continuing to show some improvement, they remain below the level seen in early 2021 suggesting that the much needed step increase in housing supply will remain an aspirational target in the short term.
- Whilst house builders continue to rise to the challenge of increasing supply despite the ongoing resource, materials and planning challenges, they are also exposed to the inflationary increases impacting the wider economy.





RESIDENTIAL LETTINGS

Stephen Nation
GROUP LETTINGS
MANAGING DIRECTOR

Rents have continued to rise during the first half of 2022, and our average national rent has passed £1000 per month fuelled by strong demand and a lack of supply. As a result, yields have been improving and some landlords are looking to capitalise on this fact by extending their portfolios. However, there are signs of affordability becoming an issue in some areas and rental growth is expected to slow in the second half of the year.

A number of factors have played a part in reducing the availability of rental property, including existing tenancies lasting longer with tenants 'staying put' to avoid having to find an alternative home. There has also been a nervousness around the prospect of legislative change despite the contents of the Government's White Paper (A Fairer Private Rented Sector) being much heralded.

However, any improvements to property standards generally has to be positive for the industry and ultimately will drive greater stability. The rental market in the UK, which makes up a significant portion of households, remains strong and will continue to attract investment for many years to come.

Average UK rents increased by **9%** on Q2 2021

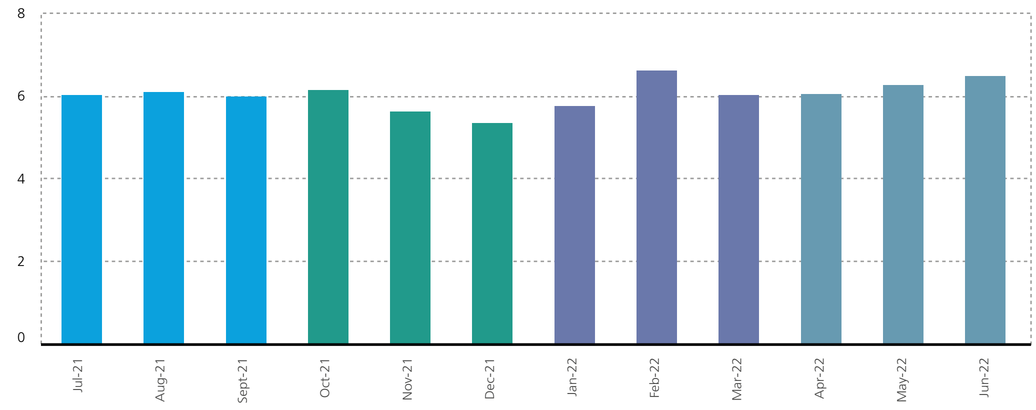
Applicant numbers have increased by **6.3%** for every new instruction

New applicants and instructions

- Whilst applicant demand remains strong, new applicant registrations in Q2 were 5% lower than Q1 2022 - there is no drop in appetite and applicant registrations are higher than ever. The ratio of registered applicants to new instructions stood at 6.3 in Q2 2022, up from 6.0 in Q2 2021 and 5.7 in Q2 2019.
- New instructions in the quarter were 9% lower than Q2 2021, with the market set to remain challenging as we enter Q3 and move towards the busiest time of the year for the lettings market.
- The number of properties available for rent is slowly improving but remains well below historic levels. At the end of June, the number of available properties was 7% ahead of March 2022, but 15% lower than June 2021. Stock availability remains a key market challenge with new properties attracting immediate interest and letting quickly, leaving many would-be tenants struggling to find suitable properties.
- The trend for longer tenancies continues with many tenants staying in situ and landlords happy to accommodate. Whilst some landlords are seeking to extend their portfolios, we expect stock levels to remain suppressed as the year progresses. Those new properties that do come to market are attracting immediate interest, with viewing enquiries in June 27% ahead of June 2021 despite the reduced level of available stock.

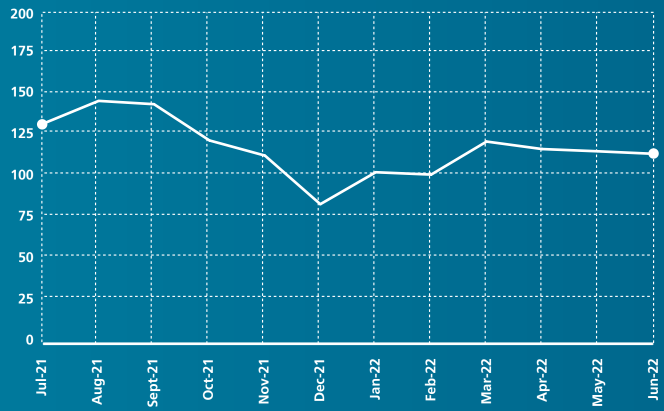
Number of applicants registered and new instructions (indexed)

Applicants registered per new instruction

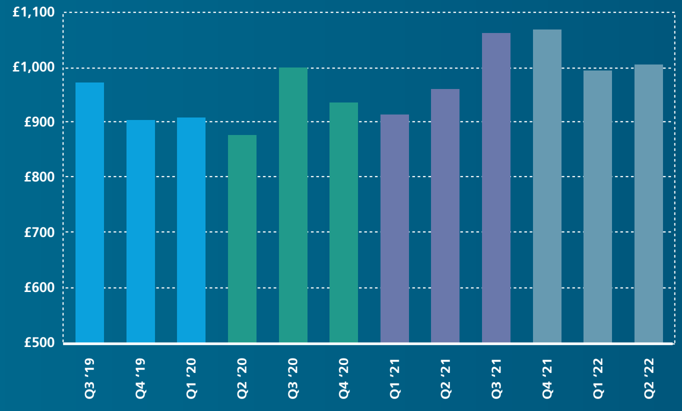


RESIDENTIAL LETTINGS

Number of agreed tenancies (indexed)



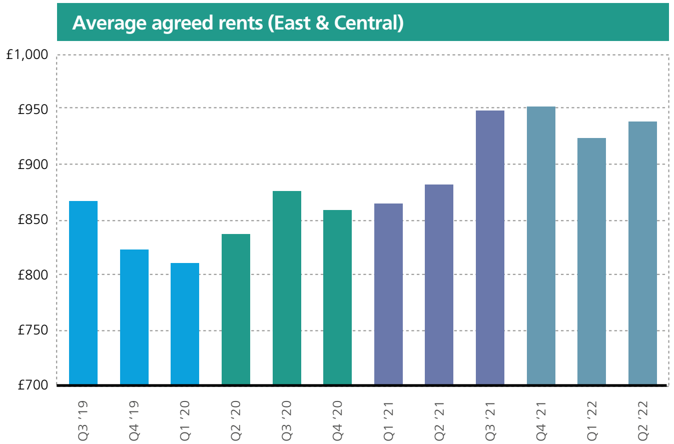
Monthly average agreed rents (UK)

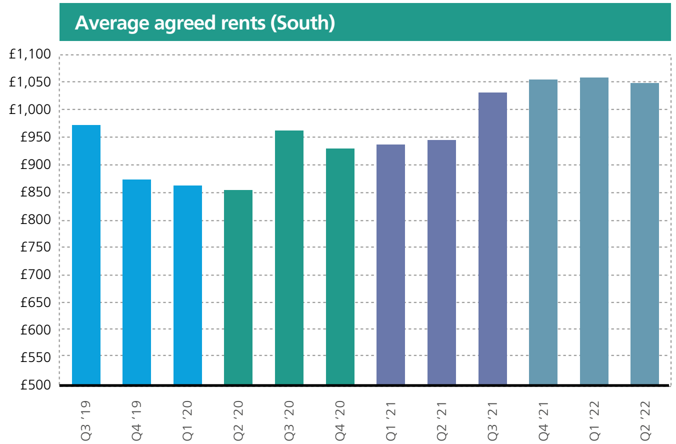


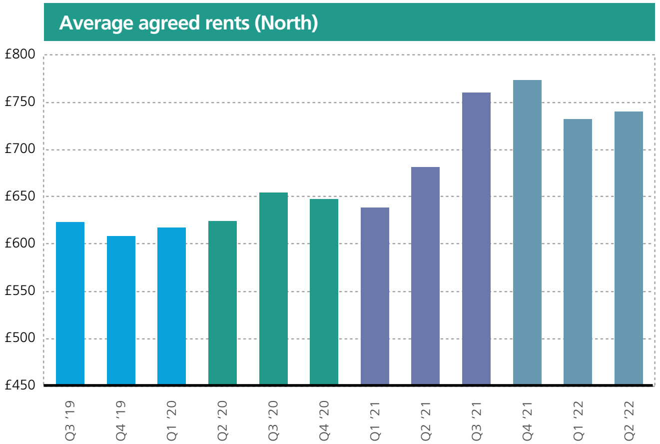
Average agreed rents (regional)

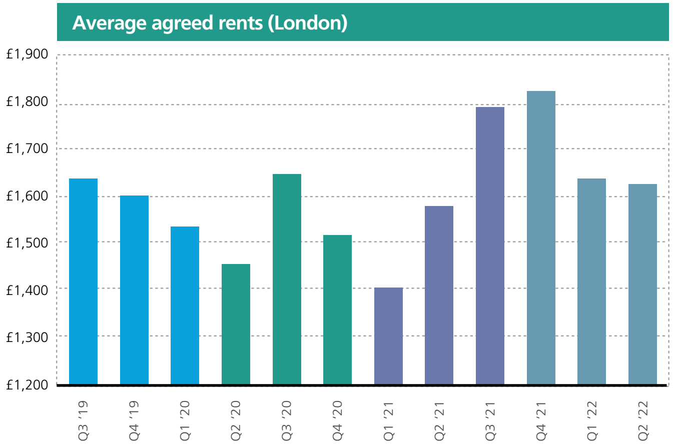
Agreed tenancies and average rents

- The number of new tenancies agreed during the quarter was 4% behind Q2 2021.
- The average UK rent for the quarter stood at £1,007, a 5% increase on Q2 2021.
- Whilst overall rents increased , both London and the South saw average rental values ease slightly in the quarter - 1% lower than Q1 2022.
- With high demand and increased operating costs, we do expect to see continued pressure on rental values in the short term.









Regional rents

- Similar to the residential sales market, the lettings market continues to be impacted by the low level of property stock at a time when demand is increasing. Whilst pressure is likely to be maintained on average rental values across the regions, we may yet see this tempered as the underlying increase in the cost of living impacts on overall affordability.
- When compared to Q2 2021, average rental values in the North increased by 9% to £741, and by 3% in London to £1,628.
- Within the East, average rents increased by 7% on Q2 2021 at £940.
- Rental values across the South saw a marked increase, up by 11% when compared to Q2 2021.

MORTGAGES

Adrian Scott
GROUP MORTGAGE SERVICES DIRECTOR

Looking at our analysis of mortgage applications in Q2 2022, the residential purchase market has remained resilient, with both first-time buyers and home-movers increasing their share of the overall market. Q2 has, however, been notable for the significant number of lender product and pricing changes. This has led to many lenders being temporarily flooded with mortgage applications as others move rates upwards, resulting in service issues. This has caused material challenges to all mortgage consultants as rates are pulled quickly, as well as increased cost and worry for consumers.

However, the primary issue for customers, who have found a property to buy in a market that is short of supply, is the length of time to completion. This is now averaging five months from initial application. Improving the home buying experience for customers is a challenge for all stakeholders to work on collectively, and is an industry-wide imperative.

It is worth noting that the imminent regulatory rules on Consumer Duty will also be a big factor for the industry to work together on, with the rules expected to be finalised imminently.

So, whilst the market is steady and demand levels suggest it will remain so during Q3, the focus of our activities is now on improving speed to completion, lender service levels and the oncoming Consumer Duty.

First-time buyers up

5% on Q1 2022

Home-mover activity up

6% on Q1 2022

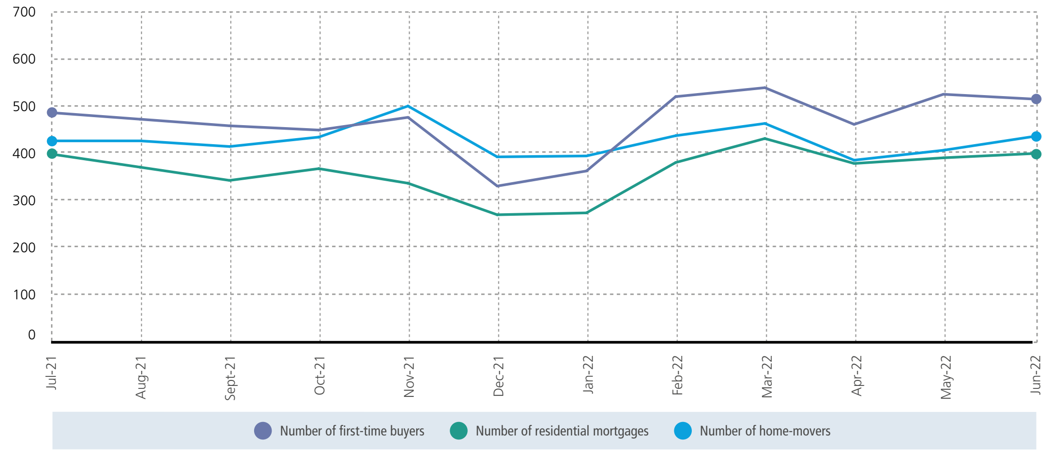
Residential

- Overall, the residential sector of the mortgage market saw a 2% increase in activity during Q2 when compared to the first quarter of the year. This was driven by increases in both first-time buyer and home-mover transactions.
- Whilst remortgage activity during the first six months of the year remains significantly ahead of the same period in 2021, Q2 saw a 5% reduction in activity when compared to Q1 2022. Despite this reduction, remortgages accounted for 32% of residential activity during the quarter.
- Purchase activity has remained steady despite the number of properties marketed for sale continuing to run at an historically low level. With some early signs of an increase in new stock coming to market, there will be opportunities for purchase activity to increase as we head towards the end of the year.
- During the quarter, first-time buyer activity moved 5% ahead of Q1, and accounted for 38% of Q2 residential market activity - 2 points down on Q2 2019. The availability of suitable stock, particularly new homes, for the first-time buyer remains a constraining factor.

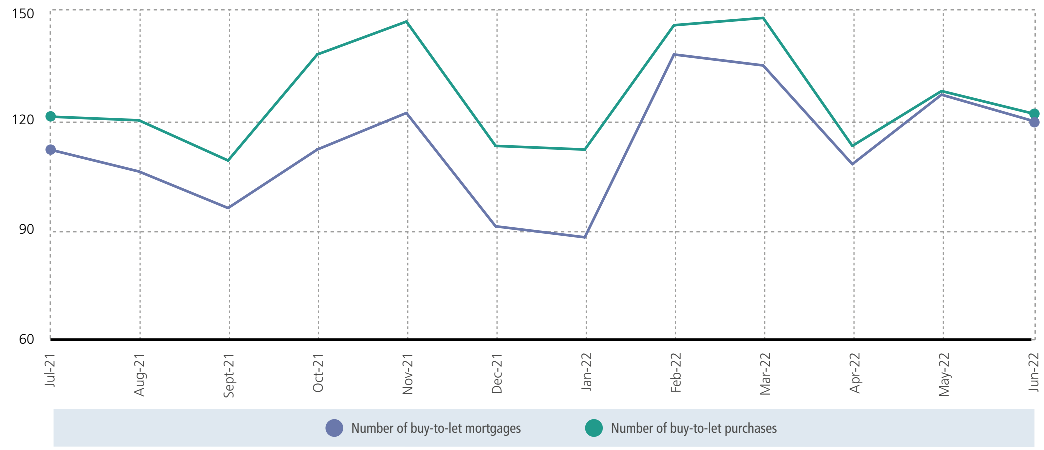
Buy-to-let

- In contrast to the residential market, the buy-to-let sector saw activity 7% below Q1 2022, with remortage activity the key feature of this reduction.
- The share of mortgage activity accounted for by the buy-to-let sector in Q2 stood at 15%, level with Q2 2019. The mix of buy-to let business has remained fairly static, with purchase activity accounting for 49% of business in Q2 compared to 51% during Q2 2019.
- Buy-to-let remortgage activity increased slightly, with Q2 1% ahead of Q1 2022, and on a year-to-date basis, activity remains level with 2021. There are no signs that the recent base rate changes have prompted investors to review the financing of their portfolios.

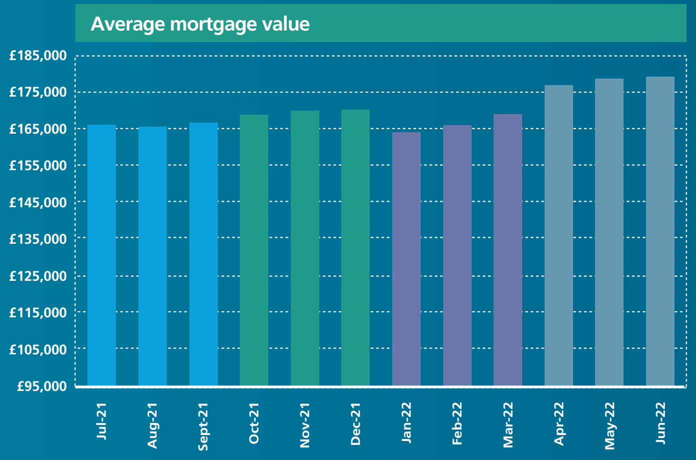
Number of residential mortgages by type (indexed)

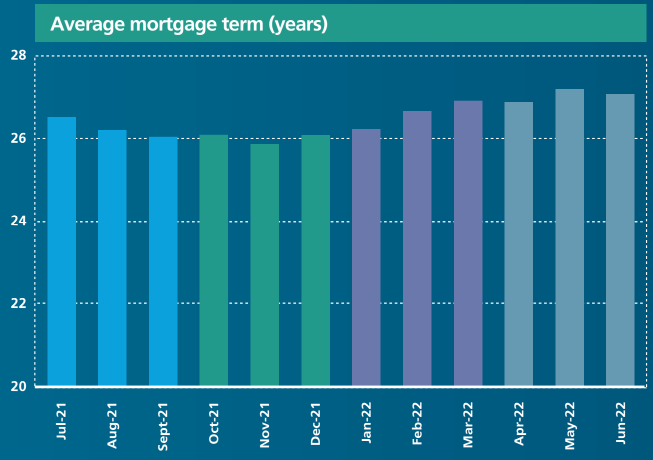


Number of buy-to-let mortgages by type (indexed)



MORTGAGES





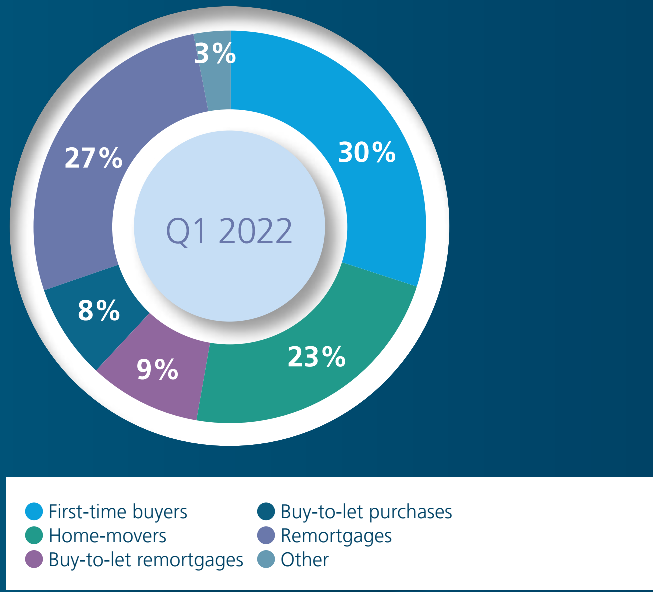
Mortgage values

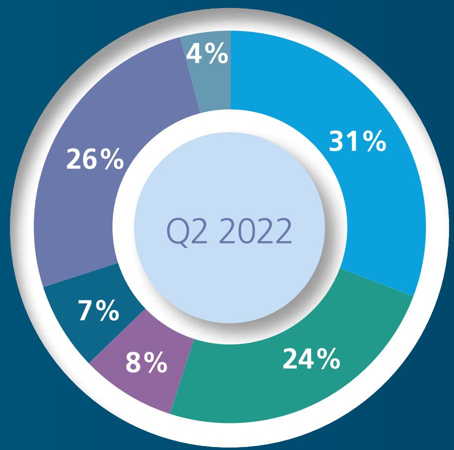
- Reflecting the increases in average house prices, the average mortgage value in June was £184,535, 9% ahead of June 2021.

Mortgage terms

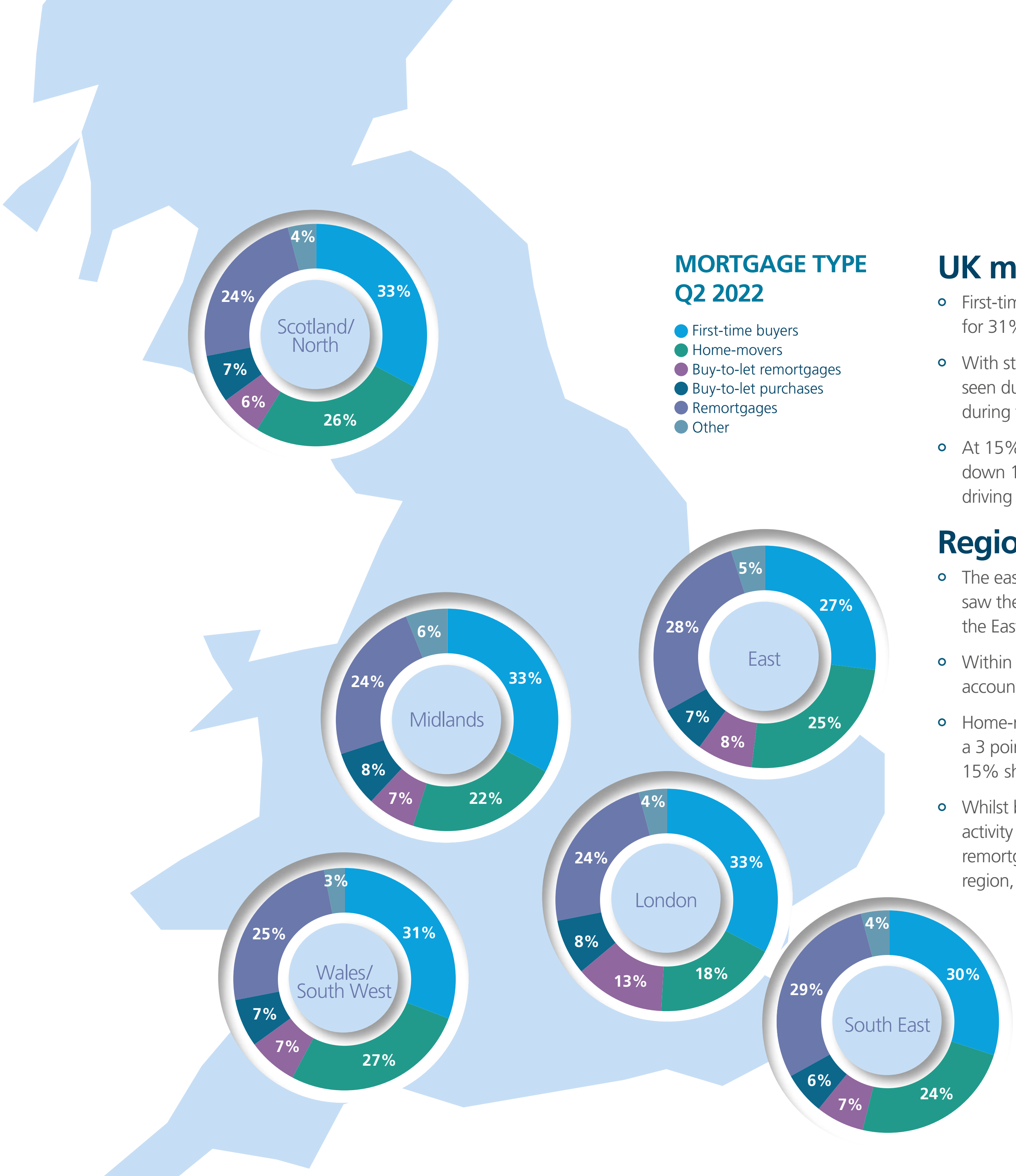
- The average mortgage term at the end of Q2 was 27.1 years, an increase on the 26.8 years at the end of Q1 2021.

UK MORTGAGE TYPE SPLIT





MORTGAGES



UK mortgage type split

- First-time buyer activity remained the largest portion of the market accounting for 31% of activity, albeit this was 3 points lower than Q2 2021.
- With stock levels remaining low and house sales now broadly tracking the levels seen during 2019, home-mover activity accounted for 24% of mortgage activity during the quarter. This was 2 points higher than Q2 2019.
- At 15%, the buy-to-let sector accounted for a slightly lower share of activity, down 1 point on Q1 2022 and 2 points on Q2 2019, with remortgage activity driving this reduction.

Regional picture

- The easing of first-time buyer activity was most noticeable in the North which saw the biggest reduction in the share of activity, reducing by 4 points on Q1. In the East, this drop was 3 points whilst other regions saw a 2 point reduction.
- Within the North, the shift in activity saw remortgage activity 4 points higher, accounting for 29% of activity in the region.
- Home-mover activity within the South East, South West and the Midlands saw a 3 point reduction on Q1, whilst in London homeowner activity maintained its 15% share of activity.
- Whilst buy-to-let activity broadly maintained or slightly increased its share of activity across the regions, London saw purchase activity reduce by 2 points, and remortgage activity in the region remained level with Q1. Within the Eastern region, buy-to-let remortgage activity saw a 2 point increase over Q1.

ASSET MANAGEMENT

Simon Matthews
MANAGING DIRECTOR,
AMG

The most recent possession figures released by UK Finance provide details of market activity during the first quarter of 2022 and reflect an uptick in possessions when compared to 2021 due to the moratorium that remained in place until 1st April 2021.

The market saw a total of 950 possessions during Q1 2022, this reflecting a 52% reduction on the level seen in Q1 2019 before Covid impacted. The level of possessions is gradually increasing as the backlog of cases start to flow through the courts, something that is likely to continue during the coming quarter.

In Q1 2022, the total number of homeowner mortgages with arrears representing 10% or more of the balance outstanding showed a slight reduction, ending the year 2% lower than Q4 2021.

Total number of possessions

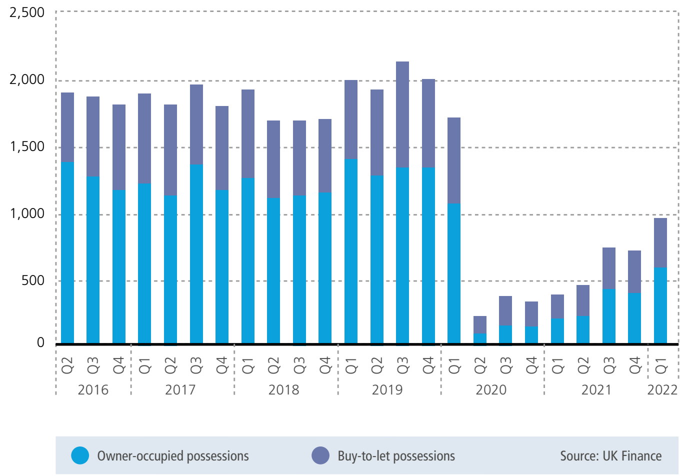
950

Number of mortgages with arrears

10%

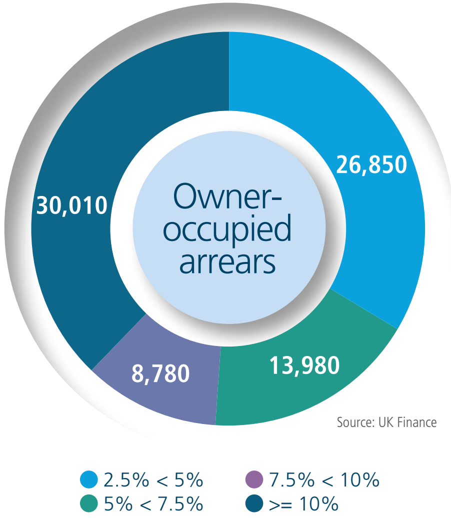
down 2% on Q4 2021

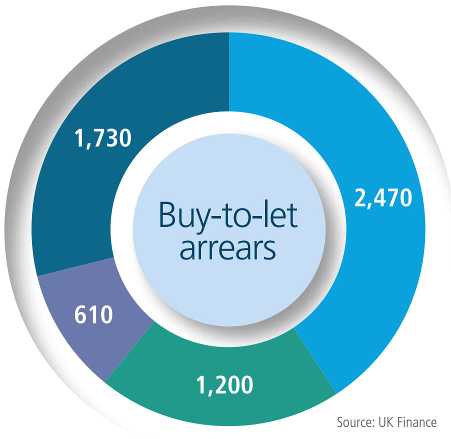
Number of possessions, buy-to-let and owner-occupied



Arrears on mortgages, 2.5% or more of balance outstanding

ARREARS BANDING Q2 2022





Possessions

- At 950, the total number of possessions during Q1 2022 showed a 34% increase on Q4 2021, and a 150% increase on Q1 2021, both of these figures distorted due to the possession moratorium that was in place between March 2020 and 1st April 2021.
- When compared to Q1 2019, the number of possessions during Q1 2022 reflected a 52% reduction in activity.
- On a full-year basis, the percentage of possessions accounted for by the buy-to-let sector stood at 43%. This sector saw activity in Q1 2022 16% ahead of Q4 2021, this compares to the 49% increase seen in owner-occupied possessions over the same period.

Possession sales

- The average sale price for Q2 2022 was £176,795.
- Houses accounted for 65% of completions during Q2 compared to the 60% seen in Q2 2021.

Arrears

- Owner-occupiers, with arrears of 2.5% or more of the total balance remaining, totalled 75,670 in Q1 2022, 5% lower than the previous quarter and 10% below Q1 2021.
- At 5,860, arrears of 2.5% or more of the total balance within the buy-to-let sector in Q1 2022 were 2% lower than in Q4 2021.
- The total number of mortgages with arrears of 10% or more of the balance in Q1 2022 was 2% lower than Q4 2021.

SURVEY & VALUATION

Ross Bowen
MANAGING DIRECTOR,
CONNELLS SURVEY & VALUATION

Connells Survey & Valuation's Q2 results reflect busy housing transaction levels despite increased uncertainty on the domestic economic front and wider global events. This once again demonstrates the resilience of the UK housing market. With heightened focus on the significantly increased 130 day average timescale from agreed property sale to exchange of contracts, the performance of the surveying sector understandably came under increased scrutiny

Alongside overall activity levels, we continued to monitor a marked difference in the performance of surveying firms, both from a speed and quality perspective. Reporting turnaround times through Connells Survey & Valuation's employed surveyors averaged 8.7 days, a full day faster than firms elsewhere in the market. The combination of continued high demand and the finite number of chartered surveyors across the UK highlights the importance of measures being taken to train new surveyors and boost supply throughout the UK. Alongside reporting speed, there was also renewed attention on the quality of surveyor reporting, critical to underpin robust lending. Here, Connells Survey & Valuation continued to deliver high quality reports, 10% ahead of other firms.

As the quarter progressed, it was evident that reporting turnaround times in some areas came under increased pressure where the supply of RICS surveyors was limited and where market activity levels were more buoyant. Connells Survey & Valuation is continuing a major investment programme with its AssocRICS academy to train and bring new surveyors into the industry. This, alongside further growth in professionally-qualified staff and investment into innovative valuation technology, is helping clients to optimise customer outcomes and rationalise transaction costs.

Connells Survey & Valuation maintained 97% high quality service delivery, **10%** ahead of the market

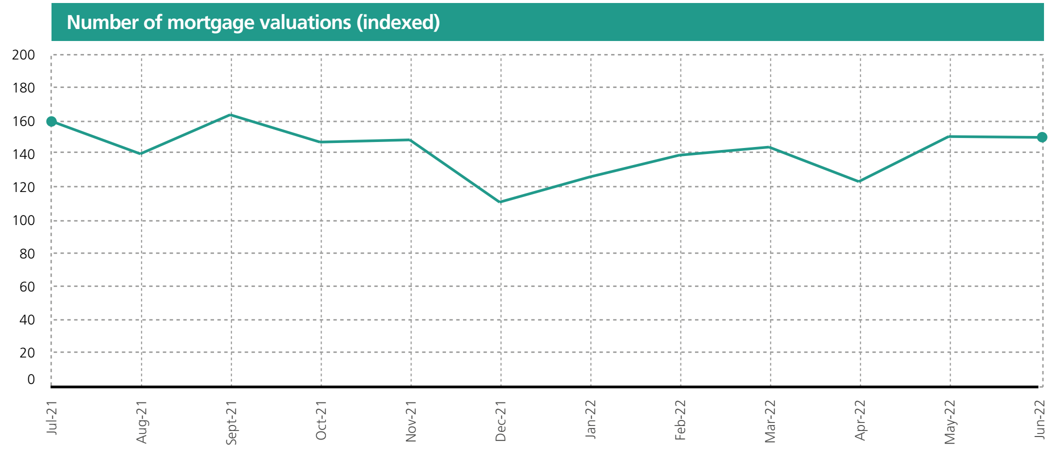
Extended reporting speed of 8.7 days reflected continued high demand and was a **full** day faster than the market

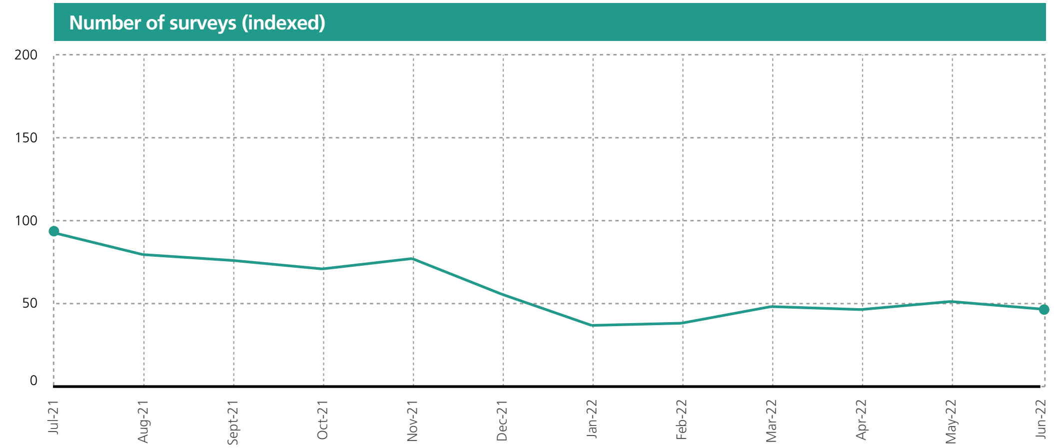
Mortgage valuations

- With residential sales activity continuing to be constrained by the lack of available stock, the number of mortgage valuations undertaken during Q2 eased 4% on Q2 2021. However, volumes were 3% ahead of Q1 2022.
- Our mortgage business reported a reduction in remortgage activity during the quarter. However, on a year-to-date basis, remortgage activity is 12% ahead of the first six months of last year as some homeowners who are unable to find their next home, or are alert to rising living costs, revisit their current arrangements.

Surveys

- Survey activity during Q2 fell below the level seen in 2021. However, when compared to Q1 2022, Q2 saw a 17% increase in the number of surveys completed.
- Surveys now account for 4% of overall activity, which is half the level seen in Q2 2021.





SURVEY & VALUATION

Buy-to-let

- Activity within the buy-to-let sector has eased during the quarter but remains well ahead of 2021. Q2 2022 was 20% ahead of Q2 2021.

Average valuation

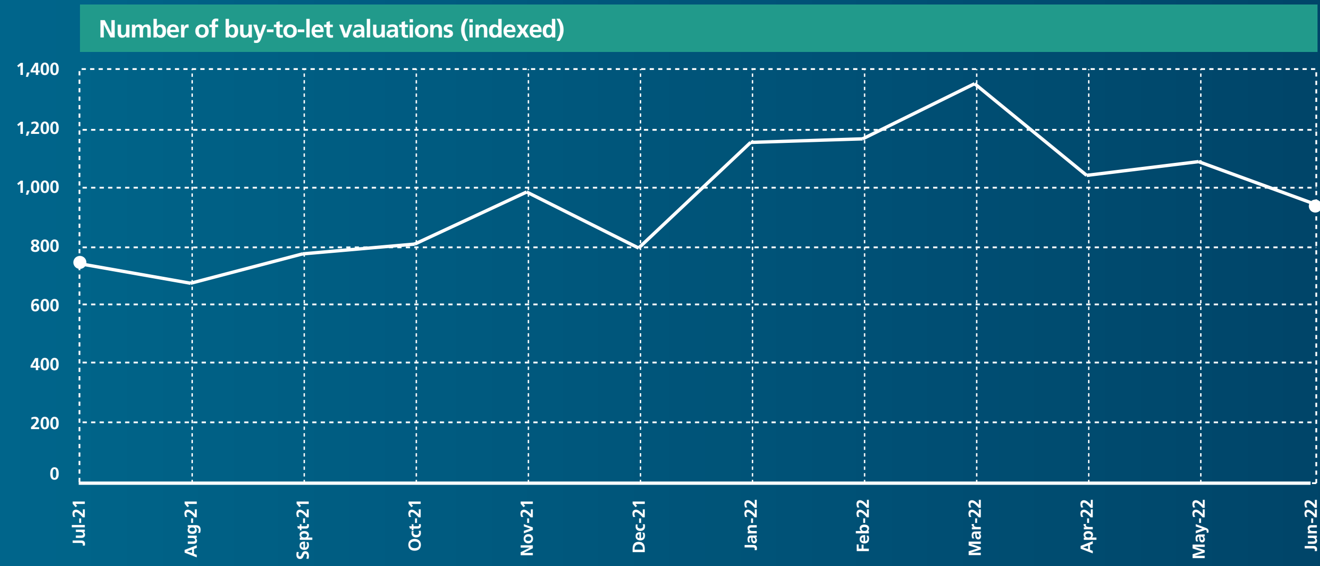
- The average property valuation during Q2 was £335,268, 5% ahead of Q1 2022.

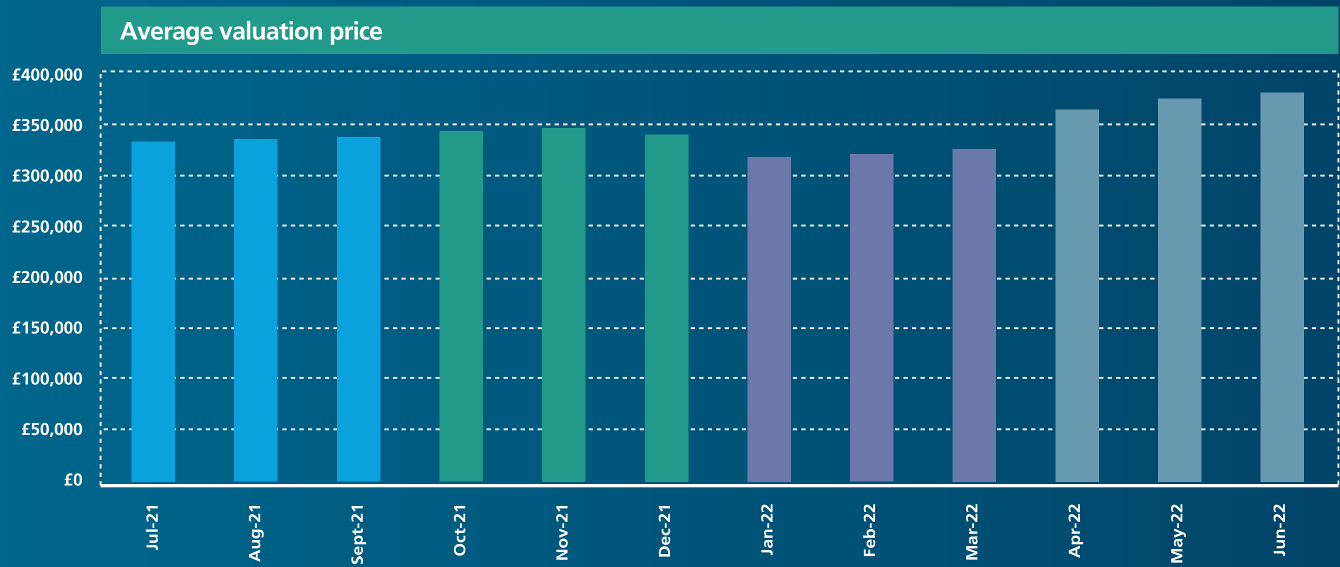
Overall market activity

- During the quarter we have seen activity levels fluctuate as the market responds to wider economic factors, and a modest easing in demand with the housing market. However, the valuation sector remains busy and overall activity levels were down only 3% on Q2 2021.

Service delivery

- Q2 saw the speed of report delivery increase across the market.
- During the quarter, we saw the reporting quality score for the market reduce to 88.4%. Connells Survey & Valuation achieved a reporting quality score of 97.0% during this period.





MARKET SUMMARY

REGIONAL AVERAGE HOUSE PRICE AT COMPLETION Q2 2022

Scotland/North	**1% up** from Q2 2021	£176,848
East	**1% up** from Q2 2021	£299,324
Midlands	**2% up** from Q2 2021	£227,856
London	**5% up** from Q2 2021	£500,297
Wales/South West	**2% up** from Q2 2021	£238,773
South East	**5% up** from Q2 2021	£338,693

UK average house price at completion Q2 2022

£263,080

up

4%

from Q1 2022
(£251,753)

no change
from Q2 2021
(£262,084)

MARKET SUMMARY

REGIONAL AVERAGE RENT Q2 2022

North
9% up from Q2 2021
£741

East & Central
7% up from Q2 2021
£940

London
3% up from Q2 2021
£1,628

South
11% up from Q2 2021
£1,050

UK average rent Q2 2022

£1,007

up
5%
from Q2 2021
(£962)

UK average mortgage value Q2 2022

£179,629

up
5%
from Q2 2021
(£171,876)

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 1,250 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

1,250 branches

16,000 colleagues

Committed to developing our people and providing opportunities for all

82 local estate agency brands

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

141,000 property sales a year

Largest agency for new homes sales in the UK

11,500 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

£35bn+ mortgage lending

1,300 employed Mortgage Consultants

One of the UK's largest conveyancing businesses

150,000+ tenancies managed

Leading 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

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
- Countrywide Corporate Property Services
- Countrywide Estate Management
- sequence
- THE NEW HOMES GROUP

STRATEGIC INVESTMENTS

- Hearthstone
- lms

EPCS AND INVENTORIES

- Vibrant YOUR PROPERTY PARTNER

LEGAL SERVICES

- Conveyancing Direct PROPERTY LAWYERS
- Countrywide Conveyancing Services
- REDSTONE WILLS

SURVEYS AND VALUATIONS

- Connells SURVEY & VALUATION
- Countrywide Surveying Services
- HARVEY DONALDSON & GIBSON
- HomeReport Scotland.scot

OUR ESTATE AGENCY BRANDS

Brands with 10 or more branches

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

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Connells group

MARKET
REPORT
2022

Q TWO