



TWENTYCI PROPERTY & HOMEMOVER REPORT – Q3 2021

Information embargoed until 00.01 Tuesday 26th October 2021

CONTENTS

- **Introduction**
- **Executive Summary**
- **Owner Occupied Market**
Key Indicators
- **The Lack of Property Stock**
- **Special Briefing**
- **The Waitrose Effect**
- **Online Agents & the High Street**
- **Lettings Market**
Key Indicators
- **The Volume of Homemovers**
- **The TwentyCi Insights Blog**
- **About TwentyCi**

INTRODUCTION

Welcome to the latest edition of the TwentyCi Property & Homemover Report, providing a comprehensive review of the UK residential property market, created from the most robust property change sources available.

Our publication normally provides a year-on-year comparison of the residential property market, however given the extraordinary impact on the market arising from the Covid-19 pandemic and the unique events affecting the property market during 2020, this report looks back at 2019 to provide a “near normal” comparison.

ABOUT THE REPORT

Our report provides a real-time review of the UK residential market, covering 99.6% of all sale and rental property moves. This state of the nation report provides unique insight into the people behind the numbers, creating a picture of the demographic, regional and socio-economic factors impacting the housing market, including:

- **Factual data (not modelled or sentiment-based)**
- **Full market coverage**
- **Demographic overlay**
- **Property sales data**
- **Property rental data**
- **Real-time data**

“The real-time data and analysis provided by TwentyCi has provided invaluable insight into the performance of different sectors of the UK housing market in a fast-changing market. It has allowed us to stay on top of market trends, at a time when other sources of data have been lagging what has been happening on the ground”.

Lucian Cook
Director, Residential Research Savills

EXECUTIVE SUMMARY

- **Sales Agreed**

Momentum within the Owner-Occupied sector is maintained. Sales Agreed for Q3 2021 are up over 16% compared to Q3 2019.

- **The Lack of Property Stock**

In Q3 2021 there have been nearly 40,000 less properties placed up for sale compared to Q3 2019. The drop in the volume of properties available is in excess of 8%.

On average there is now only 2.2 months' worth of stock available across the UK, this compares to an average in Q3 2019 of 4 months' worth.

- **The Waitrose Effect**

Property prices are like for like higher within a close proximity to a Waitrose store, however, recent activity shows that property prices are rising at a greater rate away from these stores.

Newly instructed homes further away from a Waitrose store are selling at a higher rate than homes near a Waitrose .

- **Hybrid/Online Agents**

Their market share now stands at 8.3% with no significant consumer shift to the onlines during the pandemic.

- **Retail Lifeline**

Nearly 1 million households are about to move or have only recently moved fuelling a potential additional 3% GDP per annum.

Colin Bradshaw TwentyCi's Chief Customer Officer, adds: "The momentum within the Owner-Occupied residential property sector continues to deliver significant levels of activity across the UK considerably exceeding the volumes seen in the "near-normal" market conditions of 2019. However, now that the generous fiscal policy provided by the Stamp Duty holiday has concluded we wait to see whether the housing market will re-balance over the next 12 months".

THE OWNER OCCUPIED PROPERTY MARKET

	Q3 2019	Q3 2021	YOY CHANGE
New Instruction	423,921	385,866	-8.98% ↓
Sale Agreed	308,560	359,430	16.49% ↑
Exchanged	254,101	298,762	17.58% ↑
Fallen Through	76,793	87,063	13.37% ↑
Price Changed	244,411	134,902	-44.81
Withdrawn	202,707	142,993	-29.46



THE KEY INDICATORS

The momentum within the residential property market has continued to deliver a significant volume of activity since the re-opening of the residential property market in May 2020 and the introduction of the Stamp Duty holiday.

We have forgone a comparison with 2020 due to the turmoil that the pandemic delivered, instead we have compared Q3 2019 with Q3 2021 to provide a base that reflects "near normal" market conditions pre-Covid.

As with our most recent reports we continue to see a high level of Sales agreed and Exchanged as the surge first experienced post lockdown #1 continues. In part the activity in Q3 2021 will have been driven by the conclusion of the Stamp Duty holiday at the end of the quarter and it remains to be seen whether Q4 will see a re-calibration to levels seen pre-Covid.

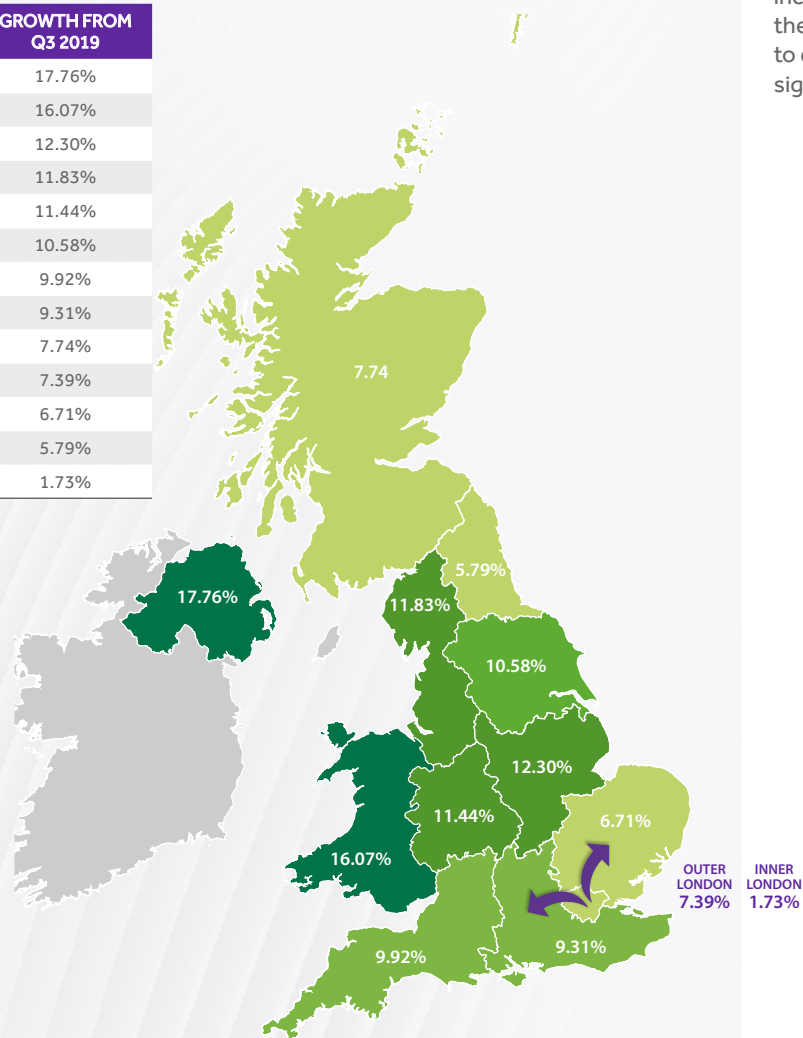
Price Changes and Withdrawn is also significantly down due largely to the lack of new properties coming to the market with New Instructions down by nearly 9% compared to 2019, providing for a strong sellers market. With demand exceeding supply there is less requirement for discounting whilst less stock encourages buyers to remain in a transaction rather than looking for an alternative.

We take a closer look at the lack of property stock later in the report.

THE OWNER OCCUPIED PROPERTY MARKET

CHANGES IN REGIONAL ASKING PRICE

	GROWTH FROM Q3 2019
Northern Ireland	17.76%
Wales	16.07%
East Midlands	12.30%
North West	11.83%
West Midlands	11.44%
Yorkshire and The Humber	10.58%
South West	9.92%
South East	9.31%
Scotland	7.74%
Outer London	7.39%
East of England	6.71%
North East	5.79%
Inner London	1.73%



AVERAGE PRICE – NATIONAL & REGIONAL

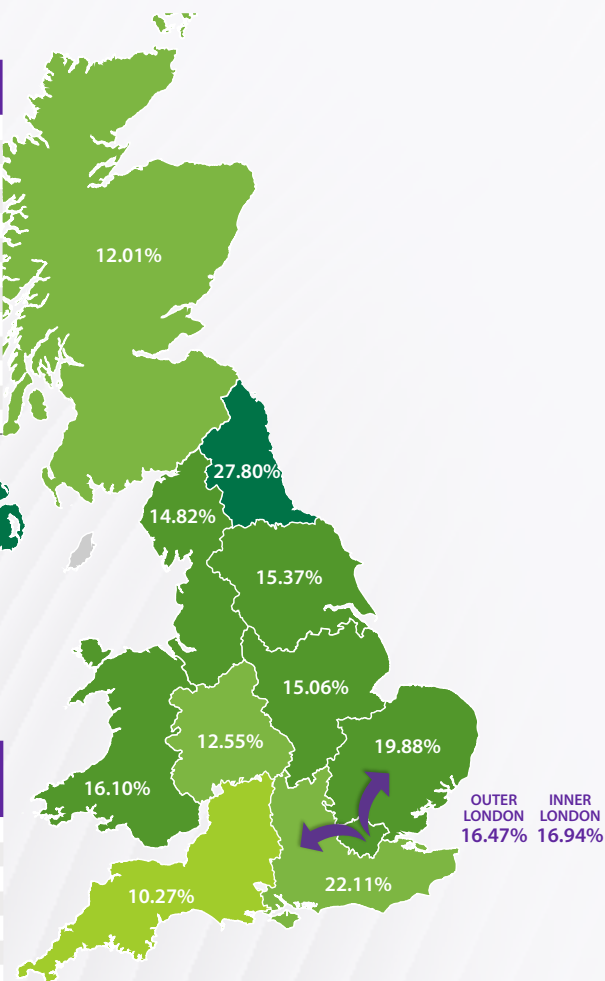
The average asking price across the UK in Q3 2021 is now £388k compared to £345k in Q3 2019 an increase of 12.5%. With a sustained high level of Sales Agreed and no significant increase in properties coming to market the lack of available properties is continuing to drive up prices as demand currently significantly exceeds supply.

Every region of the UK has experienced an increase in average asking prices all-be-it Inner London seeing the lowest growth, reflecting the significant impact of the pandemic on the capital.

THE OWNER OCCUPIED PROPERTY MARKET

SALES AGREED BY REGION

UK REGION	GROWTH FROM Q3 2019
North East	27.80%
Northern Ireland	23.18%
South East	22.11%
East of England	19.88%
Inner London	16.94%
Outer London	16.47%
Wales	16.10%
Yorkshire and The Humber	15.37%
East Midlands	15.06%
North West	14.82%
West Midlands	12.55%
Scotland	12.01%
South West	10.27%



SALES AGREED BY MAJOR CITIES

UK CITIES	GROWTH COMPARED TO Q3 2019
Peterborough	25.44%
Newcastle upon Tyne	23.86%
Southampton	21.53%
Inner London	16.94%
Birmingham	14.39%
Sheffield	13.47%
Cardiff	13.06%
Norwich	11.24%
Leeds	10.59%
Plymouth	8.07%
Nottingham	7.87%
Bristol	6.20%
Manchester	4.30%
Glasgow	3.78%
Edinburgh	0.41%

OUTER LONDON 16.47%
INNER LONDON 16.94%

SALES VOLUMES BY REGION & MAJOR CITIES

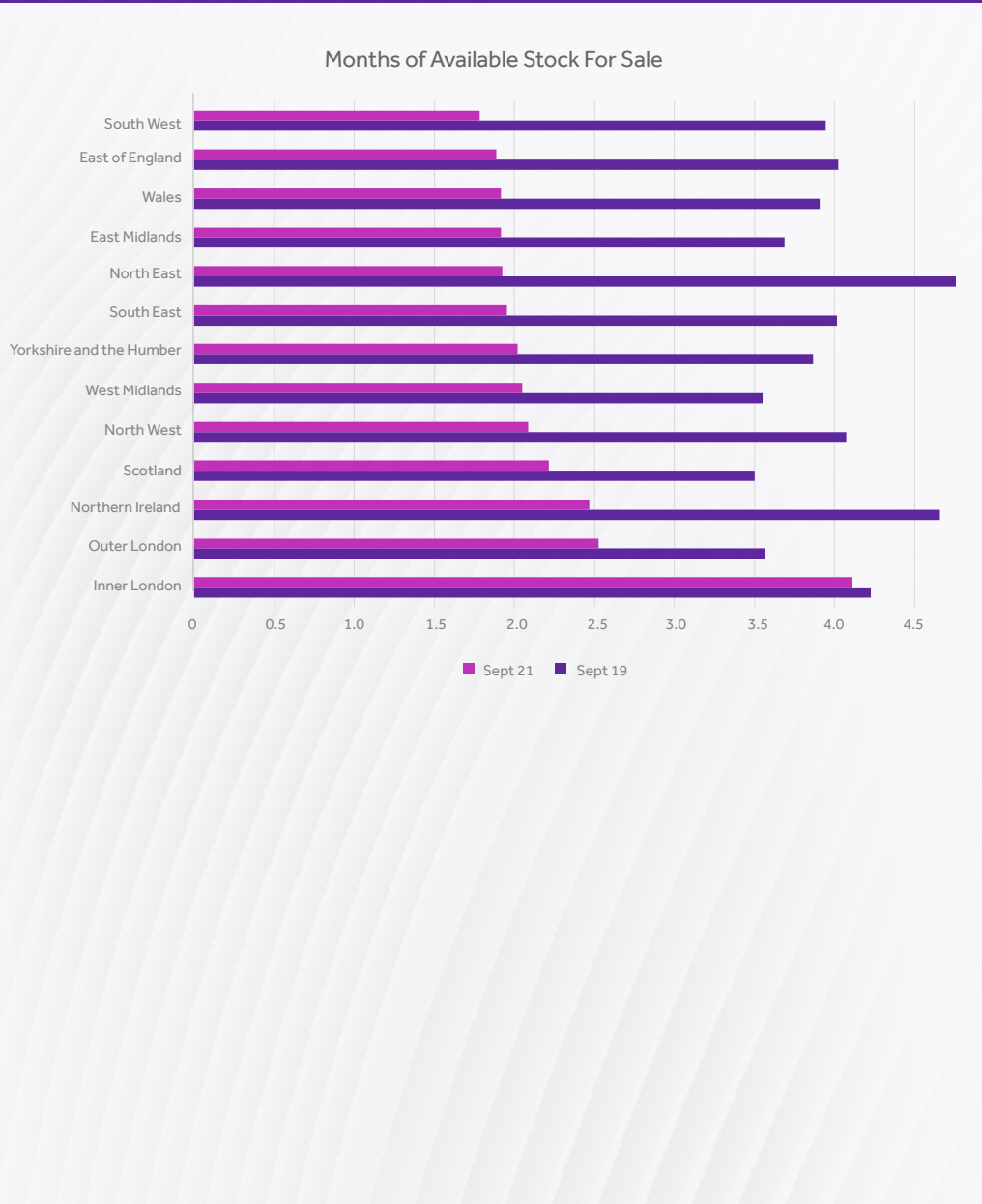
Sales Agreed across the whole of the United Kingdom are now on average 17% greater than in Q3 2019 with double digit growth being experienced in all regions, with both Inner & Outer London re-bounding significantly compared to the more recent picture.

All key cities show growth all-be-it with Scotland lagging somewhat behind the rest of the UK. However, with the momentum being shared nationally, the economic recovery of the whole of the UK will continue to be assisted by the expenditure generated by homemovers (c3% of GDP per annum).

PROPERTY TYPE

In line with our most recent reports the buoyancy of the residential property market continues to benefit all types of property from flats through to detached houses. With no polarization of growth this has enabled the whole of the market to develop genuine momentum.

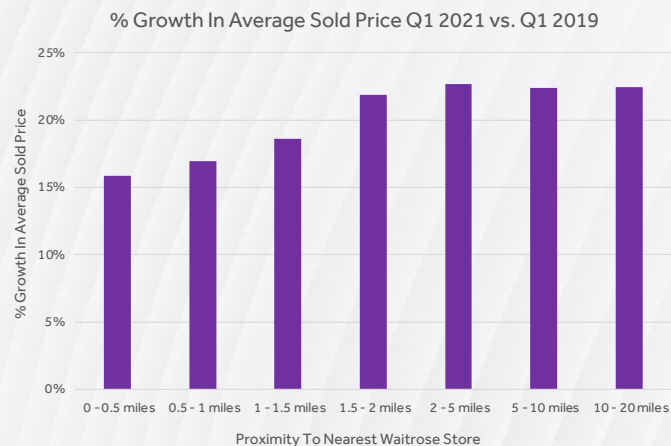
THE LACK OF PROPERTY STOCK



There continues to be a distinct lack of residential property stock coming to the market. Compared to Q3 2019 there are 9% fewer New Instructions whilst Sales Agreed are 16.5% greater; demand throughout 2021 has consistently exceeded supply.

Aside from Inner London, the whole of England and Wales at a regional level has between 1.7 and 2.5 months of property stock left to sell and overall the available months of stock are down by about half on historical norms. Without a significant uplift in the volume of New Instructions the residential property market is at risk of a slowdown as we head into 2022.

SPECIAL BRIEFING - THE WAITROSE EFFECT



You may be familiar with the term the “Waitrose effect”. This is a housing phenomenon that suggests that properties located within a close proximity to a Waitrose store have a higher value than comparative properties in nearby areas. This may seem bizarre as a concept as perhaps you wouldn’t expect proximity to a supermarket to be as great a deterministic versus property features such as number of bedrooms, or whether you have a conservatory.

HEADLINES

- Property prices are like for like higher within a close proximity to a Waitrose store
 - However recent activity shows that property prices are rising at a greater rate away from these stores
- Newly instructed homes further away from a Waitrose store are selling at a higher rate than homes near a Waitrose

PROPERTY PRICES

The main focus on the “Waitrose effect” has historically been centred around the higher pricing phenomenon. That is property prices being over-inflated within a close proximity to a store. We have utilised the Land Registry Price Paid dataset to provide a view of actual transfer prices for completions across England and Wales.

The chart opposite makes it immediately apparent that there is a trend in relation to property price and distance to a Waitrose store. The average price of a property transaction in Q1 2021 was £599,000 for properties located within walking distance to a Waitrose (within ½ a mile), and we can see this continue to decrease as we get further away, where the average transaction price for properties that are 10-20 miles away from their nearest Waitrose store was £243,000.

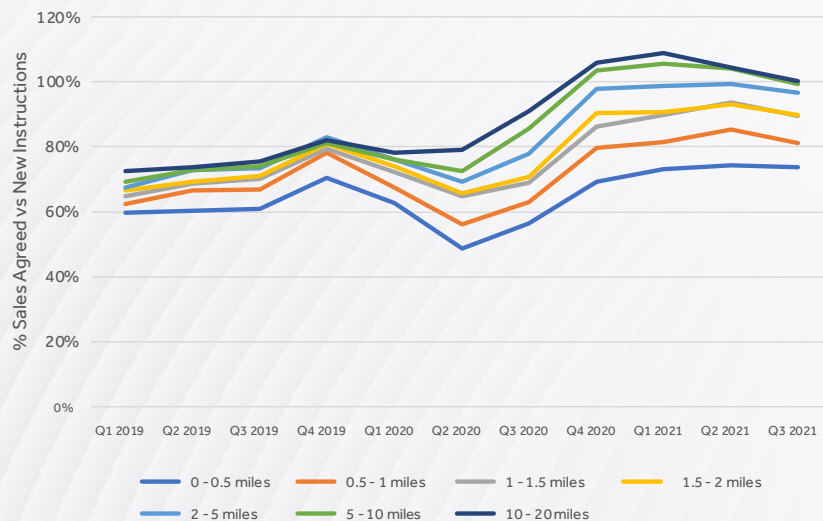
We have reported on the growth in property prices on numerous occasions, which first occurred since the first lockdown ended in May

2020, and this has been sustained throughout 2021 to date. Now, if we look to see how this growth in property value has impacted properties in proximity to a Waitrose store we can start to identify who some of the winners were in recent months.

We can see in the chart opposite that in the 2-year period from Q1 2019 to Q1 2021, properties further away from a Waitrose store have seen greater levels of price growth. Where properties within ½ a mile of a Waitrose store have seen 15.8% growth over 2 years (which is remarkable over this period of time), properties located further away have seen growth as high as 22.6%. This adds to the picture we have been seeing over the last few months that suggests that whilst proximity to a Waitrose store is attractive, the bigger move is away from busy town centres and cities and towards quieter green spaces.

SPECIAL BRIEFING - THE WAITROSE EFFECT

% Sales Agreed vs New Instructions by Quarter



HOMEBUYER APPEAL

As the economists amongst you will know, where there is talk about pricing, not too far away you will find talk surrounding supply and demand and market equilibrium. Property prices have been able to climb for home sellers since May 2020 because the level of demand has far outweighed the influx in supply. With less properties on the market to choose from, and with greater competition from other home buyers offering above asking prices, home buyers have had no choice but to also offer inflated prices, and this shift in power between the sellers and buyers have determined the new market position.

We have seen that although property prices are significantly greater within proximity to a Waitrose store, in the 2 years from Q1 2019 to Q1 2021 property prices have grown by a greater amount further away from a Waitrose store. So as properties further away from a Waitrose store have seen greater price rises, does that mean that there is more of an imbalance?

The chart opposite shows the % of sales agreed in the quarter divided by the number of new instructions. This gives us a metric of “appeal”, in the sense that a higher % will suggest that more properties are selling in comparison to being instructed. And so conversely, a lower % will suggest that more properties are coming to the market, and they are not selling as quickly, suggesting there is less appeal with these properties.

Looking at the chart opposite, here are a few interesting trends and observations.

Firstly, you’ll notice that the households located within ½ mile from a Waitrose store is consistently reporting a lesser % sales agreed from instructions. Supporting this, we can also see that properties located in the 10-20 mile radius have a consistently higher % sales agreed. This suggests that these areas have more appeal, and so this compliments what we have previously mentioned in relation to this region having the greatest percentage growth. The reason as to why this may be the case is likely due to the market size of these areas. It is fair to say that a property within ½ mile of a Waitrose and an average transaction value of £600k does not appeal to the majority, and so there is a smaller audience to appeal to. Whereas the other extreme at the 10-20 mile radius where the average transaction value was £243k will appeal to a much wider audience.

Secondly, it is worth pointing out that for regions within 5-10 miles and 10-20 miles from the nearest Waitrose store have seen % sales agreed exceeding 100% in Q2 and Q3 2021. This means that the volume of sales agreed has been exceeding new instructions. This suggests that property stock was depleting in these regions which is a sign that this imbalance between supply and demand is still occurring in these areas.

HYBRID/ONLINE AGENTS COMPARED TO THE HIGH STREET AGENTS

PROPERTY VALUE	% DIFFERENCE COMPARED TO Q3 2019
Less than £200,000	-1.23% ↓
£200,000 - £350,000	3.81% ↑
£350,000 - £1,000,000	2.92% ↑
£1,000,000+	26.68% ↑

UK REGIONS	% DIFFERENCE COMPARED TO Q3 2019
North East	23.78% ↑
North West	8.57% ↑
South West	4.36% ↑
Yorkshire and The Humber	1.51% ↑
Outer London	1.12% ↑
West Midlands	-2.03% ↓
Inner London	-3.43% ↓
South East	-3.85% ↓
East Midlands	-3.95% ↓
East of England	-5.90% ↓
Wales	-7.53% ↓
Scotland	-12.70% ↓

MARKET SHARE – EXCHANGES

The market share of the Hybrid/Online agents in Q3 2021 for exchanges stands at 8.3%, an uplift of 1.3% compared to Q3 2019. This segment of the market is now dominated by just three brands - Purplebricks, Yopa and Strike who when combined represent nearly 70% of all Hybrid/Online activity. However, with many sectors and categories having seen a significant shift online during the pandemic the Estate Agency sector has not followed suit with a relatively low & slow rate of growth persisting.

HYBRID/ONLINE AGENTS – MARKET SHARE BY PRICE BAND

An improved level of penetration of Hybrid/Online agents continues into properties of greater value, all-be-it for the £1m+ this is from a very low starting point. This will be driven both by the increase in the average property price coming to the market (making fewer properties available in the lower banding) in addition to the significant uplift of activity across all price bands within the residential property market. The table opposite outlines Exchanges by Price band.

HYBRID/ONLINE AGENTS – MARKET SHARE BY REGION

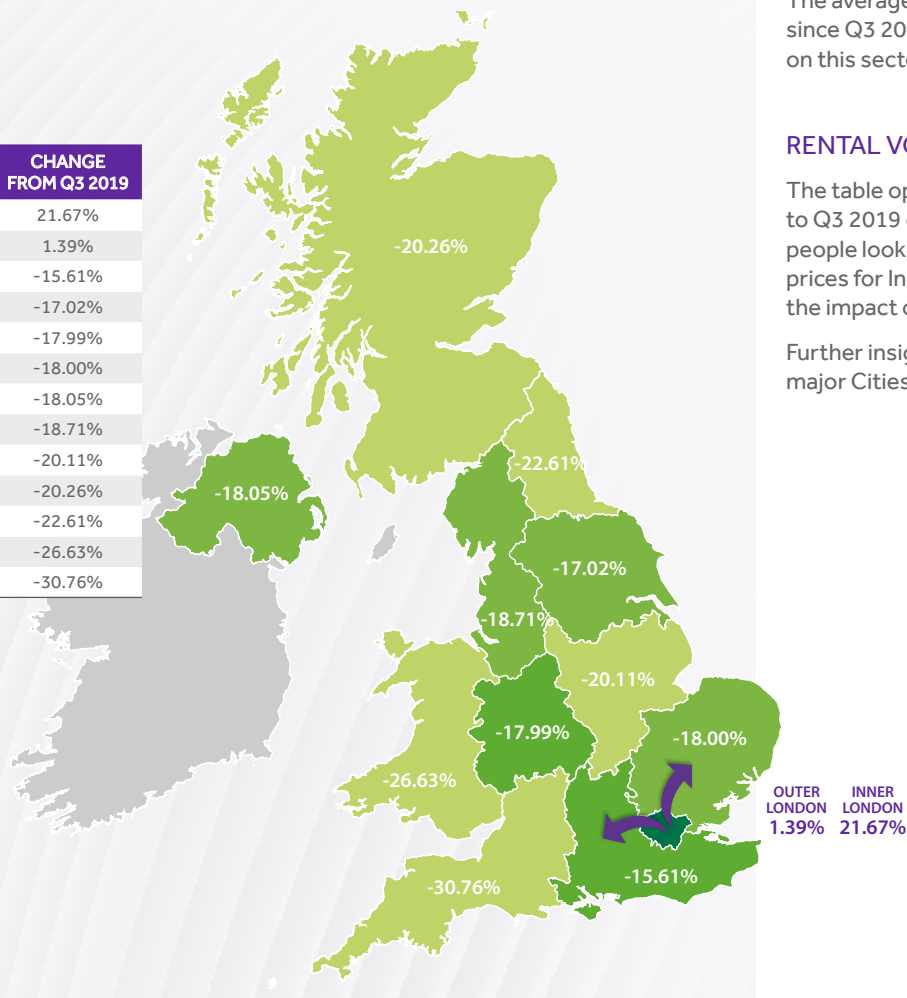
There continues to be a significant variation across the UK in the market share achieved by the Hybrid/Online agents. Across England only half of the regions have seen a positive growth in Exchanges over the last two years, all-be-it there is a volatility driven by the relatively low numbers of properties represented. As

previously observed, with the density of the UK housing stock warring in the South-East there is clearly a major challenge for the Hybrid/Online agents to establish a representative market share of the higher priced property locations.

THE LETTINGS PROPERTY MARKET

	Q3 2019	Q3 2021	YOY CHANGE
New Instruction	393,322	312,112	-20.65% ↓
Let Agreed	283,523	246,029	-13.22% ↓
Let	272,311	242,380	-10.99% ↓
Fallen Through	48,226	43,822	-9.13% ↓
Price Changed	129,269	87,715	-32.15
Withdrawn	186,020	173,426	-6.77

	CHANGE FROM Q3 2019
Inner London	21.67%
Outer London	1.39%
South East	-15.61%
Yorkshire and The Humber	-17.02%
West Midlands	-17.99%
East of England	-18.00%
Northern Ireland	-18.05%
North West	-18.71%
East Midlands	-20.11%
Scotland	-20.26%
North East	-22.61%
Wales	-26.63%
South West	-30.76%



THE KEY INDICATORS

The Lettings sector remains significantly suppressed as the demand for urban rental living with shorter commutes has been replaced by more flexible locations and a shift to become an owner-occupier rather than renting. We are somewhat surprised that with the easing of the Covid restrictions and as a return to office working gathers momentum that there has not been an increase in activity in the Lettings sector.

AVERAGE PRICE – NATIONAL & REGIONAL

The average asking price across the UK in Q3 2021 is now £1,429 per month, an increase of 6% since Q3 2019. This is somewhat surprising given the lack of demand & we will focus more closely on this sector in the next edition of the report.

RENTAL VOLUMES BY REGIONS & MAJOR CITIES




The table opposite starkly highlights the downbeat performance of the rental sector compared to Q3 2019 except for Inner London which is seeing an opportunistic uplift in the number of people looking to rent in the capital whilst the market has availability and affordability. Rental prices for Inner London are currently 3% lower than in Q3 2019. This is likely to correct itself as the impact of the pandemic subsides and London recovers.

Further insight is provided in the table below highlighting the rental performance across the major Cities.

	CHANGE FROM Q3 2019
Inner London	21.67%
Edinburgh	13.42%
Leeds	3.22%
Manchester	0.40%
Southampton	-8.73%
Birmingham	-14.69%
Bristol	-14.69%
Cardiff	-15.42%
Glasgow	-19.19%
Sheffield	-19.98%
Nottingham	-20.83%
Norwich	-22.10%
Newcastle upon Tyne	-24.59%
Peterborough	-26.40%
Plymouth	-42.59%

THE HOMEMOVER WAVE

Q3 2021 VOLUME OF HOMEMOVERS

	Want to move 361,061 households	DIY Flooring Windows and doors	
	Moving soon 335,721 households	Furniture Electricals Tech Home furnishings Garden	
	Moving now 333,586 households	Furniture Electricals Tech Home furnishings Garden	
	Just moved 330,936 households	Furniture Electricals Tech Home furnishings	Garden Baby and nursery Toys Sport and leisure
	Settling in 296,184 households	Furniture Electricals Tech Home furnishings	Garden Baby and nursery Toys Sport and leisure

IN THE MARKET FOR

Our data tracks homemovers as they make their way through the property buying or renting process. Known as the Homemover Wave, this journey can last several months and is broken down into the specific stages below and triggered by activity such as online property searches, surveys and EPC reports.

Compared to Q3 2019 the number of households in the home moving journey is up by over 14% with nearly 1 million households about to move or having only recently moved. The spending power associated with this massive volume of movers can bring huge revenue gains and strong ROI across multiple sectors and categories, particularly as our economy and retailers seek to re-build their business'.

CATCH-UP ON OUR LATEST HOMEMOVER INSIGHTS



In addition to our Property and Homemover Report publication, we are regularly featured in leading publications including The Times, The Sunday Times and the Financial Times, furthermore we post a range of articles and special features to our [blog](#).

Here is a selection of some of our most recent content:

- [Will Santa be bringing you a new house for Christmas?](#)
- [The top 5 purchases made by Homemovers](#)
- [Who are the most valuable consumers in the UK?](#)

ABOUT TWENTYCI

TwentyCi is an information and marketing services company that provides UK residential property data, analytics & insight for marketing and other key strategic purposes. Our experience and client portfolio encompasses multiple sectors and categories, including property and estate agency groups, retailers, financial services, automotive and utilities.

Holding the UK's largest and richest resource of factual homemover data compiled from more than 29 billion qualified data points, TwentyCi works with advertisers and their agencies to create contextually targeted marketing programmes that cut through by reaching consumers at the exact moment that they need a company's product or service, through the best media channel for that individual.

Copyright TwentyCi 2021