



TWENTYCI PROPERTY & HOMEMOVER REPORT – Q1 2021

Information embargoed until 12.01 am Tuesday 20th April 2021

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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 provides a year-on-year comparison of the residential property market and focuses extensively on how the market is performing as the country and the economy seeks to rebound from the Covid-19 pandemic.

The residential property sector has survived the excesses of the lockdown restrictions having been permitted to remain open since late May 2020. The significant momentum that developed fuelled by low interest rates, a Stamp Duty holiday and a desire for homeowners & renters to change their personal circumstances has also included a change in the Estate Agency landscape with Connells Group acquiring Countrywide and Hunters being acquired by the Property Franchise Group.

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

THE PROPERTY MARKET SURGE

Year on year sales agreed are up by over 30% delivering a welcome boom to residential property buyers and sellers across the whole of the UK including signs of a resurgent London.

As we exit our third national lockdown with the unprecedented experiences for our economy, health and personal liberties the residential property market continues to benefit from significant volume and momentum fuelled by a combination of monetary policy (low interest rates), a generous fiscal policy (furlough payments and a Stamp Duty holiday) and a significant change in consumer preferences (rural locations and additional space).

Colin Bradshaw TwentyCi's Chief Customer Officer, adds: "The introduction by the Government of a Stamp Duty holiday (and subsequent extension) provides recognition that the residential property market is an essential pillar for a faster recovery of the UK economy post-pandemic. The nationwide uplift in the number of people buying and selling has delivered a significant tonic not only to the residential property sector but also to a number of sectors and categories that directly & indirectly benefit from a house move from furniture retailers to DIY stores particularly where they have been able to trade on line whilst stores have been closed".

THE RETAIL CATAPULT

The number of households in the home moving journey is up by over 50% year on year (with an additional 500k households entering, progressing, or completing the process of moving home). Based on our direct experience of the categories closely aligned to a home move this equates to the purchase of over 100,000 beds, 160,000 sofas and nearly 70,000 dining tables. The value of this consumer group has the potential to drive a more rapid recovery for those retail categories that prioritise this group through targeted marketing engagement.

Colin Bradshaw TwentyCi's Chief Customer Officer, adds: "The importance of homemovers to retailers and the broader economy is critical delivering more than 3% GDP per annum. A homemover cannot postpone expenditure that embraces multiple categories including carpets, curtains, furniture and DIY and having a dedicated focus on the huge propensity to purchase of this audience should not be ignored".

THE THREAT OF NO STOCK

Aside from London, the whole of England and Wales at a regional level has between 2.2 and 2.4 months of residential property stock left to sell. Overall, the available months of stock are down by about half on historical norms.

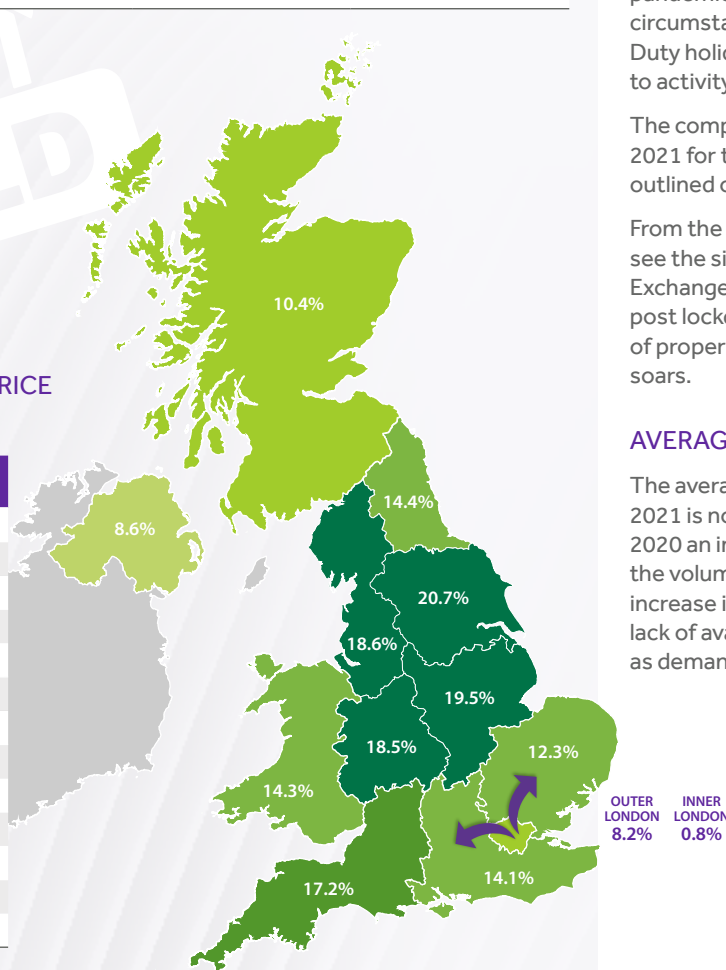
Colin Bradshaw TwentyCi's Chief Customer Officer, adds: "Keeping the levels of residential stock available to purchase sufficient to satisfy the continued surge in buyer demand on the back of government stimuli and pandemic induced work and lifestyle changes is critical to help maintain the economic recovery. However, time will tell whether the lack of available stock, and consequently the options accessible to potential home movers, may impact the continued momentum within the residential property market".

THE OWNER OCCUPIED PROPERTY MARKET

	Q1 2020	Q1 2021	YOY GROWTH
New Instruction	401,411	394,910	-1.6% ↓
Sale Agreed	298,964	396,774	32.7% ↑
Exchanged	213,615	330,075	54.5% ↑
Fallen Through	66,602	86,375	29.7% ↑
Price Changed	171,793	162,223	-5.6% ↓
Withdrawn	187,538	178,253	-4.9% ↓

CHANGES IN REGIONAL ASKING PRICE

	YOY GROWTH
Yorkshire and The Humber	20.7%
East Midlands	19.5%
North West	18.6%
West Midlands	18.5%
South West	17.1%
North East	14.4%
Wales	14.3%
South East	14.1%
East of England	12.3%
Scotland	10.4%
Northern Ireland	8.6%
Outer London	8.2%
Inner London	0.8%



THE KEY INDICATORS

The outset of 2020 had started to show an early indication of an uplift in the residential property market with the much anticipated post-electoral 'Boris bounce'. Jump forward 15 months and no one could have forecast the impact Covid-19 would have on our economy, health and personal liberties and with it a buoyancy in the residential property market not seen for more than a decade. A pandemic has led us to re-evaluate our living circumstances with the addition of the Stamp Duty holiday providing an unexpected catalyst to activity.

The comparison between Q1 2020 and Q1 2021 for the Owner-Occupied tenure is outlined opposite.

From the table opposite one can clearly see the significant rise in Sales Agreed and Exchanged as the surge first experienced post lockdown #1 continues and the number of properties reaching the point of exchange soars.

AVERAGE PRICE – NATIONAL & REGIONAL

The average asking price across the UK in Q1 2021 is now £366k compared to £353k in Q1 2020 an increase of 3.8%. With the growth in the volume of Sales Agreed and no significant increase in properties coming to market the lack of available properties is driving up prices as demand currently exceeds supply.

The number of Price Changes is also significantly down as is the number of properties being Withdrawn from the market. This is in part due to the lack of new properties coming to the market with New Instructions down by nearly 2% year on year. 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.

The lack of property coming to the market has the potential to jeopardise or temporarily cause a slow down in the market, however with the end of lockdown #3 and the extension of the Stamp Duty holiday* there is an expectation that the market will see a correction in supply during Q2.

*No Stamp Duty on the first £500,000 of all sales in England and Northern Ireland until the end of June after which the nil rate band will be set at £250,000 until the end of September soars.

Every region of the UK has experienced an increase in average asking prices all-be-it Inner & Outer London seeing the lowest growth. With demand for properties outstripping supply this position is likely to remain unchanged in the short term, furthermore with the end of lockdown #3, the success of the vaccine programme and a return to the new normal we would expect to see London bounce back strongly.

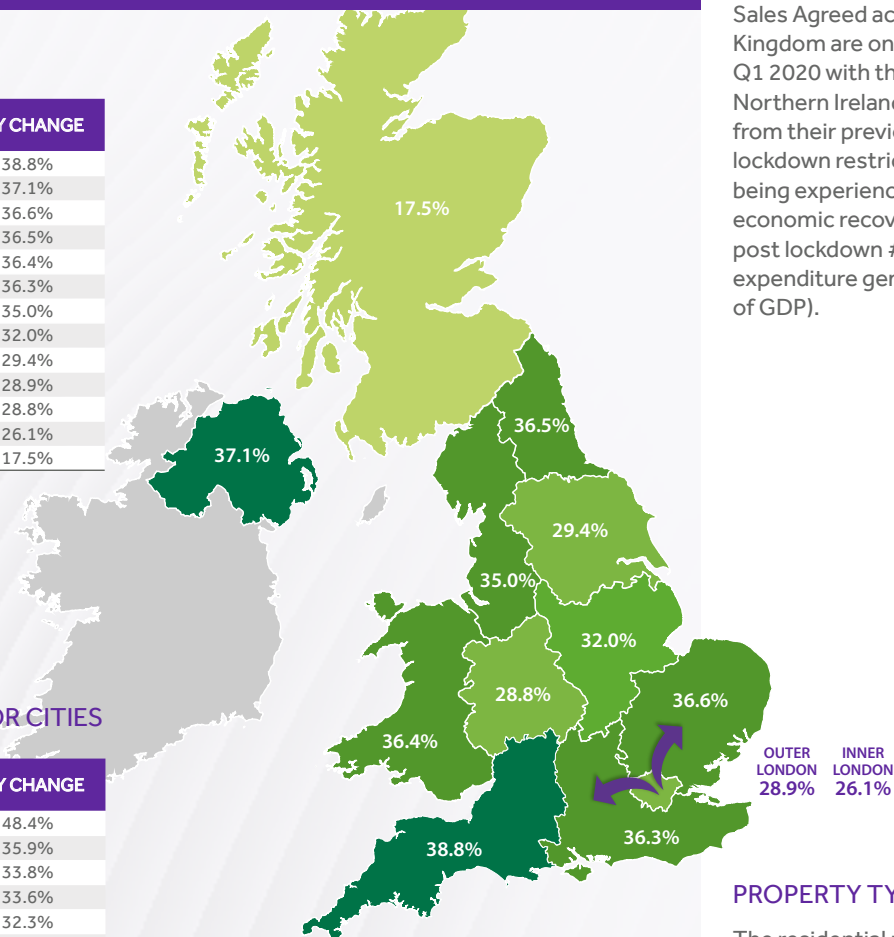
THE OWNER OCCUPIED PROPERTY MARKET

SALES AGREED

UK REGION	YOY CHANGE
South West	38.8%
Northern Ireland	37.1%
East of England	36.6%
North East	36.5%
Wales	36.4%
South East	36.3%
North West	35.0%
East Midlands	32.0%
Yorkshire and The Humber	29.4%
Outer London	28.9%
West Midlands	28.8%
Inner London	26.1%
Scotland	17.5%

SALES AGREED BY MAJOR CITIES

UK CITIES	YOY CHANGE
Peterborough	48.4%
Norwich	35.9%
Plymouth	33.8%
Bristol	33.6%
Southampton	32.3%
Cardiff	32.1%
Inner London	26.1%
Newcastle upon Tyne	25.9%
Nottingham	25.3%
Leeds	24.8%
Sheffield	24.7%
Manchester	22.9%
Birmingham	22.8%
Edinburgh	17.8%
Glasgow	13.8%



SALES VOLUMES BY REGION & BY COUNTRY

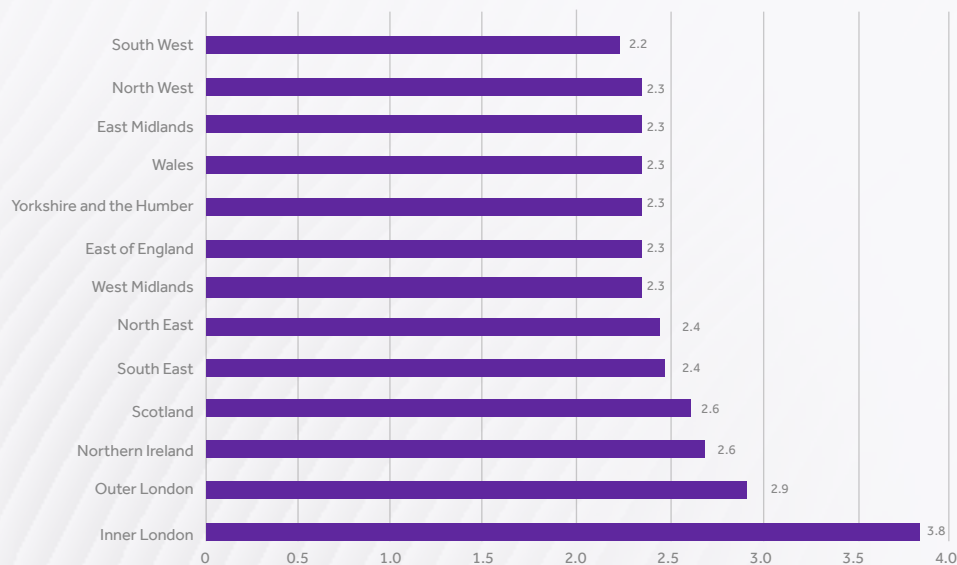
Sales Agreed across the whole of the United Kingdom are on average 30% greater than Q1 2020 with the performance in Scotland, Northern Ireland and Wales having recovered from their previous lag due to the variation in lockdown restrictions. With the momentum being experienced at a national level, the economic recovery of the whole of the UK post lockdown #3 will be part fuelled by the expenditure generated by homemovers (c3% of GDP).

PROPERTY TYPE

The residential property market is buoyant across all property types – flats, terraced houses, semi-detached and detached confirming our observation in previous reports that for the residential property market to develop genuine momentum all facets of the market needed to see a simultaneous uplift. Detached properties are up 37% year on year indicative of the “middle England, middle income” cohort changing their circumstances.

THE LACK OF PROPERTY STOCK

Months of Available Stock For Sale



Our insight highlights that the next challenge for the property sector is keeping the levels of new stock to purchase sufficient to satisfy the surge in demand brought about by the governments Stamp Duty stimuli and pandemic induced work and lifestyle changes.

Aside from London, the whole of England and Wales at a regional level has between 2.2 and 2.6 months of property stock left to sell. Overall, available months of stock numbers are down by about half on historical norms although London has plenty of property stock aside from the outskirts to the East.

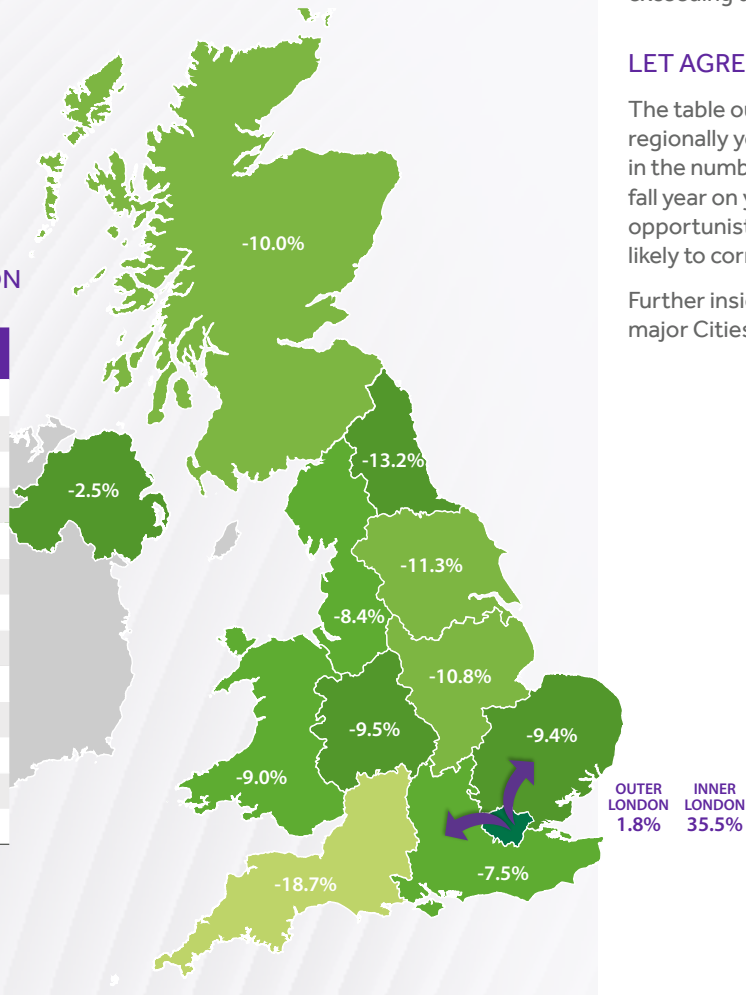
There are currently a total of 530 districts in the UK with property stock levels at under 2 months. Norwich is amongst the worst areas in the UK, where in NR5 there is only just over 1 months' worth of stock left.

THE LETTINGS PROPERTY MARKET

	Q1 2020	Q1 2021	YOY GROWTH
New Instruction	370,583	337,749	-8.9% ↓
Let Agreed	239,512	232,049	-3.1% ↓
Let	217,855	209,098	-4.0% ↓
Fallen Through	43,169	45,720	5.9% ↑
Price Changed	134,171	164,995	23.0% ↑
Withdrawn	175,261	173,164	-1.2% ↓

CHANGES IN LET AGREE BY REGION

	YOY GROWTH
Inner London	35.5% ↑
Outer London	1.8% ↑
Northern Ireland	-2.5% ↓
South East	-7.5% ↓
North West	-8.4% ↓
Wales	-9.0% ↓
East of England	-9.4% ↓
West Midlands	-9.5% ↓
Scotland	-10.0% ↓
East Midlands	-10.8% ↓
Yorkshire and The Humber	-11.3% ↓
North East	-13.2% ↓
South West	-18.7% ↓



THE KEY INDICATORS

In comparison to the Owner-Occupied sector the Lettings sector continues to remain suppressed as the demand of urban living with shorter commutes is replaced by more flexible locations and a shift for those able to join the property market rather than renting.

AVERAGE PRICE – NATIONAL & REGIONAL

The average asking price across the UK in Q1 2021 is now £1,331 per month a fall of 2.4% reflecting the suppressed nature of the lettings sector in all but London with supply significantly exceeding demand.

LET AGREED BY REGIONS & MAJOR CITIES

The table outlined opposite starkly highlights the downbeat performance of the rental sector regionally year on year with the exception of London which is seeing a significant resurgence in the number of people looking to rent in the Capital. We believe this is being fuelled by a 10% fall year on year in rental prices within the Capital. This fall in rental costs is enabling many to opportunistically move into London whilst the market has availability and affordability. This is likely to correct itself as the impact of the pandemic subsidies and London recovers.

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

	YOY GROWTH
Inner London	35.5% ↑
Edinburgh	15.6% ↑
Manchester	13.1% ↑
Glasgow	0.1% ↑
Cardiff	0.0% ↔
Southampton	-3.3% ↓
Birmingham	-5.7% ↓
Bristol	-6.6% ↓
Sheffield	-7.7% ↓
Nottingham	-8.2% ↓
Leeds	-9.1% ↓
Newcastle upon Tyne	-11.7% ↓
Norwich	-15.2% ↓
Peterborough	-15.7% ↓
Plymouth	-31.6% ↓

HYBRID/ONLINE AGENTS COMPARED TO THE HIGH STREET AGENTS

PROPERTY VALUE	NEW INSTRUCTION		
	Q1 2021	Q1 2020	% DIFF YOY
Less than £200,000	9.3%	8.7%	7.7% ↑
£200,000 - £350,000	8.1%	7.4%	9.6% ↑
£350,000 - £1,000,000	6.3%	5.5%	15.8% ↑
£1,000,000+	1.8%	1.4%	27.9% ↑
Total	7.8%	7.1%	9.0%

REGION	NEW INSTRUCTION		
	Q1 2021	Q1 2020	% DIFF YOY
East Midlands	10.0%	10.0%	0.5% ↑
East of England	5.0%	5.0%	0.7% ↑
Outer London	7.5%	6.5%	15.6% ↑
Inner London	6.4%	5.2%	22.9% ↑
North East	8.6%	6.1%	41.5% ↑
North West	10.6%	9.4%	12.7% ↑
Scotland	8.3%	8.9%	-6.3% ↓
South East	5.4%	5.2%	4.9% ↑
South West	5.2%	4.6%	12.9% ↑
Wales	8.7%	7.2%	20.2% ↑
West Midlands	10.9%	10.2%	7.5% ↑
Yorkshire and The Humber	12.6%	11.1%	13.4% ↑
Total	7.8%	7.1%	9.0%

MARKET SHARE – FOR SALE

The market share of the Hybrid/Online agents in Q1 2021 for exchanges stands at 7.7%. The expansion of these agents has hovered between 7% & 8% for nearly two years with no significant penetration into the market share of the traditional High Street agents. Whilst the Hybrid/Online agents initially benefited from the complete closure of the residential property market in lockdown #1 they have not seen their growth increase with the subsequent restrictions imposed.

Market share of the Hybrid/Online agents has not increased despite significant marketing spend over the last 5 years. Time will tell whether any of the incumbents will adopt a change in strategy in order to make a more notable difference.

HYBRID/ONLINE AGENTS – MARKET SHARE BY PRICE BAND

Hybrid/Online agents have traditionally appealed to the owners of lower value properties. In 2020 we had seen an improved level of penetration into properties of greater value, and this has continued with pace into Q1 2021. This will be driven both by the increase

in the average property price coming to the market (thereby making fewer available in the lower bandings) in addition to the significant uplift of activity across all price bands within the residential property market.

HYBRID/ONLINE AGENTS – MARKET SHARE BY REGION

All areas of the UK other than Scotland recorded a growth in New Instructions in Q1 2021 with penetration into Inner & Outer London growing significantly as well as the North East. The uplift in the volume and momentum is benefiting all aspects of the

property sector, but we can now see that the Hybrid/Online agents have now achieved significant adoption across the whole of the UK.

THE CONSOLIDATION OF THE HIGH STREET – CONNELLS

Q1 2021 has seen a significant change for many with the unexpected acquisition of the Countrywide Estate Agency group by the Connells Estate Agency group. The challenges of Countrywide have been well documented over the past 4 years but the acquisition and investment from the Skipton Building Society backed Connells Group has immediately created a “supergroup”

of estate agency brands that in Q1 2021 represented over 9% of all New Instructions, 2.5 times larger than the next nearest Estate Agency brand/group.

Further consolidation occurred with the Property Franchise Group acquiring the Hunters estate agency.

THE HOMEMOVER WAVE UP BY 50% YEAR ON YEAR

Q1 2021 VOLUME OF HOMEMOVERS

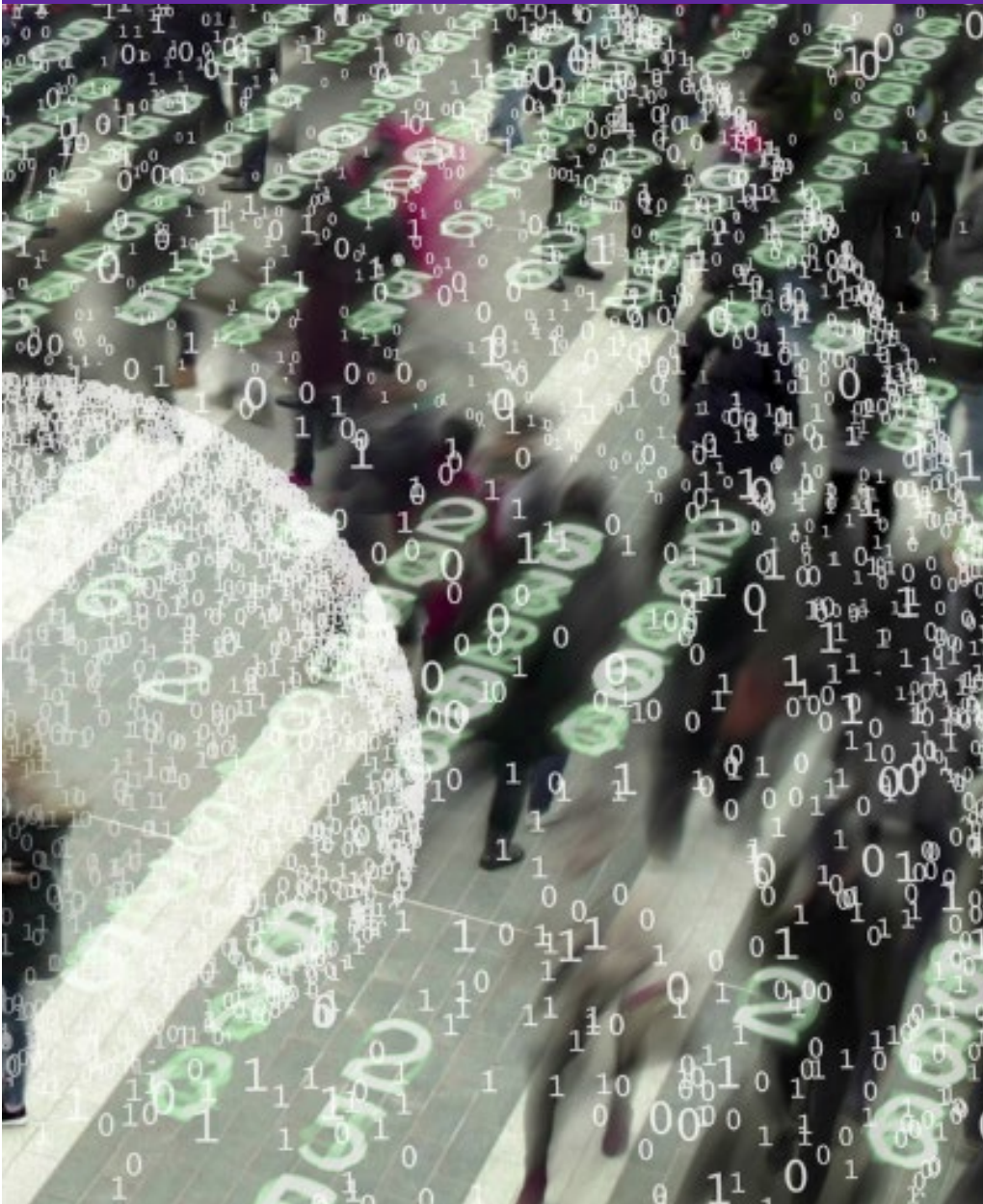
	Want to move 387,673 households	DIY Flooring Windows and doors	IN THE MARKET FOR	
	Moving soon 360,082 households	Furniture Electricals Tech Home furnishings Garden		
	Moving now 265,024 households	Furniture Electricals Tech Home furnishings Garden		
	Just moved 311,083 households	Furniture Electricals Tech Home furnishings		Garden Baby and nursery Toys Sport and leisure
	Settling in 328,502 households	Furniture Electricals Tech Home furnishings		Garden Baby and nursery Toys Sport and leisure

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 Q1 2020 the number of households in the home moving journey is up by over 50% with an additional 500k households entering, progressing, or completing the process of moving. Harnessing this data for targeted marketing campaigns can bring huge gains and strong ROI across multiple sectors and categories, particularly as our economy and retailers seek to re-build their business.

A home mover is the most valuable consumer on the planet during the period of moving; Aviva estimate that over £12 billion is spent by homemovers each year in addition to the value of the transaction.

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 Time, 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 our some of our most recent content

- [The top 5 purchases made by Homemovers](#)
- [Who are the most valuable consumers in the UK?](#)
- [Withstanding a footfall crisis](#)

ABOUT TWENTYCI

TwentyCi is a homemover & buyhavioural data agency that delivers strategic data, insight and engagement solutions.

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.

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