



TWENTYCI PROPERTY & HOMEMOVER REPORT – THE PANDEMIC EDITION

Information embargoed until 20th October 2020 at 00:01

CONTENTS

- **Introduction**
- **Executive Summary**
- **The Post Lockdown Picture – Owner Occupied**
Key Indicators
Average Price
Volume
Property Characteristics
- **The Post Lockdown Picture – Lettings**
Key Indicators
- **Impact of the Stamp Duty Holiday**
- **Online Agents & the High Street**
- **Branch Closures**
- **The Homemover Wave**
- **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 property market, created from the most robust property change sources available.

Our publication was paused for Q1 & Q2 2020 as a consequence of Covid-19 but we are pleased to recommence our reports by focusing extensively on how the residential property market is performing in a post-Covid world where local lockdowns, restricted liberties and economic concerns are a daily occurrence.

Our report provides a real-time review of the UK market, covering 99.6% of all sale and rental property moves.

This state of the nation report provides a 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**

“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 POST PANDEMIC SURGE

At the outset of 2020 there had been early and significant indication of a property market uplift with the much anticipated post-electoral 'Boris bounce' beginning to ripple through. Little did we realise the impact a virus originating in Wuhan, China would have on our economy, health and personal liberties. Whilst the lockdown effectively placed the property market on ice the period since the re-opening of this market continues to see a level of buoyancy not experienced for over a decade.

In comparison to Q3 2019 New Instructions are up by 36% and Sales Agreed by 53% and whilst an element can be attributed to pent up activity from lockdown this is not the full picture. The whole of the residential property market is at levels not seen for a decade 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).

As we head into October the 2020 volume of Sales Agreed has now already passed the whole of 2019 and the volume of New Instructions is 92% of last years total.

Colin Bradshaw TwentyCi's Chief Customer Officer,
adds: "It is clear that the housing market is running 'hot' and this is an unprecedented situation that we are all trying to adapt to"

THE CONVEYANCING BOTTLE NECK

Since the financial crisis of 2008 the residential property market has maintained a slow and steady volume of approximately 1 million transactions a year leading to a re-calibration of the supporting ecosystem of surveyors, conveyancers and mortgage advisors. Whilst New Instructions and Sales Agreed will surpass 2019 volumes, Exchanges in Q3 are currently 40% down compared to the same period in 2019. With the post lockdown surge of transactions the challenge will now be for the ecosystem to expand to manage the level of activity within a reasonable time period notwithstanding the pressure that will be brought to bear by the conclusion of the Stamp Duty holiday at the end of March 2021.

Colin Bradshaw TwentyCi's Chief Customer Officer,
adds: "Whilst more properties are coming to market and being viewed and sold there has not been an overnight increase in the capacity of surveyors, conveyancers, search providers or mortgage underwriters. We have not seen the capacity pinch with removers as yet but that must be following close behind"

THE RETAILERS BONANZA

Retailers are reporting record figures as both those who are moving and those looking to improve their homes (where they are now spending more time) invest in their living environments. Some retailers are also reporting supply chain issues as markets emerge and volumes flourish and they face a difficult balancing act between driving demand and ensuring the supply side.

Research from Aviva highlights the value to the economy of homemovers is in excess of £10 billion per annum (outside of the transaction value). Little wonder that the Chancellor has seen the residential property market as both a cornerstone and catalyst for the UK's economic revival. Our analysis suggests that so far the Stamp Duty holiday has had little impact on the increased activity within the market, however as we head towards 2021 the likelihood of this fiscal stimulus being extended due to its impact on the broader economy will be forthcoming. In addition the Prime Ministers announcement of 5% deposits for new home buyers, "Generation Buy", suggests that the residential property market will remain sharply in the Governments focus as we live through the pandemic.

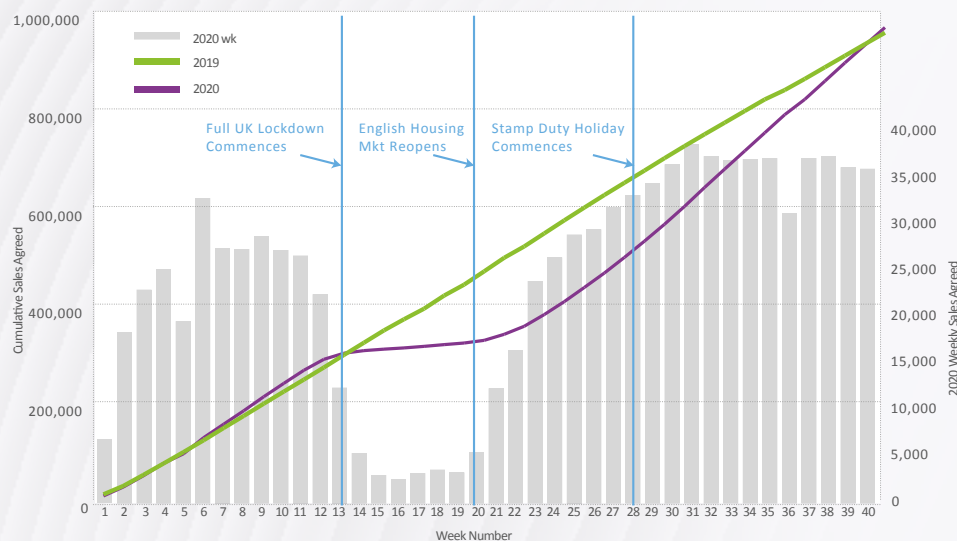
Colin Bradshaw TwentyCi's Chief Customer Officer,
adds: "Retailers and homemovers remain mutually beneficial friends but the dynamics of online vs in store purchase has changed potentially for ever and so retailers are juggling their go to market models against a backdrop of limited footfall capacity and unreliable supply chains"

THE POST LOCKDOWN PICTURE – OWNER OCCUPIED

POST LOCKDOWN	
New Instruction	16%
Sale Agreed	24%
Fallen Through	22%
Price Changed	17%
Exchanged	-22%
Withdrawn	-5%

Furthermore, new Instructions post lockdown are 14% higher than the same time period in 2019, and sales agreed 25% higher and have just surpassed the level seen in 2019.

Volume of Sales agreed YTD 2020 compared with 2019



KPI'S	Q3 2019	Q3 2020	% MOVEMENT
New Instruction	433,106	589,384	36%
Sale Agreed	309,484	474,849	53%
Fallen Through	77,402	88,345	14%
Price Changed	246,725	265,576	8%
Exchanged	256,007	154,772	-40%
Withdrawn	207,808	195,102	-6%

POST LOCKDOWN KPI'S

Post lockdown the residential property market is witnessing transaction levels not seen for a decade. All prime metrics are highlighting a surge of activity that has occurred within the property market since the end of the property market lockdown in the middle of May.

Currently New Instructions are up 16%, Sales Agreed are up 24% whilst the number of properties being Withdrawn is down 5% compared to Q1. However, as a note of caution Fall Throughs are up by 22% whilst Price Reductions have increased by 17%.

Exchanges are down by 22% but this is reflective of the hiatus caused by the lockdown in March, April and May; Q4 will provide the insight into the number of properties completing.

As we head into October the 2020 volume of Sales Agreed has now surpassed the whole of 2019 and the volume of New Instructions is 92% of last years total.

In comparison to 2019 all key indicators for Q3 are significantly ahead of the prior year with New Instructions up by over 150k properties (+36%) and Sales Agreed up by over 160k properties (+53%). The increase in volume delivers a positive injection of stock into the property market following a period when the supply side (and consequently choice) has been limited. Whilst the increase in supply is matched by demand property values will continue to increase; whether this is sustainable as we head into 2021 remains

to be seen. Whilst Exchanges are down by 100k (-40%) compared to 2019 this reflects the conveyancing hiatus caused by lockdown, however the significant increase in the volume of properties requiring mortgages, surveys and searches will undoubtedly lead to pinch points within the conveyancing process and potential chain delays.

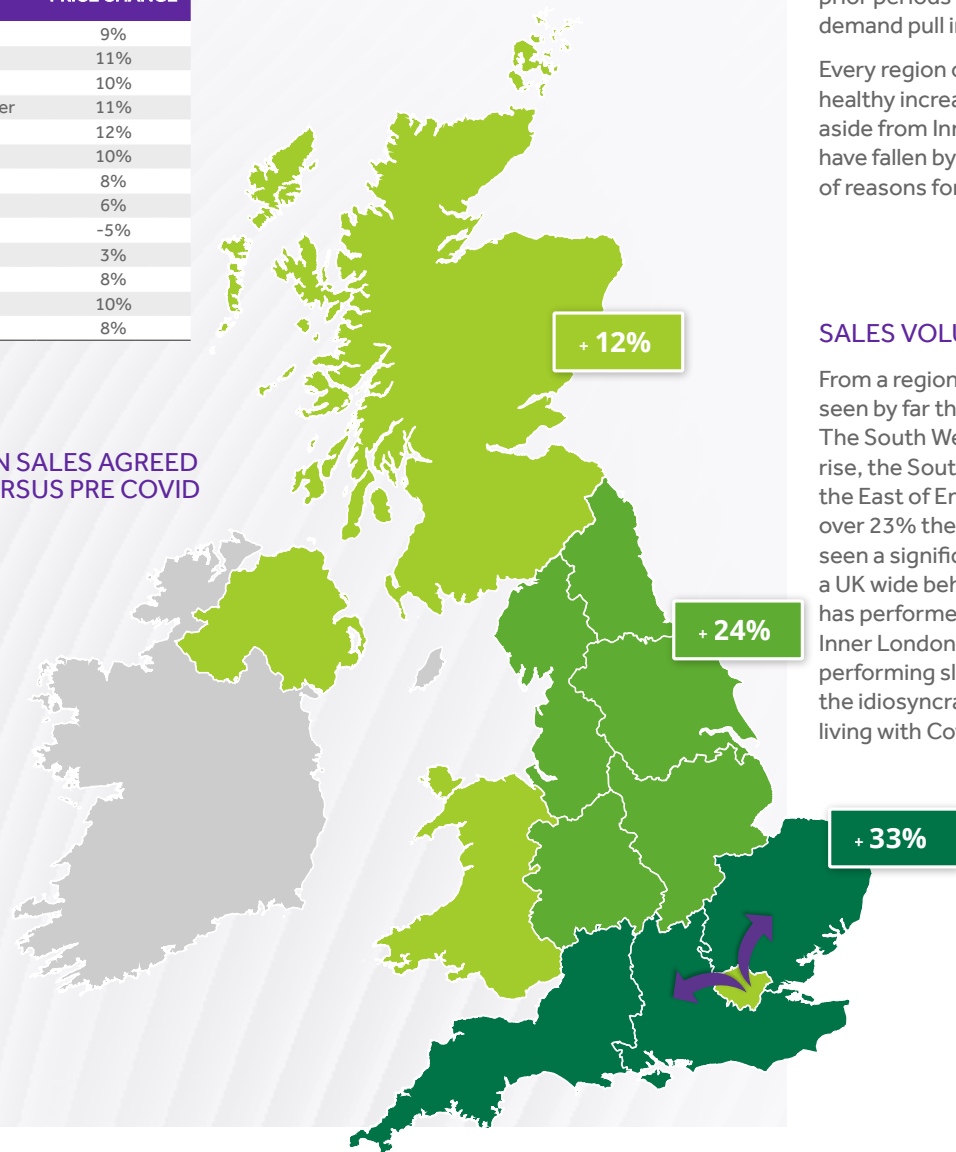
THE POST LOCKDOWN PICTURE – OWNER OCCUPIED

REGIONAL PRICE CHANGES

UK REGION	PRICE CHANGE
Scotland	9%
North East	11%
North West	10%
Yorkshire and The Humber	11%
Wales	12%
East Midlands	10%
West Midlands	8%
East of England	6%
Inner London	-5%
Outer London	3%
South East	8%
South West	10%
Northern Ireland	8%

WHAT'S HOT –

THE GROWTH IN SALES AGREED POST COVID VERSUS PRE COVID



AVERAGE PRICE – NATIONAL & REGIONAL

The average asking price across the UK has risen by over £31,000 compared to 2019 and now stands at £384,000. Whilst the supply of stock has increased substantially from prior periods so has the level of demand with demand pull inflation driving up asking prices.

Every region of the UK has experienced a healthy increase in average asking prices aside from Inner London, where asking prices have fallen by 5%. We can deduce a range of reasons for this occurrence; lockdown

has led many to re-evaluate their living space, contemplate escaping the city and establishing a more preferable home/work commute balance reducing the need to be in close proximity to the corporate office. The recalibration of London prices is likely to continue whilst the pandemic persists.

It should be noted in addition that London enjoyed above average house price increases so there may also be structural correction here.

SALES VOLUMES BY REGION & BY COUNTRY

From a regional perspective the South has seen by far the highest rise in sales agreed. The South West leads the way with a 38% rise, the South East follows with 33% whilst the East of England is also strong at 31%. At over 23% the North and Midlands have also seen a significant uplift in volume reflecting a UK wide behaviour. In comparison London has performed comparatively poorly, with Inner London at only a 4% rise and Outer London performing slightly better with 16% reflecting the idiosyncrasies faced by the Capital whilst living with Covid.

From a Country perspective the re-opening of the property market in England ahead of Scotland, Wales and Northern Ireland has enabled the English housing market to perform significantly better than the other 3 countries in the UK. England's post lockdown sales agreed have increased by 26%, whilst Scotland sits at 12%, Wales at 10% and Northern Ireland at 14%.

THE POST LOCKDOWN PICTURE – OWNER OCCUPIED



WHAT ARE BUYERS
LOOKING FOR?



GARDENS
+ 17%



3+ BEDROOMS
+ 31%



RURAL LIVING
+ 47%



DETACHED HOMES
+ 48%

PROPERTY CHARACTERISTICS

In previous editions of the Property & Homemover report we have made the observation that for the residential property market to develop genuine momentum all facets of the market needed to see an uplift. Post lockdown the largest increase in sales agreed is being seen in 4 bed properties, up 43% and 3 bed properties, up 24% indicative of the “middle England, middle Income” cohort changing their circumstances. Additionally, sales of detached properties are up over 48% post lockdown.

In respect of the theme “escape from the city”, sales agreed have risen fastest in Rural areas (47%) compared with Urban Areas (19%).

THE POST LOCKDOWN PICTURE – LETTINGS

THE KEY INDICATORS

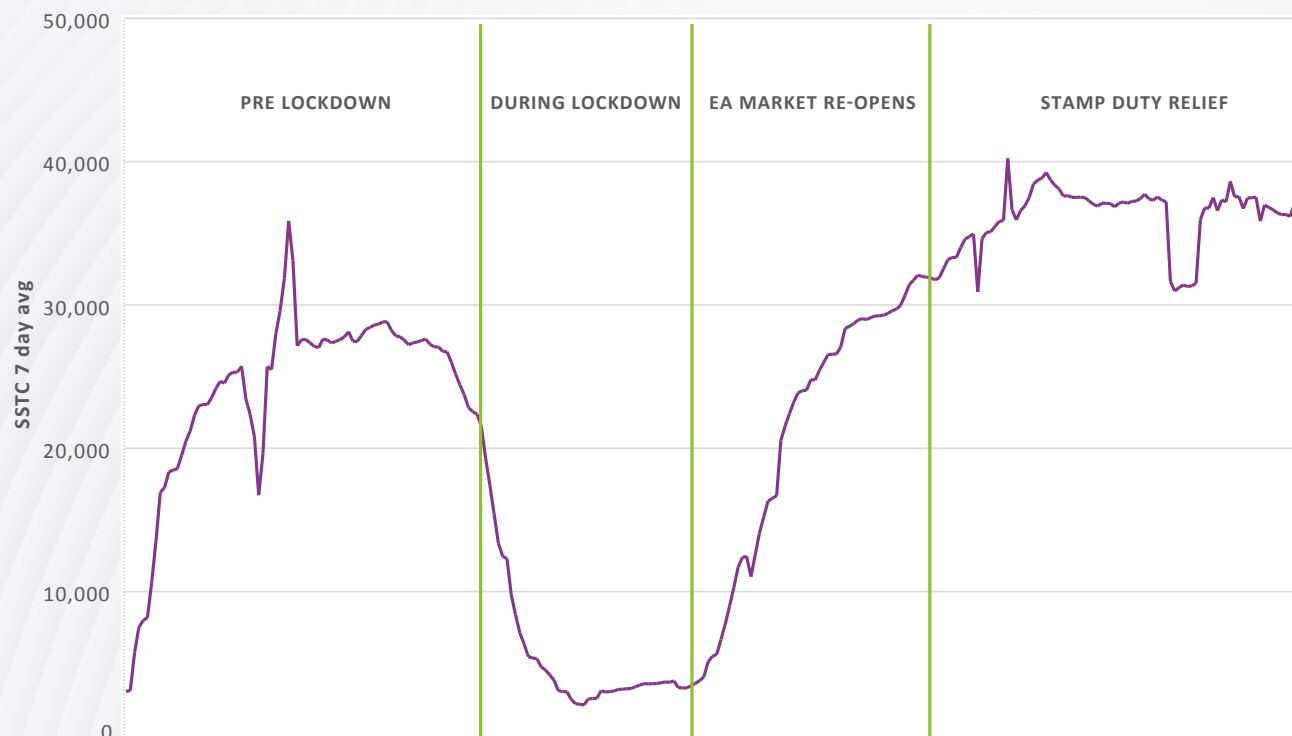
In comparison to the Owner-Occupied sector the Lettings sector has returned almost to the same level as pre-lockdown. New Instructions are down 1% and lets agreed are 6% up. Asking prices however are now 6% greater.

From a regional perspective however the strength of the Owner Occupied market, is driving down the lets agreed in nearly all UK regions aside from London. Inner London in particular has seen a sharp rise of 51% in lets agreed post lockdown.

LETTINGS – AGENT TYPE

Post lockdown there has been a significant rise in the volume of activity from the hybrid agents compared to the High Street where the hybrids have seen lets agreed rise by 37% compared with a rise of only 3% from the High Street agents. One may ask whether the lockdown period and the closure of the high street has had a material impact on this sector of the property market with the accessibility of the onlines' providing a more reachable service.

THE STAMP DUTY HOLIDAY



A Stamp Duty holiday was one of the key fiscal initiatives unveiled by the Chancellor to stimulate both the property market and the broader economy. For residential buyers of homes valued at up to £500,000 there is currently no stamp duty on the purchase price with the initiative scheduled to run until the end of March 2021.

The chart shows the effect that the announcement and immediate implementation of the stamp duty holiday had on sales agreed with a comparison to the opening of the English property market. It is our view that the reopening of the property market in May was much more of a catalyst to sales agreed than the Stamp Duty holiday.

HYBRID/ONLINE AGENTS COMPARED TO THE HIGH STREET AGENTS

Agent type	Number of exchanges – Q3 2020	Market penetration
High Street	120,724	92.1%
Hybrid/Online	10,421	7.9%

Hybrid agents have exceeded the high street's performance post lockdown. New Instructions growth by hybrid agents has been 49% higher than the high street agents' whereas hybrid Sales Agreed growth has been 16.6% higher than the high street agents.

MARKET SHARE – FOR SALE

Online agents market share of exchanges remains consistently around the 8% mark; however with a lag between New Instructions, Sales Agreed and Exchanges we would

naturally expect this figure to rise in Q4 as transactions move through the conveyancing phase.

HYBRID AGENTS – MARKET SHARE BY PRICE BAND

Previous reports have highlighted the appeal of the hybrid agents to the owners of lower value properties. Post lockdown we are starting to see an improved level of penetration into properties of greater value. 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.

PROPERTY VALUE	NEW INSTRUCTION		
	THIS QUARTER	LAST YEAR	DIFFERENCE IN LAST YEAR
Less than £200,000	9.67%	8.58%	12.66% ↑
£200,000 - £350,000	8.65%	7.42%	16.59% ↑
£350,000 - £1,000,000	6.44%	5.53%	16.38% ↑
£1,000,000+	1.85%	1.70%	9.39% ↑
Total	7.91%	7.20%	9.96%

HYBRID/ONLINE AGENTS COMPARED TO THE HIGH STREET AGENTS

REGION	NEW INSTRUCTION		
	THIS QUARTER	LAST YEAR	DIFFERENCE IN LAST YEAR
East Midlands	11.17%	9.26%	20.64% ↑
East of England	5.60%	5.20%	7.76% ↑
Outer London	8.04%	6.69%	20.08% ↑
Inner London	6.78%	4.98%	36.05% ↑
North East	7.19%	6.43%	11.91% ↑
North West	10.86%	9.08%	19.58% ↑
Scotland	8.49%	9.07%	-6.42% ↓
South East	5.95%	5.19%	14.73% ↑
South West	5.22%	4.44%	17.39% ↑
Wales	7.24%	8.00%	-9.57% ↓
West Midlands	11.57%	10.38%	11.48% ↑
Yorkshire and The Humber	12.47%	11.62%	7.38% ↑
Total	9.91%	7.20%	9.96%

HYBRID AGENTS – MARKET SHARE BY REGION

The post lockdown increase in New Instructions is reflected with growth across the whole of England and significantly for the first time we are seeing growth within Inner & Outer London and the South East. Wales & Scotland lag behind England due to the extended period of lockdown both countries imposed.

Penetration into London and the South East with the higher volume of properties is essential for the hybrid agents to genuinely deliver significant growth at a National level.

BRANCH CLOSURES



713 BRANCHES

In spite of a buoyant property market 713 branches that closed during lockdown have not re-opened shrinking the High Street presence of Estate Agents to approx. 19,400, a fall of 3.5%. For some Estate Agency groups lockdown has been an opportunity to re-evaluate their portfolio and re-shape their network, for others the economic impact of no or few transactions during lockdown will have taken a permanent toll

THE HOMEMOVER WAVE Q3 2020

	Want to move 523,454 households	DIY Flooring Windows and doors		
	Moving soon 407,389 households		Furniture Electricals Tech Home furnishings Garden	
	Moving now 193,365 households		Furniture Electricals Tech Home furnishings Garden	
	Just moved 123,329 households		Furniture Electricals Tech Home furnishings	Garden Baby and nursery Toys Sport and leisure
	Settling in 182,748 households	Furniture Electricals Tech Home furnishings	Garden Baby and nursery Toys Sport and leisure	

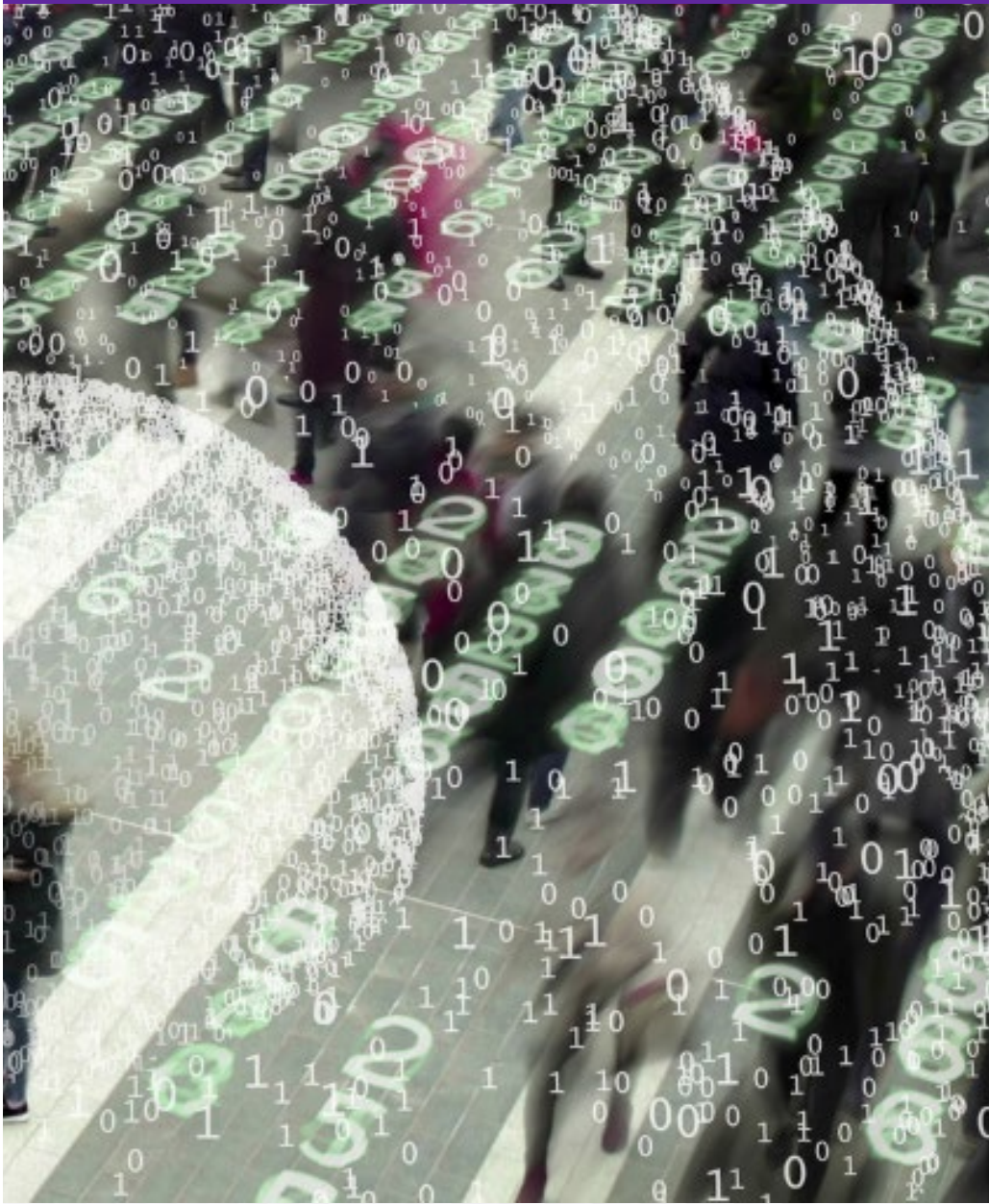
IN THE MARKET FOR

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 shown and triggered by activity such as online property searches, surveys and EPC reports.

Harnessing this data for targeted marketing campaigns can bring huge gains and strong ROI, particularly in times of uncertainty as brands look to an even more targeted strategy.

Post lockdown the surge in the property market has raised the volume of households in the "Want to Move" and "Moving Soon" segments to unparalleled levels as the momentum at the top of the homemover funnel starts to filter through.

CATCH-UP ON OUR LATEST HOMEMOVER INSIGHTS



In addition to our Property and Homemover Report publication, we regularly 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](#)

TWENTYCI PROPERTY & HOMEMOVER REPORT – THE PANDEMIC EDITION

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.

Copyright TwentyCi 2020