

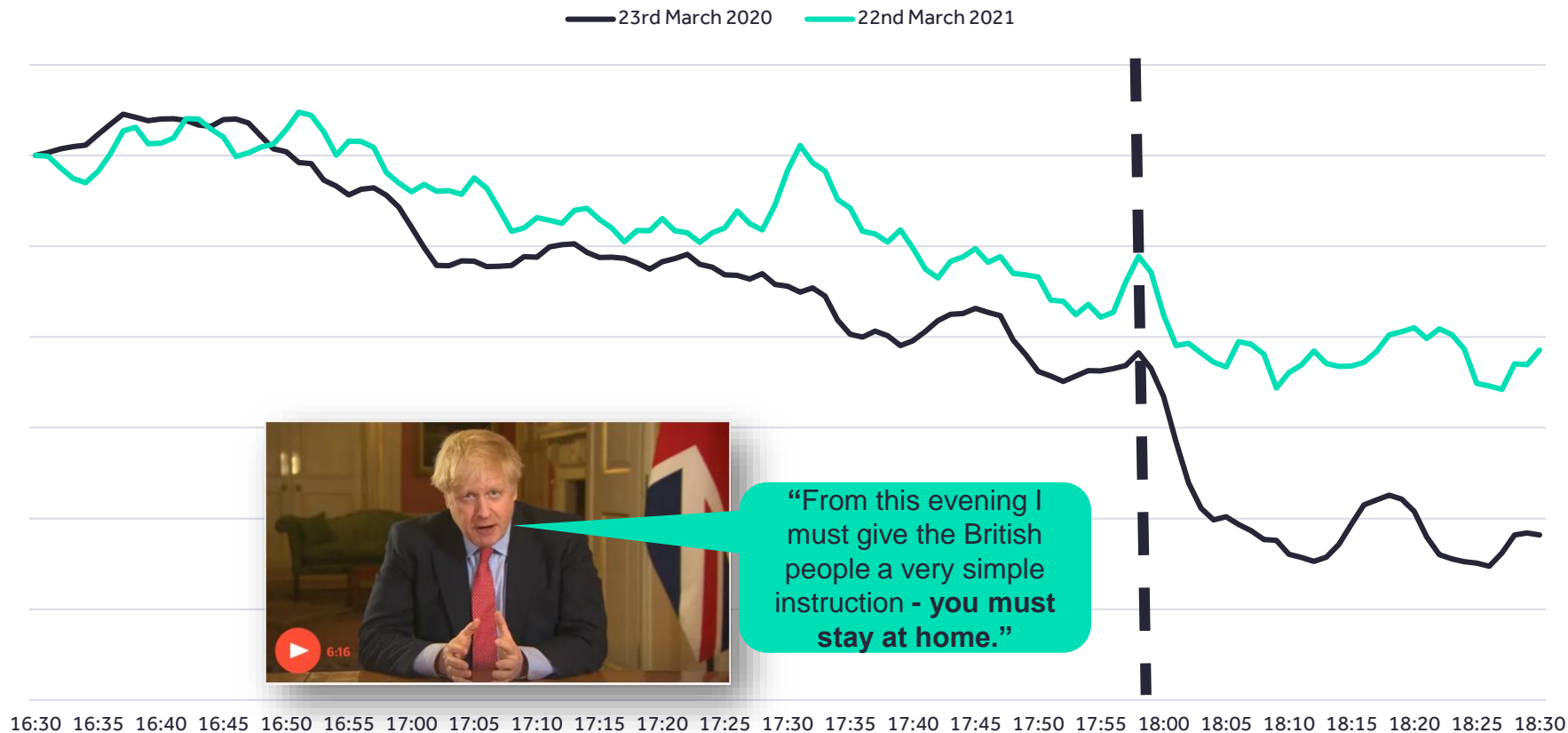
The property market – what has changed and where are we heading?

Tim Bannister
Director of Data Services
Rightmove

What has changed in
the property market?

From c.18:00 on 23rd March 2020 our relationships with our “homes” changed...

Rightmove web traffic - 23rd March 2020 vs 22nd March 2021



...and over the past two years our homes have become, amongst other things:

A home schooling centre



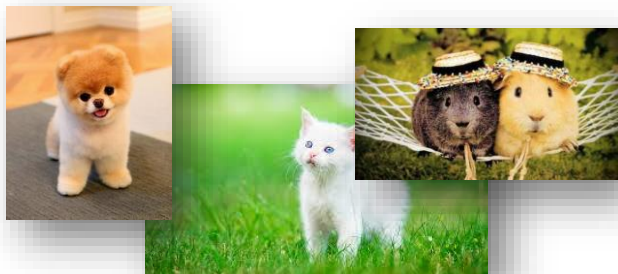
A place of work



An exercise zone

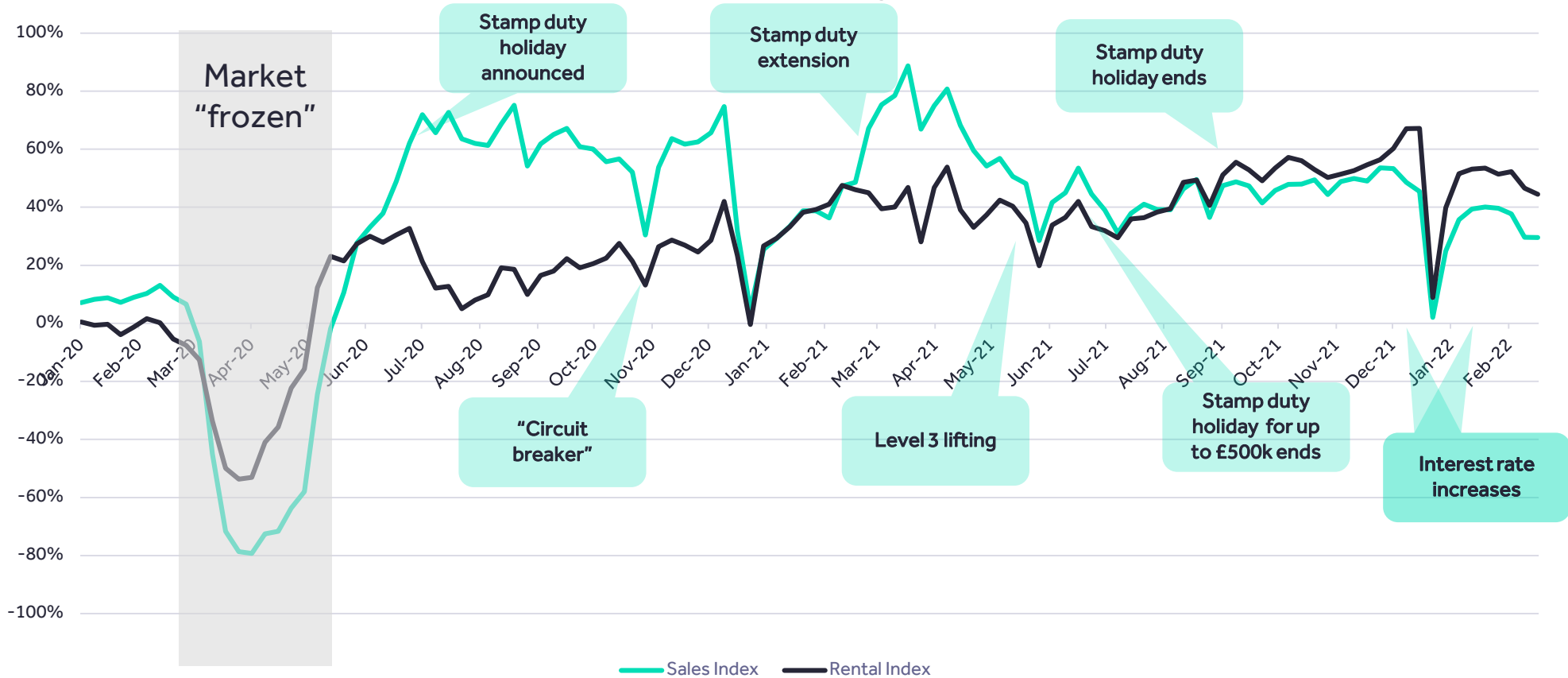


A place for pets



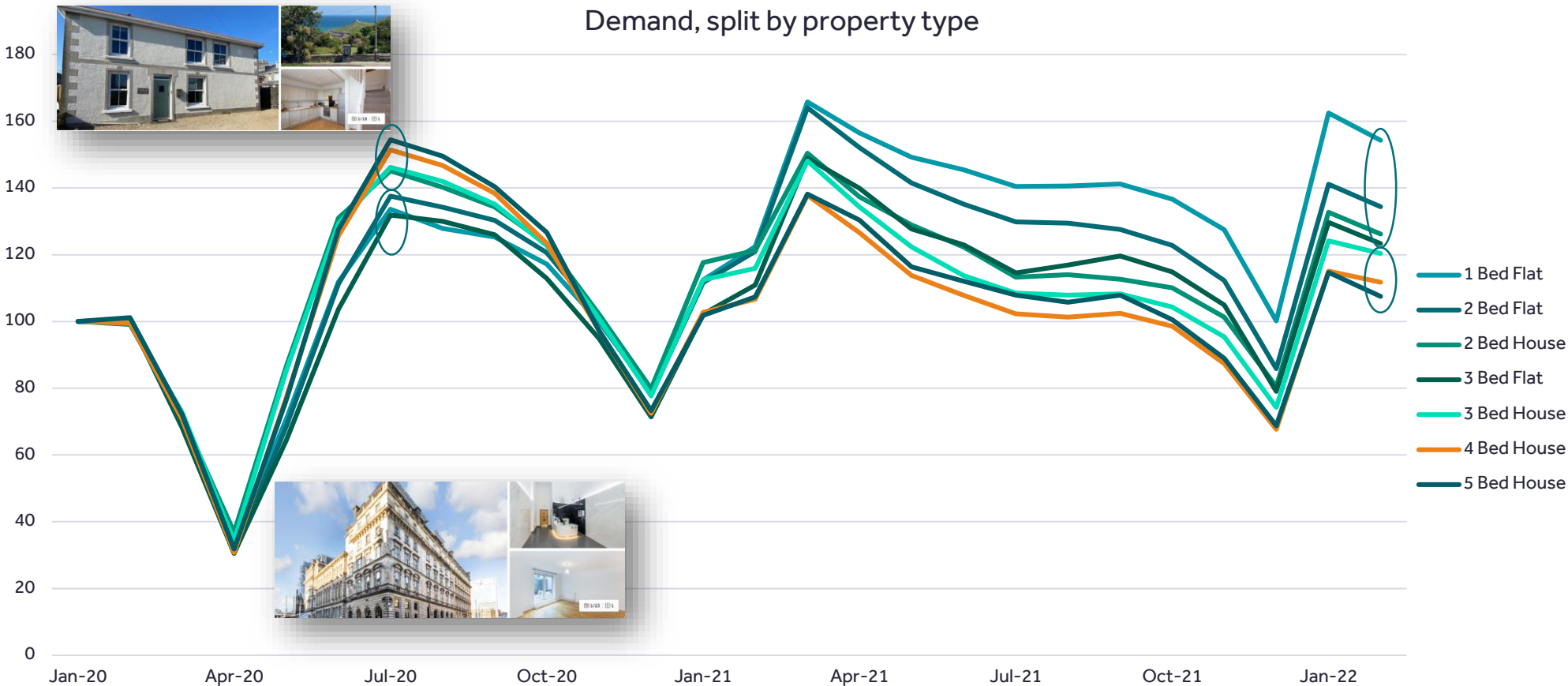
...as soon as we were able to, many of us wanted to change them

Indexed Sales and Rental Demand, 2 Year on Year growth (i.e. Jan 2020 vs Jan 2018)

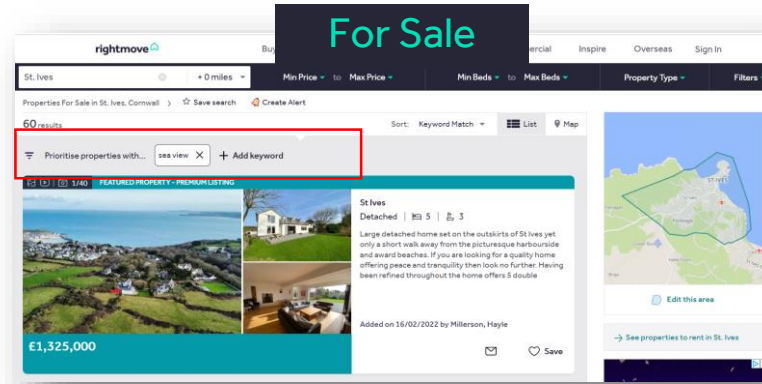


Have we changed
"what" we are looking
for?

The race for space has been followed by a growth in demand for smaller homes too



Our checklists of the specific features we want from our homes has been changing...



Top "Keyword Sort" features searched

"Hybrid" working looks like it is here to stay, will I get a home office?

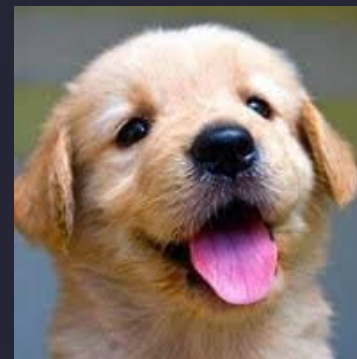
Do I get a bit of outdoor space and a place for my car/storage?

- | 2018 | Sept 2021 | Feb 2022 |
|------------|-----------|-----------|
| 1. Garden | 1. Acre | 1. Garage |
| 2. Garage | 2. Garage | 2. Annexe |
| 3. Balcony | 3. Annexe | 3. Acre |
| 4. Pool | 4. Rural | 4. Garden |
| 5. Parking | 5. Land | 5. Land |

Will I get enough outdoor space and is there potential for a home office?

...but in rental the number one "keyword" remains

To Let



1. Pets

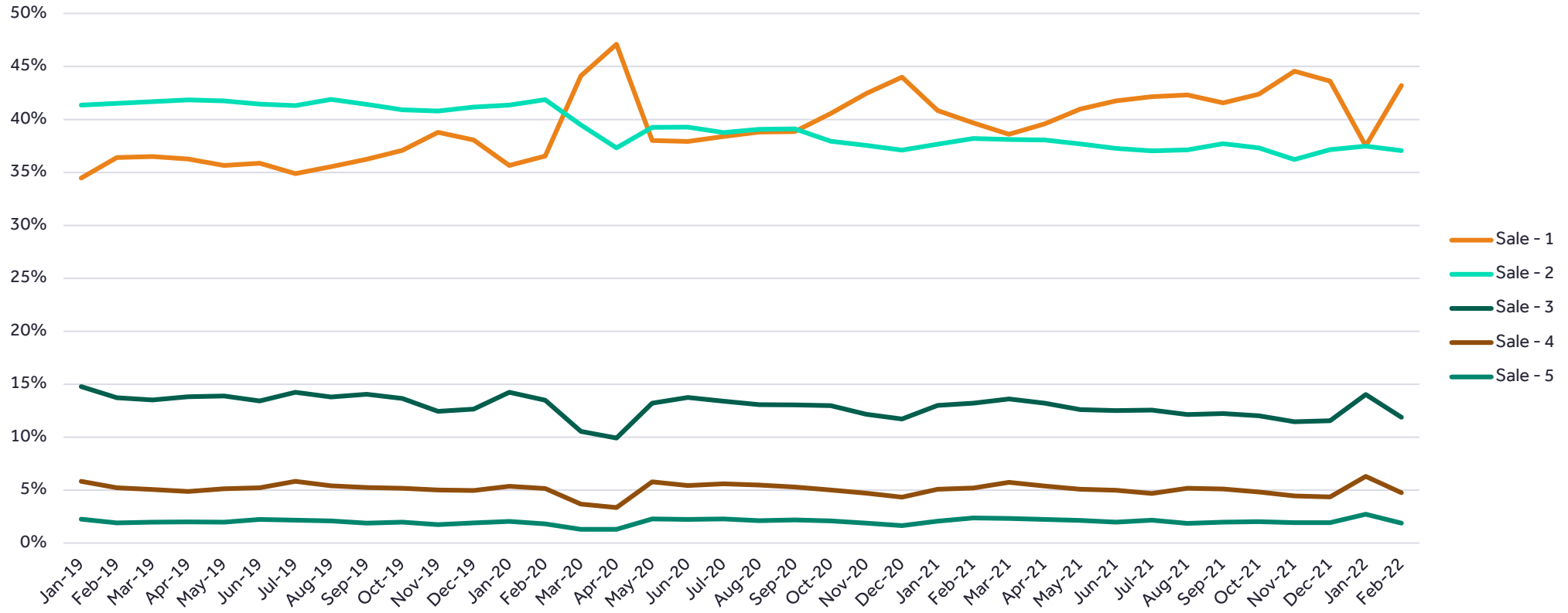


With the “what” changing, we wanted to understand how flexible buyers are re: their “must have” home type

Beds / Type					
<=1					
2					
3	1				
4	2	3			
>5					

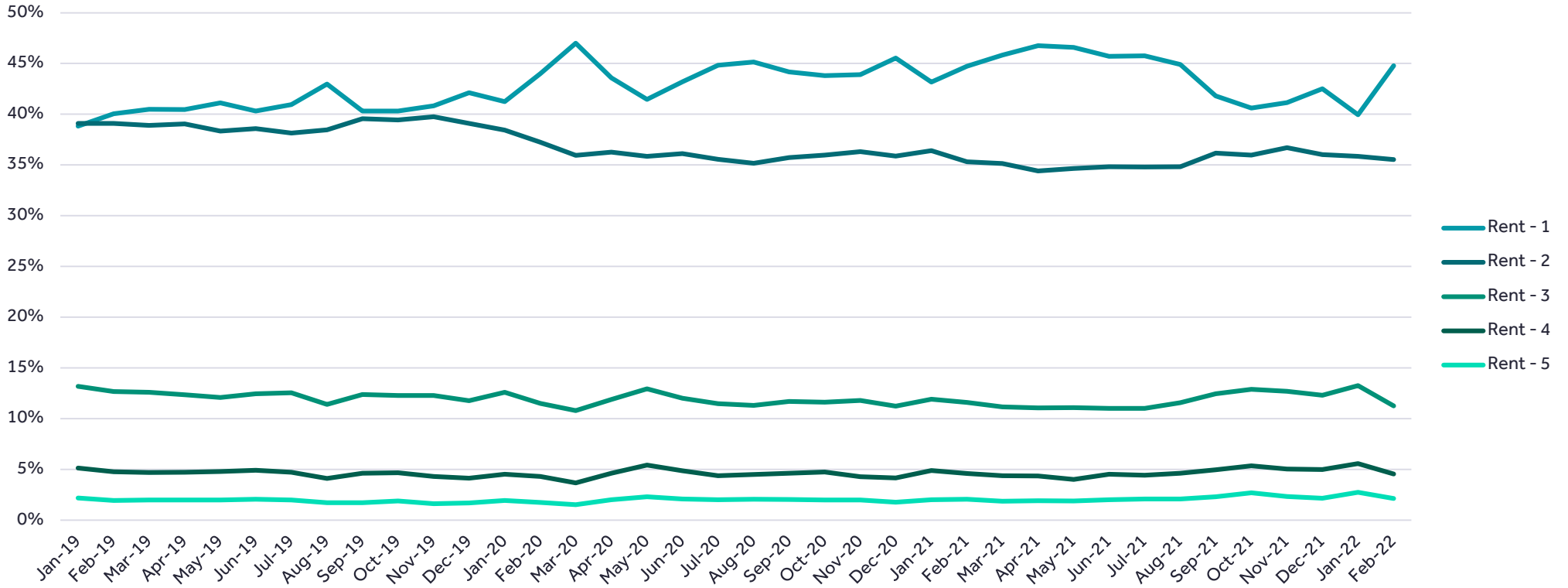
We found home hunters are increasingly less willing to compromise when buying a property...

Proportion of Sales Enquirers searching for multiple property types



...and when renting a home too

Proportion of Rental Enquirers searching for multiple property types



Has the change in
"what" we are looking
for included increased
demand for "Green"?

Home-movers said that the energy efficiency of their home was important to them

Energy efficiency is important...



91% said it was important that their home is energy efficient

...the majority of home-movers that had seen an EPC said it had influenced them...



58% who saw an EPC before moving in said it had an influence their choice of home

...that number is increasing...



82% said they it would influence their next home move

...and VALUE was a key motivator



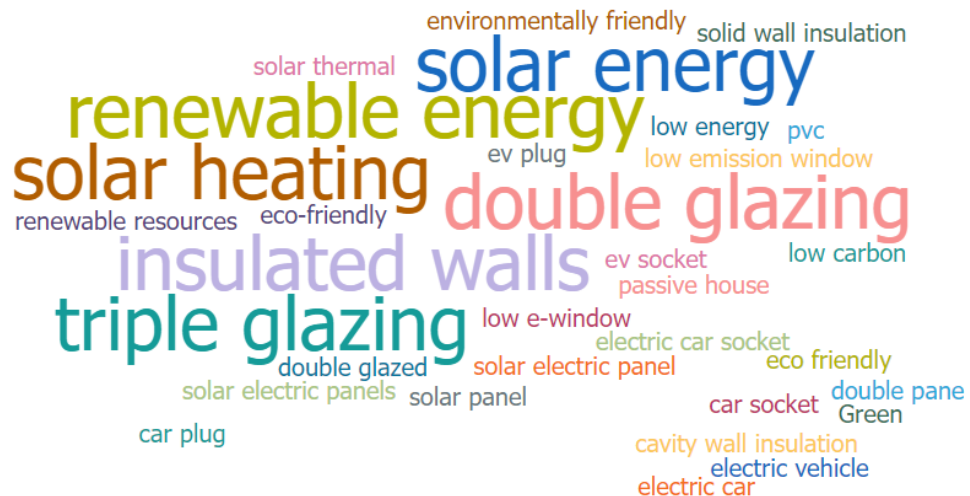
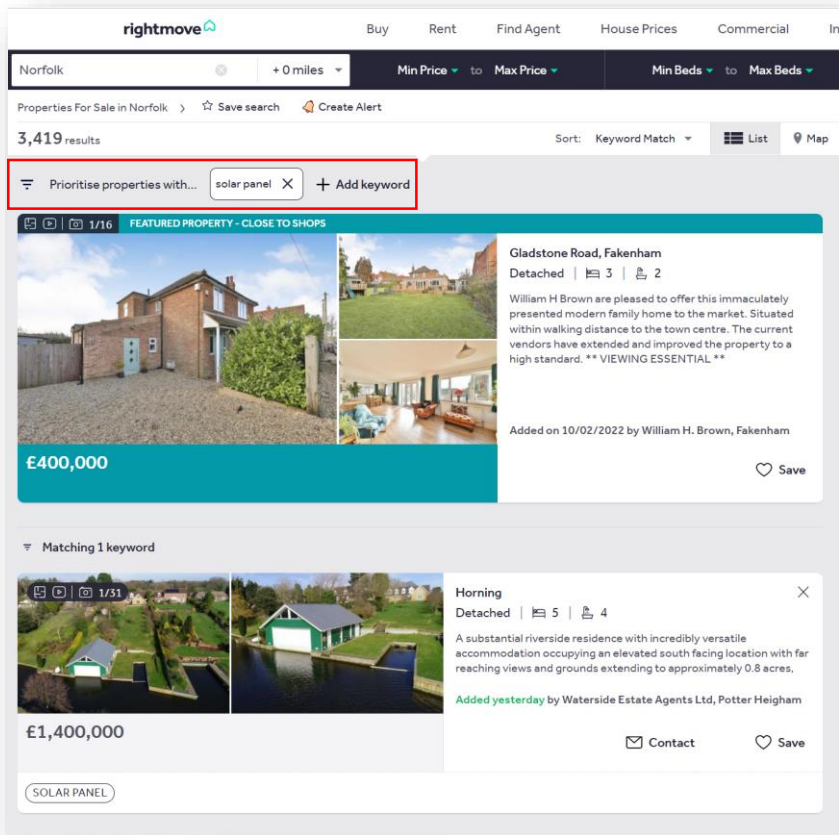
62% said increasing the **VALUE** of their home was a motivation for making energy efficiency changes

Estate Agents are increasingly using 'green' terms when advertising their listings

Growth in number of "Green" terms in property listings, indexed to January 2020



...and consumers are increasingly searching out those “green” terms too



Key Word Sort ranking November 2020 vs November 2021

Term	Nov 2020 Rank	Nov 2021 Rank
Solar Panels	499	160
Heat Pump	>1000	209

Have we changed
"where" we are
looking?

Coastal conference calls and rural room have been a theme over the past two years

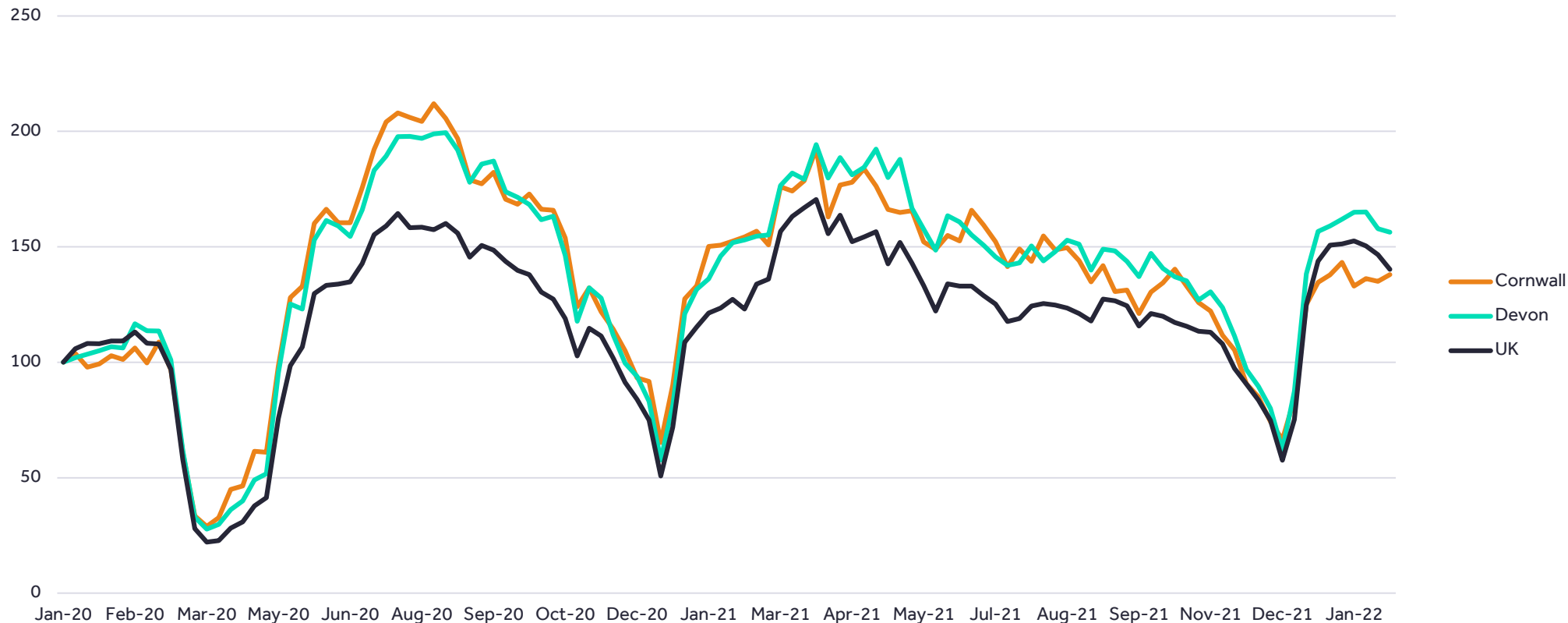


62%* of home-movers surveyed said they would prefer to live in either an inland or coastal village

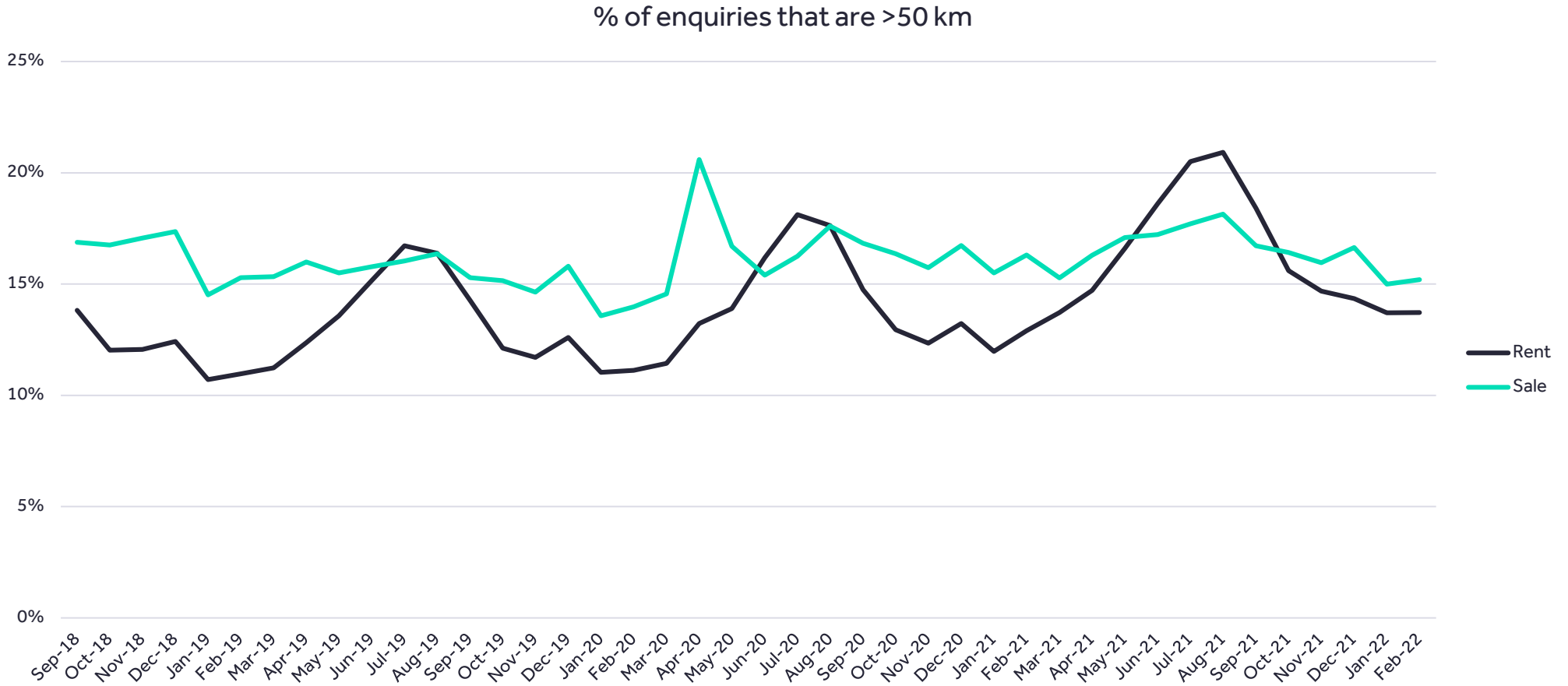


Cornwall and Devon led the way with the initial surge in interest in moves to the coast

Indexed Demand to Cornwall and Devon (Index Jan20)

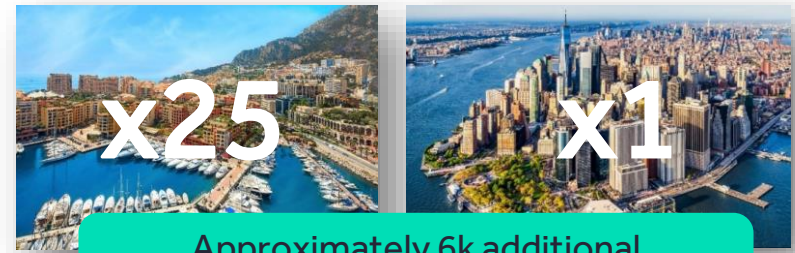
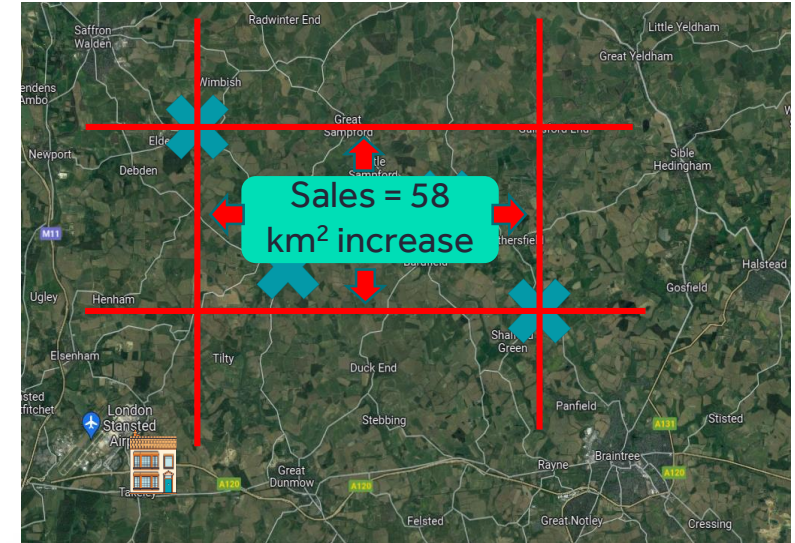
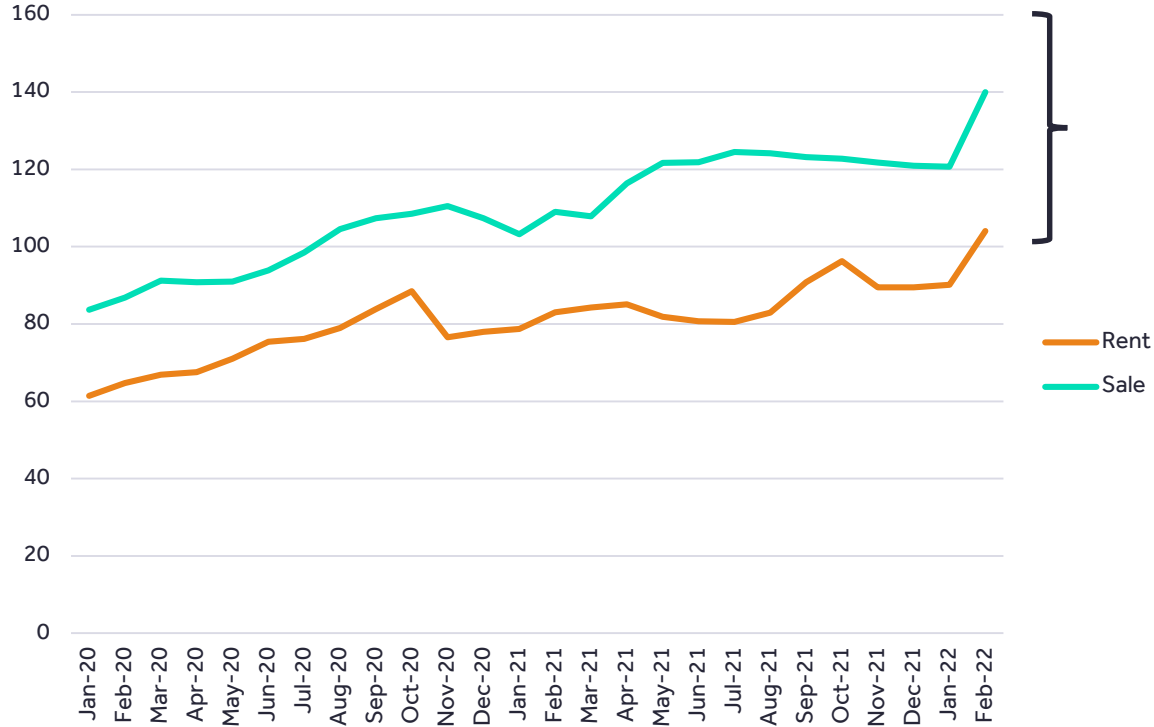


However, the majority of home movers are staying local...



...but "local" is being redefined

Average Area of Enquiry (km²)



Approximately 6k additional properties on average

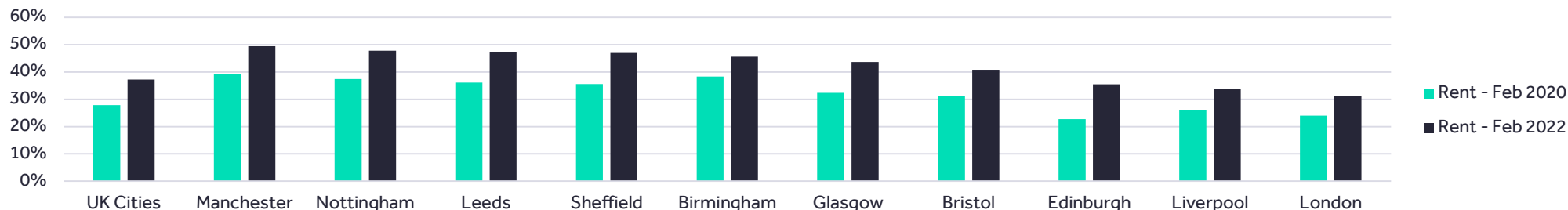
Have we decided to
leave the city?

There has been an increase in the proportion of enquirers looking to leave the city...

Proportion of sales enquiries leaving the city (February 2020 vs February 2022)



Proportion of rental enquiries leaving the city (February 2020 vs February 2022)

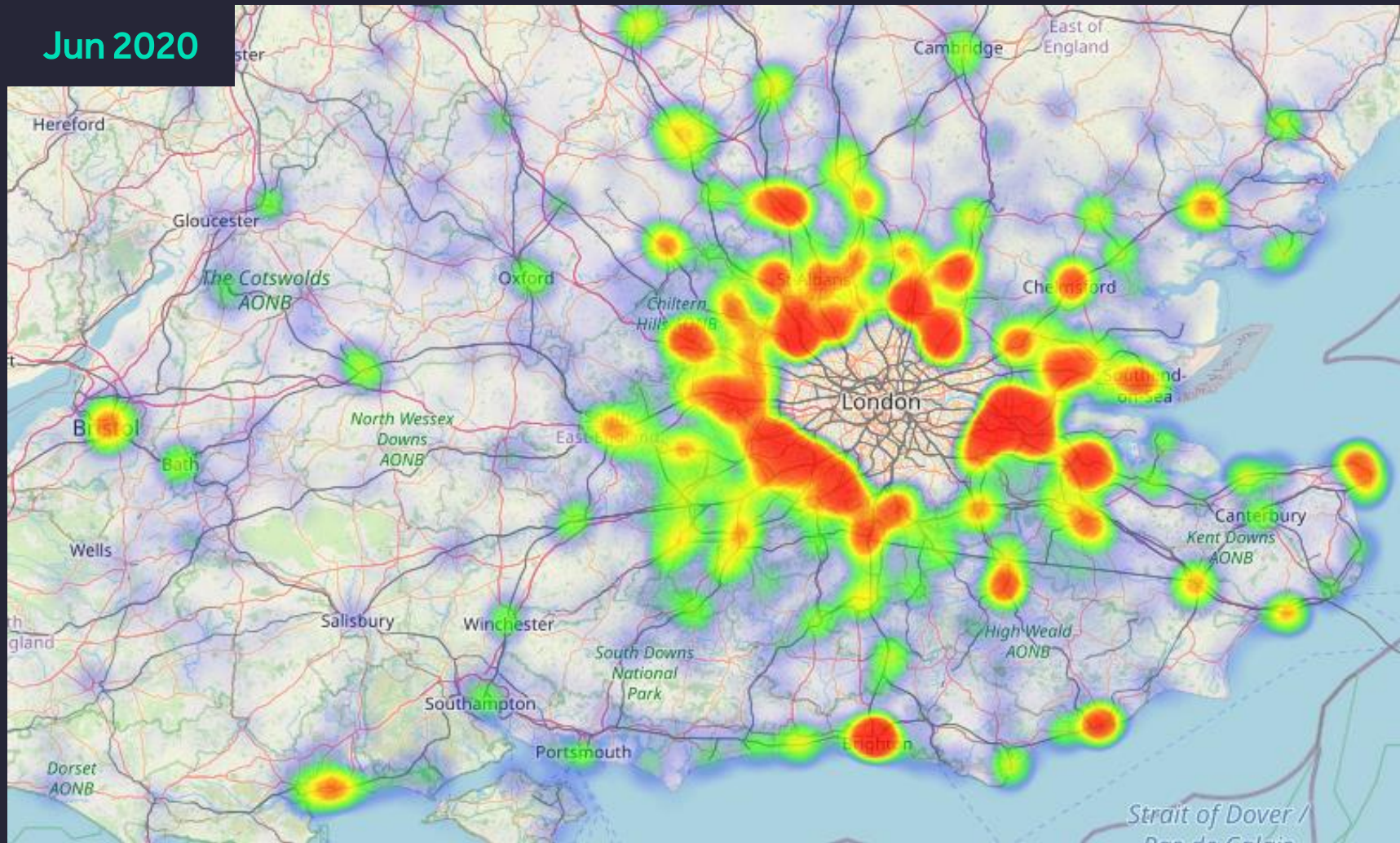


The total demand for city properties has increased by **33%** for sales and **59%** for rental over this period

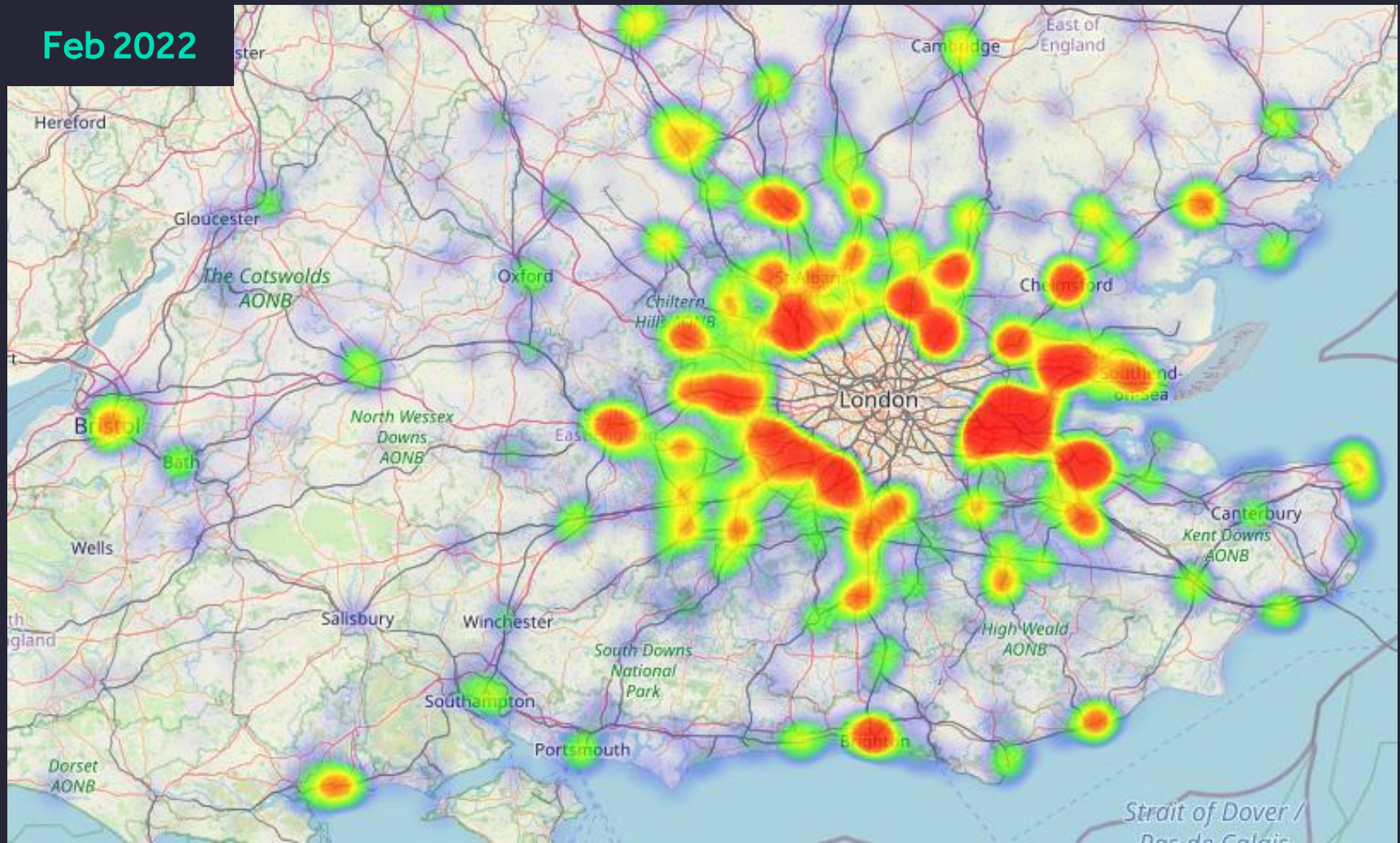
Feb 2020



Jun 2020

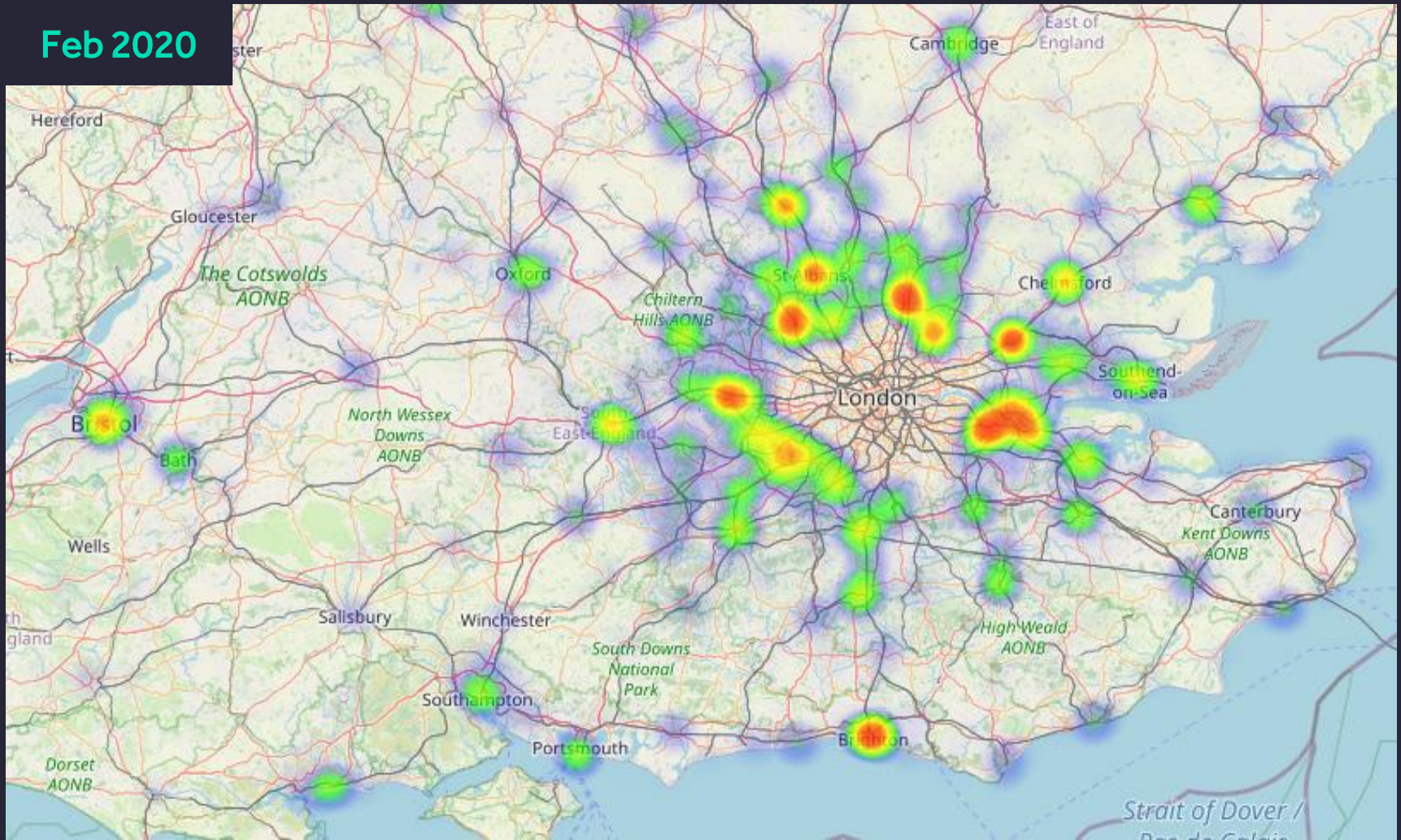


Feb 2022



London rent

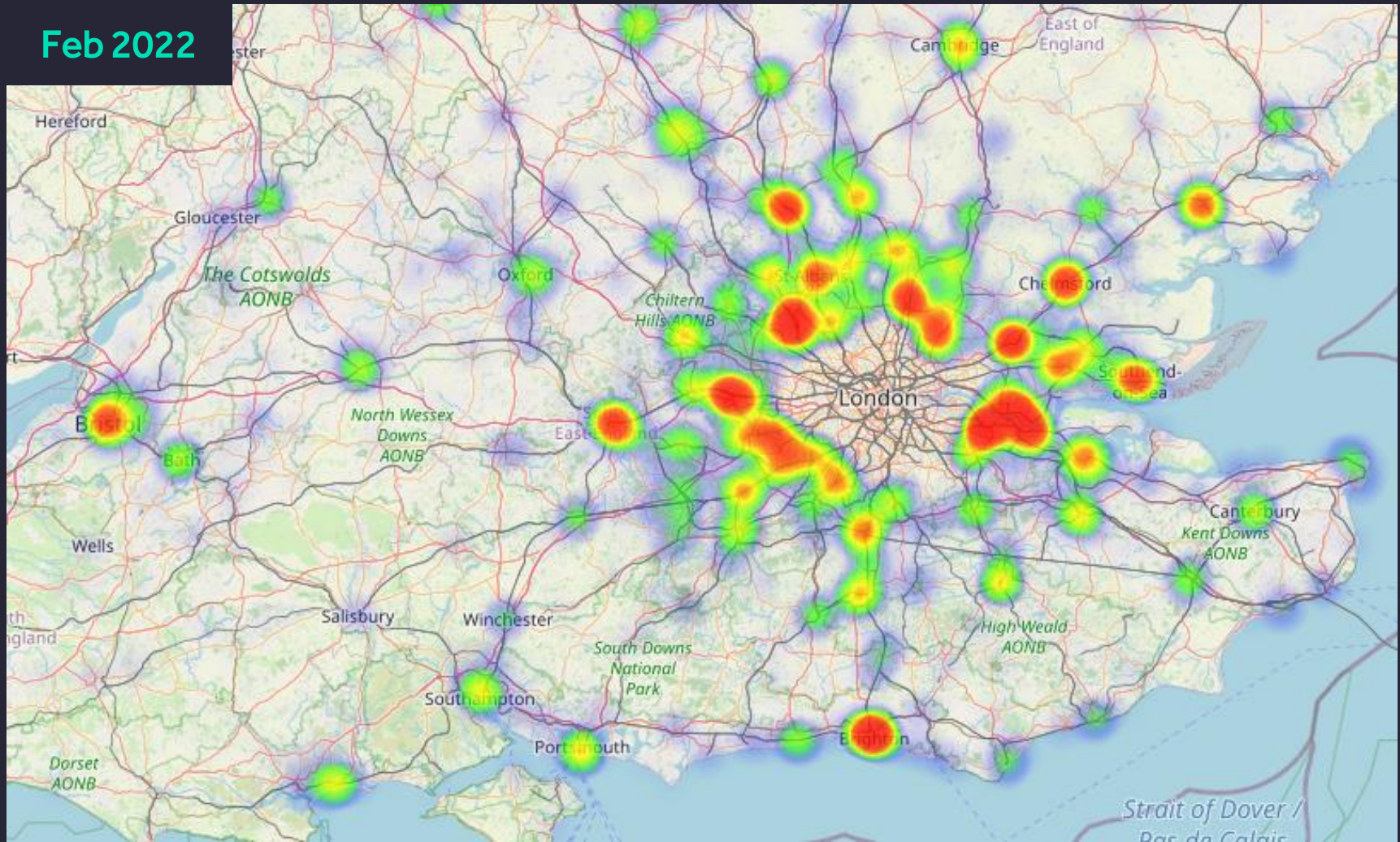
Feb 2020



Jun 2020

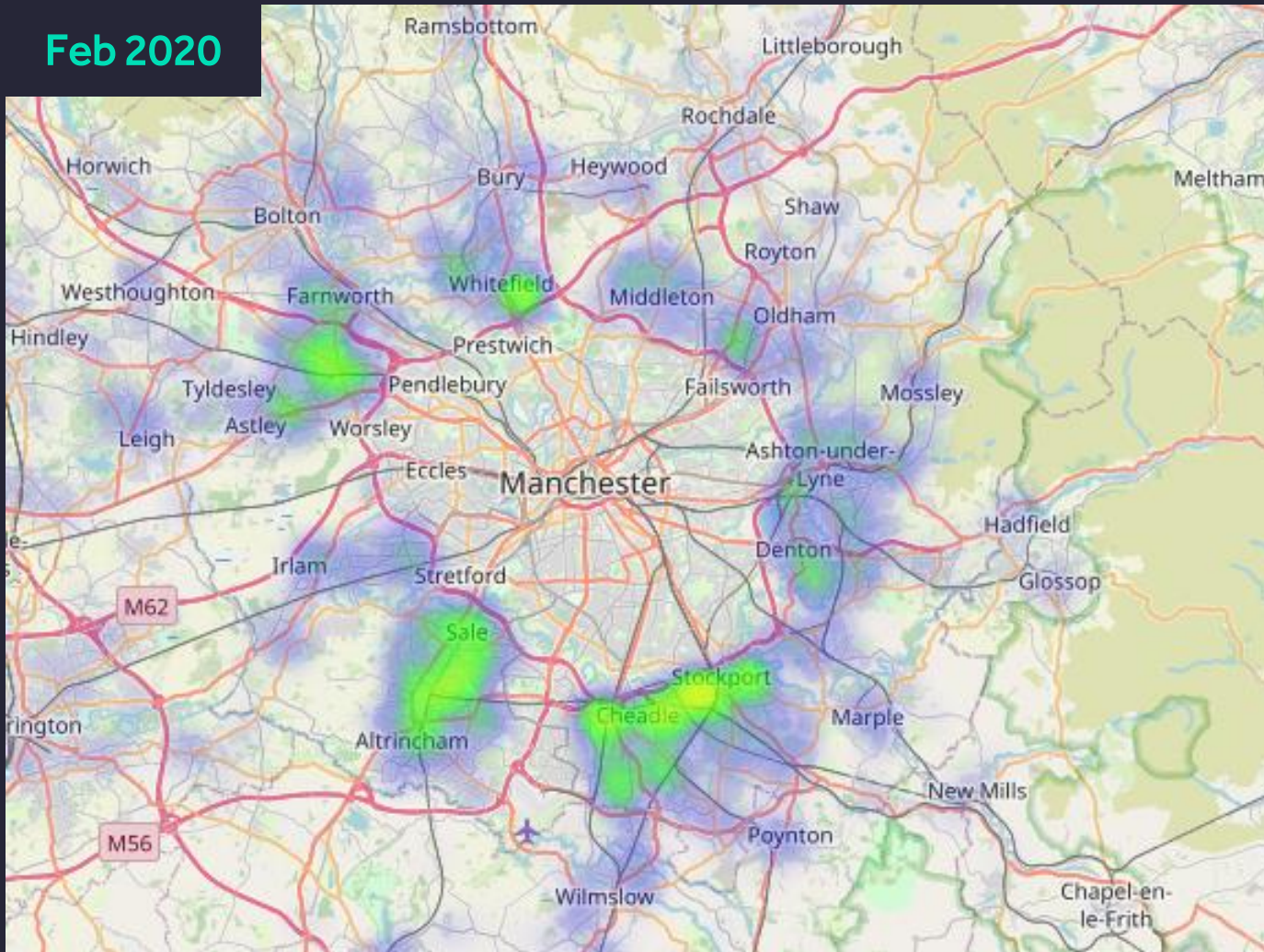


Feb 2022

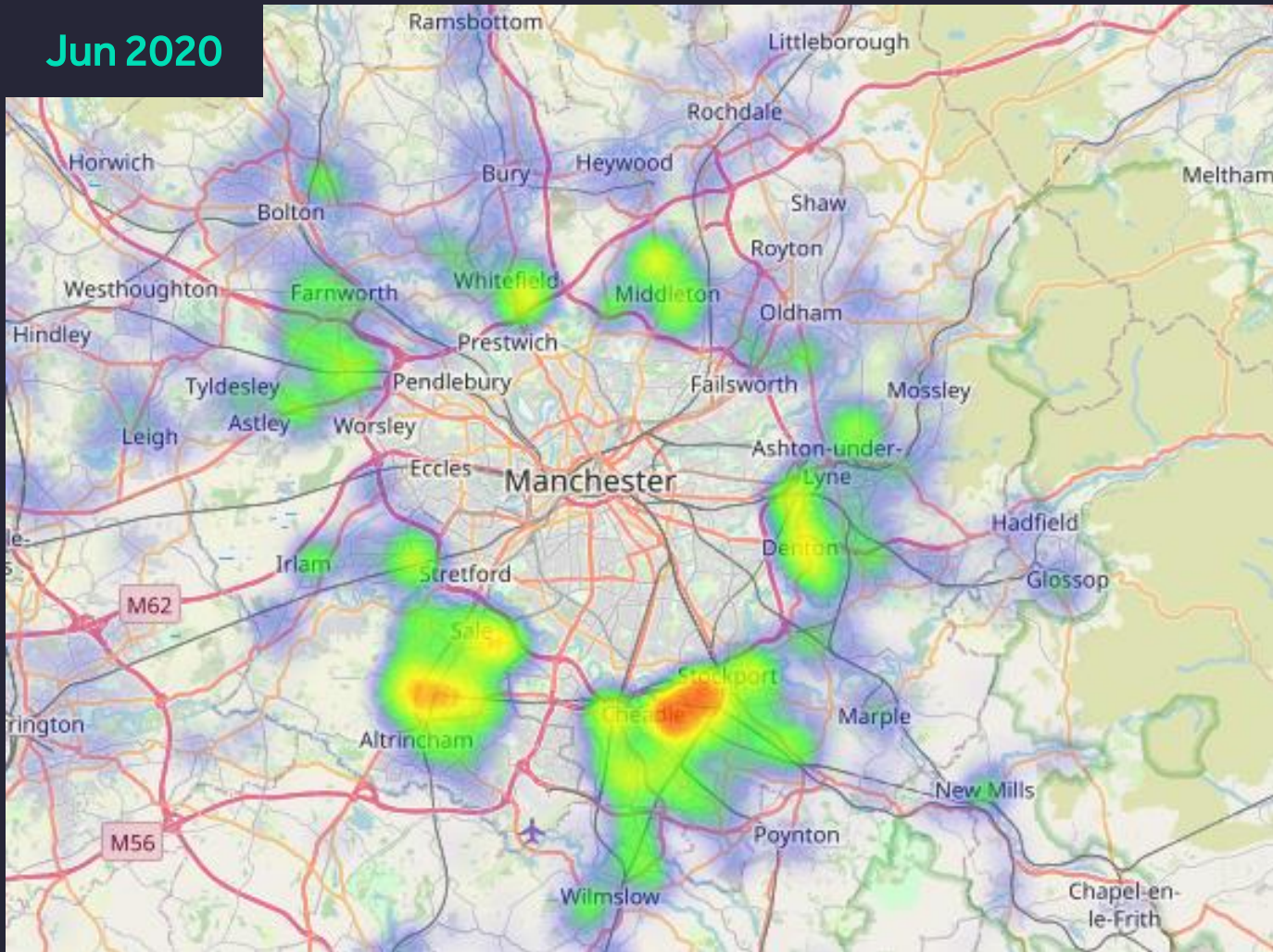


Manchester sale

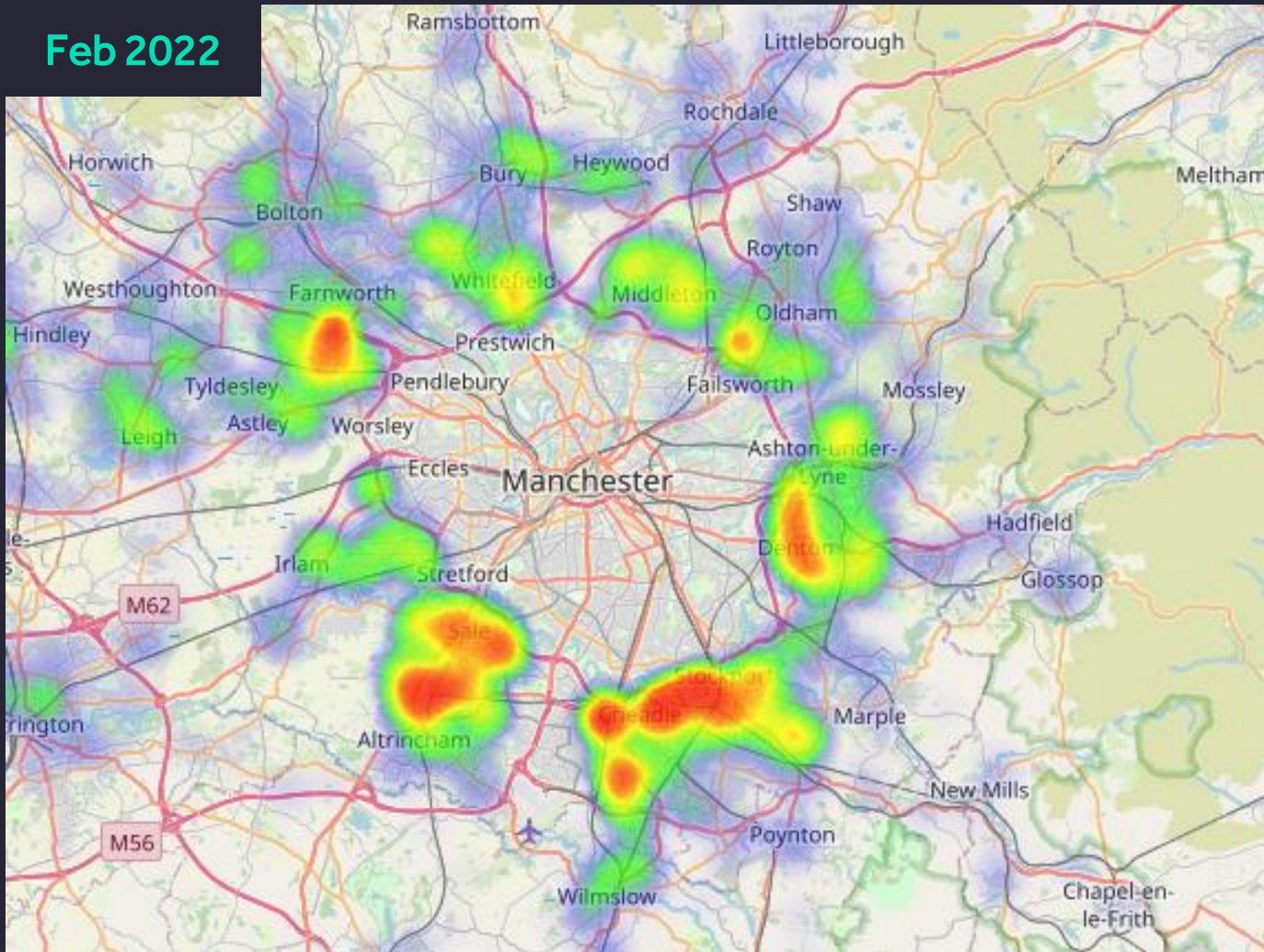
Feb 2020



Jun 2020

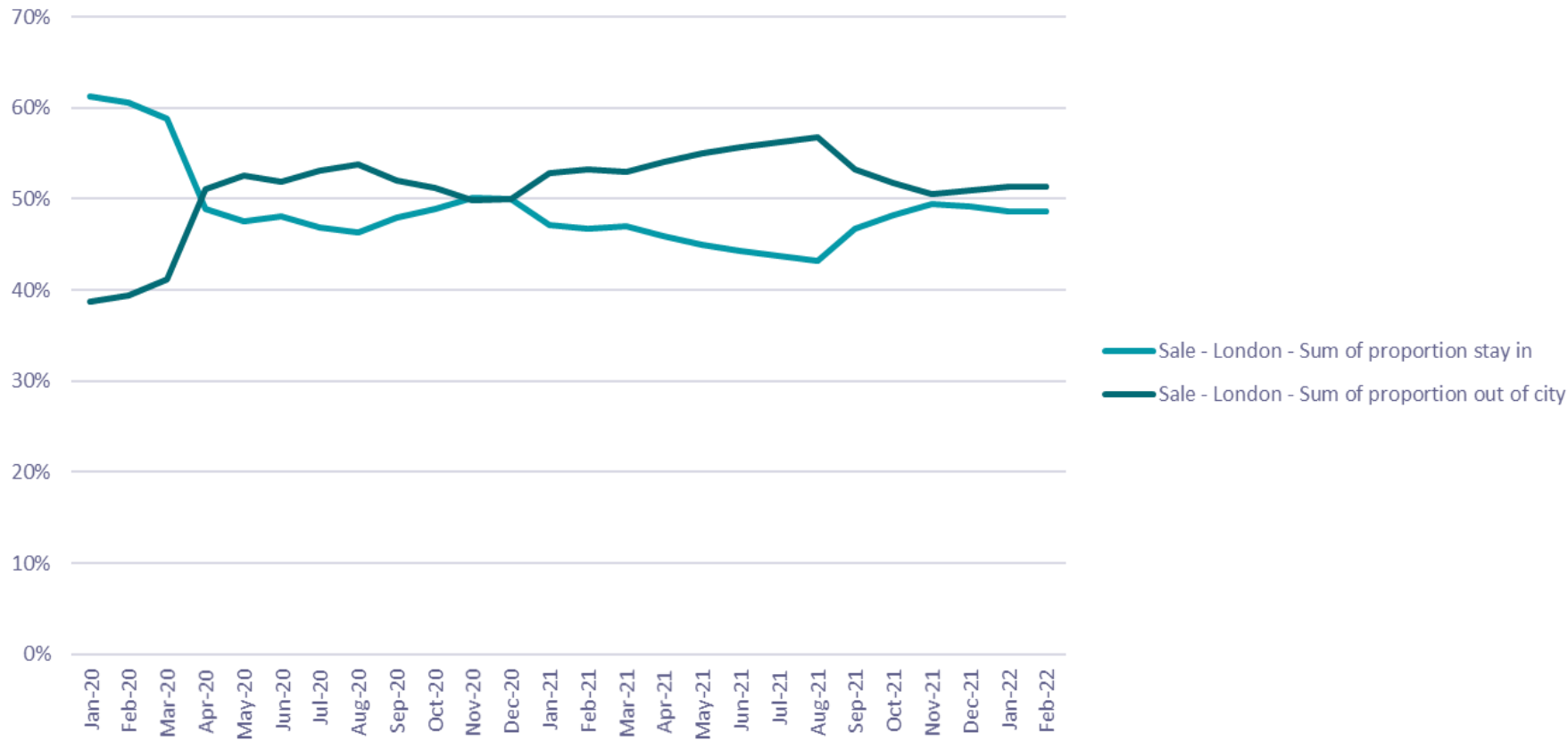


Feb 2022



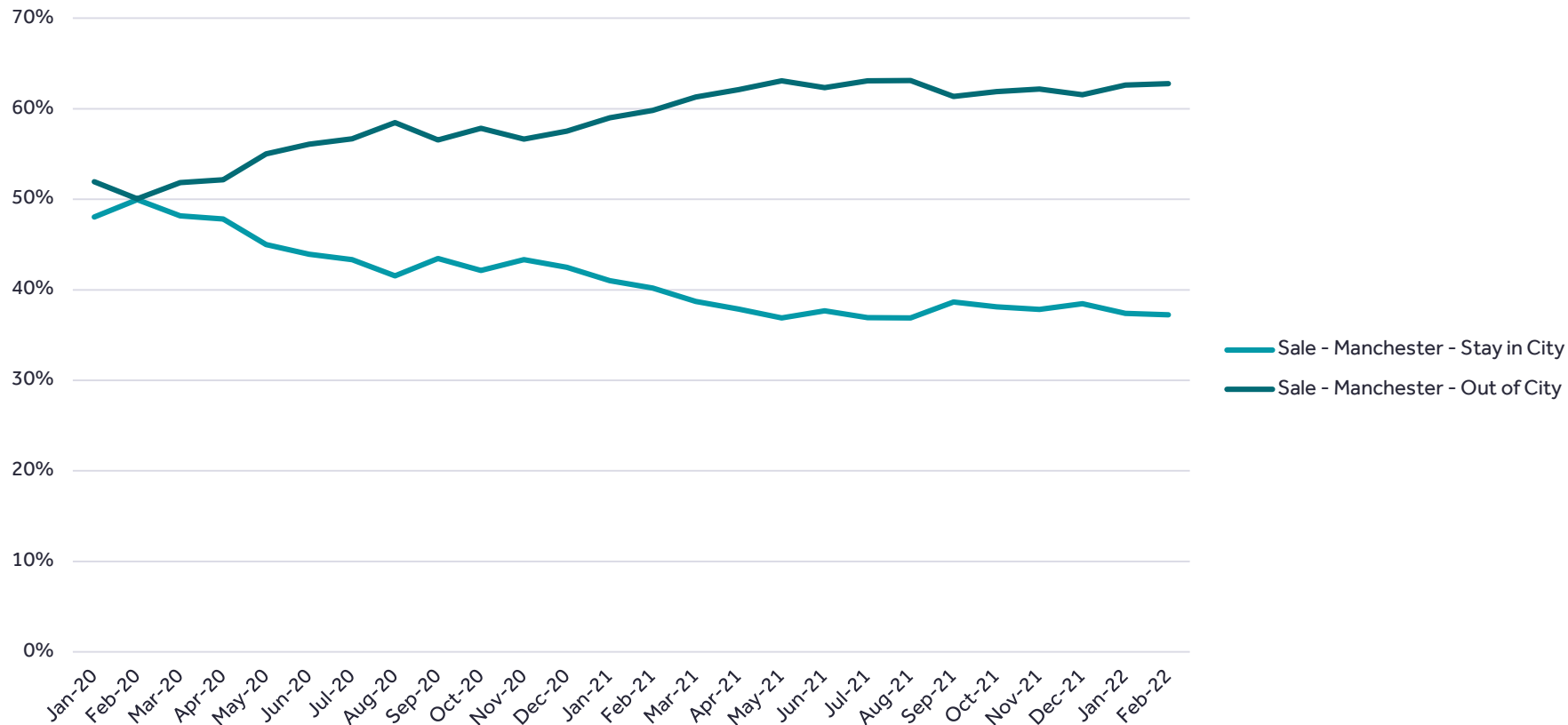
Charting the London flow of demand shows a recent return to a 50/50 split...

Proportion of London leads in to and out of London



...but the Manchester chart shows the return has not started yet

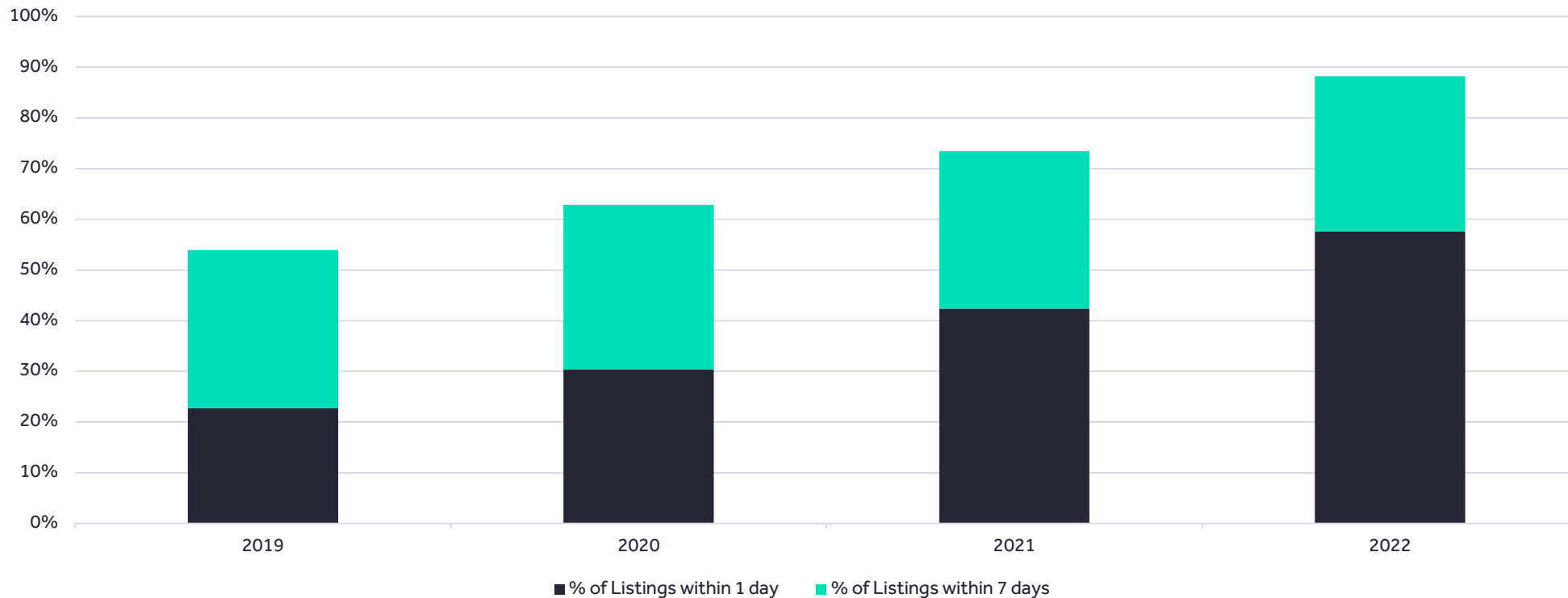
Proportion of Manchester Leads into and out of Manchester



What have these changes meant for our interactions with property listings?

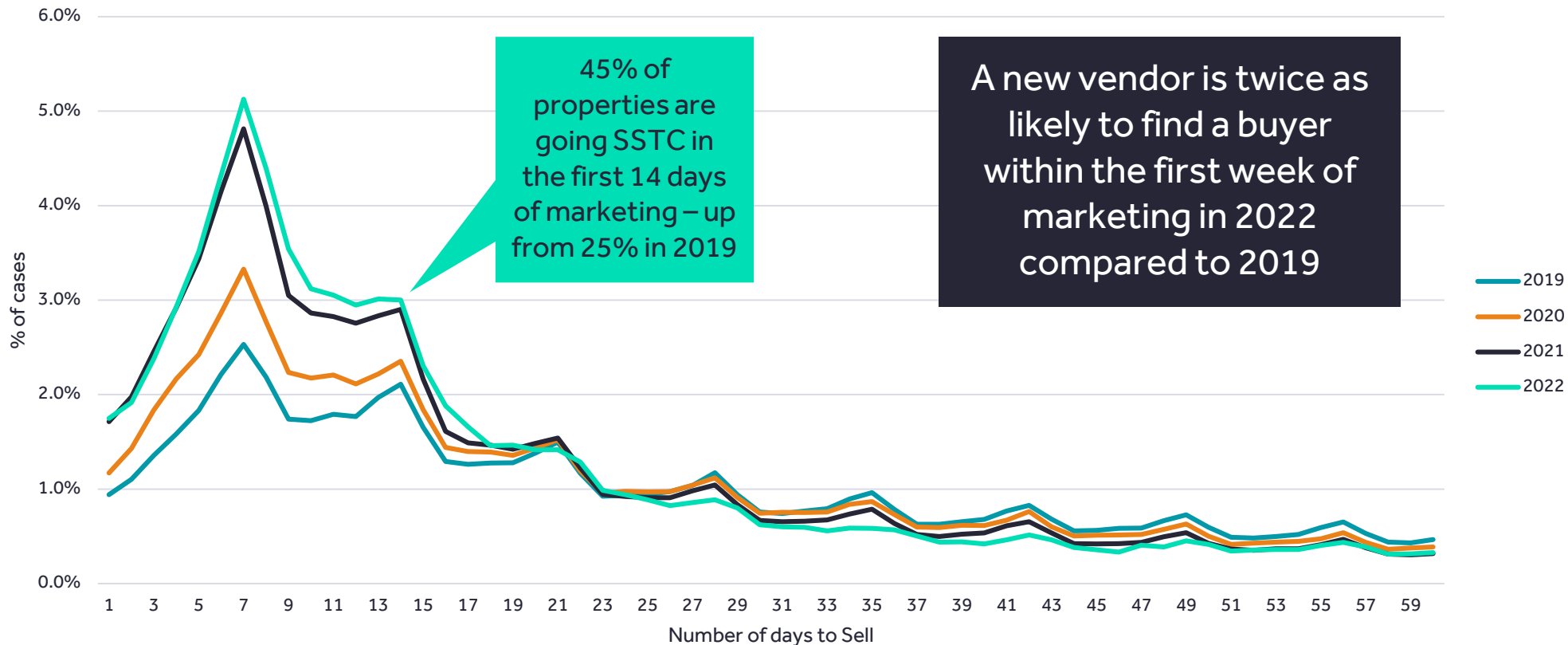
The proportion of properties receiving an enquiry within the first days of marketing has increased significantly...

% of listings that receive and email within 1 day and within 7 days

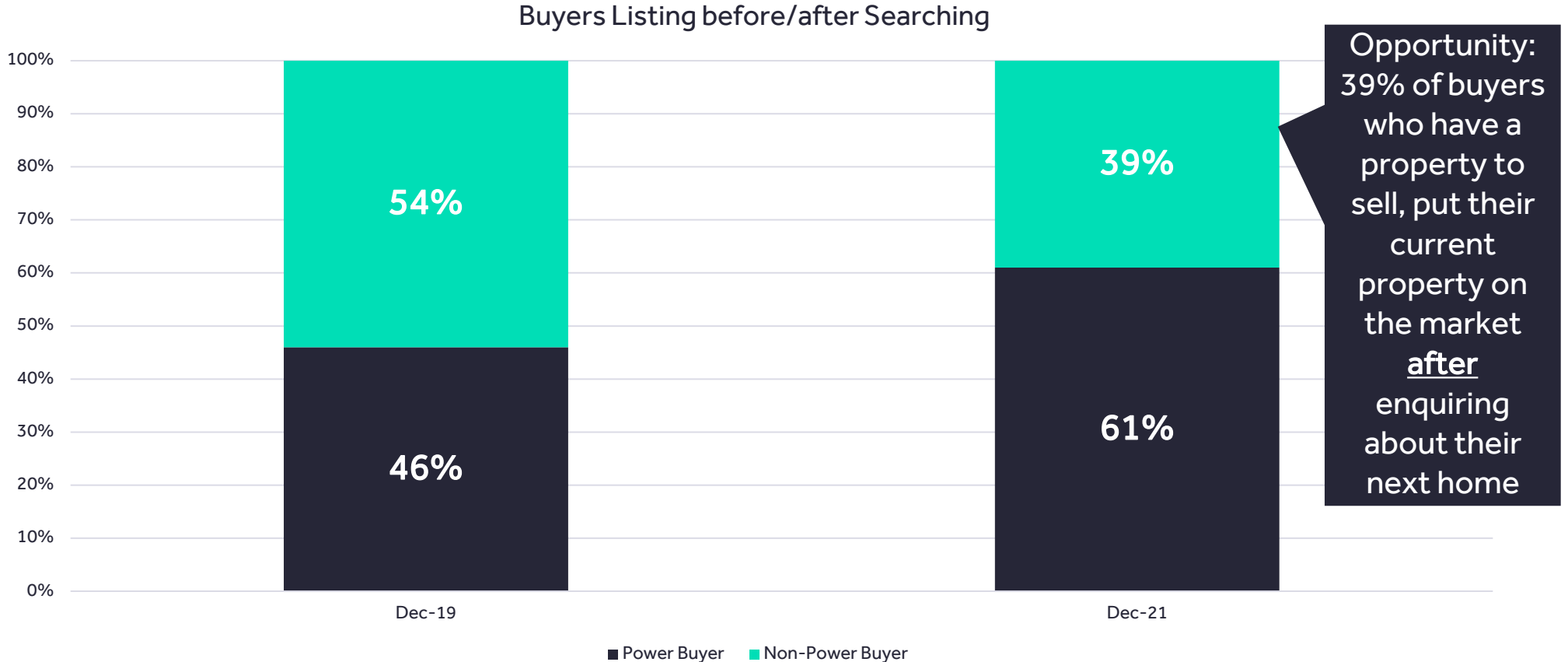


...and this has meant an increase in the speed properties are proceeding to a Sold Subject To Contract (SSTC) status

Number of days to sell distribution, by number of days



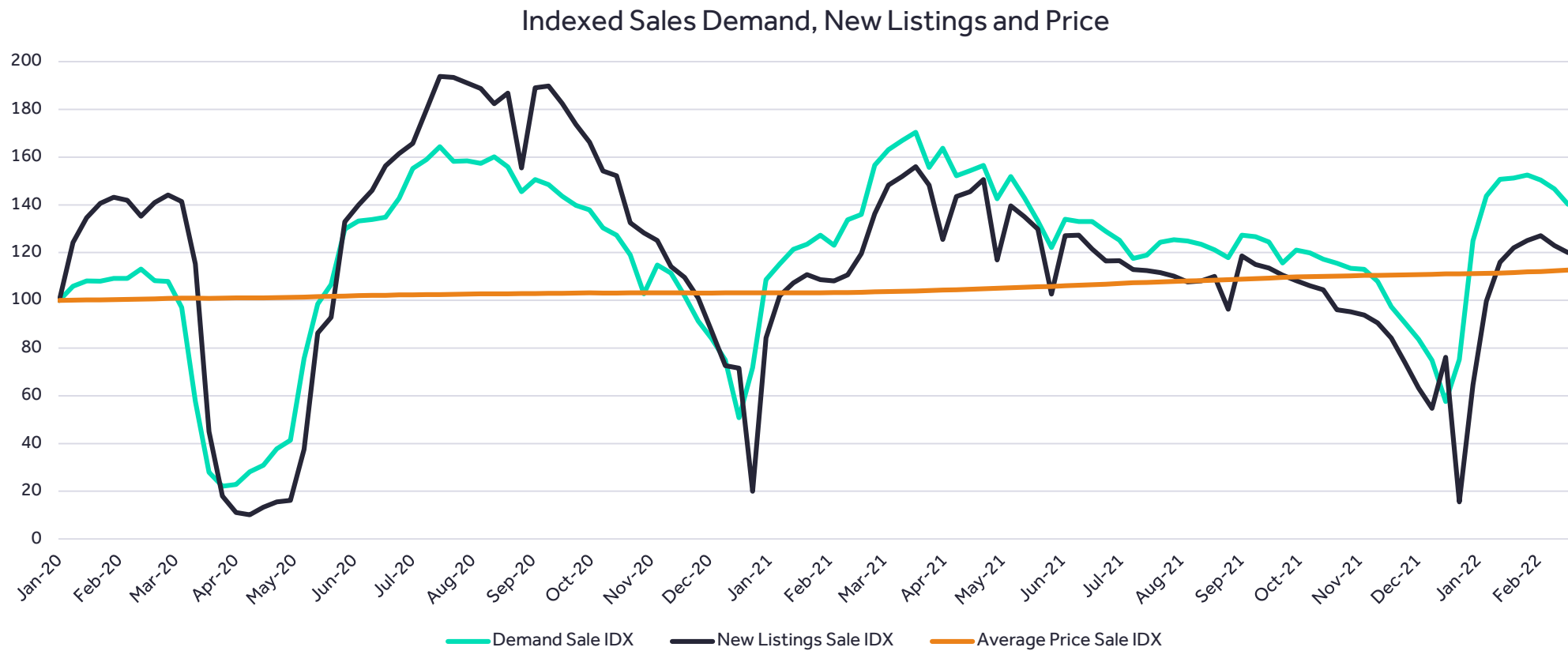
We have also seen an increase in the proportion of “Power Buyers”



What next?

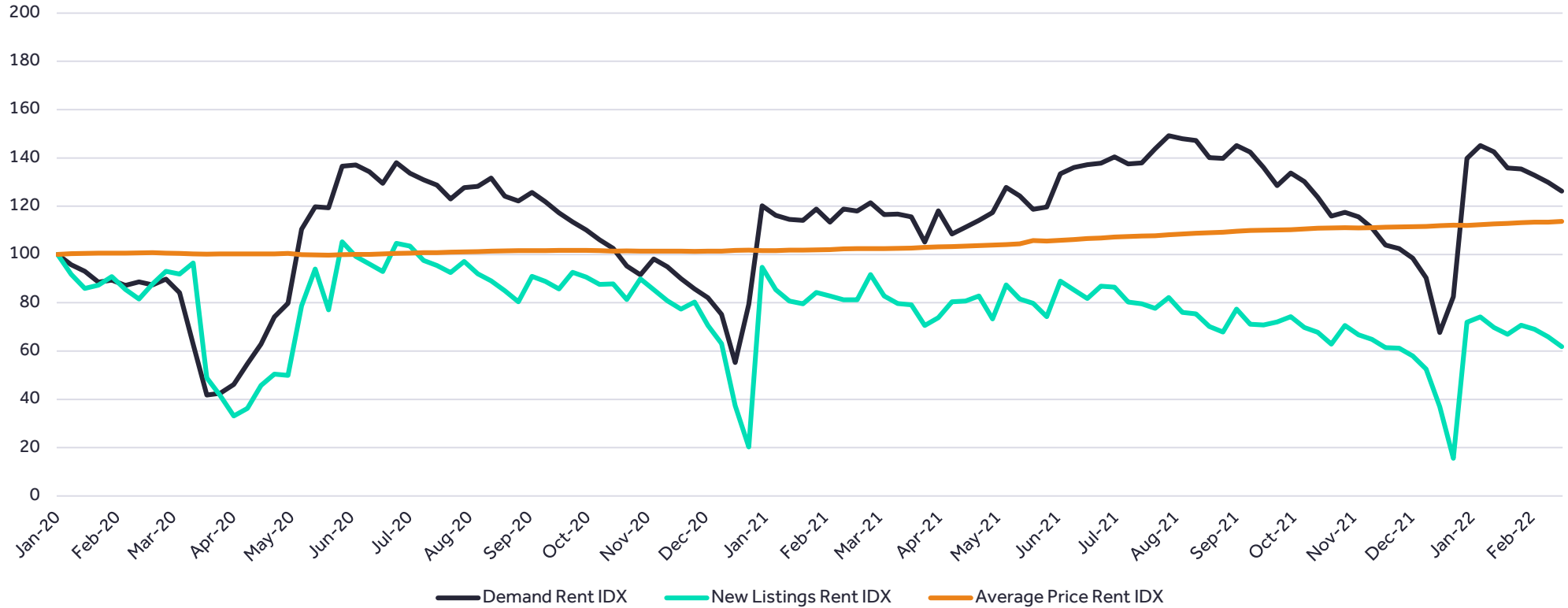
rightmove 

Sales demand has outstripped supply and driven prices...

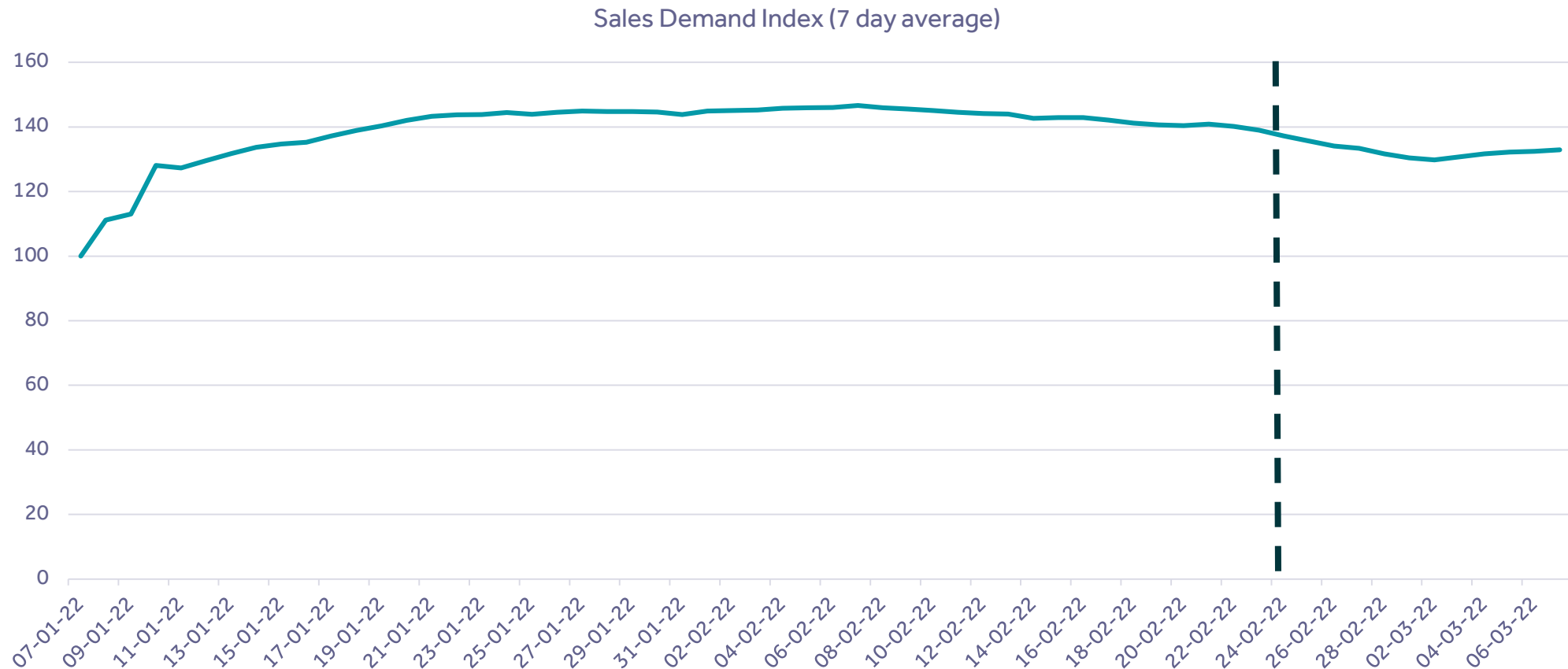


...the rental market has experienced similar dynamics

Rental Demand, New Listings and Price



Demand saw an impact but looks to have stabilised

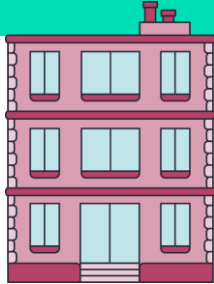


Summary

Summary

1

There is an enduring desire amongst many to move home



2

The “what” and the “where” have changed (and are still changing)



3

The market continues to move quickly - we expect a more normal supply / demand balance in Q3 and Q4 2022



Thank You!!

