MARKET REPORT

1st Quarter 2023 - Sales

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Sensible pricing is the key to a successful sale

The timely new year bounce has produced encouraging signs following the autumn mini budget and the year-end lull.

Indeed, with the gradual stability with mortgage rates despite the increases in the base rate, it allows buyers and sellers to calculate their budget and costing more accurately.

In fact, the further easing of mortgage rates predicted this year can only instil more confidence in the housing market.

As a result, the activity and commitment has increased while the more even negotiation position between buyers and sellers does focus on the importance of the skill and ability of the estate agent.

With a wider choice of property to buy, would be purchasers can in most cases take more time to consider before making an offer while sellers need to abandon the expectation of securing a premium price for their property as increased stock levels allow buyers to target alternative options that are priced more competitively.

Buyer demand is down by 36% compared to the unprecedented levels this time last year. However, there is very little disparity in agreed sales levels given the wider availability in the early months of 2023.

Mortgage market analysis

	Feb 21	Feb 22	Feb 23
Total product count available - LTVs	**3,215**	**5,356**	**4,341**
Fixed & variable rate products			
Product count - 95% LTV	5	335	149
Product count - 90% LTV	248	735	539
Product count - 60% LTV	481	560	606
Shelf life (days)	**40**	**42**	**28**

Date shown is as at the first available day of the month, unless stated otherwise. Source: Moneyfacts Treasury Reports

The key for a successful sale at this time is at the valuation stage and it is critical that it is set right, taking in to account the sellers needs along side the prevailing market conditions.

Unfortunately, sellers believing they can achieve figures for their property comparable to 2022 are unrealistic and you only have to look at Rightmove to see in excess of 80 properties in RG4 have reduced their asking price in the first six weeks of the year.

The more competitively priced property, where sellers have adapted more freely to the current market conditions, are the ones that sell. Getting the asking price right first time and capitalising on the early spike of interest when the property is launched is really important so as to avoid the trap of chasing the market and ending up achieving less.

It is probably wise for the majority of sellers to remember that a drop in the asking price is not a likely loss compared to what was paid for it, only a failure to live up to previous asking price aspirations.

Contrary to various media and recent published articles, we have been quietly confident that the property market would maintain some form of stability and we are already seeing positive signs during 2023. Along with the usual optimism for the start of the year, the volume of applicants registering is well above our average figures and sales registered in the RG4 region were actually higher in January than the corresponding month last year.

With the Elizabeth Line now firmly established at Reading station, it has really shone a light over the Reading and Caversham areas, with the migration of London and M4 corridor buyers continuing to focus on well healed residential locations that can offer ease of access to the station should the necessity of an occasional once a week or fortnightly return to the office arise. For many, a move to Reading is financially beneficial with some buyers also releasing capital by reducing their mortgages and at the same time improving on the size and quality of property.

For a free up to date valuation contact Tom Dyer on 0118 9461800 or email: tom@farmeranddyer.com

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