# MARKET REPORT
## Summer 2023 - Sales

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# A realistic asking price from the outset will ensure a timely sale

The first six months of 2023 has brought its challenges to the marketplace but encouragingly, a steady increase in the volume of instructions and sales.

From the turn of the year, we have enjoyed much needed market stability following last Autumn's mini budget where the rapid rise in mortgage rates created buyer and seller uncertainty which in turn, stagnated the market.

Whilst it is heartening that sale prices actually increased nationally by 1.8% in May, it is important to focus on what is happening locally and how we compare to the first half of 2022.

Despite the drop in market intensity, the Rightmove statistics for the RG4 postcode vicinity do make reassuring reading when comparing the first five months of 2022 to 2023, as the chart demonstrates below;

| | 1st Jan – 31st May 2022 | 1st Jan – 31st May 2023 |
|---|---|---|
| New Instructions | 422 | 442 |
| Sales | 337 | 322 |
| Price Reductions | 128 | 270 |

*(Source – Rightmove)*

It is remarkable that in terms of new Instructions and sales agreed, the figures for the first five months for both 2022 & 2023 are virtually the same.

The big difference is the amount of price reductions that have occurred, which have more than doubled this year and are edging towards nearly 300 properties.

Interestingly, despite some negative media statements, monthly applicant registration levels to buy have also increased in 2023 by 17%.

Generally, these figures bode well bearing in mind the extensive mortgage rate increases and the changing levels of mortgage product availability which have clearly impacted buying budgets and ultimately property values.

Accurate valuing and the estate agent's ability to adapt is so important in today's market.

While it is rare at this time to achieve asking price, the better estate agents tend to be strong enough to stand by their own knowledge and data at the valuation stage and avoid the belief that overvaluing, gives them a better chance of securing the instructions to sell.

The huge level of price reductions is a mixture of less buyer intensity within the market, steep interest rate rises and the increasing result of inaccurate valuing which often set misleading price expectations. This not only restricts the impact of a newly listed property and the critical first few weeks of marketing but also, the inevitable requirement to reduce the asking price significantly to a level sometimes, much lower than what would have been deemed realistic in the first place.

It is, therefore, no surprise that the properties that are selling at this time are the ones priced more sensibly and where sellers have grasped the current market position.

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

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