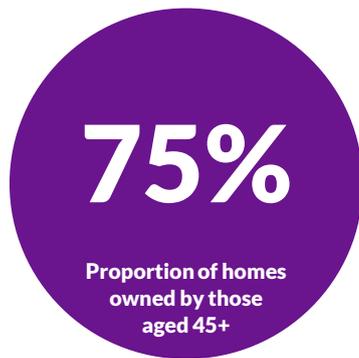


Monthly Market Briefing

The latest data, views and outlook on the residential market

- How vendor trends are changing
- What are first-time buyers looking for?
- Rising activity in rural rental & sales markets
- Latest policy update
- Regional and local prices and rents data



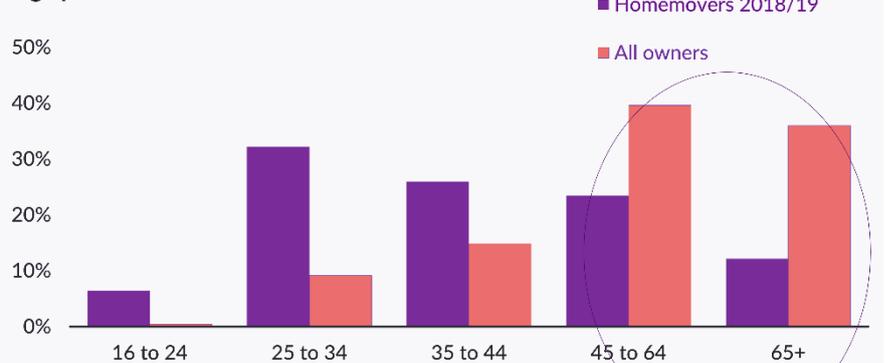
Changing vendor profiles

Existing homeowners will be the biggest cohort of homebuyers this year, reversing the trend seen last year when first-time buyers (FTBs) became the biggest group of purchasers. As examined in detail in the [House Price Index](#), this trend has been influenced by the once-in-a-lifetime reassessment among many homeowners about how and where they live in the wake of lockdown. This, in turn, has released some latent demand among those who perhaps would have not otherwise been planning a move.

Separate [data](#) also shows that there has been a rise in those in wealthier demographics listing their homes for sale.

This means that there may be more potential vendor activity among homeowners who have lived in their property for longer. As the table below shows, 75% of homes are owned by those aged over 45. **Older cohorts of homeowners have historically have tended to move less often. The impact of COVID may start to change this trend.**

Age profile of movers and owners



Source: Zoopla Research/EHS

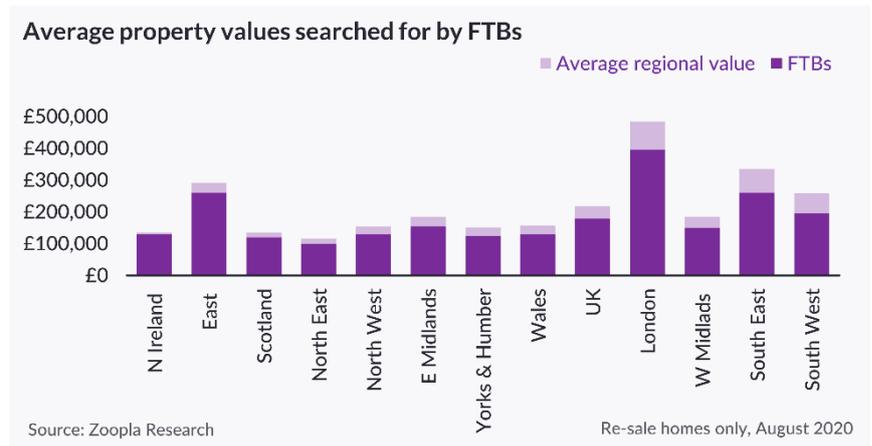


First-time buyer preferences

First-time buyers (FTBs) will account for more than a third of transactions this year, and we have analysed what they are looking for in the market at present. As the chart below shows, FTBs in the re-sales market generally look for homes priced at around 18%, or around £40,000, below the market average. There is a wide range across the country however, from -4% (£5,000) in Northern Ireland, to -25% (£63,00) in the South West.

The preference in most regions tends towards 3-bed homes. This may signal that FTBs are missing out rungs on the ladder and opting for a more spacious home first-time round, and it will also be a reflection of regional housing stock. The exceptions are London and Scotland, where 2-bed flats are the most popular property type.

FTBs are looking at three-bed homes priced an average of 18% below the average price of homes being looked at in the region.



Rental demand growth, Top 10 LAs	
1	Herefordshire
2	Dover
3	Dundee
4	Teignbridge
5	Cherwell
6	Conwy
7	North Devon
8	Rhondda Cynon Taf
9	South Staffordshire
10	West Dorset

August 2020 vs August 2019

Rural Retreats

The once-in-a-lifetime reassessment of our homes prompted by lockdown and new flexible working opportunities has had an impact on tenants as well as homeowners, our data shows.

A comparison of rental demand in August this year compared to 12 months ago shows that some less urban areas have seen some of the greatest rises in demand in the rental market (although in many cases this will be from a low base). This list shows the local authorities that have seen the largest increase in tenant interest, including some of the country’s natural beauty spots from Exmoor to the Welsh coast. However, tenant demand remains firm in urban markets too - the most popular choice for tenants living in a city is to look for their next property within the same city.

In the sales market, we have seen sales activity (sales agreed) in rural areas rise by 31% between June to August, compared to an 18% rise in urban areas - however, more than four-fifths of sales happen in urban areas due to the density of stock in these areas.

Rental and sales activity has risen in some rural areas post-Covid, data shows.

Policy Update

- Estate agencies are largely allowed to open in areas where local lockdown restrictions have come into force, and home moves are allowed to progress, but detailed local restrictions can vary - details are on the [Gov.uk website](#).
- The consultation on the future overarching Code of Practice for Residential Property Agents closed in early September, and the responses will be reviewed by the RoPA Code Steering group and fed into the final version of the overarching code. For more detail on the upcoming regulation in the sector visit NAEA PropertyMark's [RoPA pages](#).
- The [consultation](#) on Capital Gains Tax, run by the Office of Tax Simplification, is open for responses until October 12th. It is calling for comments on all aspects of the tax, as well as the principal private residence relief.

Data digest August

	House prices % annual change	Rents % annual change
UK	2.6%	-0.1%
East Midlands	2.9%	2.3%
East of England	1.9%	2.0%
London	2.4%	-4.1%
North East	1.7%	3.2%
North West	3.3%	2.0%
Northern Ireland	1.9%	3.0%
Scotland	2.3%	0.8%
South East	1.9%	0.9%
South West	2.3%	2.6%
Wales	3.3%	3.0%
West Midlands	2.7%	0.6%
Yorkshire and the Humber	3.3%	2.5%

Get the latest local data:

In Your Area

Source: Zoopla Research, prices year to August 2020, rents year to August 2020

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