Propertymark One

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rightmove

Agenda

The clock is ticking…

20 days left until the General Election

64 days to sell

21 days to let

19 minutes left of this presentation

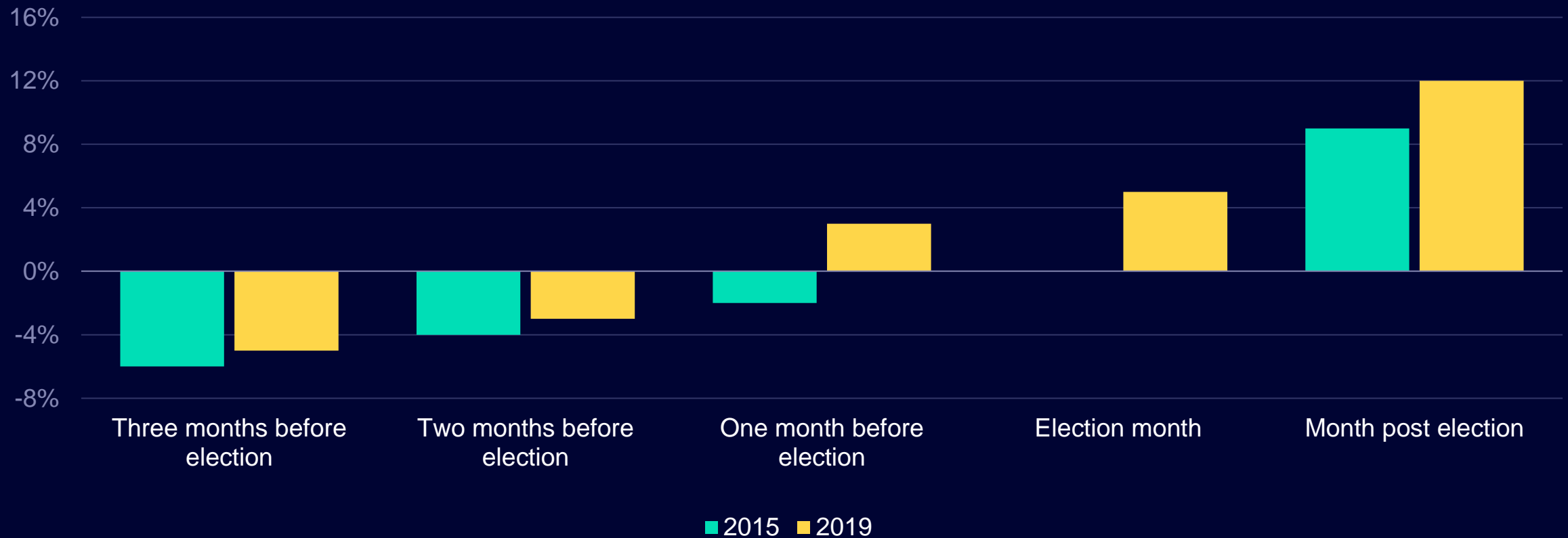# Following a stop/start 2023, people appear keen to "get on with it" in 2024

95%

of people planning to move home say the election will not affect their plans

Source: Rightmove Spring Survey May 2024

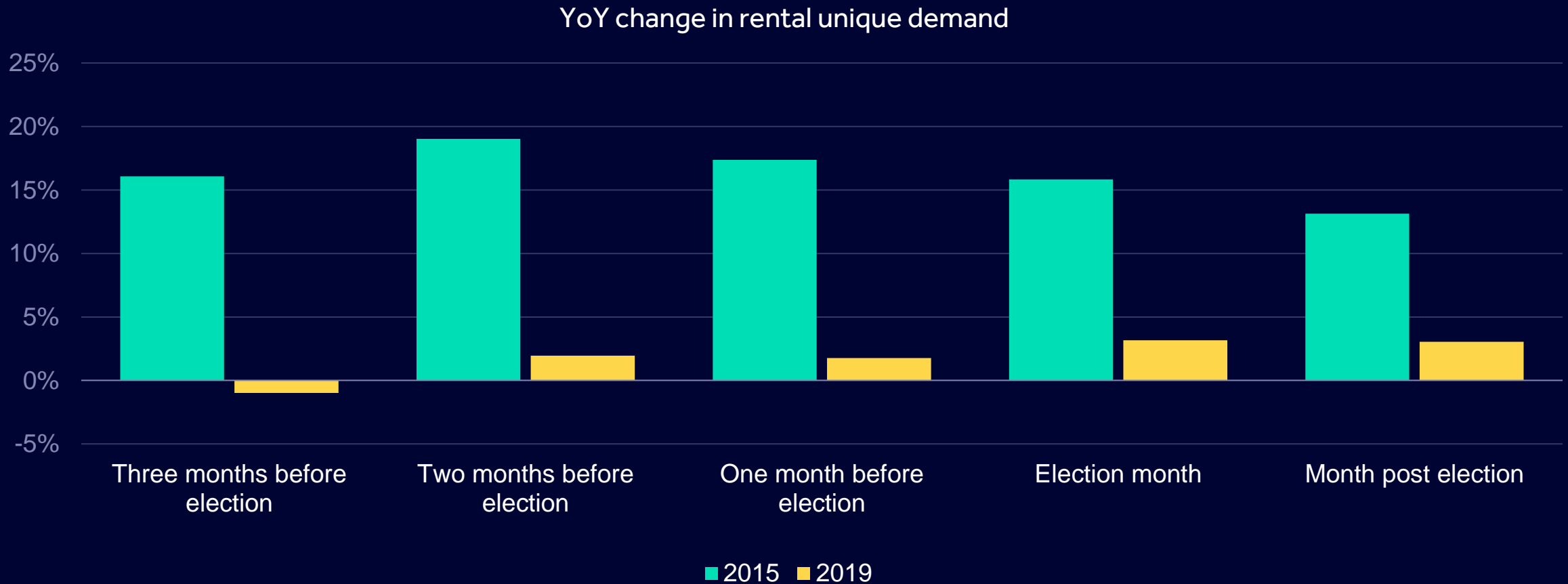# Looking at previous elections, Sold Subject to Contract (SSTCs) numbers have continued on trend

YoY change in SSTCs leading up to election and after

2015   2019

The rental market does not appear to be significantly influenced by an election run up

YoY change in rental unique demand

Legend: 2015 (teal), 2019 (yellow)

Categories: Three months before election, Two months before election, One month before election, Election month, Month post election
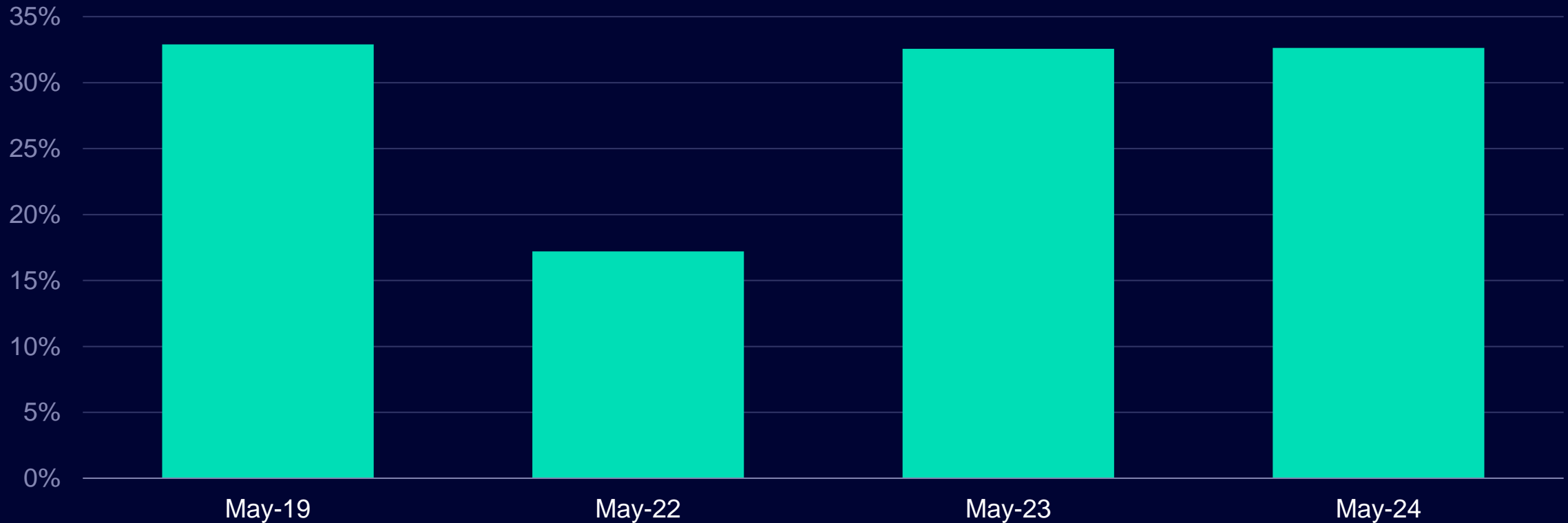
Source: Rightmove Data Services

The sales market

Time on market has been expanding (33 days in 2022 vs 64 days now) and so too have price reductions

Percentage of properties reduced

Source: Rightmove Data Services

Looking at 5 years' worth of data the benefit of not needing to reduce the price is clear

Non-reduced properties:

▲ Are 1.35 times more likely to be marked SSTC

▼ take 1/3 the amount of time to sell

▼ Half as likely to fall through

▼ Almost half as likely to be lost to a competitor

But if you need to reduce, what works best?

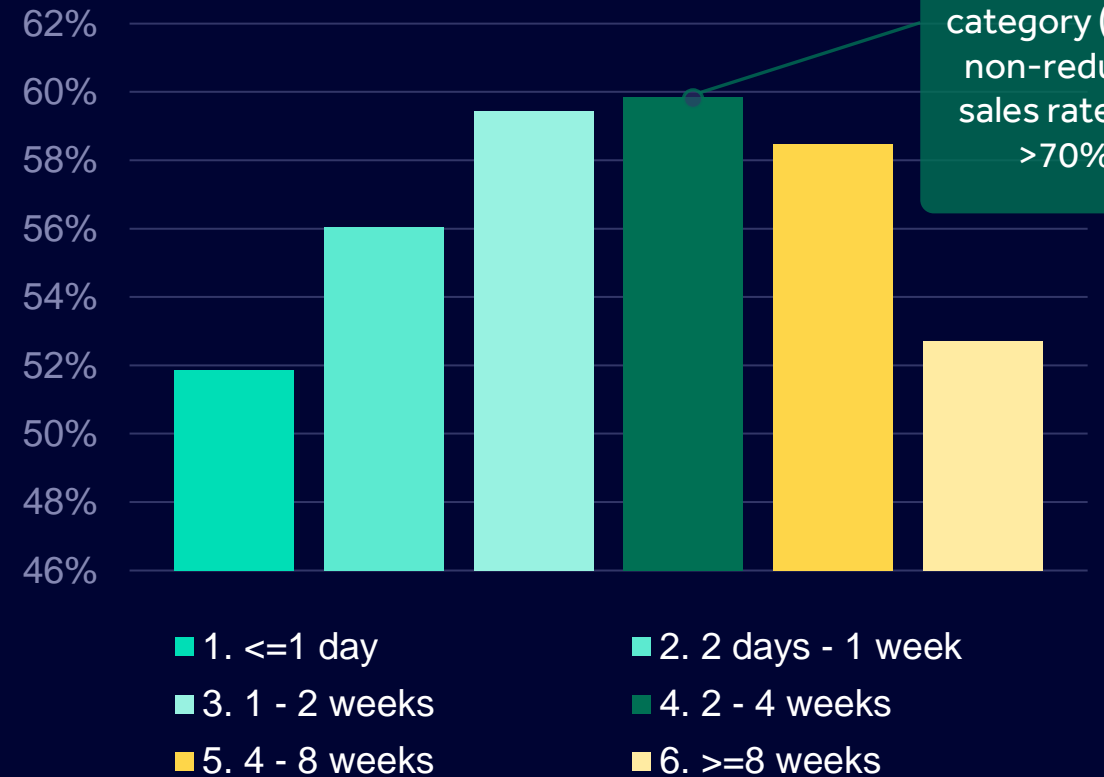Source: Rightmove Data Services

The majority of agents are waiting many weeks to reduce

Listings reduced split by timing of reduction
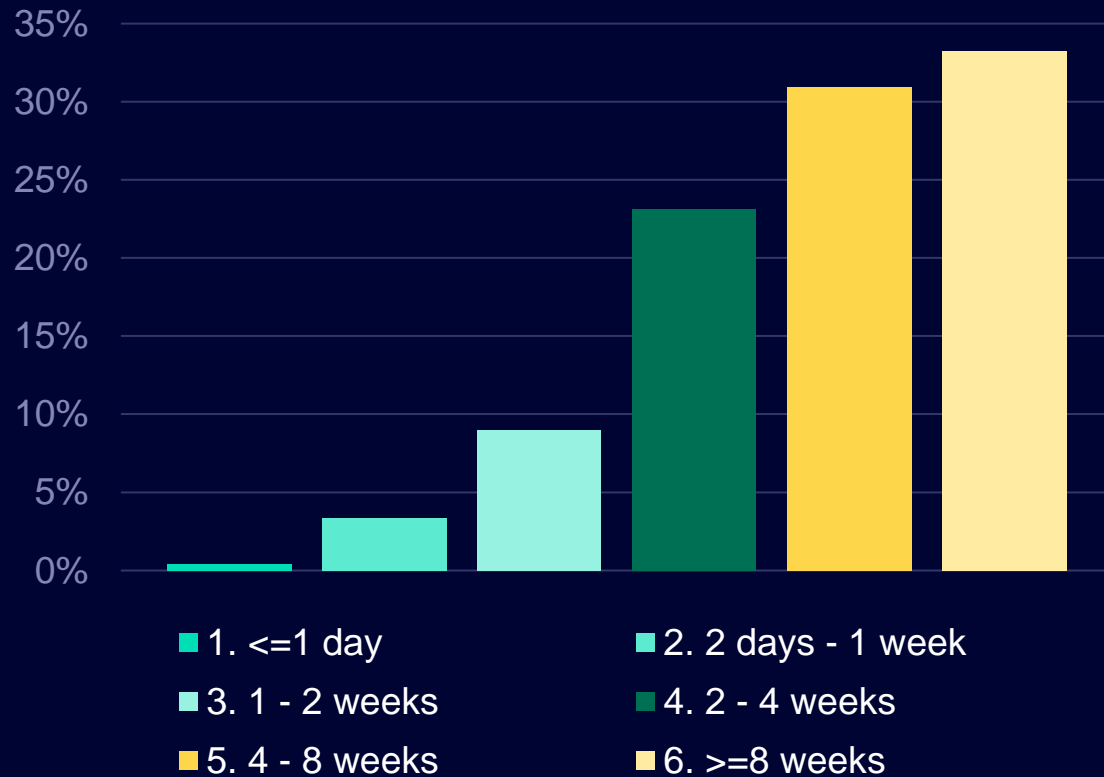
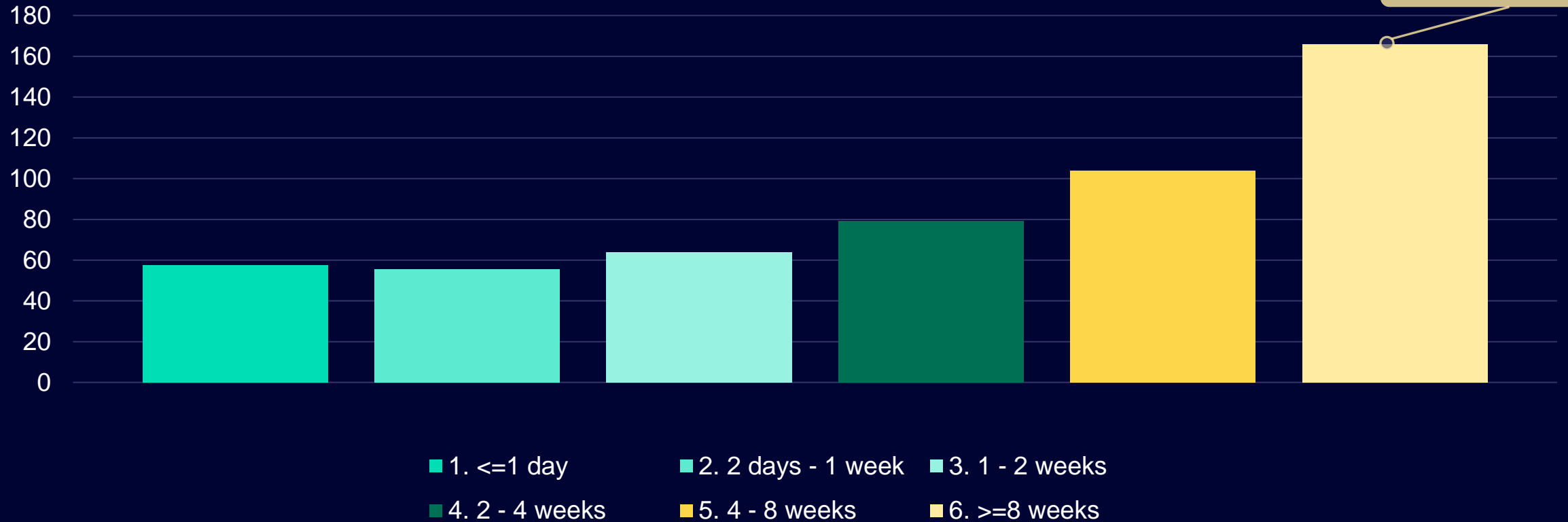## Sales rate split by timing of reduction

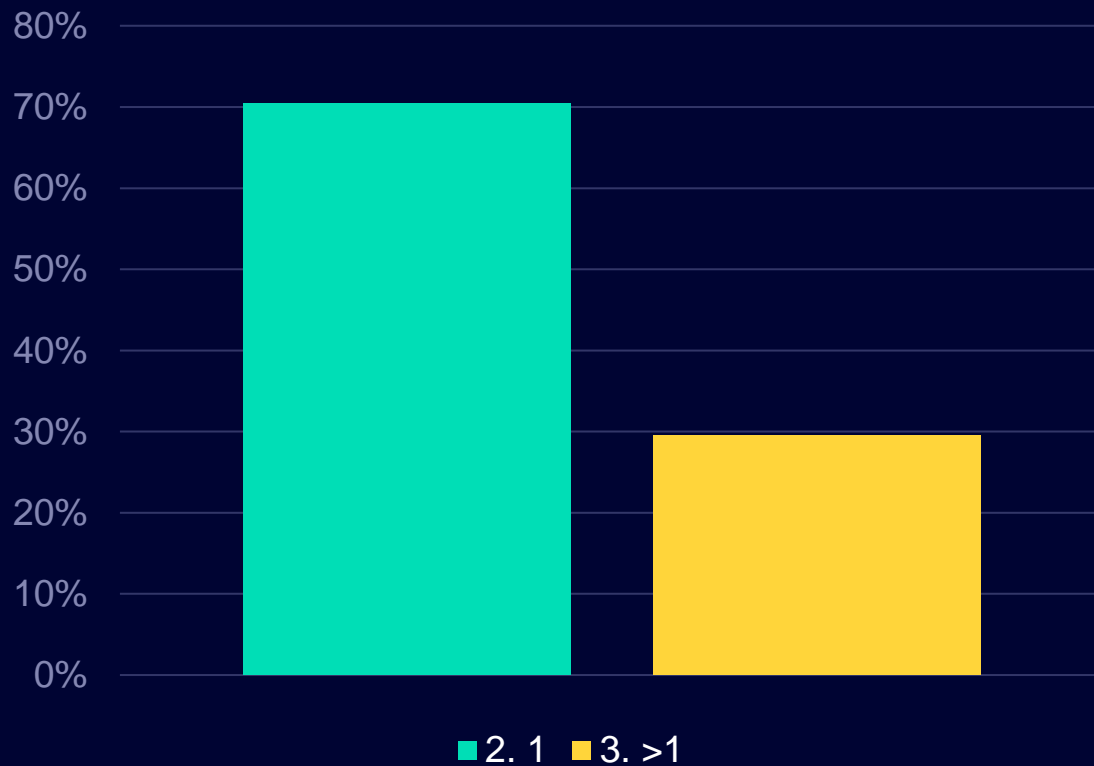13% increase in sales rate vs ">=8 weeks" category (note: non-reduced sales rate was >70%)

Legend:
- 1. <=1 day
- 2. 2 days - 1 week
- 3. 1 - 2 weeks
- 4. 2 - 4 weeks
- 5. 4 - 8 weeks
- 6. >=8 weeks

Source: Rightmove Data Services

The additional time waiting to reduce increases the overall time to sell

Time on market split by timing of reduction

Time on market is over 160 days for properties reduced after 8 weeks vs 79 days for the "2-4 weeks" group

Legend:
- ■ 1. <=1 day
- ■ 2. 2 days - 1 week
- ■ 3. 1 - 2 weeks
- ■ 4. 2 - 4 weeks
- ■ 5. 4 - 8 weeks
- ■ 6. >=8 weeks

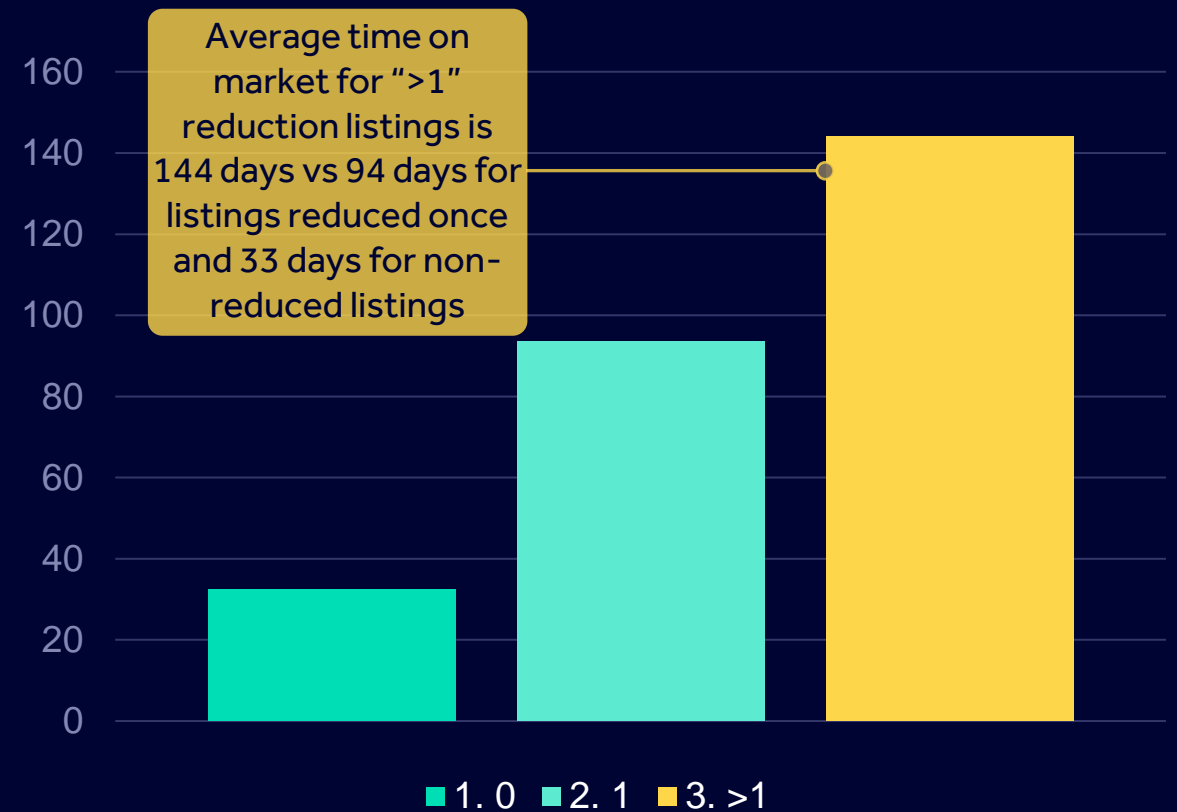Source: Rightmove Data Services

Almost 30% of reduced listings are reduced more than once; there is an impact on time on market...

Reduced listings split by number of reductions

Legend: ■ 2. 1 ■ 3. >1

Time on market split by number of reductions

Average time on market for ">1" reduction listings is 144 days vs 94 days for listings reduced once and 33 days for non-reduced listings

Legend: ■ 1. 0 ■ 2. 1 ■ 3. >1

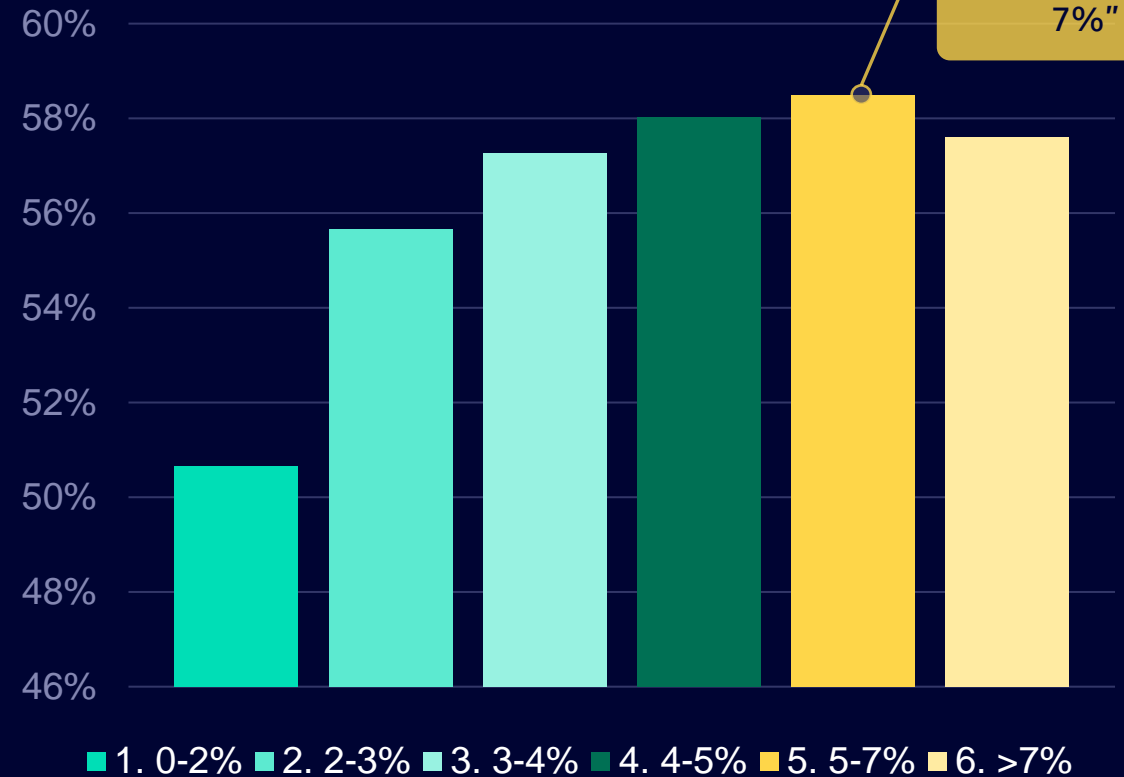Source: Rightmove Data Services

The size of the reduction is correlated with the likelihood of selling

Reduced listings split by size of reduction
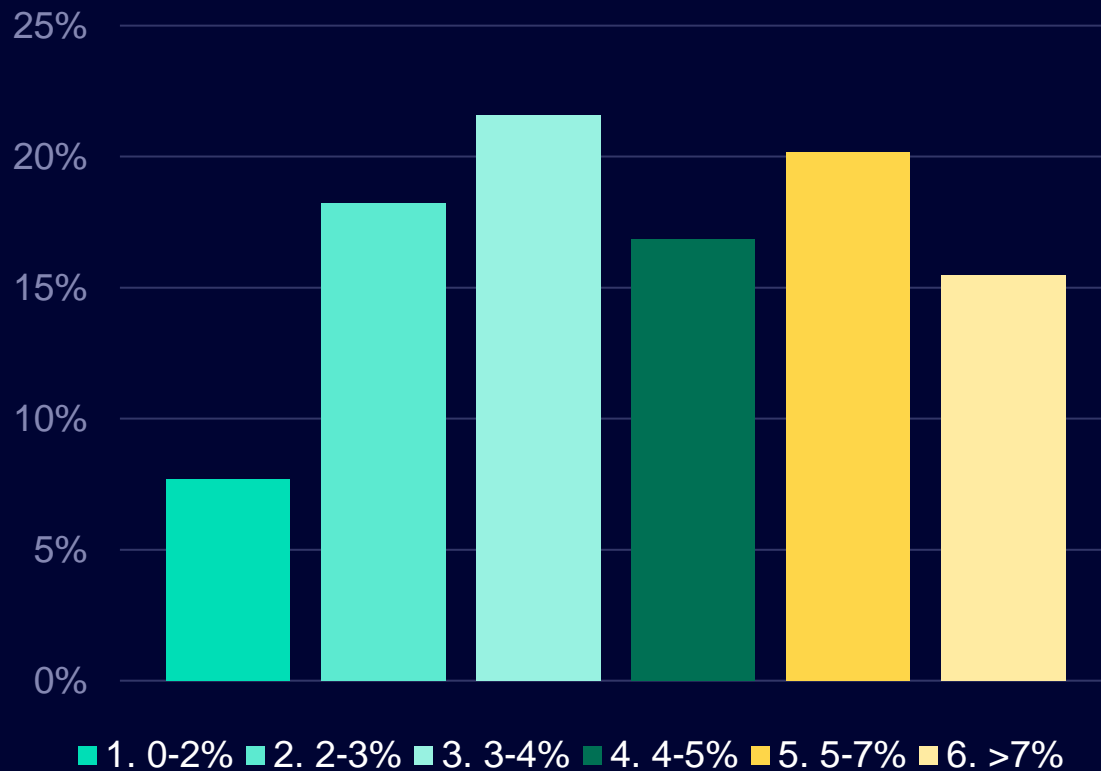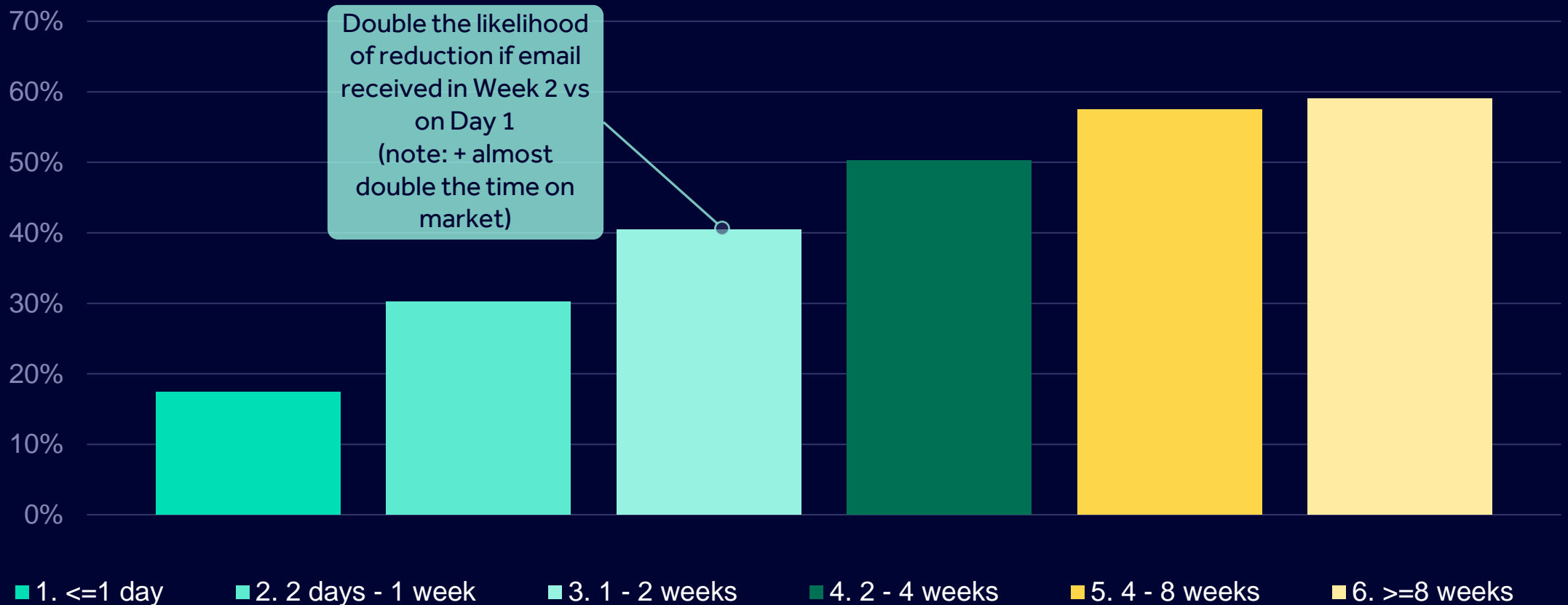

Sales rate split by size of reduction

Sales rate increased by 15% from reductions of "0-2%" to "5-7%"

Legend: ■ 1. 0-2% ■ 2. 2-3% ■ 3. 3-4% ■ 4. 4-5% ■ 5. 5-7% ■ 6. >7%

Source: Rightmove Data Services

Demand is a strong indicator of whether a property will need a reduction

Reduction rate split by day first email received

Double the likelihood of reduction if email received in Week 2 vs on Day 1
(note: + almost double the time on market)

Legend:
- 1. <=1 day
- 2. 2 days - 1 week
- 3. 1 - 2 weeks
- 4. 2 - 4 weeks
- 5. 4 - 8 weeks
- 6. >=8 weeks

Source: Rightmove Data Services

Pricing competitively and not having to reduce is key, but, where needed, the stats support decisive action

If a reduction is necessary:

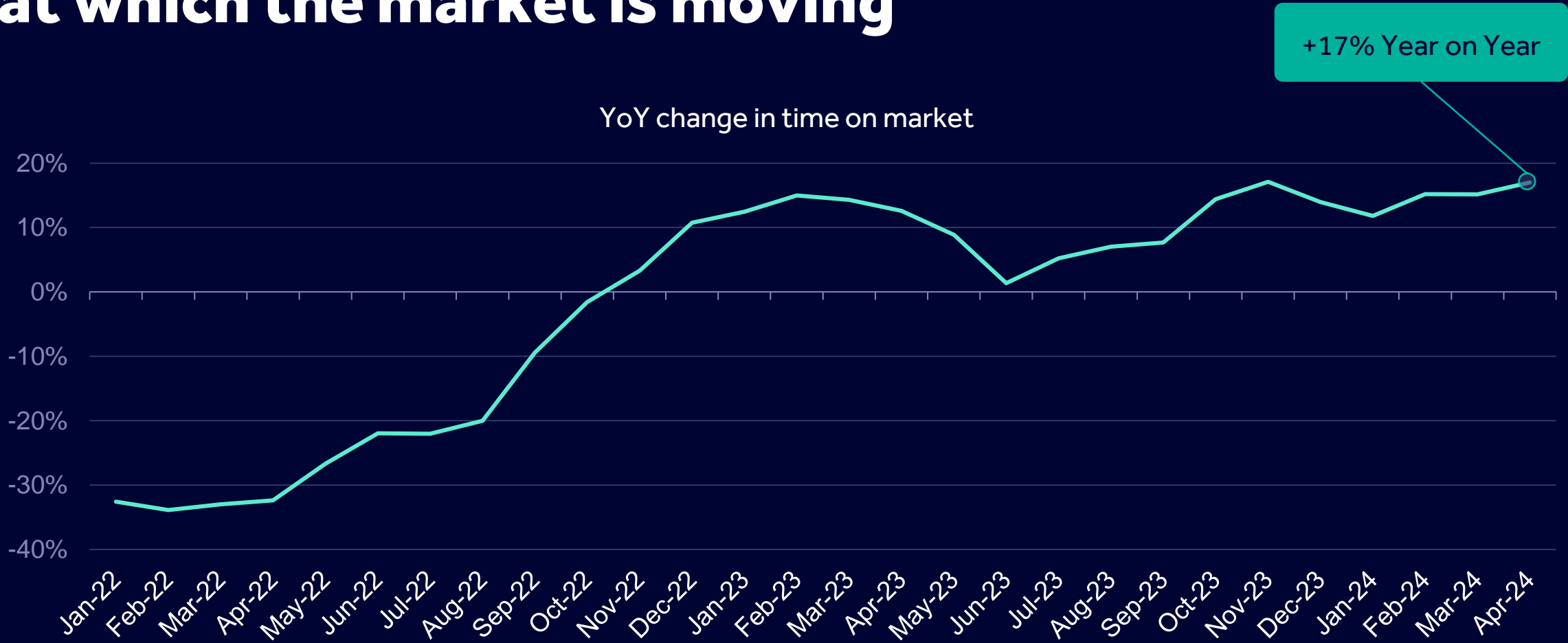| Do it as early as possible	Do it once	Make it meaningful	Track timing of email demand

The rental market

The mismatch between rental supply and demand is significant, but the story has been changing

May 2024	vs May 2019	vs May 2023
Rental demand	+27% ▲	-14% ▼
Rental supply	-39% ▼	+12% ▲
Advertised rents	+47% ▲	+6% ▲

Source: Rightmove Data Services

These changing dynamics have impacted the speed at which the market is moving

+17% Year on Year
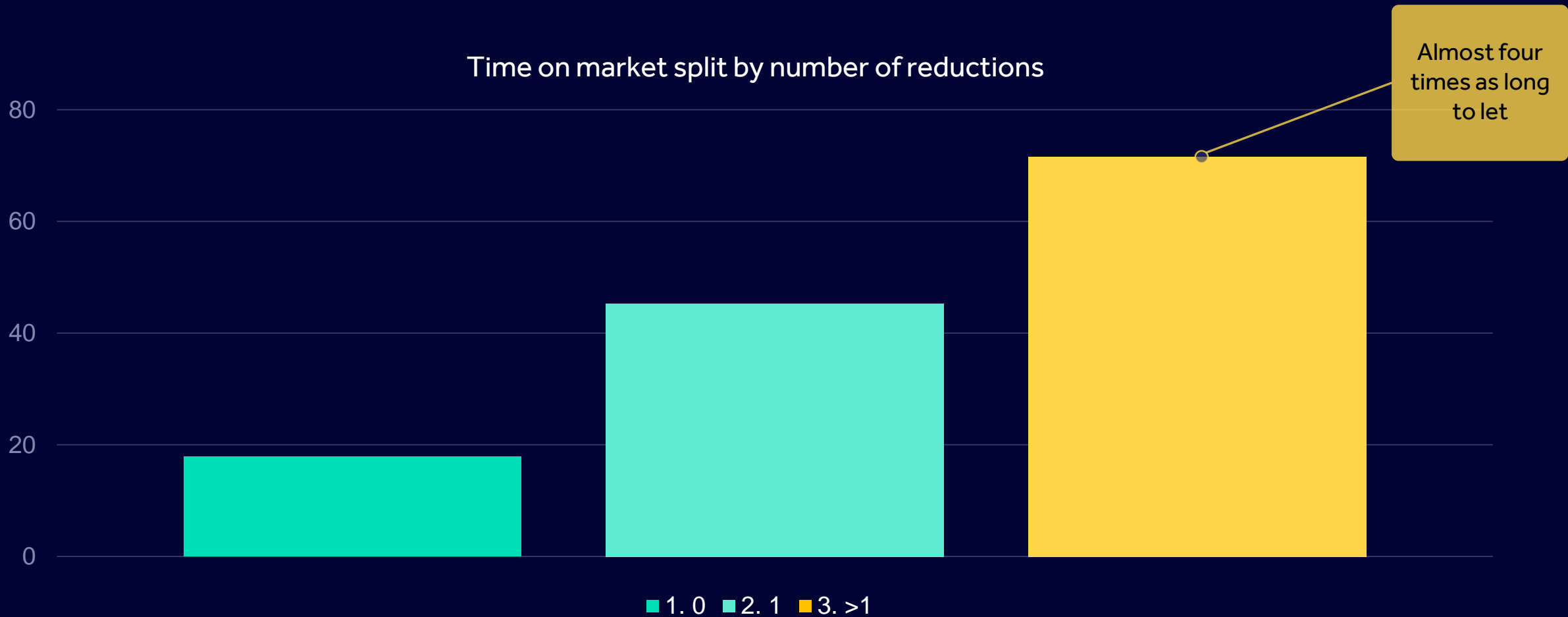
YoY change in time on market

Source: Rightmove Data Services

With time on market increasing in the rental market we are seeing the number of reductions increasing

Percentage of properties reduced

|	May-19	May-22	May-23	May-24
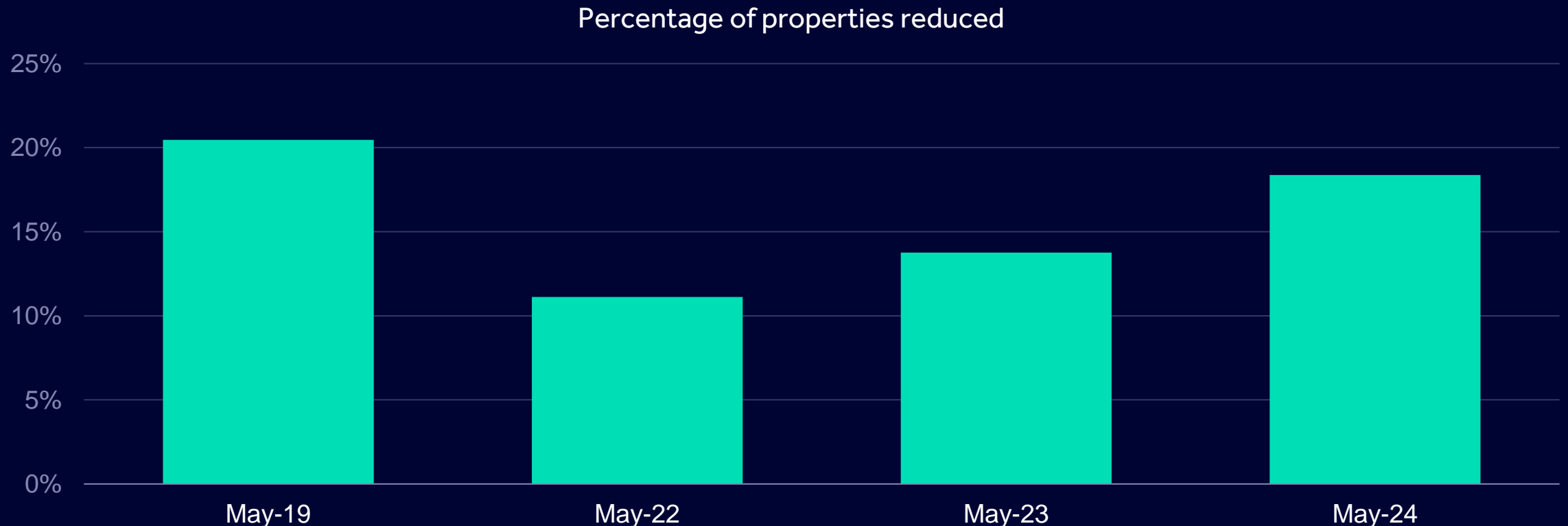
What's the impact?

Properties that need to be reduced take significantly longer to let; multiple reductions add further time

Time on market split by number of reductions

Almost four times as long to let

Legend: ■ 1. 0 ■ 2. 1 ■ 3. >1

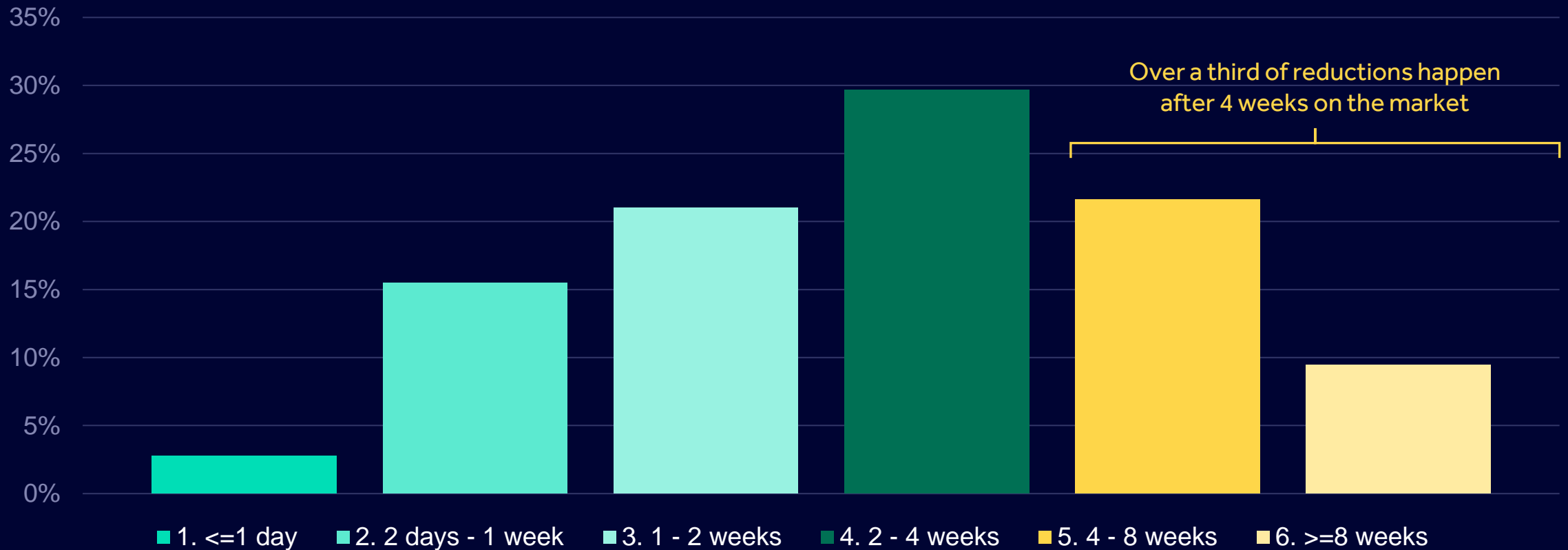Y-axis: 0, 20, 40, 60, 80

Source: Rightmove Data Services

Needing to reduce the listing also increases the likelihood it will be lost to a competitor
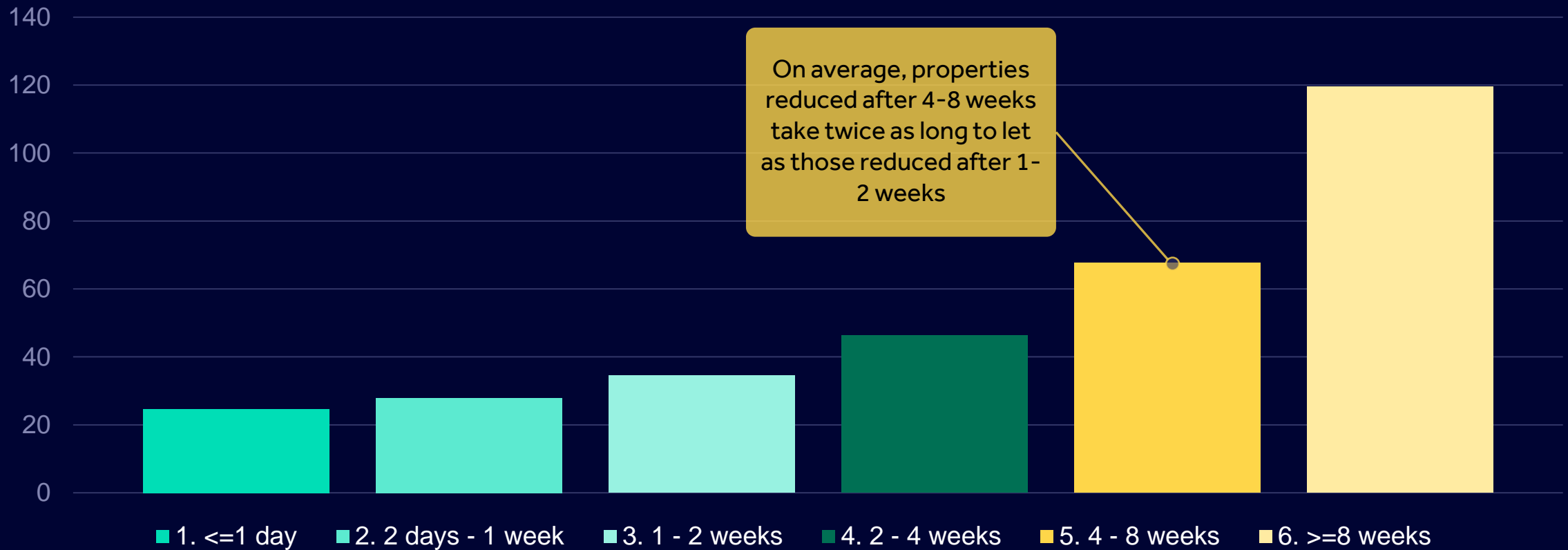
Lost instruction rate split by number of reductions

More than double the likelihood to be lost to a competitor

Legend: 1. 0   2. 1   3. >1

Source: Rightmove Data Services
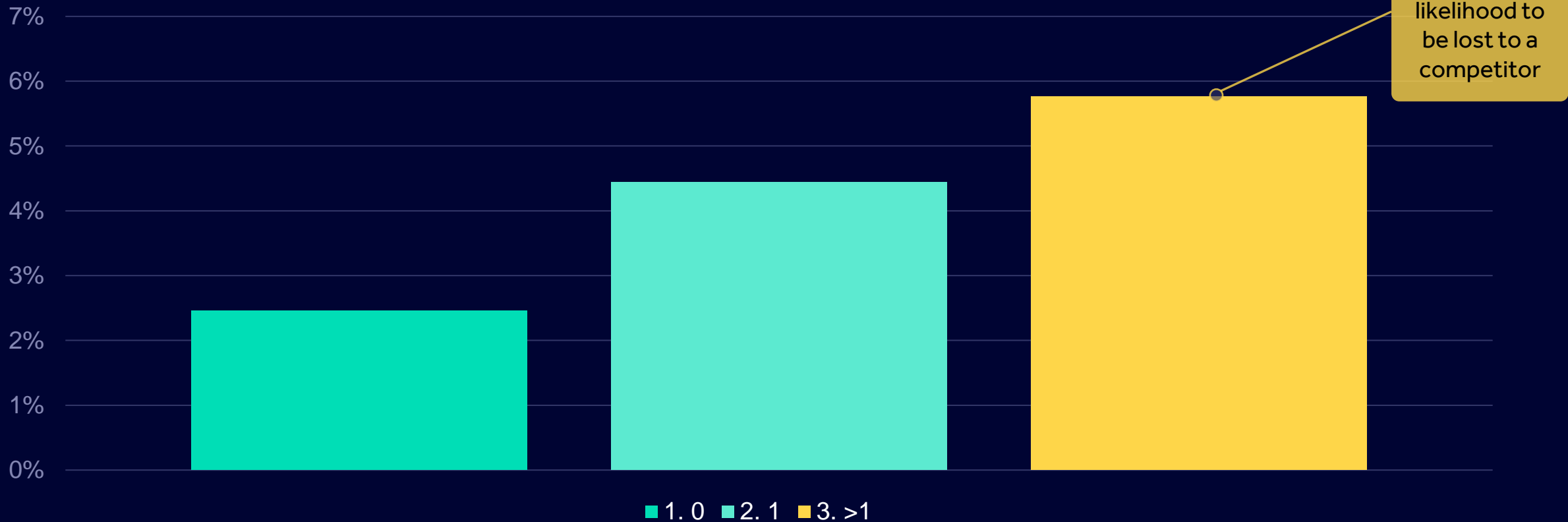
The majority of reductions happen between 2-4 weeks after listing, though many happen later
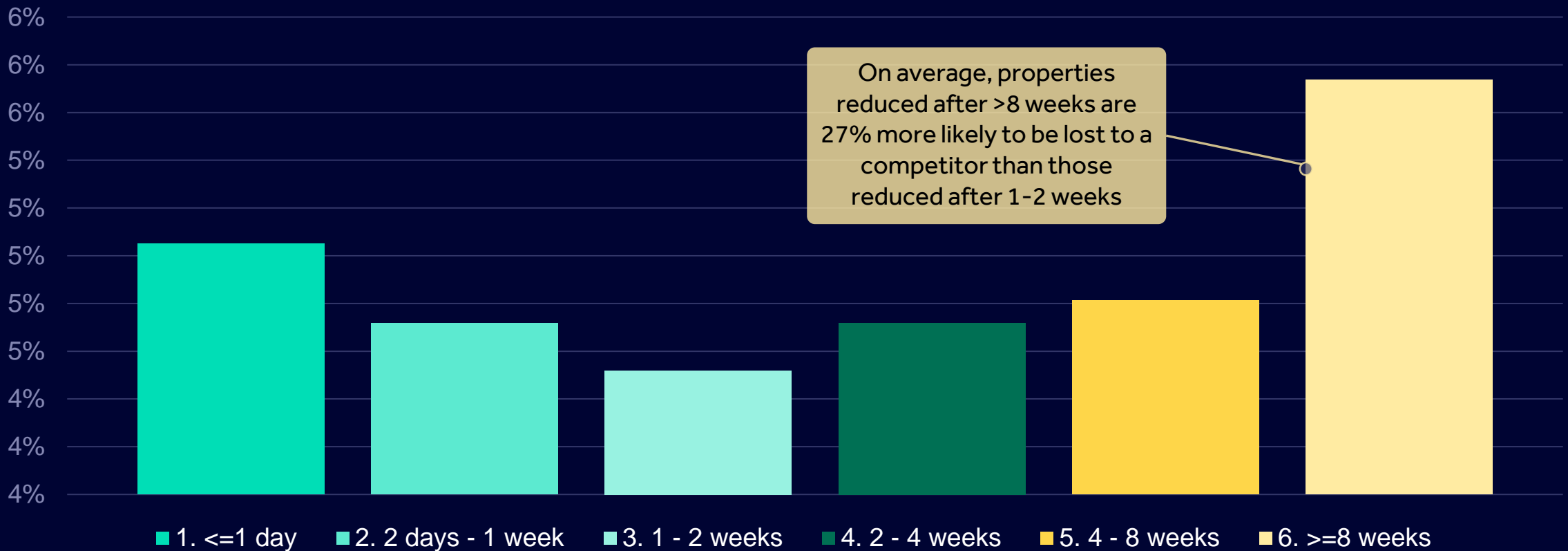
Reduction rate split by timing of first reduction

Over a third of reductions happen after 4 weeks on the market

Legend:
- 1. <=1 day
- 2. 2 days - 1 week
- 3. 1 - 2 weeks
- 4. 2 - 4 weeks
- 5. 4 - 8 weeks
- 6. >=8 weeks

Source: Rightmove Data Services

The longer the wait to reduce, the longer the wait to go "let agreed"

Time on market split by days until first reduction

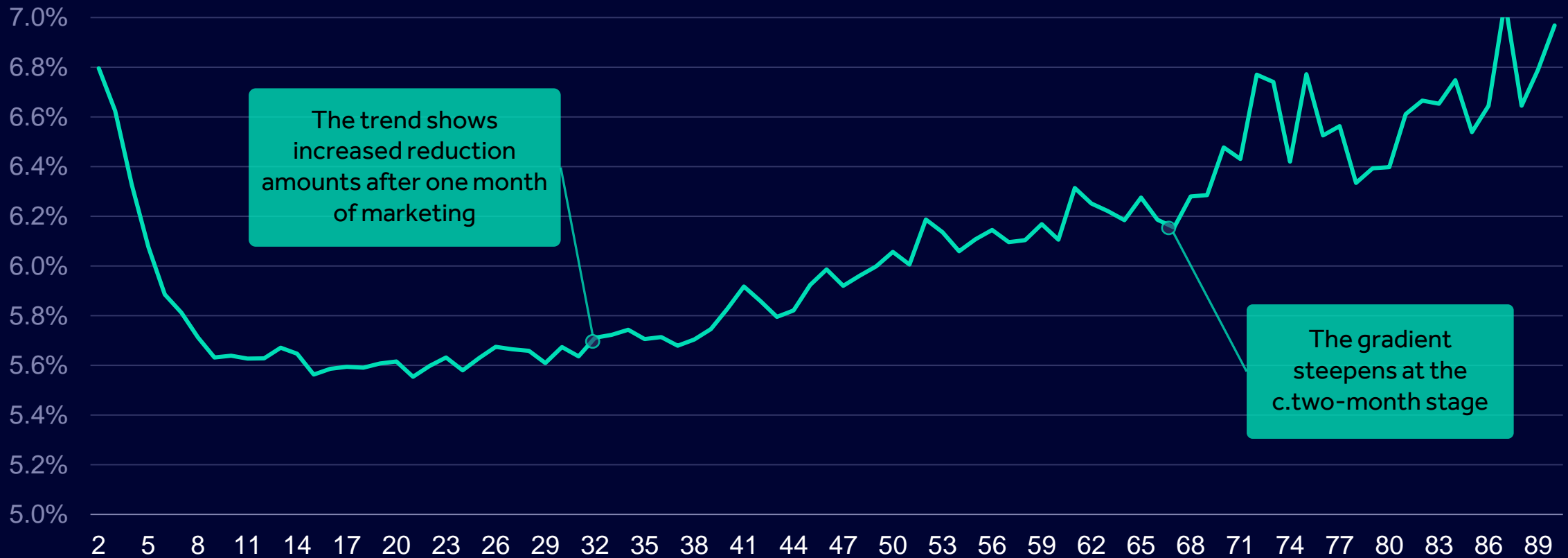On average, properties reduced after 4-8 weeks take twice as long to let as those reduced after 1-2 weeks

Legend:
- 1. <=1 day
- 2. 2 days - 1 week
- 3. 1 - 2 weeks
- 4. 2 - 4 weeks
- 5. 4 - 8 weeks
- 6. >=8 weeks

Source: Rightmove Data Services

Waiting to reduce also increases the likelihood of losing the instruction

Lost instruction rate split by days until first reduction

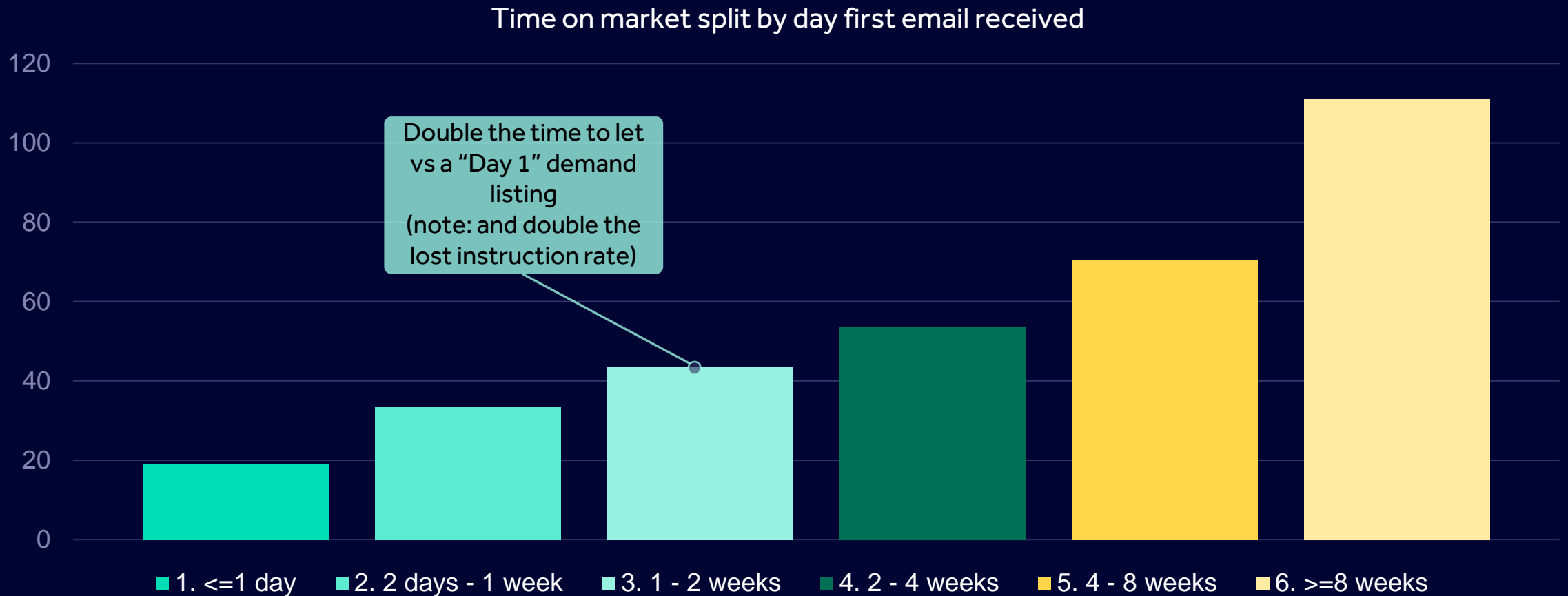On average, properties reduced after >8 weeks are 27% more likely to be lost to a competitor than those reduced after 1-2 weeks

■ 1. <=1 day   ■ 2. 2 days - 1 week   ■ 3. 1 - 2 weeks   ■ 4. 2 - 4 weeks   ■ 5. 4 - 8 weeks   ■ 6. >=8 weeks

Source: Rightmove Data Services

The size of reductions on rental properties increases as time goes on (and voids become more likely)...

Average size of reduction, by days until first reduction (2019 – 2023)

The trend shows increased reduction amounts after one month of marketing

The gradient steepens at the c.two-month stage

Source: Rightmove Data Services

The speed at which demand is received is a strong indicator of how long it will take to let

Time on market split by day first email received

Double the time to let vs a "Day 1" demand listing
(note: and double the lost instruction rate)

Legend:
- 1. <=1 day
- 2. 2 days - 1 week
- 3. 1 - 2 weeks
- 4. 2 - 4 weeks
- 5. 4 - 8 weeks
- 6. >=8 weeks

Source: Rightmove Data Services

It is better to not have to reduce, but if a reduction is necessary, the stats support decisive action

If a reduction is needed:

Sales	Do it as early as possible	Do it once	Make it meaningful	Track timing of email demand
Rental	Do it as early as possible	Do it once	You may be able to reduce by less	Track timing of email demand

There are reports tools and services designed to help generate time savings

New Best Price Guide

Rightmove Plus Reports

Hub

Lead to Keys

Summary

Decisive action

Increased positive outcomes

As early as possible

Thank you!

Look out for a French bulldog!

Su... demand analysis
...and reports)