



**Connells**  
group

**MARKET REPORT**  
Quarter Four 2024

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**Methodology**

Connells Group analyses detailed data from its estate agency, land & new homes, lettings, mortgage, surveys & valuations and asset management businesses. Individual measures are stated on a like-for-like basis and are subject to restatement following acquisitions.

Each month, the researchers analyse tens of thousands of registrations, instructions, applications, approvals and valuations and use this data to publish a quarterly report which reflects trends across the property spectrum. An index point of January 2019 is used where it is appropriate.



## Adrian Scott

Managing Director, Group Lender Services

**Overall, 2024 has shown resilience and performed better than expected, with positive growth across the property market despite earlier predictions of challenges and potential stagnation. In the final quarter, we saw positive activity from buyers, as they were focused on buying before this year's upcoming changes to Stamp Duty on 1st April.**

Even with the typical seasonal slowdown towards the end of the year, the base rate decrease to 4.75% in early November helped to maintain activity levels with the number of applicants registered 6.3% above levels seen in Q4 2023, and viewing activity up by 8.2% for the quarter year-on-year.

Sales activity in the final quarter finished the year strongly, with the number of instructions having increased by 3.2% year-on-year, and the number of gross sales agreed having increased by 14.1%. Furthermore, the number of exchanges increased by 13.4% vs Q4 2023.

Average asking prices increased by 2.9% vs Q4 2023, reaching £302,961. With supply and demand continuing to even out compared to recent years, the upward pressure on house prices has eased.

The lettings market has seen a slight contraction in this final quarter yet finished ahead of 2023 with a 4.5% year-on-year increase in the number of instructions. The supply and demand imbalance that we have been experiencing in the rental sector is slowly starting to balance out. We finished Q4 with 14.8% more stock available than in Q4 2023, and when comparing 2023 to 2024, the volume of properties available to let through the year increased by 21.1%.

Though it is still too early to make any concrete predictions, the changes announced by the Government affecting the new homes market may have already started creating some positive change for the sector. Over the last quarter, we have seen the number of instructions pick up by 36.8% vs Q3 2024 and by 6.2% vs Q4 2023.

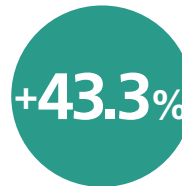
Overall, even though the 2024 property market has experienced some challenges, we are ending the year in a better place than 2023, with all sectors showing positive and steady growth.



**increase in properties available for sale vs Q4 2023**



**increase in buyer demand vs Q4 2023**



**increase in first-time buyer activity across mortgage services vs Q4 2023**



**increase in available lettings stock vs Q4 2023**



**Chris Rosindale**  
Chief Operating Officer, Estate Agency



**increase  
in new  
instructions  
vs Q4 2023**



**the average  
asking price  
at instruction  
in Dec 2024**



**increase  
in viewing  
activity  
vs Q4 2023**



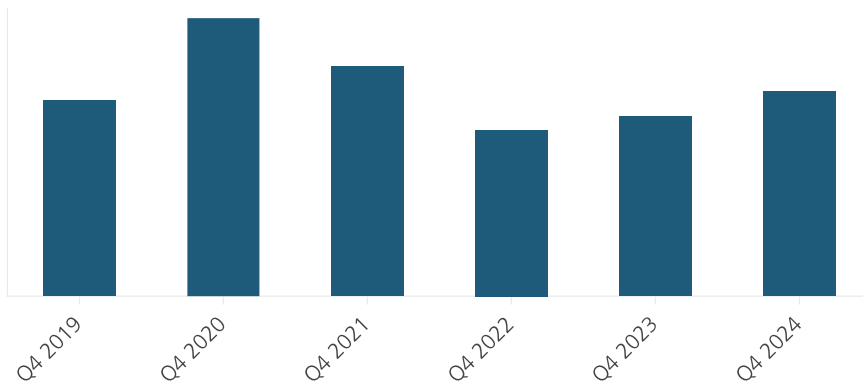
**increase  
in sales  
agreed  
vs Q4 2023**

Lower inflation figures and decreasing interest rates have improved consumer sentiment, providing a strong end to the year with a busy forecast for Q1 2025.

The momentum that had built up in H1 across our residential sales business continued throughout Q3 and Q4 and tapered off in the run-up to the festive season.

The interest rate reduction in November helped to maintain the momentum and encouraged more buyers and sellers onto the market. When compared to Q4 2023, the number of sales on second-hand homes was up by 14.1%. Furthermore, sales agreed for Q4 2024 were above the number of sales agreed from 2022.

**Sales agreed (gross)**

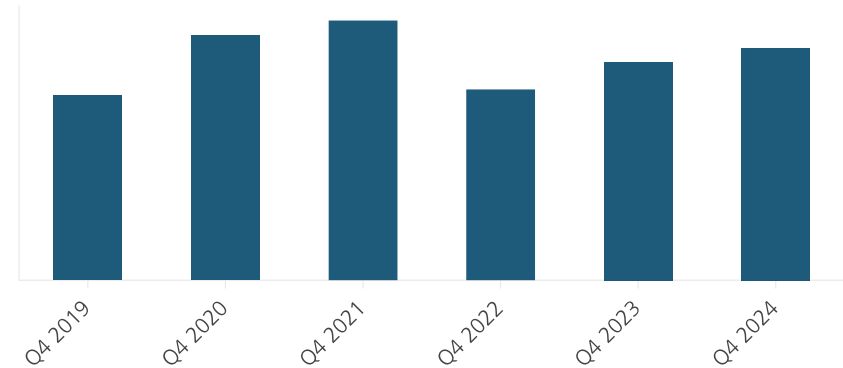


(indexed against Q1 2019)

With the start of the festive season and the Bank of England interest rate remaining unchanged in December, property market transactions slowed, following the typical seasonal trend. However, the number of registered buyers remained above previous years and, overall, remained consistent with levels seen throughout 2024. This, in part, may be due to the upcoming change in Stamp Duty Land Tax thresholds in April 2025, and buyers wanting to complete their purchase by 31st of March 2025 to avoid higher Stamp Duty rates.

Together with our annual Boxing Day campaign, which included over 14,000 properties inviting potential buyers to view the newly available or price-reduced properties, this will facilitate a strong first quarter in 2025.

**Applicants registered (indexed)**



(indexed against Q1 2019)



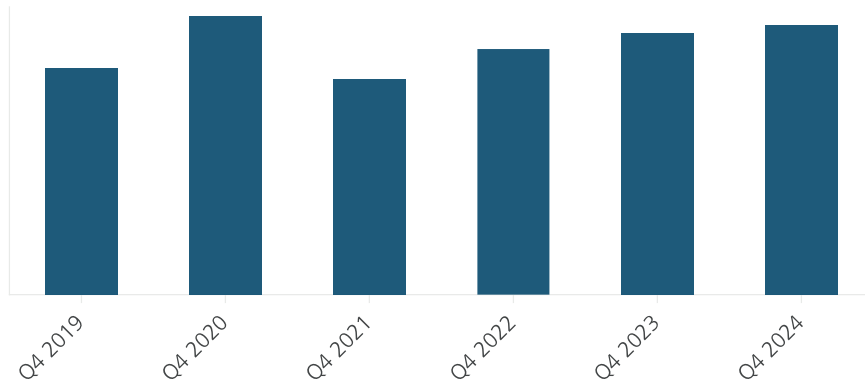


**Chris Rosindale**  
Chief Operating Officer, Estate Agency



Market appraisals remained ahead of previous years, experiencing an increase of 2.7% when compared to Q4 2023. Vendors continued to show eagerness to enter the market ahead of the new year and driving up new instructions by 3.2% versus Q4 2023.

**New instructions (indexed)**



(indexed against Q1 2019)

The market remains price sensitive with property prices remaining broadly flat. This is demonstrated by the average property price at instruction having decreased by 4.4% vs Q4 2023, yet the average price on exchanged sales having increased by 4.0% compared to the same time last year.

**Average asking price**



Throughout 2024, and the final quarter being no exception, we've continued to see positive sentiment amongst both buyers and sellers with both sides keen to transact where the price is right.



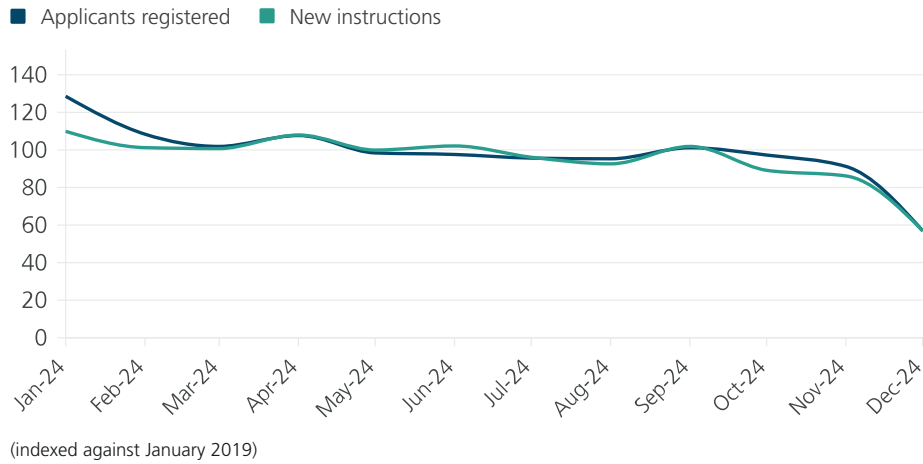
**Chris Rosindale**  
Chief Operating Officer, Estate Agency

### Newly registered buyers and instructions

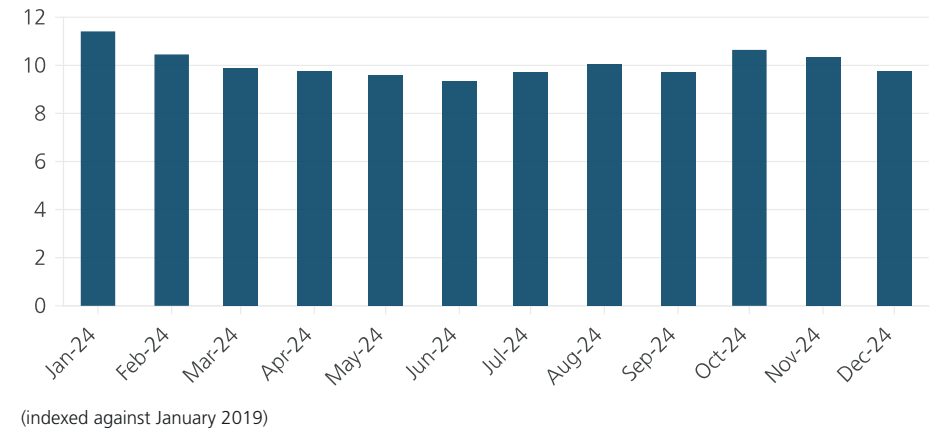
With the typical seasonal dip in activity, it's no surprise that the number of newly registered buyers and the number of new instructions decreased in the final quarter of the year. However, both are ahead of Q4 2023, with the number of registered buyers up by 6.3% and the number of instructions up by 3.2%.



### Number of applicants registered & New instructions



### Applicants registered per new instruction

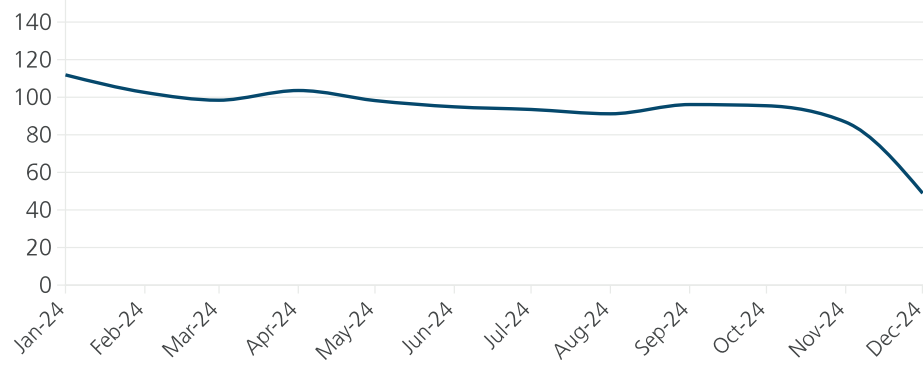




**Chris Rosindale**  
Chief Operating Officer, Estate Agency

Overall viewing activity in Q4 showed an 8.2% year-on-year increase, with both October and November numbers being well above previous years.

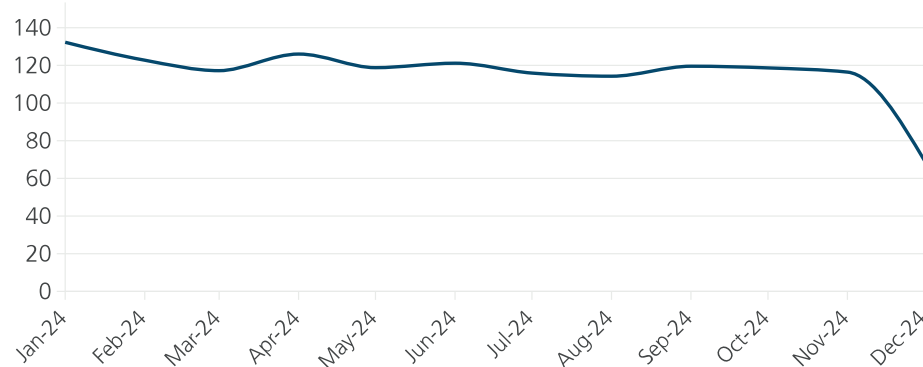
**Number of buyer viewings**



(indexed against January 2019)

Similar to the viewing activity, the number of buyer offers made in Q4 2024 was 9.8% higher than in 2023.

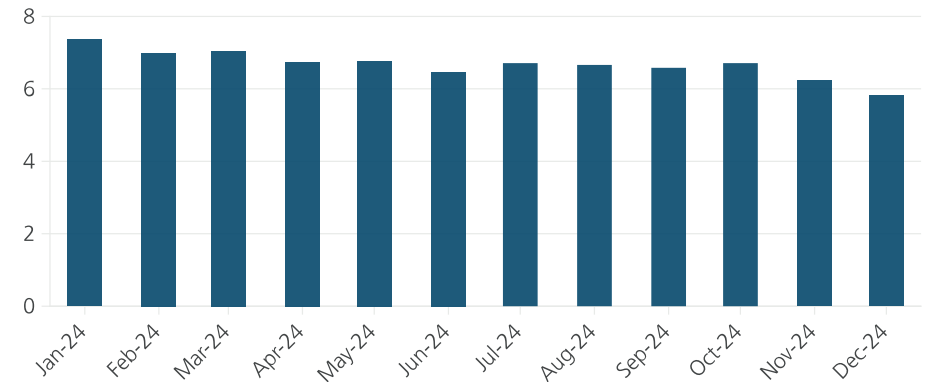
**Number of buyer offers**



(indexed against January 2019)

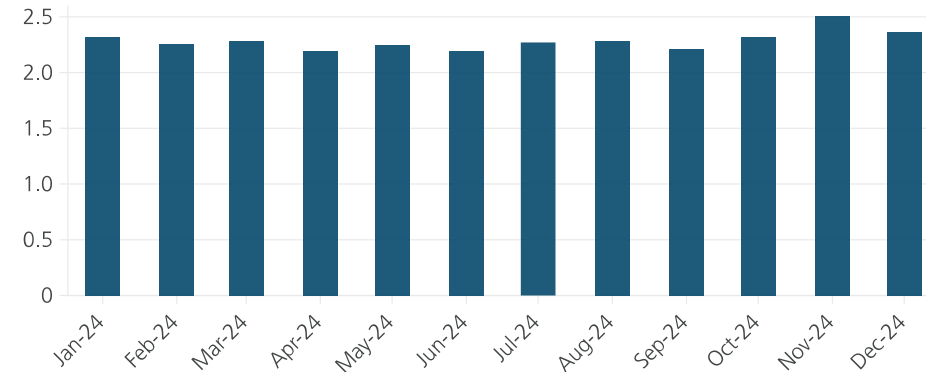
The average number of viewings per offer remained steady at 6.3, in line with previous years and only slightly below the previous quarter. The changes in Stamp Duty in 2025, as well as the Bank of England's interest rate decrease in November, may have been prominent factors in continuing to encourage buyers into the market.

**Number of viewings per offer**



The average number of offers per sale agreed finished strong, achieving the highest levels of 2024 with an average of 2.4 offers per sale agreed.

**Number of offers per sale agreed**



Regional average house prices at completion Q4 2024

£200,708

Scotland / North  
6.8% up from Q4 2023

£313,875

East  
5.3% up from Q4 2023

£229,589

Midlands  
3.0% up from Q4 2023

£719,075

London  
4.5% up from Q4 2023

£263,315

Wales / South West  
2.6% up from Q4 2023

£414,944

South East  
4.0% up from Q4 2023

UK average house price  
at exchange Q4 2024  
**£302,804**

**+5.9%**  
from Q4 2023





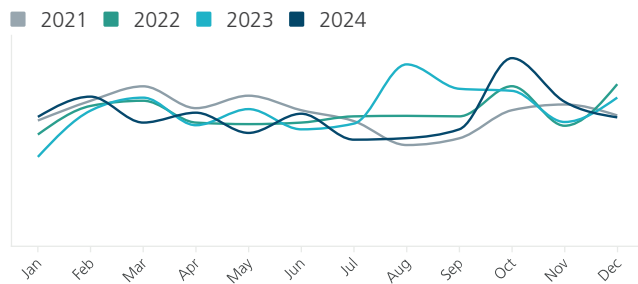
**Roger Barrett**  
Managing Director, Group Land & New Homes

The Government's announcement to deliver 1.5 million homes over the next five years may already have had some positive effects on the new homes market. The latest New Housing Pipeline Report for Q3 2024, produced by the Home Builder Federation, showed that the average number of approvals increased by 5% vs Q3 2023. In addition, these figures remained stable and unchanged when compared to the previous two quarters of 2024.

The outlook for an increase in supply isn't as positive, as the latest HBF Housing Pipeline Report shows a continued decline in planning approvals. Whilst recent efforts by the Government to reform planning policy are welcome, much more needs to be done to reignite housing delivery. Planning approvals will need to increase by more than 150% to meet the Government's target of 370,000 homes annually, which is a huge leap from the current figures.

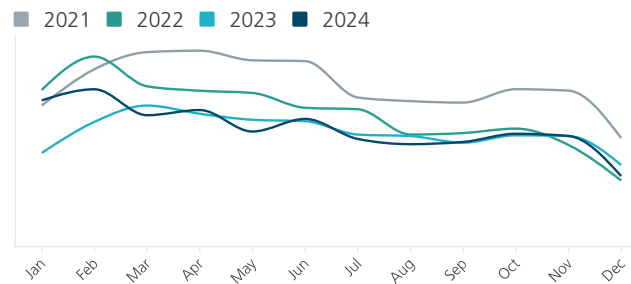
Taking a look at our own data, we recorded an uplift of 6.2% in the number of new instructions vs Q4 2023, and an increase of 36.8% when compared to the previous quarter in 2024. This has resulted in our average weekly instructions being above the previous three years' Q4 results.

**Average weekly instructions**



Whilst developers continue to make use of incentives to make new homes an attractive proposition for buyers, Q4 saw a decline in sales activity, with new sales agreed down by 3.8% year-on-year.

**Average weekly sales**



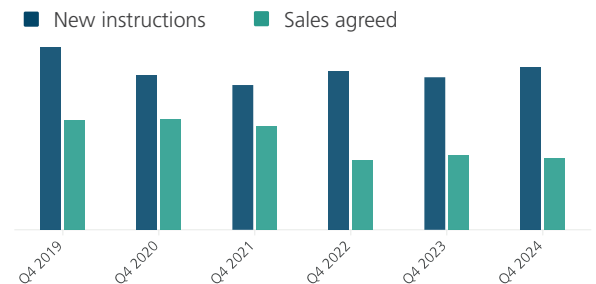
**increase in the number of instructions vs Q4 2023**



**decrease in new home sales vs Q4 2023**

Whilst sales activity in the quarter has been slightly lower than in 2023, the number of new instructions has increased to a level not seen since 2020. The expectation is that this increase in instructions will drive higher levels of sales in 2025.

**New instructions vs sales agreed**





## Roger Barrett

Managing Director, Group Land & New Homes

In 2024, the new homes market faced and continues to face a complex landscape of challenges, yet recent Government attention offers a glimmer of hope. Structural reforms could potentially boost supply across the UK; however, several factors continue to constrain the market:

- **Regulatory challenges:** Planning restrictions, insufficient 'local plan' processes, and new energy efficiency standards are forcing developers to revise their strategies.
- **Supply-demand imbalance:** Reduced output limits options for new build buyers, pushing some towards the more accessible second-hand property market.
- **Absence of Government support:** The lack of initiatives like Help to Buy has left a gap in market stimulation.
- **Construction industry pressures:** Ongoing skills shortages and escalating material and labour costs are squeezing both prices and profit margins.
- **Geographical disparities:** Growth patterns vary significantly across regions, with areas outside London showing more resilience compared to struggling locations.





**Ian Culbert**  
Group Lettings Managing Director

**+2.7%**

**increase in average rent vs Q4 2023**

**+14.8%**

**increase in available stock vs Q4 2023**

**£1,440**

**UK average rent for Q4 2024**

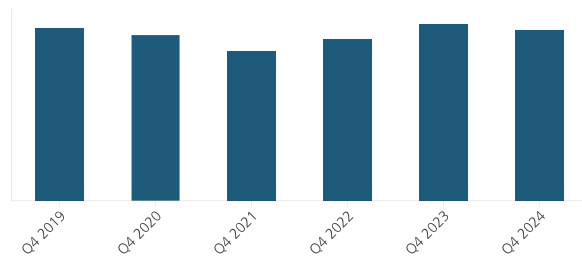
The residential lettings market has remained buoyant throughout 2024, even with the proposed changes in the lettings market and the Renters' Rights Bill having now had its third reading. The volume of available stock has increased by 14.8% vs Q4 2023. And, while this quarter experienced a slight 3.2% decrease in instructions vs Q4 2023, the year as a whole experienced a 4.5% uplift in the number of lettings instructions. Taking this into account when looking at previous years, the number of new instructions in Q4 2024 is level with Q4 2019 and above levels seen in Q4 2020, 2021 and 2022.

Interestingly, despite the anticipated changes in legislation, we're not seeing any signs of a significant number of landlords leaving the market, which is supported by our data.

At the end of 2024, available rental stock increased to similar levels seen in Q4 2020, while average rents increased slightly by 2.7% vs Q4 2023. Despite this, the level of new tenant demand decreased in Q4 2024. This may be an indication of tenants staying in their rented property for longer, as well as showing that some regions, for example London, are reaching the affordability ceiling of what tenants are willing and able to pay for rent.

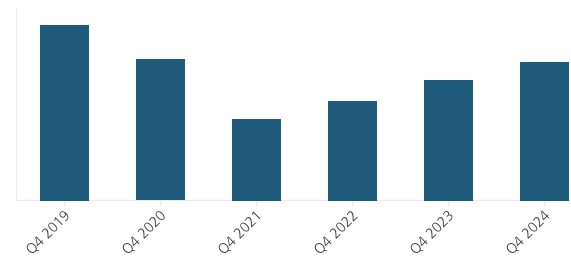
After a strong Q3, which is typically the busiest in the year, Q4 experienced the usual seasonal slowdown. However, the supply and demand imbalance in the rental sector is slowly improving.

**New instructions**



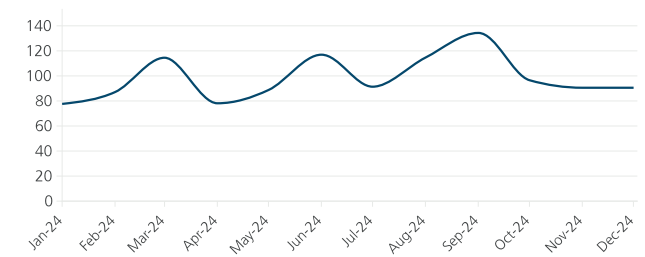
(indexed against January 2019)

**Available stock (indexed)**



(indexed against January 2019)

**Number of agreed tenancies**



(indexed against January 2019)

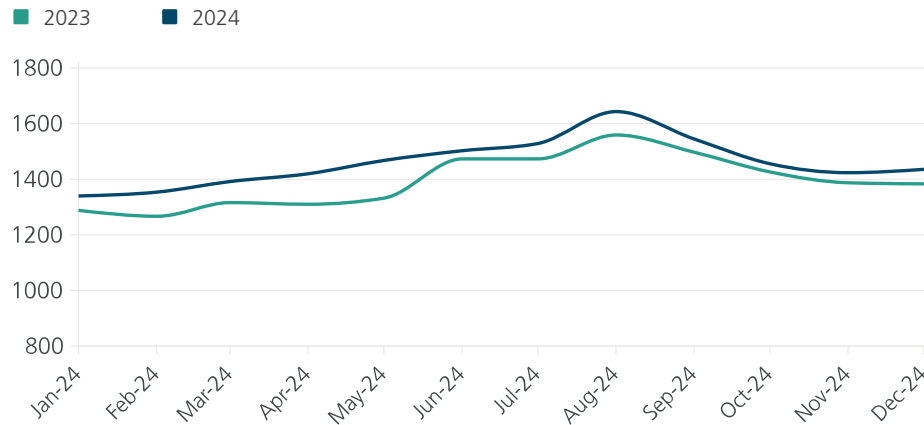


**Ian Culbert**  
Group Lettings Managing Director



Looking back on the year as a whole, the average rent was £1,469 per calendar month (pcm), marking a 4.7% year-on-year increase from 2023. In the final quarter of the year, the average agreed monthly rent stood at £1,436, which represents a 2.7% year-on-year increase from Q4 2023.

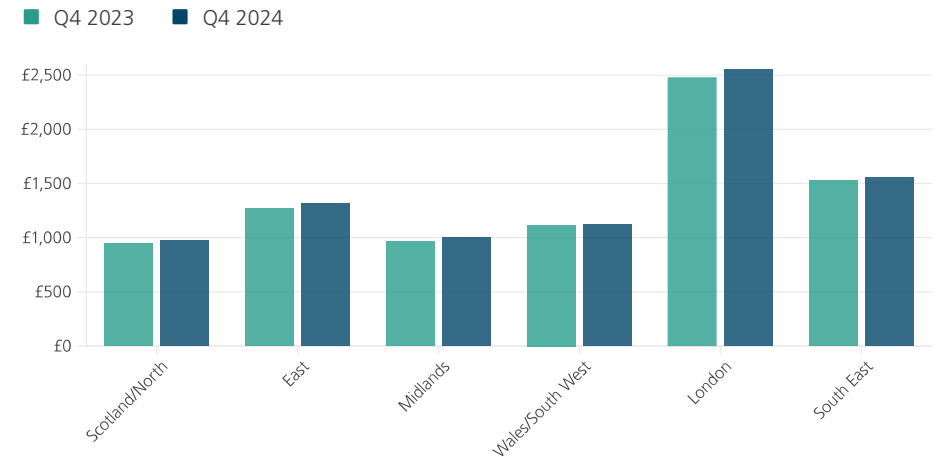
**Monthly agreed rents (UK)**



While average rents have continued to increase in all regions, the overall growth rate has slowed year-on-year.

The largest increases in rental values have been seen in the Midlands, where average rents saw a 4.2% increase over Q4 2023. Wales / South West saw the lowest annual increase at 0.4%.

**Average agreed rents (regional)**



Regional average rent Q4 2024

£978

Scotland / North  
3.5% up from Q4 2023

£1,319

East  
3.9% up from Q4 2023

£1,002

Midlands  
4.2% up from Q4 2023

£2,555

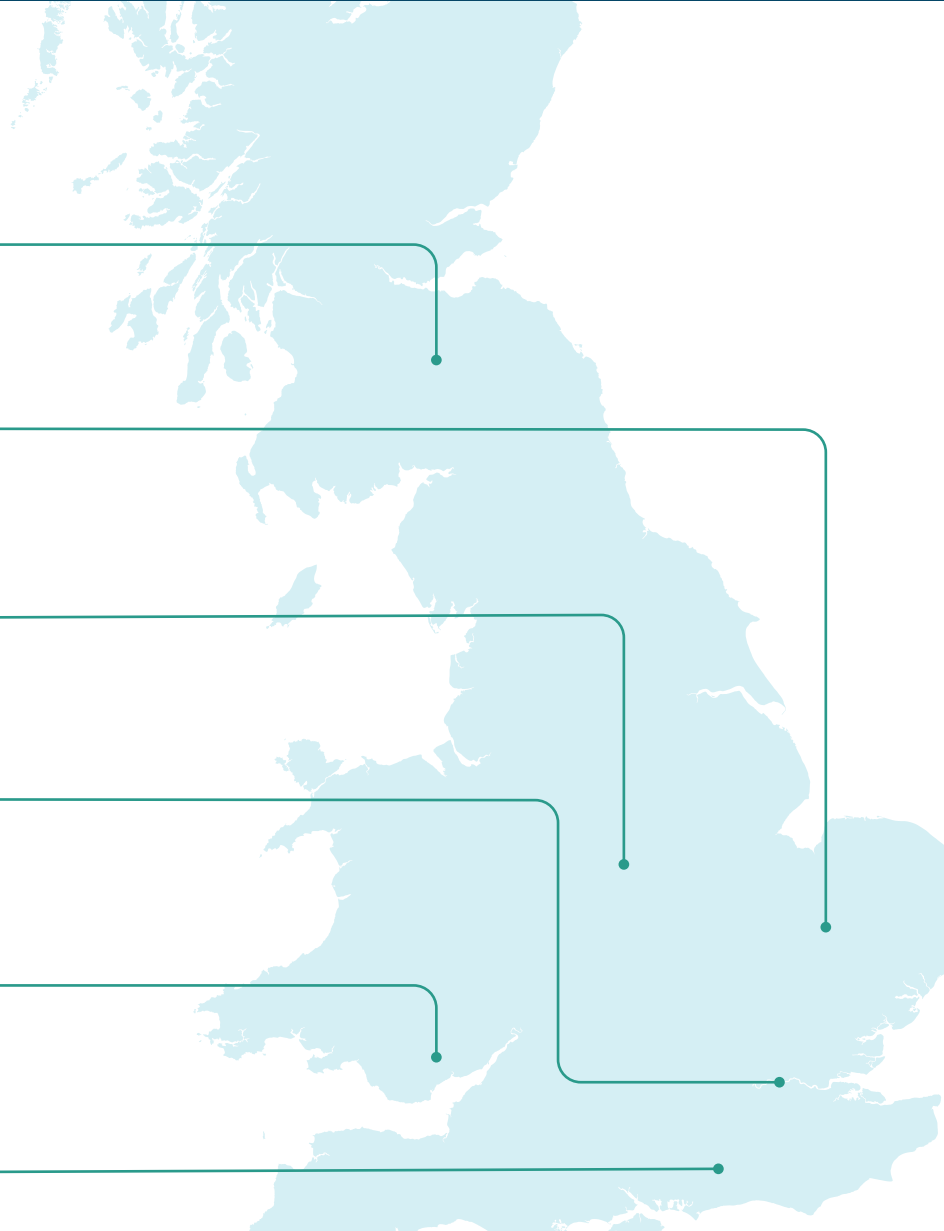
London  
3.1% up from Q4 2023

£1,122

Wales / South West  
0.4% up from Q4 2023

£1,558

South East  
1.8% up from Q4 2023



UK average rent  
Q4 2024

£1,440pcm

up  
2.7%  
from Q4 2023

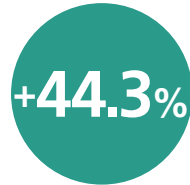




**Graham Closier**  
Group Mortgage Development Director



**more first-time buyers vs Q4 2023**



**increase in buy-to-let mortgages vs Q4 2023**



**year-on-year increase in average mortgage term**



**year-on-year increase in average mortgage value for first-time buyers**

Overall, the residential mortgage market in Q4 grew by 28.5% year-on-year, though there was a slight contraction of 7.6% compared to Q3 2024.

Following the base rate reduction in November and future reductions predicted, prospective buyers have been benefitting from lower mortgage rates, that have been encouraging many to enter the market. Additionally, buyers' appetite to purchase their first or next home

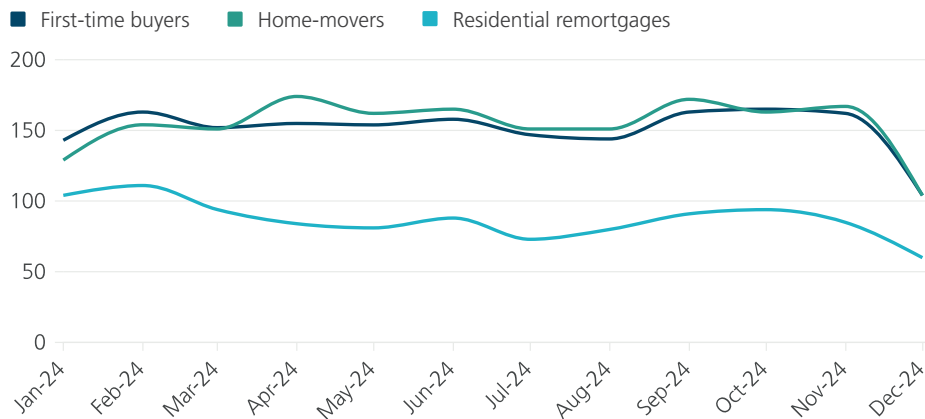
has increased following the Autumn Budget, as prospective buyers are trying to move before the Stamp Duty increases take effect in April 2025. This increase in mortgage activity can also be seen in our data, with mortgage applications increasing by 28.9% year-on-year in Q4.

Remortgage activity continued to ease by 5.1% from Q3 2024, following the usual seasonal trend, but was still up by 1.8% when compared to Q4 2023.

Home-movers accounted for 21.5% of Q4's mortgage activity, representing a 47.4% year-on-year increase. In comparison, first-time buyers accounted for 34.8% of Q4's total mortgage business, staying level with the previous quarter. First-time buyers continue to dominate across all regions, making up 36% and more of the market in Scotland/North, Wales/South West and London.

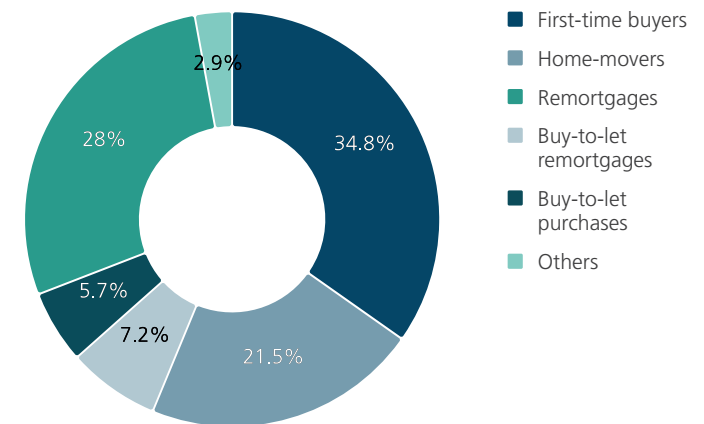
While the number of buy-to-let purchases have remained the same when compared to Q3 2024 at 5.7%, buy-to-let remortgages have increased slightly by 1.6% quarter-on-quarter and by 23.1% when compared to Q4 2023. The positive trend on buy-to-let remortgages indicates that landlords continue to see the value in their rental properties, choosing to continue letting their properties.

**Number of residential mortgages by type**



(indexed against January 2019)

**Percentage of mortgage types Q4 2024**



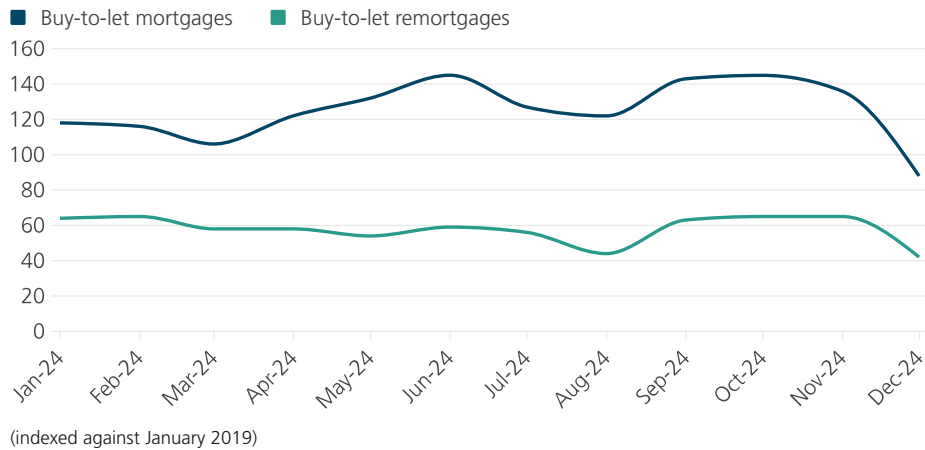


**Graham Closier**  
Group Mortgage Development Director

Overall, buy-to-let activity fell in December 2024, as anticipated, due to the seasonal variations at this time of year.

Although buy-to-let mortgage purchases remained the same quarter-on-quarter, these types of mortgages continue to lead this segment of the market, with volumes continuously above buy-to-let remortgages.

**Number of buy-to-let mortgages by type**





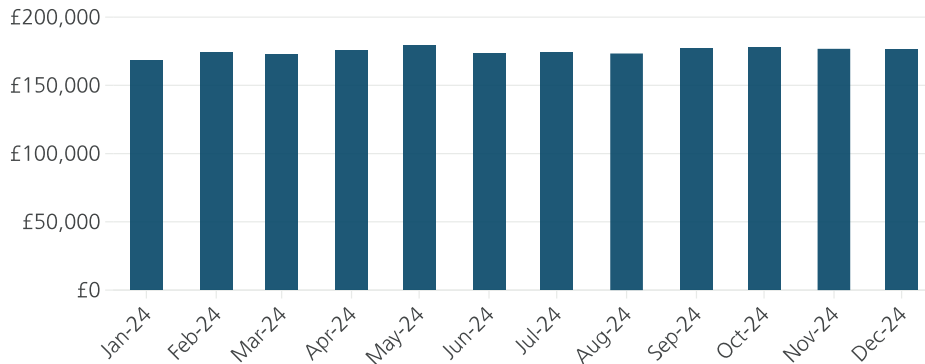
**Graham Closier**  
Group Mortgage Development Director



## Mortgage values

The average mortgage value in Q4 was £177,097, representing an 8.9% increase compared to the same quarter last year.

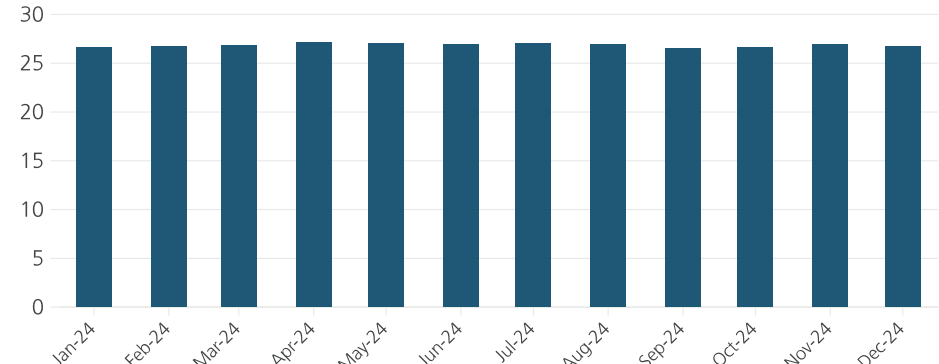
Average mortgage value (£)



## Mortgage terms

The average mortgage term has eased slightly over the quarter, standing at 26.7 years at the end of Q4. This represents a slight increase from the end of Q3, and a 2.1% increase year-on-year.

Average mortgage term (years)







**Graham Closier**  
Group Mortgage Development Director

## Regional overview

With an increased appetite seen from first-time buyers during the first three quarters of 2024, it is no surprise that they also accounted for the largest share in activity (34.8%) across all regions in Q4.

Additionally, we continue to see remortgages account for the second largest share of activity across all regions, 28% at a national level with the East and South East both seeing over 30% of activity driven by remortgages.

With the exception of the East and London, home-mover activity has taken a smaller share during Q4 vs Q3 2024.

### Scotland / North

First-time buyers **36.5%**  
Home-movers **23.2%**  
Buy-to-let remortgages **6.1%**  
Buy-to-let purchases **5.4%**  
Remortgages **26.0%**  
Others **2.7%**

### Midlands

First-time buyers **34.3%**  
Home-movers **19.9%**  
Buy-to-let remortgages **8.4%**  
Buy-to-let purchases **8.5%**  
Remortgages **26.5%**  
Others **2.5%**

### Wales / South West

First-time buyers **36.0%**  
Home-movers **21.9%**  
Buy-to-let remortgages **6.0%**  
Buy-to-let purchases **4.7%**  
Remortgages **28.6%**  
Others **1.8%**

### East

First-time buyers **32.0%**  
Home-movers **21.7%**  
Buy-to-let remortgages **6.7%**  
Buy-to-let purchases **5.3%**  
Remortgages **31.5%**  
Others **2.8%**

### London

First-time buyers **36.0%**  
Home-movers **15.1%**  
Buy-to-let remortgages **11.4%**  
Buy-to-let purchases **4.9%**  
Remortgages **28.5%**  
Others **4.2%**

### South East

First-time buyers **33.1%**  
Home-movers **21.8%**  
Buy-to-let remortgages **7.5%**  
Buy-to-let purchases **3.5%**  
Remortgages **30.9%**  
Others **2.2%**



**Simon Matthews**  
Managing Director, AMG

+1.6%

increase in numbers  
of mortgages  
with 10% arrears  
or more

1,700

total  
number of  
possessions  
in Q2 2024

The most recent possession figures released by UK Finance provide details of market activity during the third quarter of 2024. The total number of homeowner possessions taken during Q3 2024 increased by 1.0% quarter-on-quarter, while buy-to-let possessions remained unchanged when compared to Q2 2024.

They further note that possession numbers remain very low when compared to historic norms, with current levels being 15% lower than pre-pandemic levels in Q4 2019.

In Q3 of 2024, the total number of mortgages with arrears representing 10% or more of the balance outstanding showed a material decrease from 2.9% in Q2 2024 to 1.6% in Q3 2024.





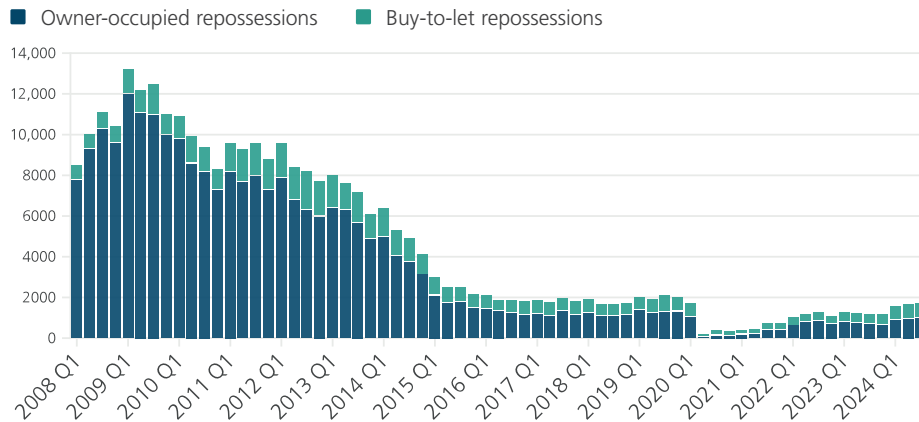


**Simon Matthews**  
Managing Director, AMG

Examining the total number of possessions year-to-date from Q3 2024 compared to year-to-date Q4 2024, owner-occupier possessions increased by 25.2%.

For buy-to-let, the percentage of possessions increased by 49.6% when comparing year-to-date Q3 2024 vs year-to-date Q4 2024. This marks a total increase of 42.9% across both sectors when comparing Q3 2023 to Q3 2024, and a 0.6% increase from Q2 2024 to Q3 2024.

**Number of possessions, buy-to-let and owner occupied**

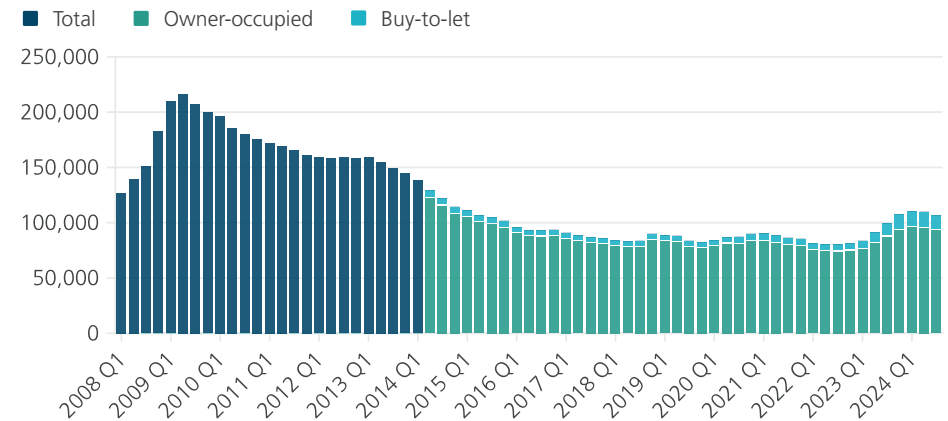


(UK Finance data)

When looking at possession sales, the average sale price in December was £176,445, a 1.9% increase on the average price in December 2023. Houses accounted for 58.5% of completions in December, slightly down from 59.3% in December 2023. However, Bungalows increased to 11.1% in December 2024, from 7.2% in December 2023.

Owner-occupiers with arrears of 2.5% or more of the total balance remaining totalled 93,630 in Q3 2024, a slight decline on the previous quarter. In the buy-to-let sector, arrears of 2.5% or more of the total balance stood at 13,000, also below Q2 and Q1 2024.

**Arrears on mortgages, 2.5% or more balance outstanding**



(UK Finance data)

**Arrears by the bands as a proportion of total balance**



(UK Finance data)



**Ross Bowen**  
 Managing Director  
 Connells Survey & Valuation



**Matthew Cumber**  
 Managing Director  
 Countrywide Surveying Services

“The final quarter of 2024 further demonstrated the resilience of the housing market, overcoming economic challenges and the negative response to the new Government’s first budget. Total survey and valuation job levels completed by Connells rose 16.7% on Q4 2023. Nevertheless, activity with middle and upper market properties remained subdued; anecdotal evidence points to property owners waiting for a sustained downward trajectory in the base and mortgage rates.

The renewed drive to provide homebuyers with detailed information about properties before they commit to purchases gained momentum in Q4. Increased interest in proactively offering home surveys to buyers, fuelled by the heightened protections driven through Consumer Duty obligations, is expected to be a continuing feature of the market with welcome impacts on customer outcomes.

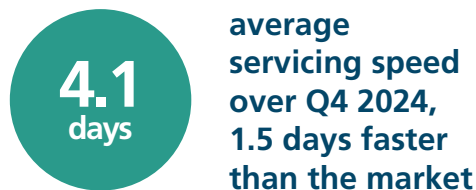
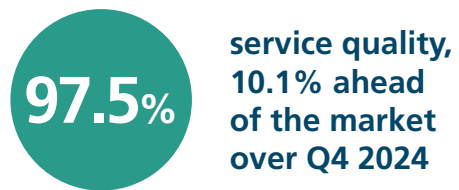
Whilst there are more positive flags on the housing landscape and property prices are on the rise, risks remain for stakeholders. The importance of delivering high quality advice and services remains paramount to support robust lending decisions and to shield clients from potentially dubious activities. As we enter 2025, Connells Survey & Valuation is celebrating 30 years of continuous ISO 9001 Quality Assurance accreditation.”

“Demand for valuations remained strong throughout the final quarter of 2024 with a 7.1% increase quarter-on-quarter and a 40.0% increase year-on-year. Surveys, in particular, remained strong as customers continued to see the benefits of a RICS (Royal Institution of Chartered Surveyors) Chartered Surveyor in the house-buying process.

Countrywide Surveying Services prides itself in delivering first class service to our clients and we have continued to ensure this is our priority throughout the year.

We have continued to develop data-sourcing technology that reduces risk to clients in the valuation process. This helps the home buying process and continues to offer specialist risk-based advice and support through our people. We have invested in training new surveyors through our Graduate Training Academy ensuring that the future of the industry with both technology and people is secure for our clients.

Additionally, we continue to empower our colleagues to ensure that our clients and customers’ interests are always protected.”

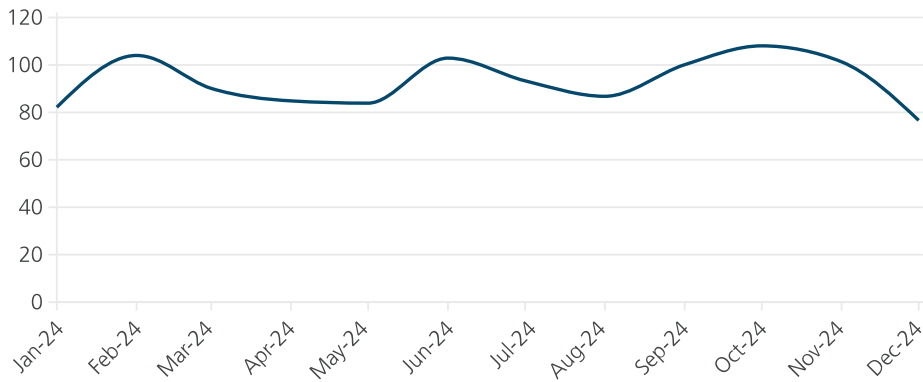




Mortgage valuation activity across the business has remained positive during Q4, with the quarter seeing a 2.1% uplift on Q3 2024, and a 28.4% uplift vs Q4 2023.

In contrast, buy-to-let valuations increased quarter-on-quarter by 15.4%.

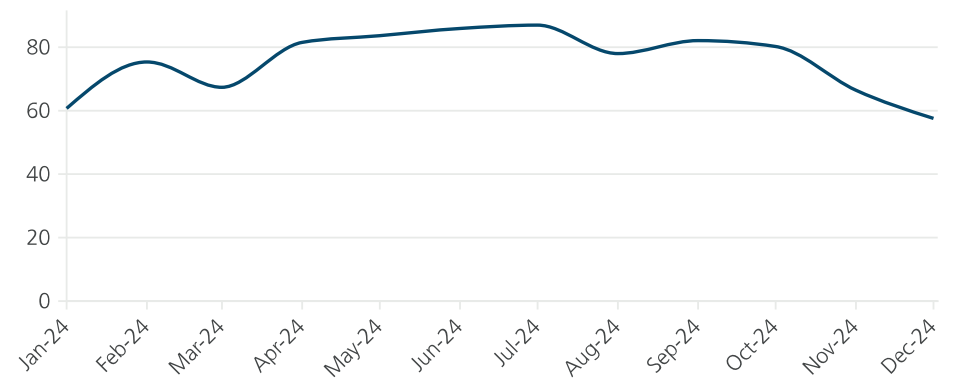
**Number of mortgage valuations**



(indexed against January 2019)

The number of surveys carried out in Q4 slowed by 17.3% vs Q3 2024, however, is 8.5% ahead of Q4 2023.

**Number of surveys**

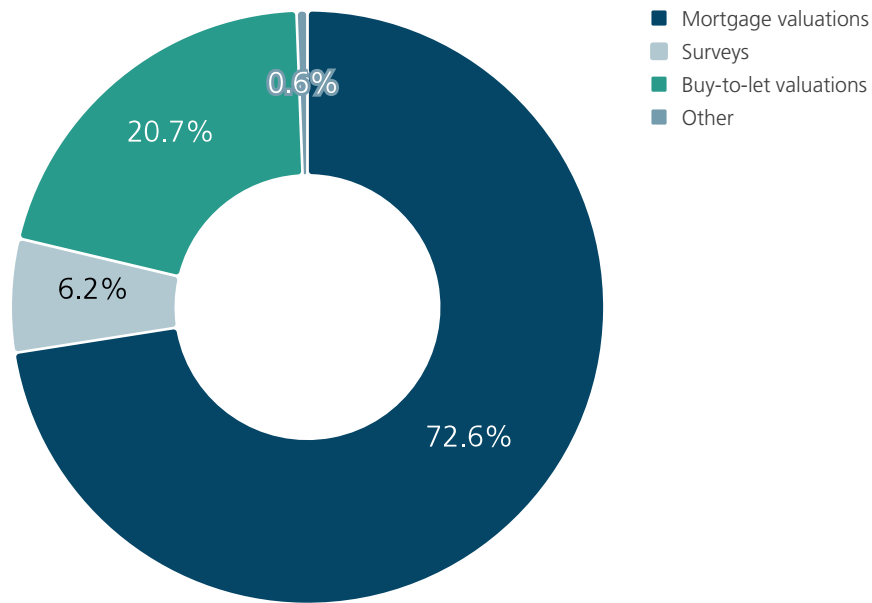


(indexed against January 2019)

Mortgage valuations accounted for 72.6% of the total business in Q4, marking only a slight slowdown from 73.4% in Q3 2024.

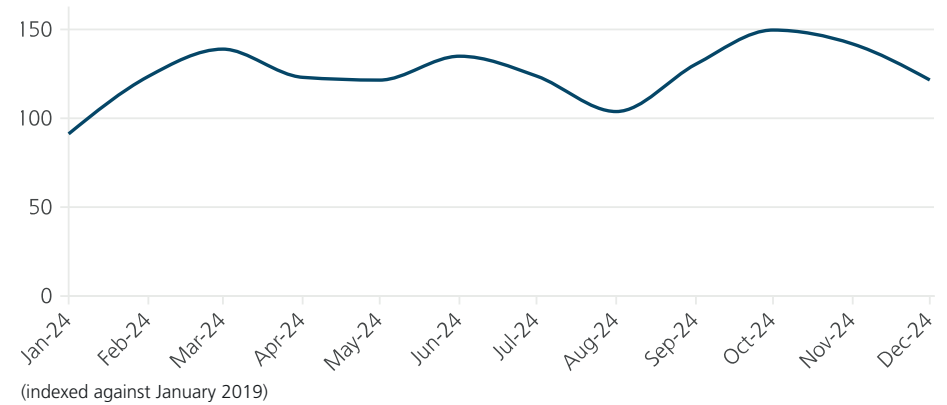
Following the year's trend, remortgage activity accounts for a significant portion of the valuation activity. In Q4 2024, remortgages accounted for 28% of transactions across the Group's mortgage business, showing a very slight increase from the previous quarter.

**Surveys and valuations mix**



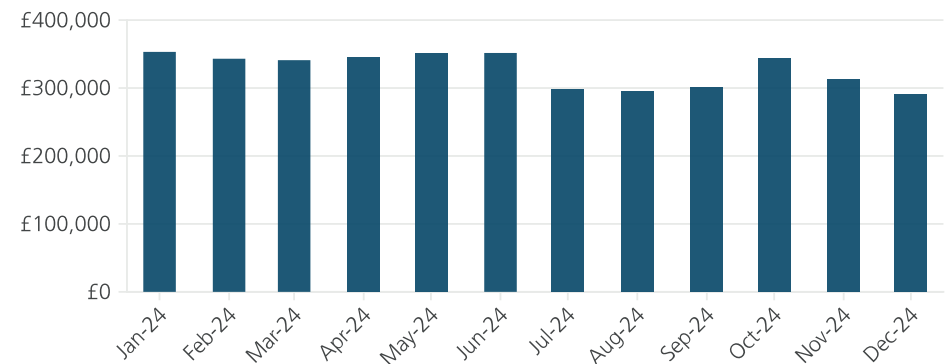
The number of buy-to-let valuations carried out during the quarter increased slightly, accounting for 20.7% of all activity.

**Number of buy-to-let valuations**



After experiencing a reduction in the average valuation price in Q3, the final quarter of 2024, saw a 5.7% increase to £315,520.

**Average valuation price**



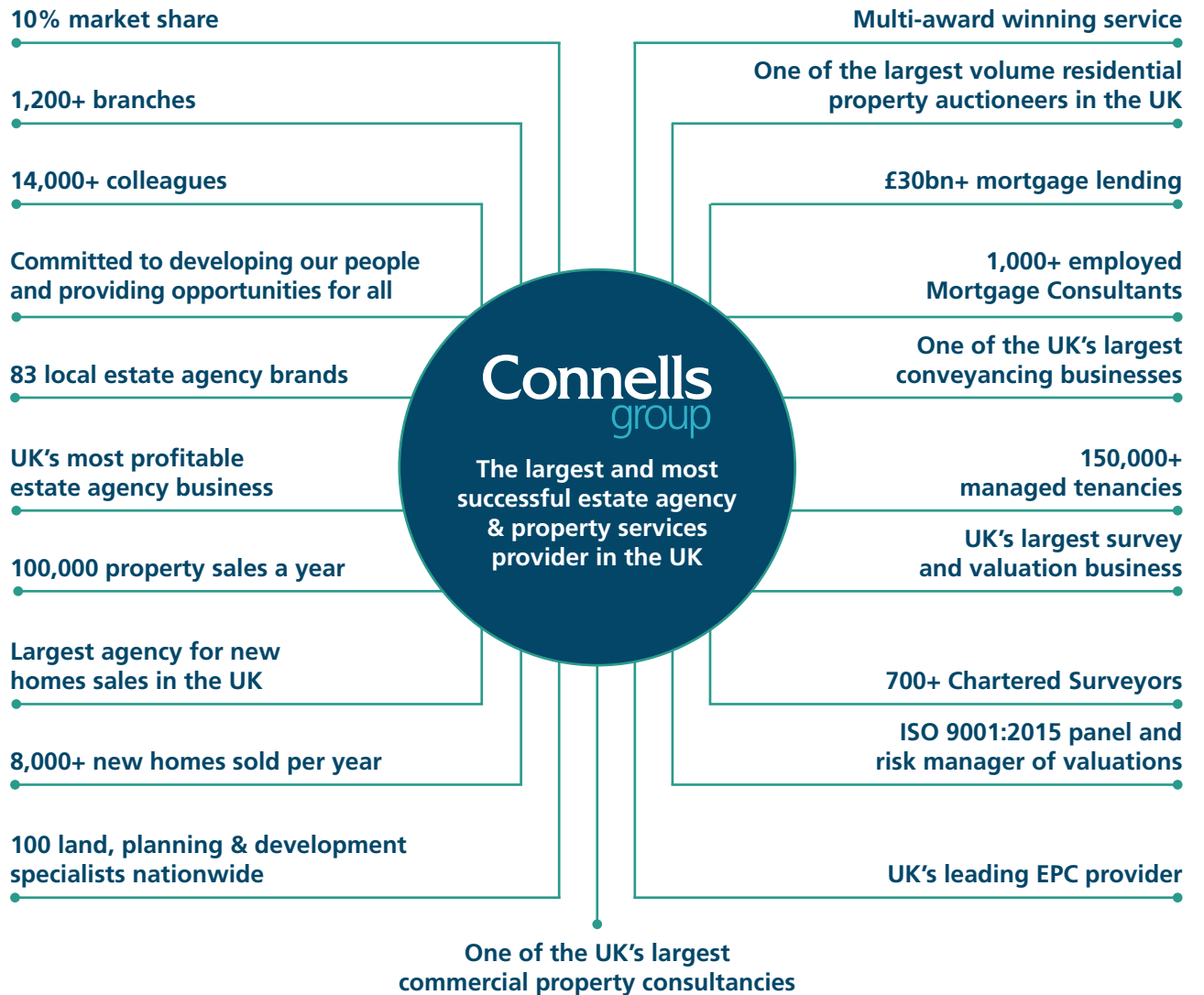
Connells Group is the largest and most successful estate agency and property services provider in the UK.

Founded in 1936, with a network of over 1,200 branches nationwide, the Group combines residential sales and lettings expertise with a range of consumer and corporate services. This includes: mortgage services, new homes, conveyancing, EPC provision, survey and valuations, corporate lettings, private rented sector, build to rent, asset management, land and planning, LPA receivers, commercial property and auctions.

Corporate clients benefit from Connells Group's broad range of award-winning services and depth of experience and expertise.

We work with some of the UK's leading organisations and institutions on land acquisition and disposal, asset management, mortgage sales and distribution, corporate lettings, auctions, conveyancing and surveying services.

Connells Group is a subsidiary of the Skipton Building Society, one of the UK's largest providers of financial services and products.



Figures quoted for full year 2023, correct as at February 2024, based on internal data.



Land, New Homes & Planning



Commercial Property



Property Auctions



Asset Management



Strategic Investments



EPCs & Inventories



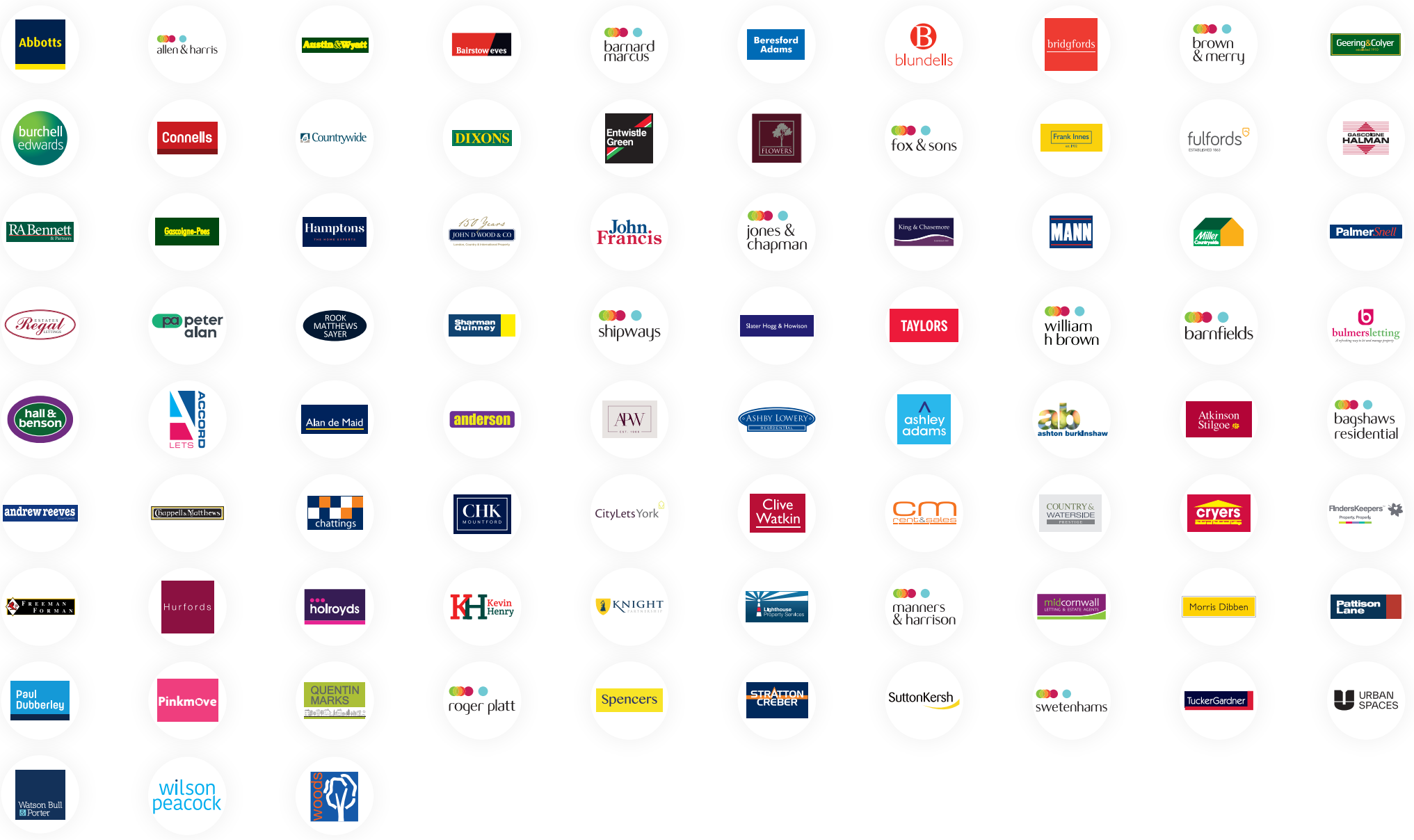
Legal Services



Surveys & Valuations



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