

OUR AMAZINGLY HELPFUL MARKET UPDATE

KELLY'S HOT TAKE

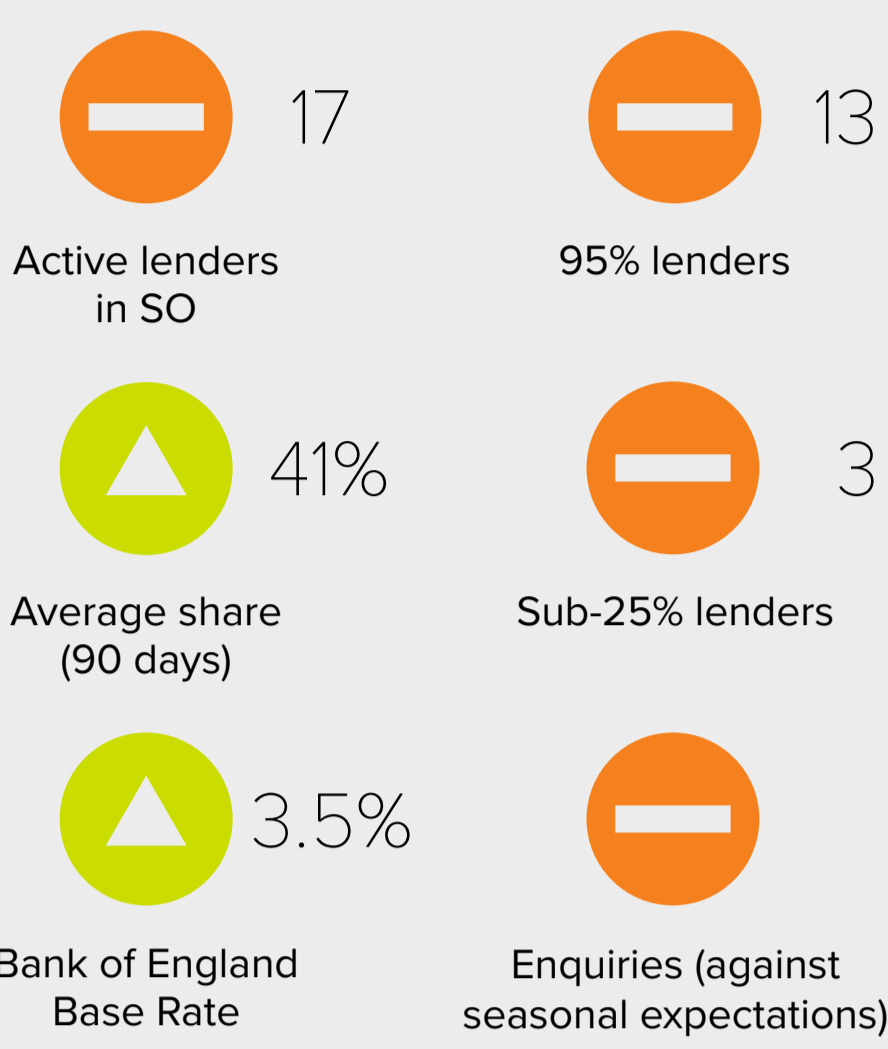
While there have been tough times recently and the cost-of-living crisis has caused problems for many, many people, there are reasons to feel positive. HAs are making promising noises about next year, lenders are starting to reprice down, and we're no longer seeing rates that spark heart palpitations.

Yes, it's been turbulent and we're not out of the woods yet, but we're on our way. Bring on 2023!

Kelly McCabe
TMP The Mortgage People

AT A GLANCE: DASHBOARD

This month's figures to 16 December



LOWEST FIXED RATES

The latest figures from our list of lenders.

95% LTV	
2 year	Halifax 6.02%
3 year	Newbury 6.29%
5 year	Halifax 5.29%
90% LTV	
2 year	Halifax 5.82%
3 year	Newbury 6.29%
5 year	Halifax 5.14%
85% LTV	
2 year	Halifax 5.57%
3 year	West Brom 6.24%
5 year	Halifax 5.04%

THIS MONTH UNDER THE MICROSCOPE

While this year's been a hell of a rollercoaster, an underlying feeling of cautious optimism is starting to emerge. With inflation starting to taper off, the BoE Base Rate rise not being quite as drastic as anticipated and enquiry levels holding solid – things are looking up.

Lenders

We have still got some higher rates in the SO space, but that's nothing to panic about because it simply reflects some lenders' trepidation. As people are realising more and more, SO is massively different to the open market, and that's being reflected in the rates we're seeing (which remain a little cautious, comparatively speaking). We do anticipate seeing a more dramatic drop in rates once that nervousness dissipates.

At the same time, we're yet to see the impact of the first round of rent rises. Once that's happened, the market will have yet another shift – watch this space.

Enquiries

At TMP, we're seeing a really healthy number of enquiries, which is very encouraging. In spite of the uncertainty, the market appetite is still out there and we're experiencing seasonally solid levels. Even in the depths of winter and sub-zero temperatures where everyone is rushing around doing their Christmas shopping, the market is still very much alive, and people are keen to buy.

As far as stock goes, it's looking a tad pent-up with the end of Help to Buy, but the HAs we're speaking to are planning on bigger, better and more sites in the coming year.

Rent rises

Even with the rent hikes that we're going to see in April, things aren't looking quite as bleak as they once were.

An essential thing to remember is that the rent hikes are by no means close to the mortgage rate increases. So in spite of the headlines reading uncomfortably at 7%, it isn't the same as a mortgage rate increasing by 7%. Rent increases are a percentage of a percentage, as opposed to a lender's blanket offering interest rate.

It's not ideal, but rent hikes are still way more affordable than mortgage rate hikes. This is a storm that can hopefully be weathered.

Takeaways

Ultimately, there are lessons to be learned and sometimes it takes a crisis to see things clearly. But in a nutshell, we're feeling optimistic about next year. And while, if the 2020s have taught us anything, it's that ANYTHING can happen, we're heading into the new year feeling a lot more positive than we did a couple of months ago.

MARKET VIEWPOINTS

PROPERTY PORTAL

"We're heading towards a more even balance between supply and demand next year, but we don't expect more significant price falls in 2023. This is reflected in our prediction of a relatively modest average fall of 2% next year."

Tim Bannister, [Rightmove](#)



AGENCY VIEW

"The month of December is a good market barometer as we register the most proactive buyers who are planning on moving in early 2023. Whilst there are less viewings and new instructions in December, we encourage as many new sellers as possible to launch their properties mid-December, as they enjoy high levels of internet activity with clients watching video tours and considering moving over the festive period.

"This culminates in one of the most popular property search days of all which is Boxing Day, where you definitely want your property to have a presence. These are the properties that will attract the first wave of viewing activity in January and sell first."

Rob Kennedy, [Philip James](#)



REFLECTING ON THE YEAR

"2022 has certainly been a year of two halves. We started the year still riding the wave of momentum from peoples' changing requirements following Covid. As interest rates started to increase the market in London paused to catch its breath, and in the weeks that followed, we saw buyer demand fall sharply."

Guy Gittins, [Foxtons](#)



LATEST HA RESULTS

"We are pleased to report a good set of results, despite the significant economic pressures. We are well placed to navigate these challenges and absorb many of the shocks of the external market, whilst continuing to support our residents and provide homes to those that need them most."

Mark Hattersley, [Clarion Housing Group](#)



SNAPSHOT: WIDER MARKET

"The sales market is firmly back in the hands of buyers who have been on the back foot for 18 months. More property is available but the competition between those looking has cooled substantially. For those motivated to sell, good, solid buyers are still prominent.

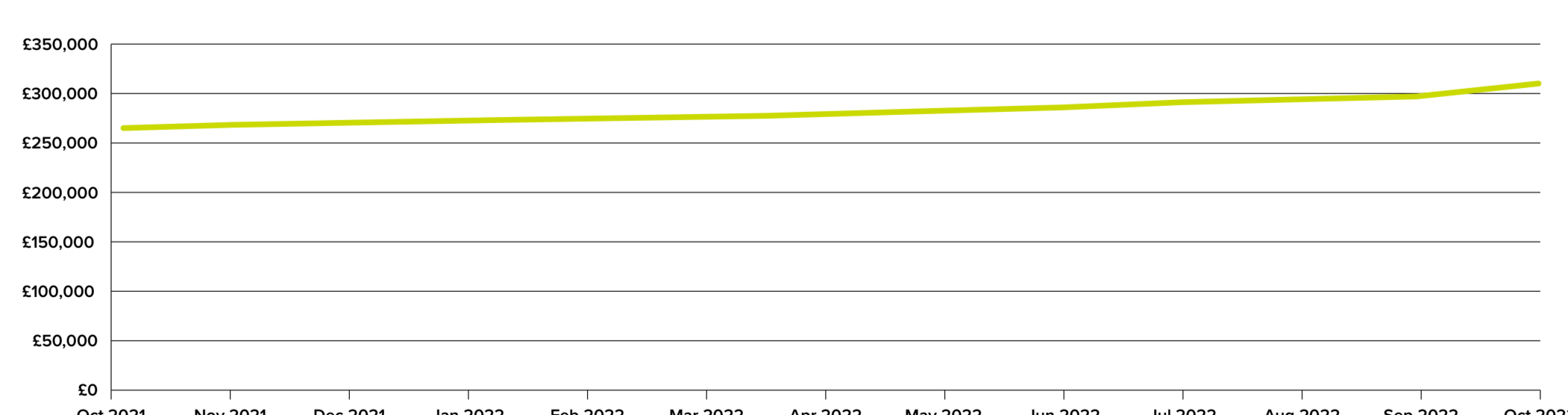
"As for lettings, we are starting to see a decrease in demand, the knock-on effect is that less agents are seeing rent rises. It's possible that prices have peaked, and landlords are well aware that any more rises won't necessarily be achieved. This is not all good news however, as landlord's costs are still rising, leaving many facing a very real possibility of making a loss."

Nathan Emerson, CEO | [Propertymark](#)



DATA DIVE: HOUSE PRICE INDEX

In the most recent figures (Oct 2022), the average price of property in the UK was £316,073, the index figure stands at 155.5. Property prices have risen by 0.2% compared to the previous month and risen by 13.2% compared to the previous year.



TMP TEAM TALK

Since enquiry levels and market appetite is seasonally exactly where we'd expect it to be, we're closing the year on a positive note and looking forward to what 2023 will bring.



GOT A QUESTION? WANT TO KNOW MORE?

Please do get in touch. Drop us an email:
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