



## MARKET COMMENT

To Spring 2023, we thought it would be a good time to provide our independent insight of what we see going on in the prime residential and rural property markets.

Although there is a sense of cautious optimism, with Chancellor Jeremy Hunt predicting in this spring budget speech that the UK will not enter into a fully-fledged recession, these remain unpredictable times, where guidance from trusted sources is crucial.

Looking back for a moment, the insatiable demand for a piece of the countryside that resulted from the COVID era came to an abrupt halt in September 2022. Although the country stood still for a period of mourning following the death of our longest serving monarch, we then experienced a major hand grenade from Liz Truss and Kwasi Kwarteng in the form of their 'mini budget', which led to considerable turmoil. While interest rates were already on an upward trajectory, almost overnight, it became impossible to price debt as the banks put rates up dramatically, and fixed rate mortgages jumped and spiked over 6%.

Fast forward to the beginning of this year, and much noise has been made in the press of house price falls ranging from 5%-20%. However, a reality check is needed and one has to remember that when journalists talk about house prices, they are referring to the broadest spectrum – from the top to the very bottom. The prime market, the one in which we operate, whether London or Country, behaves independently from the market as a whole, and remains resistant when other residential markets falter.

Frequently, big headlines about property prices are unhelpful, and muddy the water when it comes to the value of dwellings our clients seek to find. Further, against the present economic backdrop, there is considerable uncertainty as to what a house is actually worth. As a result buyers are both wary of overvalued property, yet remain on the lookout for deals to snap up, so it's all too easy to forget the one fundamental fact; a good home will always go for the right price.

When purchasing the best property, wealthy individuals enjoy more flexibility than most. While the rest of the market is largely reliant on finance, which has taken a serious beating as a result of the hike in interest rates, those in a position to purchase prime property often don't rely on a mortgage. Most buyers above £2m are more likely to use equity rather than debt; and why wouldn't you with rates currently as they are?

A still more pertinent issue for prime property buyers than the cost of money, is that of supply. There remains a significant imbalance between the demand generated for the best houses against the amount of good stock available. Because of this imbalance, it's now particularly important for buyers to match their expectations with their needs and carefully take stock of what they require. Families with growing children and schooling commitments for instance, don't always have the luxury of choosing when they enter the market and must deal with the pressures of the day.

Bearing in mind these considerations, working with a buying agent ensures that purchasers can concentrate on opportunities that meet their specific requirements, while having certainty that they are paying the right price for the right home.

The perfect house isn't just going to materialise out of thin air as there simply aren't enough really good properties on the market. This situation is made worse in data just released which reveals that over a third (35%) of sellers took their properties off the market without selling them last month, up from 24% during the same time last year. This doesn't mean those properties are no longer for sale however, it just means they have been taken off the market.

Is now a good time to buy? Yes, but present market conditions are extremely challenging and navigating a safe passage calls for sound advice more so now than ever.

# MEET THE TEAM

*“As one of the first independent buying agencies in the UK, you can expect a level of experience and expertise that no other firm of buying agents can provide. Whether London or the country, we are the most experienced buying team in the business.”*

*Jonathan Harington, Director*



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## YOUR COUNTRY TEAM

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