

MORE THAN ONE-IN-THREE PROPERTY SALES FELL THROUGH IN TURBULENT YEAR FOR UK HOUSING MARKET



37.7%

of property sales fell through
in Q4

35.3%

of property sales fell
through in 2022

23.7%

of failed sales fell through due to
difficulty getting a mortgage or
change in personal circumstances

More than 35 per cent of property sales fell through last year, according to new figures.

2022 was a mixed year for the property market – from record high asking prices, to mortgage market chaos and steeply rising interest rates – so it's little surprise that the fall through figures reflect a high level of uncertainty.

Of the sales that failed in 2022, 37.3 per cent were caused by the buyer changing their mind and pulling out. A further 23.7 per cent of failed sales collapsed because the buyer was unable to secure a mortgage, or experienced a change in circumstances that meant they were no longer able to commit to the purchase.

Danny Luke, managing director at property firm Quick Move Now, explains: "2022 was a strange year for the property market. Many experts predicted that we would begin to see a cooling of prices, but few could have predicted the mortgage market chaos caused by Truss and Kwarteng's mini budget or the speed at which the market would change. We were already seeing reduced affordability, as a result of rising inflation and a 'cost of living' crisis, before steeply rising mortgage interest rates added hundreds of pounds to thousands of people's mortgage repayments. We spoke to one buyer who was forced to pull out of a sale shortly after Kwarteng's mini budget. The



day after his mortgage valuation, his mortgage product was one of hundreds withdrawn from the market as a reaction to the uncertainty. He was offered a new mortgage product, but at an interest rate 3.25 per cent higher than his original product, he was no longer confident in his ability to afford the monthly repayments. This is a story that was repeated many times up and down the country.

“When we look at fall through rates, we analyse monthly, quarterly, and year-to-date figures. The quarterly figures for the last three months of 2022 tell an interesting story.

“The fall through rate for the fourth quarter was 37.7 per cent, which was just over two per cent lower than in the third quarter. However, the quarter was very much split in terms of trends. In October and November, the fall through rate was high (41.2 per cent and 52.6 per cent respectively), as we witnessed the fallout from a great deal of political uncertainty, reduced affordability, and fears about falling house prices. However, in December we saw the fall through rate drop to just 17.6 per cent. By this point, the volume of property transactions had fallen dramatically, leaving just serious, committed buyers who were financially resilient and confident enough to continue with their purchase despite the turbulent and uncertain market conditions.

“Over the next 12 months, sale numbers are expected to continue to be comparatively low, but I’m confident that the market will settle into a new ‘normal’ rather than grinding to a halt. There are still those with a strong need to move and a shortage of properties coming to the market. Prices and volumes may be lower, but the market is resilient.”

For anyone concerned about a property sale, Danny has some advice.

“The way we buy and sell properties has remained largely unchanged for several decades and, unfortunately, in the current system failed property sales will continue to be an issue.

“If you’re keen to maximise the chances of your property sale reaching a positive conclusion, there are several steps you can take.

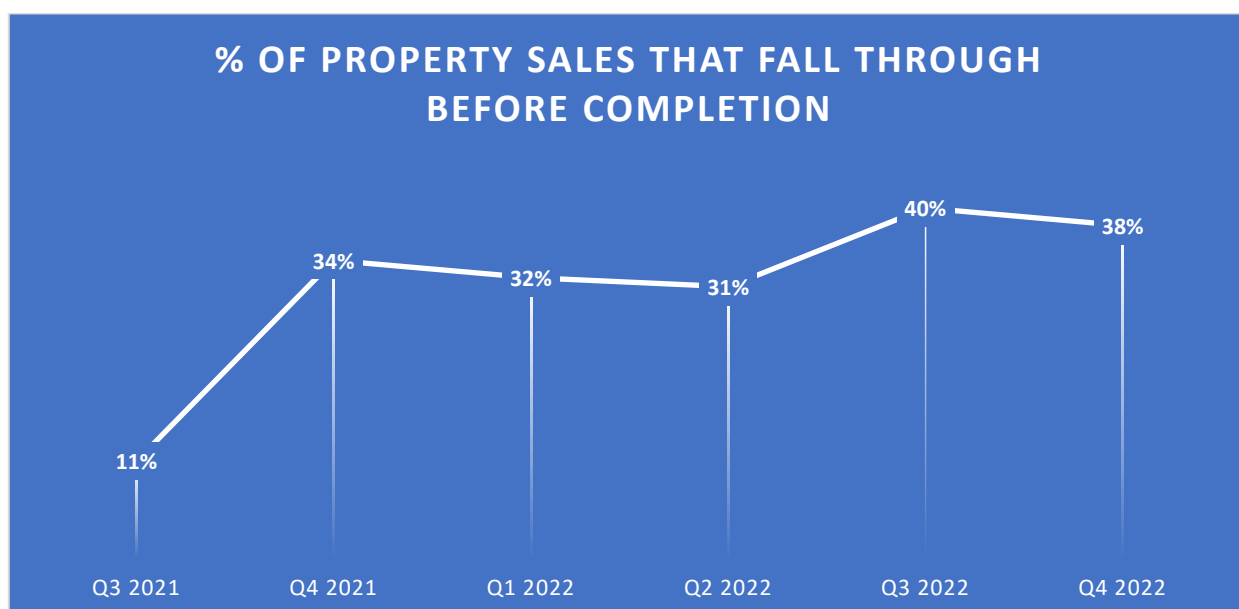
“Firstly, make sure you choose a great team to work with. Hold-ups in the sale process are a significant cause of failed sales, so it’s important that you choose an estate agent and conveyancer who will actively manage the sale through to completion and be proactive in resolving any issues that present themselves along the way.

“You should also try to minimise the length of any property chain. The longer the property chain, the more vulnerable your sale is to collapse. You can either try to reduce chain length by who you sell to, or by adapting your onward plans. In a seller’s market, you can be picky about who you sell to and choose a buyer who has little or no chain. In the current market, things are a little more tricky. If you want to attract buyers and improve your chances of a quick and simple sale, you may want to consider moving into rental accommodation rather than buying again straight away. This will reduce your chain when you’re selling and again

when you come to buy your next property, which will ultimately increase your chances of a successful move.

“It’s also important, in the current market, that sellers are willing to negotiate. The market is changeable and buyer confidence is low. Should your buyer’s survey identify any issues, or property prices fall further, you may need to be ready to renegotiate on price to keep the sale on-track.

“Finally, if your buyer pulls out and you’re worried about losing your next home, you might want to consider other options. Property auction and chain-break solutions from cash home buying companies can be utilised to stop a sale falling through, but there are pros and cons to both of these options, so it’s important to research any alternatives thoroughly.”



Data Calculation: [Quick Move Now](#) buy and sell hundreds of properties each year and the fall through statistics are calculated month-on-month, quarterly and annually.

Quick Move Now was founded in 1998 to offer homeowners a quick and guaranteed property sale. As the UK’s original and largest property buying company, Quick Move Now has helped more than 6,000 homeowners. Quick Move Now is a founding member of the National Association of Property Buyers and a member of The Property Ombudsman.



Press information:

Beth Lane - PR Communications Officer

beth.lane@quickmovenow.com

Direct Line: 01793 550804