

Market Report

COVERING SOUTH SOMERSET AND NORTH DORSET

A detailed look at the hyper-local property market and what the numbers are suggesting might happen going forwards.



Introduction

One of the country's most popular topics for discussion and a political vote winner is "The Housing Market." The problem is that there is no such thing as "The Housing Market." Instead, there are an endless number of micro markets: London, the countryside, flats, houses, detached, semi-detached, and terraced, etc., all of which are doing different things at different times.

The housing market remains one of the most frequently discussed topics in the UK, often playing a pivotal role in political discourse. However, referring to "The Housing Market" as a single entity is misleading. In reality, it comprises countless micro-markets—each with its own unique dynamics. These include variations by location (e.g., London vs. the countryside), property types (flats vs. detached homes), and tenure (freehold vs. leasehold).

At GP Weston, we understand that the property market is not monolithic. Instead, we focus on hyper-local trends, particularly within South Somerset and North Dorset—our core areas of expertise. While we occasionally operate beyond these areas, this report is grounded in the regions we know best.

We also recognise the limitations of traditional indices. Most house price data, including that from the ONS, Nationwide, and Halifax, suffers from significant lag or limited coverage (e.g., excluding cash purchases or reporting only asking prices).

A sale can take 2–4 months from offer to exchange, and an additional 3–6 months before appearing in the Land Registry data, meaning most price indices effectively report information 6–9 months out of date.

Rather than focusing solely on house prices, our analysis tracks real-time market activity: the volume of new listings, sales agreed, and available stock. Combined with over 20 years of on-the-ground experience, this approach allows us to identify trends, anticipate market direction, and provide informed guidance to help clients achieve optimal results.

Like any analysis, we are limited by the quality of the data. While some properties are listed by multiple agents or agents try to manipulate the system by re-launching properties to make themselves seem busier, we feel that the data set is big enough that these discrepancies are lost in the size of the pool and don't impact the trends we observe.

Industry Overview

As touched on previously, there are many different indices, all quoting different results and measuring different things. Even using raw data from the property portals, without spending an unreasonable amount of time trying to clean the data, there will be double counts and false listings as agents try to make their “market share” look better to attract clients.

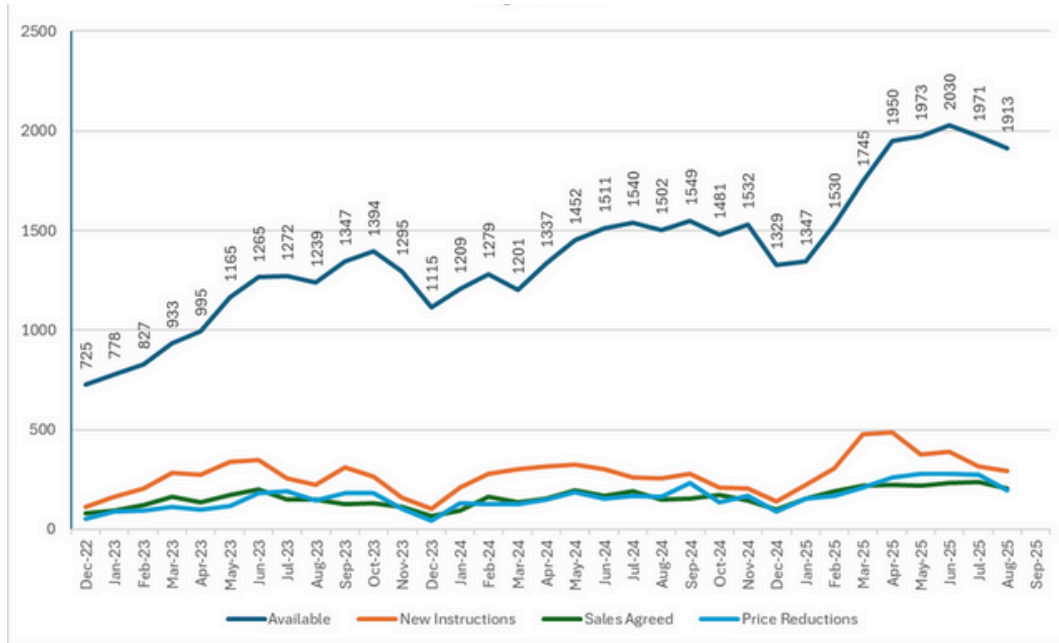
The main market reports quoted in the press are the Halifax and Nationwide house prices, the Office for National Statistics, and the property portals Rightmove and Zoopla.

- **Halifax and Nationwide** report off the back of their respective mortgage applications, but do not consider cash purchases.
- **The House Price Index** from the Office of National Statistics is based on actual prices paid as sales are registered with the Land Registry. There is a significant lag with this, though, because it takes 8-16 weeks for an offer to exchange and then another 3-6 months for the sale to be logged with the Land Registry. Thus, the HPI is reporting on what was happening in the market 6 to 9 months ago.
- **Rightmove and Zoopla** both issue market reports based on asking prices. The major flaw in these is that, firstly, very few properties sell at their asking prices, but more importantly, asking prices are invariably inflated by estate agents overeager to win the instruction, pandering to homeowners’ biased opinions. This happens more from December through to April/May as agents try to build a good register of properties to see them through the year.

Market Trends

Overview of the property market since December 2022

If you observe the market for long enough, you notice that the long-term trend for the property market is 7-8 years up (with the odd dip or plateau) followed by 2-3 years down. Fundamentally, this is because approximately 1.0m to 1.2m people move home each year. Most home moves are driven by necessity, and people can only put their lives on hold for so long (2-3 years) before all the factors that made them think of moving in the first place become unbearable.



Inventory Growth & Buyer Behaviour

As you can see from the graph, since the shock increase in mortgage rates after Liz Truss' mini budget the number of available properties increased significantly, from just over 700 to over 2000 in June this year. Since then there has been the usual seasonal dip, a combination of people resting their properties over the summer and fewer new instructions as people are away. We should see a spike in September and Oct as people try to sell before the end of the year.

Sales agreed each month have remained consistent at just over 200 sales per month. However, the increasing supply has resulted in:

- Downward pressure on prices, as sellers compete more aggressively for buyer attention.
- Longer time on market, as buyers have more choice and less urgency.

Market Segmentation

At GP Weston, we focus on understanding the underlying demand for properties and the trends shaping the market, rather than simply looking at average prices.

We identify which price points have the highest and lowest demand, as measured by the percentage of properties that are either going under offer (being sold) or having their price reduced. Below is data taken from Rightmove for the months of June, July and August:

Price	Available	New Instructions	Sales Agreed	Reduction	S/A as a %	Reduced as a %
£150k - £200k	194	72	61	29	31	15
£200,001 - £300k	624	260	170	135	27	22
£300,001 - £400k	623	261	152	153	24	25
£400,001 - £500k	484	174	99	92	20	19
£500,001 - £650k	383	128	78	75	20	20
£650,001 - £800k	291	87	43	61	15	21
£800,001 - £1.0m	198	59	37	26	19	13
£1.0m -£1.5m	121	32	22	15	18	12
£1.5m - £2.0m	33	8	4	3	12	9
£2.0m+	71	14	4	11	6	15

We can see from the data that properties in the £150,000 to £200,000 range have been the most in demand, with 31% of available properties finding buyers. In contrast, the market for properties over £2 million has been the least active, with only 6% of those properties seeing a sale. Interestingly the £400k to £650k segment has been doing better compared to the spring. This might be due to a couple of base rate cuts from the Bank of England.

One reason for this trend is that higher interest rates are impacting buyer budgets, particularly for those purchasing more expensive properties. Additionally, many sellers at the higher end of the market have a substantial amount of equity in their properties. This means they aren't under pressure to sell quickly, even if demand is lower.

We've observed this pattern consistently since the beginning of the year. Rightmove data indicates an increase in overall transaction numbers compared to last year, but this increase is primarily concentrated in the more affordable segment of the market.

Recently, there have been news reports about potential government plans to eliminate stamp duty (a tax on property purchases) and introduce an annual property tax on homes valued over £500,000. The uncertainty created by these leaked ideas could potentially slow down the market. Buyers looking for properties under £500,000 might delay their purchases to see if they can avoid stamp duty, while sellers with higher-value homes might wait to see if they will be affected by the new annual tax.

As we saw with price points, geography also dictates that with the space afforded by rural living, there are not many one-bedroom properties. South Somerset and North Dorset are not constrained by congested urban spaces. Therefore, the majority of properties are three and 4-bed. In the spring we saw that it was the 3 and 4 bed market that had the greatest turnover, over the summer it has been the 1 and 2 bed market. We would suggest the main driver for this is that families are likely to be the buyers for 3 and 4 beds and families are away over the summer leaving people who are not constrained by school holidays, and possibly even actively avoid going away at that time due to increased costs, to buy homes. This coupled with borrowing costs as mentioned previously pushes activity towards the lower end of the market.

Beds	Available	New Inst.	Sales Agreed	Reduction	S/A as a %	Reduced as a %
1 Bed	33	12	10	7	30	21
2 Beds	535	217	160	126	30	24
3 Beds	1026	406	265	286	26	28
4 Beds	812	287	158	198	19	24
5 Beds	248	76	39	57	16	23
6+ Beds	139	35	22	18	16	13

In this climate, accurate pricing, strong presentation, and proactive engagement are more important than ever.

Our third market breakdown was by property type. As one would expect from the previous two breakdowns, the space afforded by rural living means detached properties are the most common. What is more specific to South Somerset and North Dorset is that these two counties have the oldest average age meaning that bungalows are popular due to the accessibility provided by being on one level.

Property type	Available	New Inst.	Sales Agreed	Reduction	S/A as a %	Reduced as a %
Flats	94	32	24	18	26	19
Bungalows	328	132	99	87	30	27
Terraced	479	198	115	116	24	24
Semi-detached	468	195	132	125	28	27
Detached	1364	454	276	333	20	24
Other	63	14	3	13	3	11

It is not surprising that Bungalows have the highest level of transactions, if, as we suspect, they are predominantly bought by the older generation looking to future proof, it is more likely that they will be cash transactions, or at least very small levels of debt and therefore not affected by the increase in borrowing costs.

Most active price bracket: £150k - £200K

17% of available properties in this bracket had sales agreed

Most popular property type: bungalow's and semi - detached homes

Most in demand number of bedrooms: 1 - 2 beds

One-bedroom homes showed high demand, but due to the smaller sample size, we've highlighted 1-2 beds together



Overall trend: affordable bungalows and semi detached homes are most sought after.

Conclusion

For the past 10 years, I have done a very similar report but on a more general basis. This is the first time I have broken the market down into property types, price brackets, and the number of bedrooms. For the sake of brevity and keeping the audience engaged, I have stopped here, but it is obviously possible to dig deeper. If anyone would like to discuss their property in more depth, I would, of course, be delighted to meet in person and go through the numbers.

This week Rightmove reported that asking prices were down year on year and it was being led by the South with the North still showing growth. There have also been endless reports in property circles about the dangers of being sucked in by an over-inflated asking price. like the below from Rightmove:

“A study of 300,000 newly-listed homes across four months shows those that needed to be reduced had a one in three chance of finding a buyer (32%) within the time frame, compared to a 63% chance if priced right from the start.”

With the current negativity in the market and new sellers being more realistic with their asking prices, it is imperative that if you are thinking of selling you call 3 agents in and should probably go with the lowest one (assuming they aren't hugely different) as they are more likely to be the most honest one.

Thinking of Selling?

We'd be delighted to share our local expertise with you. Call James on 07525 008650 or Jessica on 07875 355382, or email us at team@gpweston.co.uk

Methodology

This section describes the data collection methods, sample selection, and data analysis techniques used in this report. As previously mentioned, due to the data pool size, errors or discrepancies do not impact the conclusions drawn.

Our data is sourced from Rightmove's back-end platform, which is the industry standard and used by nearly all estate agents. This platform provides detailed statistics, including:

- Number of available properties
- New instructions
- Sales agreed
- Price reductions

We analyse these figures monthly to monitor trends and identify shifts in supply and demand. We further break down the market by:

- Price brackets: £150k–£200k, £200k–£300k, £300k–£400k, £400k–£500k, £500k–£650k, £650k–£800k, £800k–£1M, £1M–£1.5M, £1.5M–£2M, and £2M+
- Property types: Flats, bungalows, terraced, semi-detached, detached, and “other” (as categorised by Rightmove)
- Bedrooms: 1–6+ (excluding studio apartments)

While agent practices such as relisting or duplicate listings can introduce noise, the dataset is large enough to smooth out these anomalies and ensure reliable trend analysis.

