

# The Rightmove House Price Index

The largest monthly sample of residential property prices

*Under embargo for 00:01 hours: Monday 18<sup>th</sup> January 2010*

## Century's lowest stock levels provide a spring window for sellers

|                                      | January         | December        |
|--------------------------------------|-----------------|-----------------|
| <b>Average Property Asking Price</b> | <b>£222,261</b> | <b>£221,463</b> |
| <b>% Change in Month</b>             | <b>+0.4%</b>    | <b>-2.2%</b>    |
| <b>% Change in Past Year</b>         | <b>+4.1%</b>    | <b>+1.7%</b>    |
| <b>Monthly Index (Jan 2002=100)</b>  | <b>180.8</b>    | <b>180.2</b>    |

- 2009 ends with prices 4.1% higher than a year ago
- Early signs of buoyant start to 2010 as average asking prices rise by 0.4% and search activity sets new record high
- First week of January sees strong asking price rebound of +1.2% (£2,698) reversing previous weeks' falls of 0.9%
- Lowest stock this century creates window of opportunity for sellers
- Rightmove forecasts 0% price change in 2010, with sellers advised to take advantage of expected price rises before post-election dip

**Rightmove Monthly Asking Price Trend**



*Rightmove measured 50,624 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 6<sup>th</sup> December 2009 to 9<sup>th</sup> January 2010 and advertised on Rightmove.co.uk.*

Rightmove.co.uk is the UK's largest property web site, advertising around 90% of all homes for sale via estate agents across the UK. The site attracts over 40 million visits from home movers each month who view in excess of 400 million pages. Each month Rightmove uses asking price data of up to 200,000 properties coming onto the market to produce this House Price Index - the largest, most accurate and up-to-date monthly index.

Released 18<sup>th</sup> January 2010

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## Overview

If your New Year's resolution is to move home, you should note that the first house price statistics relating to activity in 2010 show increases in both seller confidence and buyer interest. The optimism of sellers who have come to market so far in January has resulted in a 0.4% rise, causing a big turnaround in figures that were on course for a third consecutive monthly fall. This coincides with potential home-mover activity hitting new record highs, with the Rightmove website recording its busiest ever week.

Miles Shippside, commercial director of Rightmove comments: "This rise in asking prices is an early indicator that new sellers in 2010 have the confidence to try for a higher price, as the index was lined up for a fall until the turn of the year. We were expecting a drop of about 1%, as the majority of this month's index falls in December, but the optimism of those early January sellers flipped it around. With home-movers setting new search records on Rightmove and a lack of property for sale, the decision of post New Year sellers to ask for a higher price could be a shrewd move. In spite of problems brewing for later in the year, there are definitely some of the ingredients for a buoyant spring, and a window of opportunity that sellers may wish to take advantage of".

Last month Rightmove predicted a burst of activity and asking price gains in early spring, continuing the heightened level of activity seen during 2009. The early signs are that the factors that led to the unexpected buoyancy in 2009 are continuing. In addition, the impending election, a traditional dampener of market activity, is perhaps having less of a negative effect than usual on home-movers' intentions. Early findings from the latest Rightmove Consumer Confidence Survey (to be released on January 22<sup>nd</sup>) would seem to support this. Gathering the views of more than 30,000 home-movers, the survey reveals that about 70% of those who intend to move in the coming year do not believe that the election will affect their plans. While their opinions may change when the details of any future government's austerity package become clearer, at present there are favourable circumstances which appear to be over-riding such longer term concerns. In particular for those who have so far held off selling, the early spring may be the best opportunity to take advantage of the benign conditions that started to emerge during 2009 in spite of the ongoing recession. These factors are still present and indeed show evidence of strengthening in sellers' favour in the short term.

### 1. Window of opportunity for sellers as stock hits lowest level this century

The number of available properties per estate agency branch is now 63, its lowest level since January 2008. However, with many estate agency branches having closed, this figure is buoyed by the smaller number of branches sharing the available stock. We have also compared advertised stock levels with our historic market penetration, and we estimate the number of properties currently available for sale is the lowest since we started monitoring the housing market in 2000. This month's index records 50,624 properties coming to market, and whilst a 15% increase on last year, this is still massively down on the 89,000 average of the same period in 2006 and 2007. Lack of supply has been driven by reduced access to mortgage funds, economic uncertainty and a low level of forced sales. There are also drastically fewer new-build properties coming to market, as many developments were mothballed or cancelled in late 2008 and early 2009, with developers now either unwilling or unable to rebuild their pipelines.

Shippside adds: "We estimate that we are now seeing the lowest number of properties on the market this century. Low stock levels are normally associated with house price booms and prices would have fallen considerably further but for the unique combination of circumstances that has kept stock off the market. Buyers have little choice in popular areas, and while this continues sellers have a window of opportunity to obtain a higher price and a speedier sale. At present the limited supply of sellers is being outstripped by buyer demand but we predict there will be more forced selling later in the year."

### 2. Buyer interest remains high with record traffic on Rightmove

One of the first signs of the 2009 recovery was record January traffic on Rightmove, indicating pent-up buyer interest. Rightmove has again recorded its busiest ever week, with 157,402,812 pages viewed between the 4<sup>th</sup> and 10<sup>th</sup> of January, up 26% on the first working week of 2009.

Shipside observes: "This is the busiest ever start to a new year on Rightmove. As ever, this time of year sees potential buyers starting to search for their dream home. Those who held off from selling during 2009 are now researching what competition they face in their local area and assessing which agents might be best placed to sell their property".

### **3. Base rates expected to increase**

With the economy starting to recover, the next move for base rates is expected to be up, although not in the short term. While lenders are keen to cherry-pick sound borrowers, there are signs of increased competition within the mortgage market and a slight relaxation of lending criteria.

Shipside comments: "If you have the deposit and track record, then there are some historically cheap deals to be had that cannot last when base rates start to increase. For those that can get it, money looks cheap for the moment".

### **4. Confidence that we have reached the bottom of the market and are coming out of recession**

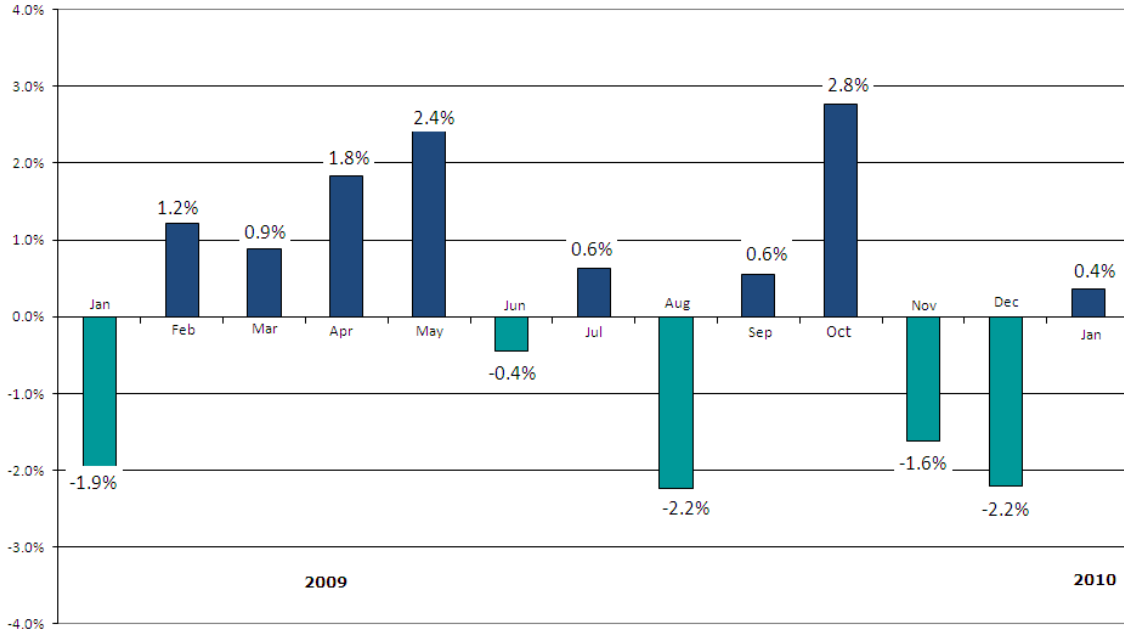
With employment levels holding up, and the country appearing to be on the cusp of coming out of recession, potential home-movers are also feeling more confident about the outlook for the property market.

Shipside says: "Preliminary findings from the latest Rightmove Consumer Confidence Survey show that around two thirds of respondents believe that now is a good time to buy, with only circa 1 in 5 feeling it will be a worse time to buy in 12 months. It will be interesting to see if this confidence remains over the course of the next two quarterly surveys that are likely to straddle the election."

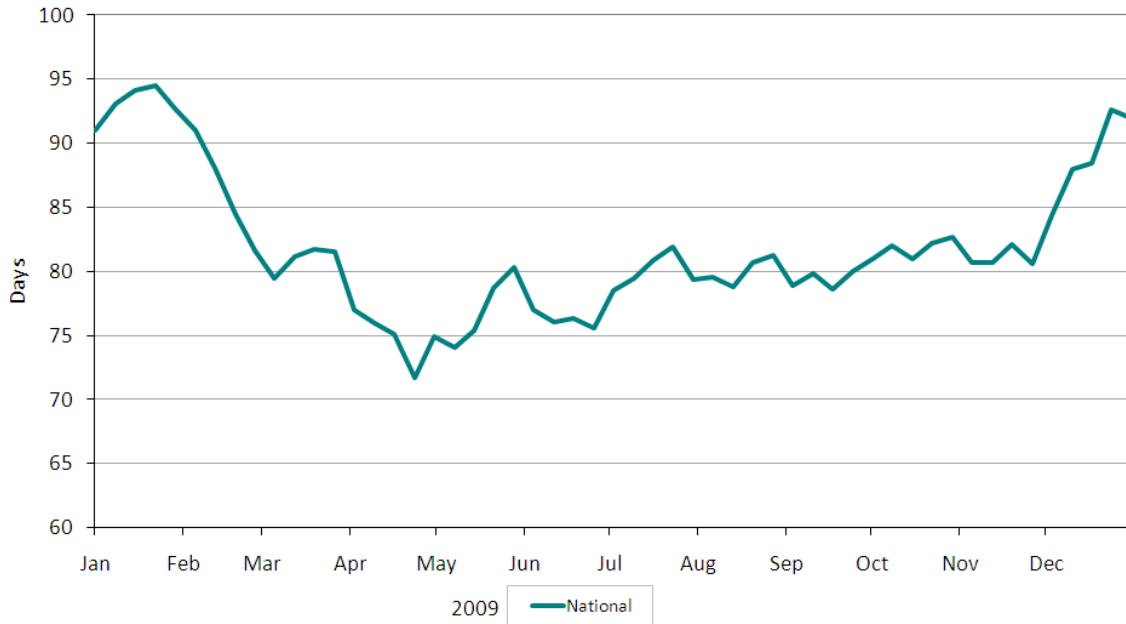
While we forecast that 2010 will continue the recovery from current low transaction volumes, the factors restricting a return to the 1.2 million sales recorded in both 2006 and 2007 remain firmly in place. We also forecast that after the election the housing market will enter a more challenging period, with the asking price gains seen in the first half of the year drawing back in the second half, leading to an average price standstill of 0% in 2010. Local and regional volatility in monthly figures will remain a feature, due to smaller volumes exaggerating seasonal swings and local market variation.

Shipside summarises: "Within the shrunken housing market that has become the current norm, there are very active market segments where buyers and sellers who are able to proceed are getting together and are striking deals. While there are political and economic clouds on the horizon, there are signs that we are in for an active spring before the storm breaks later in the year."

### Monthly Change



### Time on Market Indicator (National)



Released 18<sup>th</sup> January 2010

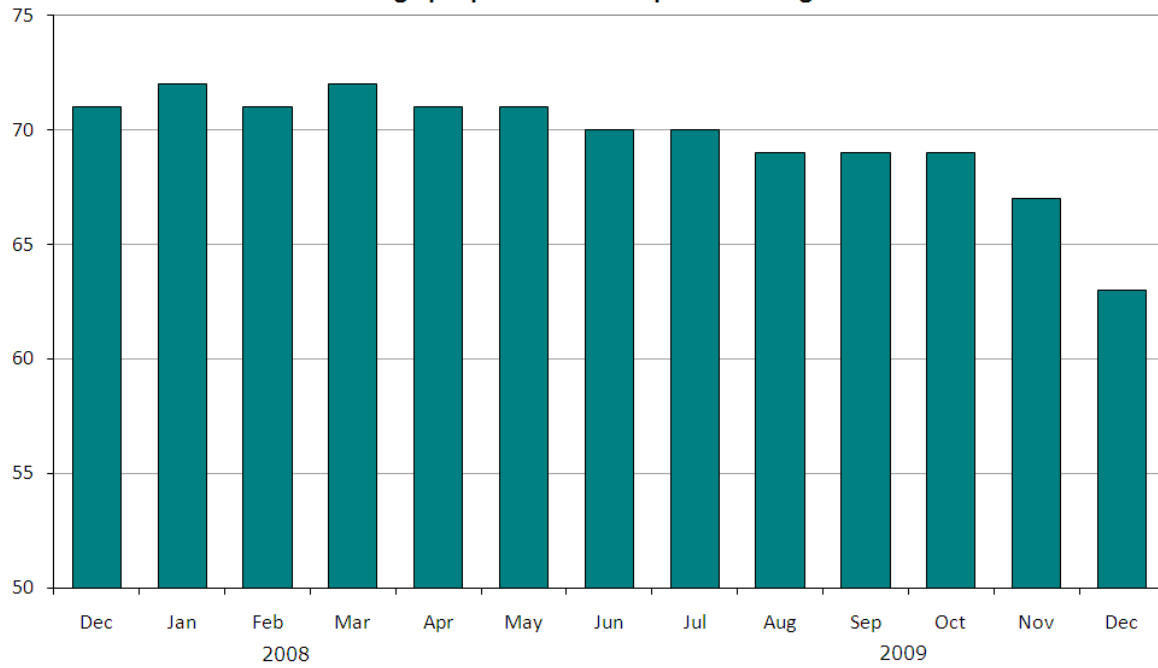
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Average properties for sale per Estate Agent



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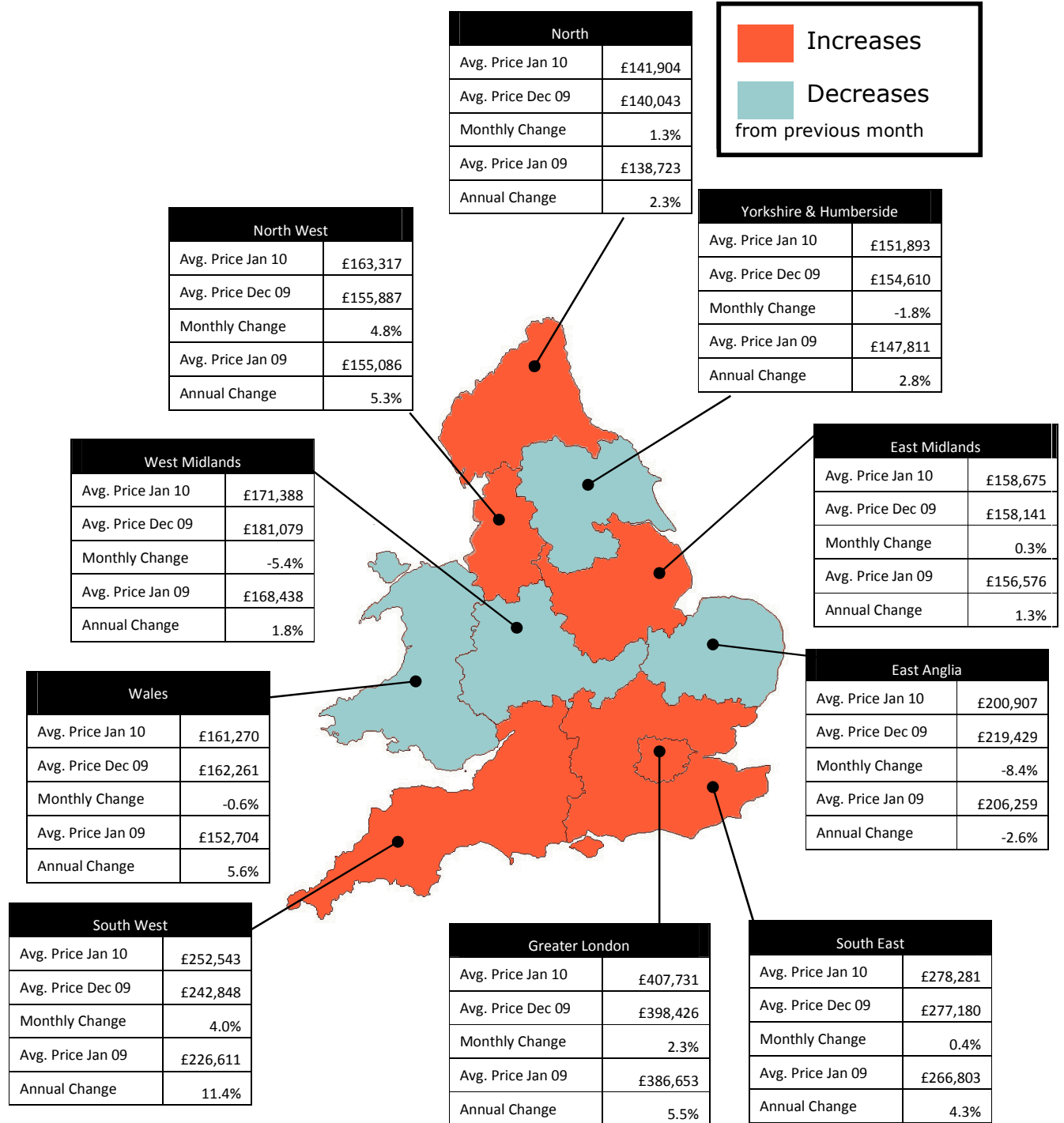
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# Regions of England & Wales



If you are a journalist and would like a further breakdown on these regional statistics please contact the Press Office on: [press@rightmove.co.uk](mailto:press@rightmove.co.uk) or call 0845 456 8439

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## National Asking Price Trend

| Month                | Index<br>(Jan 2002 = 100) | % Change     | Avg. Price     |
|----------------------|---------------------------|--------------|----------------|
| January 2009         | 173.8                     | -1.9%        | £213,570       |
| February 2009        | 175.9                     | +1.2%        | £216,163       |
| March 2009           | 177.4                     | +0.9%        | £218,081       |
| April 2009           | 180.7                     | +1.8%        | £222,077       |
| May 2009             | 185.1                     | +2.4%        | £227,441       |
| June 2009            | 184.2                     | -0.4%        | £226,436       |
| July 2009            | 185.4                     | +0.6%        | £227,864       |
| August 2009          | 181.2                     | -2.2%        | £222,762       |
| September 2009       | 182.2                     | +0.6%        | £223,996       |
| October 2009         | 187.3                     | +2.8%        | £230,184       |
| November 2009        | 184.2                     | -1.6%        | £226,440       |
| December 2009        | 180.2                     | -2.2%        | £221,463       |
| January 2010         | 180.8                     | +0.4%        | £222,261       |
| <b>Annual Change</b> | <b>+7.0</b>               | <b>+4.1%</b> | <b>+£8,691</b> |

(National asking price includes other property types that are not classified below)

## National Asking Price Trend by Property Type

| Month                | Detached     | Semi-Detached | Terraced     | Flats/Apartments |
|----------------------|--------------|---------------|--------------|------------------|
| January 2009         | £314,282     | £181,093      | £161,667     | £173,613         |
| February 2009        | £307,787     | £183,208      | £166,302     | £179,063         |
| March 2009           | £312,893     | £184,300      | £168,828     | £184,821         |
| April 2009           | £321,827     | £187,589      | £167,844     | £179,693         |
| May 2009             | £327,914     | £188,271      | £169,038     | £183,587         |
| June 2009            | £325,903     | £189,866      | £169,149     | £184,011         |
| July 2009            | £330,574     | £193,298      | £171,227     | £182,800         |
| August 2009          | £324,557     | £189,181      | £170,265     | £181,769         |
| September 2009       | £328,201     | £192,503      | £171,060     | £179,454         |
| October 2009         | £332,201     | £193,216      | £174,989     | £185,200         |
| November 2009        | £329,463     | £192,872      | £172,258     | £182,568         |
| December 2009        | £324,463     | £190,759      | £172,222     | £181,808         |
| January 2010         | £323,502     | £191,477      | £175,288     | £189,529         |
| <b>Annual Change</b> | <b>+2.9%</b> | <b>+5.7%</b>  | <b>+8.4%</b> | <b>+9.2%</b>     |

Press enquiries regarding the methodology employed and access to further analysis of the data held by rightmove.co.uk should be directed to the Press Office on [press@rightmove.co.uk](mailto:press@rightmove.co.uk) or call 0845 456 8439.

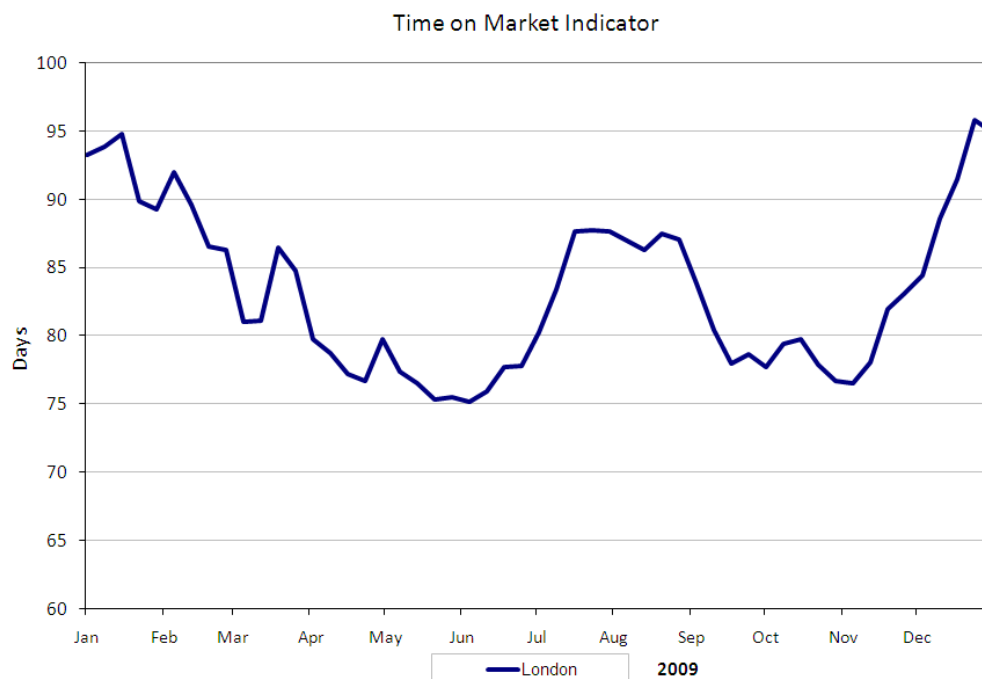
## London's Best Performers January 2010

| London's Top 5      | Avg. Price Jan 10 | Avg. Price Dec 09 | Monthly Change |
|---------------------|-------------------|-------------------|----------------|
| City of Westminster | £1,112,520        | £1,039,664        | 7.0%           |
| Wandsworth          | £552,334          | £521,511          | 5.9%           |
| Tower Hamlets       | £394,806          | £375,088          | 5.3%           |
| Lambeth             | £398,588          | £381,940          | 4.4%           |
| Merton              | £414,750          | £397,500          | 4.3%           |

## London's Worst Performers January 2010

| London's bottom 5      | Avg. Price Jan 10 | Avg. Price Dec 09 | Monthly Change |
|------------------------|-------------------|-------------------|----------------|
| Hackney                | £457,579          | £463,760          | -1.3%          |
| Kensington and Chelsea | £1,848,859        | £1,869,927        | -1.1%          |
| Hammersmith and Fulham | £717,781          | £718,635          | -0.1%          |
| Richmond-upon-Thames   | £584,086          | £584,499          | -0.1%          |
| Ealing                 | £388,336          | £388,573          | -0.1%          |

## London Time on Market



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## London Boroughs

| Borough                | Avg. Price<br>Jan 10 | Avg. Price<br>Dec 09 | Monthly<br>Change | Avg. Price<br>Jan 09 | Annual<br>Change |
|------------------------|----------------------|----------------------|-------------------|----------------------|------------------|
| Kensington and Chelsea | £1,848,859           | £1,869,927           | -1.1%             | £1,770,243           | 4.4%             |
| City of Westminster    | £1,112,520           | £1,039,664           | 7.0%              | £1,075,893           | 3.4%             |
| Camden                 | £736,506             | £736,036             | 0.1%              | £733,261             | 0.4%             |
| Hammersmith and Fulham | £717,781             | £718,635             | -0.1%             | £706,881             | 1.5%             |
| Richmond-upon-Thames   | £584,086             | £584,499             | -0.1%             | £517,661             | 12.8%            |
| Islington              | £564,467             | £554,440             | 1.8%              | £584,206             | -3.4%            |
| Brent                  | £563,197             | £543,295             | 3.7%              | £469,844             | 19.9%            |
| Wandsworth             | £552,334             | £521,511             | 5.9%              | £486,886             | 13.4%            |
| Kingston-upon-Thames   | £540,037             | £540,007             | 0.0%              | £498,639             | 8.3%             |
| Barnet                 | £474,862             | £466,212             | 1.9%              | £487,656             | -2.6%            |
| Hackney                | £457,579             | £463,760             | -1.3%             | £426,839             | 7.2%             |
| Hounslow               | £448,033             | £434,250             | 3.2%              | £423,033             | 5.9%             |
| Haringey               | £415,156             | £413,010             | 0.5%              | £454,153             | -8.6%            |
| Merton                 | £414,750             | £397,500             | 4.3%              | £383,649             | 8.1%             |
| Lambeth                | £398,588             | £381,940             | 4.4%              | £360,222             | 10.7%            |
| Tower Hamlets          | £394,806             | £375,088             | 5.3%              | £448,071             | -11.9%           |
| Ealing                 | £388,336             | £388,573             | -0.1%             | £382,118             | 1.6%             |
| Southwark              | £386,061             | £372,812             | 3.6%              | £337,687             | 14.3%            |
| Hillingdon             | £338,763             | £327,243             | 3.5%              | £343,546             | -1.4%            |
| Lewisham               | £335,175             | £330,899             | 1.3%              | £308,895             | 8.5%             |
| Sutton                 | £330,825             | £317,748             | 4.1%              | £314,079             | 5.3%             |
| Bromley                | £327,488             | £322,001             | 1.7%              | £310,348             | 5.5%             |
| Enfield                | £320,120             | £312,984             | 2.3%              | £299,539             | 6.9%             |
| Harrow                 | £314,874             | £307,461             | 2.4%              | £312,663             | 0.7%             |
| Waltham Forest         | £282,435             | £273,280             | 3.4%              | £257,913             | 9.5%             |
| Redbridge              | £276,790             | £273,092             | 1.4%              | £265,014             | 4.4%             |
| Greenwich              | £263,583             | £257,508             | 2.4%              | £233,626             | 12.8%            |
| Croydon                | £263,296             | £257,716             | 2.2%              | £259,790             | 1.3%             |
| Havering               | £250,309             | £247,228             | 1.2%              | £242,968             | 3.0%             |
| Newham                 | £233,220             | £223,868             | 4.2%              | £208,383             | 11.9%            |
| Bexley                 | £215,920             | £209,203             | 3.2%              | £203,689             | 6.0%             |
| Barking and Dagenham   | £204,773             | £202,548             | 1.1%              | £209,017             | -2.0%            |

(City of London excluded due to small number of residential properties.)

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## Index Comparison

|                   | January 10      |                | December 09     |                | November 09     |                |
|-------------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
|                   | House Price     | Monthly change | House Price     | Monthly change | House Price     | Monthly change |
| <b>Rightmove</b>  | <b>£222,261</b> | <b>+0.4%</b>   | <b>£221,463</b> | <b>-1.7%</b>   | <b>£226,440</b> | <b>-1.6%</b>   |
| <b>Halifax</b>    | N/A *           | N/A *          | £169,042        | +1.0%          | £165,528        | +1.2%          |
| <b>Nationwide</b> | N/A *           | N/A *          | £162,103        | +0.4%          | £162,764        | +0.5%          |

\* Published at the beginning of next month for Halifax and at the end of this month for Nationwide

**Rightmove:** compiled from asking prices of properties as they come on the market via Rightmove's member estate agents over the previous month, covering over 90% the market. Not seasonally adjusted. (Seasonally adjusted figure used for the Halifax from Nov 2003, as no unadjusted figure has been published.)

**Halifax:** based on mortgage approvals of loans agreed by Halifax Bank of Scotland over the previous month, seasonally adjusted.

**Nationwide:** based on mortgage approvals of loans agreed by Nationwide Building Society over the previous month, seasonally adjusted.

Rightmove measures asking prices and does not seasonally adjust its figures, while Nationwide and Halifax both report data based on mortgage offers, seasonally adjusted. The index offered by the CLG (Department of Communities and Local Government) measure prices at completion stage, not seasonally adjusted.

### Editors' notes

Advertising property for over 90% of all UK estate agents, Rightmove is in a unique position to identify any immediate changes in the market. Using a larger sample than any other house price reports, Rightmove's **House Price Index** is compiled from the asking prices of properties coming onto the market via the c.10,000 estate agency branches listing on Rightmove.co.uk. Rather than being a survey of opinions as with some other indices, it is produced from factual data of actual prices of properties currently on the market. The sample includes up to 200,000 homes each month – representing circa 90% of the market, the largest and most up-to-date monthly sample of any house price indicator in the UK. 95% of properties are sold via an agent, while only 75% are purchased with a mortgage. The index differs from other house price indicators in that it reflects asking prices when properties first come onto the market, rather than those recorded by lenders during the mortgage application process or final sales prices reported to the Land Registry. In essence, Rightmove's index measures prices at the very beginning of the home buying and selling process while other indices measure prices at points later in the process. Having a large sample size and being very up-to-date, the Rightmove Index has established itself as a reliable indicator of current and future trends of the housing market.

This month 4,618 properties have been excluded due to being anomalies.

### **About Rightmove.co.uk:**

Rightmove.co.uk is the UK's leading property website, displaying details of homes for sale or rent to the largest online audience. It has around 90% of all properties for sale and at any time displays a stock of over one million properties to buy or rent, worth around £270 billion. All eight corporate estate agents (those with 100 or more branches) list their properties on the site. The Rightmove.co.uk site receives over 40 million visits every month and is consistently ranked number one property website in the UK (source: Hitwise).

For further information on methodology please contact the Press Office on [press@rightmove.co.uk](mailto:press@rightmove.co.uk) or call 0845 456 8439.