

# The Rightmove House Price Index

The largest monthly sample of residential property prices

*Under embargo for 00:01 hours: Monday 15<sup>th</sup> February 2010*

## Price jump as agents scramble for stock

	February	January
<b>Average Property Asking Price</b>	<b>£229,398</b>	<b>£222,261</b>
<b>% Change in Month</b>	<b>+3.2%</b>	<b>+0.4%</b>
<b>% Change in Past Year</b>	<b>+6.1%</b>	<b>+4.1%</b>
<b>Monthly Index (Jan 2002=100)</b>	<b>186.6</b>	<b>180.8</b>

- Scarce new sellers bump up asking prices by 3.2%, an average increase of £7,137 with London setting a new record of £427,987
- Monthly rise reminiscent of boom-times; there has been no higher rise since April 2007 when we saw a 3.7% increase
- January sees record search activity on rightmove.co.uk, up 29% on same period last year
- The economic fundamentals cannot support further price increases of this magnitude

### Rightmove Monthly Asking Price Trend



Rightmove measured 90,015 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 10<sup>th</sup> January 2010 to 6<sup>th</sup> February 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 15<sup>th</sup> February 2010

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## Overview

### Monthly rise of 3.2% has not been beaten since April 2007

The stock-starved housing market saw a welcome increase in the number of properties coming to market during the month, with over 90,000 new listings on Rightmove. Sellers appear to be hoping for a prosperous new year, and are asking an average of 3.2% more than last month. This average rise of over £7,000 is surprising given the difficult UK and global economic picture. However property in popular locations remains in short supply, supporting upwards price pressure, as seen in London where the average asking price this month is the highest we have ever recorded.

Miles Shipside, commercial director of Rightmove comments: "A price jump of over 3% is more comparable to the pre-credit-crunch boom-times. Sellers are setting their sights higher, and some agents are going along with them in order to win scarce instructions. Property for sale remains scarce in popular areas, but new supply to the market has to be priced at what buyers are willing and able to pay. An average increase of over £7,000 may prove to be a bit too spicy for some buyers' tastes, now that economic constraints have forced them to develop a simpler palate."

### Supply of new sellers continues upward trend

The number of properties coming to market is up by 19.8% on the same period in 2009. It should be noted that the amount of new stock in January 2009 was constrained by the introduction of the ban on marketing a property until its Home Information Pack had been prepared, and this has exaggerated this month's increase. New property listings are still down around 37% on the average numbers of properties coming to market recorded in the same period from 2005 to 2008. Average stock for sale per estate agent branch remains static at 63, with property in the more popular locations still in short supply. East Anglia and the South East show least recovery in new supply, still 45% and 43% down respectively on average levels seen at this time of year between 2005 and 2008. Conversely, the North region shows supply recovery to within 6% of 2005-08 levels.

Shipside comments: "Where supply remains well below historic levels, which is especially noticeable in parts of the south, upwards price pressure looks sustainable. Sellers whose research indicates there are few properties like theirs on the local market have a spring window of opportunity. Where property supply is closer to pre-crunch levels, sellers should price more aggressively having critically compared their property to recent actual sales as well as to what's currently on the market."

### January search activity sets new records

Rightmove site traffic is a good barometer of prospective buyer intent, with January proving to be a record month. Pages viewed were up 29% on January 2009, at 710 million. Mondays are the busiest days, with the post weekend period being the most popular time to search for what is available, including new listings and price reductions. For the first time, the number of visitors to our site passed the one million threshold in a single day on the 25<sup>th</sup> of January, and seventeen days in the month exceeded the previous record day from August of last year. January is the traditional time for bargain hunters to start shopping around, though with prices recovering there will be fewer bargains to be had this year, and agents and sellers may have to work harder to put a deal together.

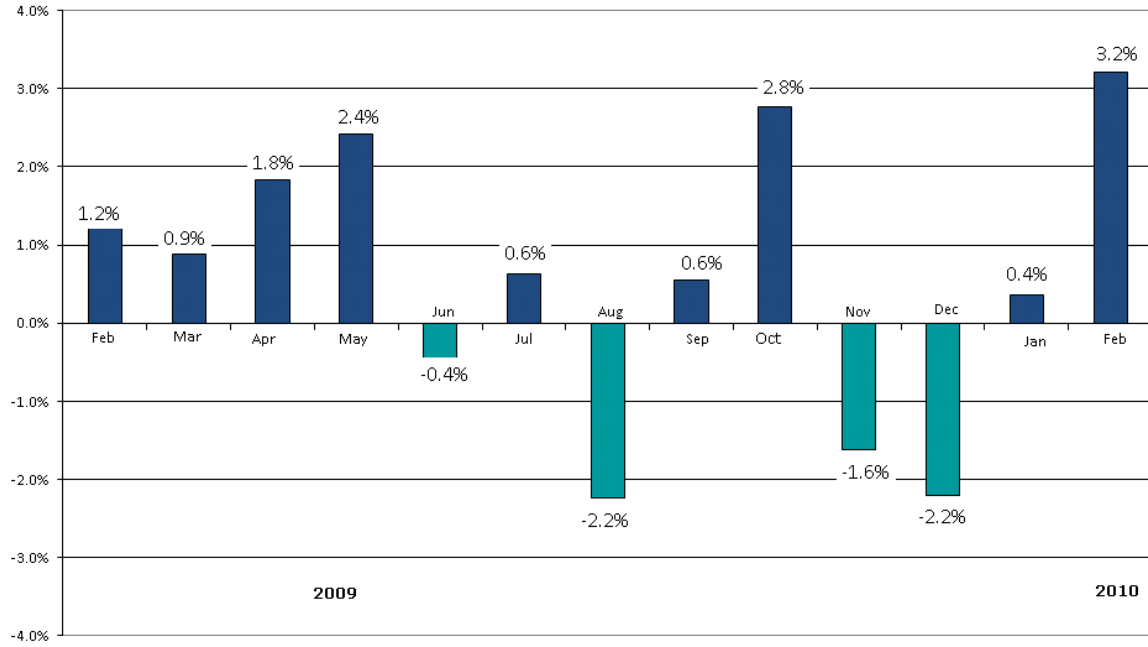
Shipside observes: "The record site activity ties in with the findings of the Q1 Rightmove Consumer Confidence Survey, where 62% of the 32,000 surveyed stated they believe it is a good time to buy. However, many of those searching are likely to have a degree of nervousness about the economic outlook, with only 11.1% of those surveyed believing that the country's current economic conditions are favourable. With finance still tight, properties will have to be beautifully presented and keenly priced in order to convert this high level of buyer interest into firmer commitment."

### **Can financial fundamentals support this rate of increase?**

Average national asking prices are now 6.1% (£13,300) higher than a year ago. We forecast that new property coming to the market will continue to be at higher prices in the first half of 2010, though sellers must be aware of the paradigm shift that has occurred in the residential mortgage-backed securities market. Before the deregulation of the late 1980s, lenders relied upon savers' deposits to fund a more restricted mortgage market. This deregulation was then followed by ten years or more of competitively driven innovation to create a seemingly virtuous circle of mortgage supply and demand. The circle has been broken by the banking crisis. A return to the peak levels of sales and mortgage transactions will have to await a return to previous wholesale funding methods, or a new variant, as the gap is too large to be filled by retail deposits when the Bank of England winds down its support for the mortgage market.

Shipside comments: "Sellers are starting to appear in greater numbers, but they must realise this market is more akin to the mortgage-rationed times of the 1970s and 1980s than to more recent times of relatively easy mortgage availability. For individual sellers it's hard to grasp the bigger picture and they rightly hope they will find a buyer who can get the required share of the rationed finance that is available. This works after a fashion while the number of sellers remains limited. However if sellers return to the market in larger numbers the current upwards price pressure will not be sustainable with the restricted number of buyers."

## Monthly Change



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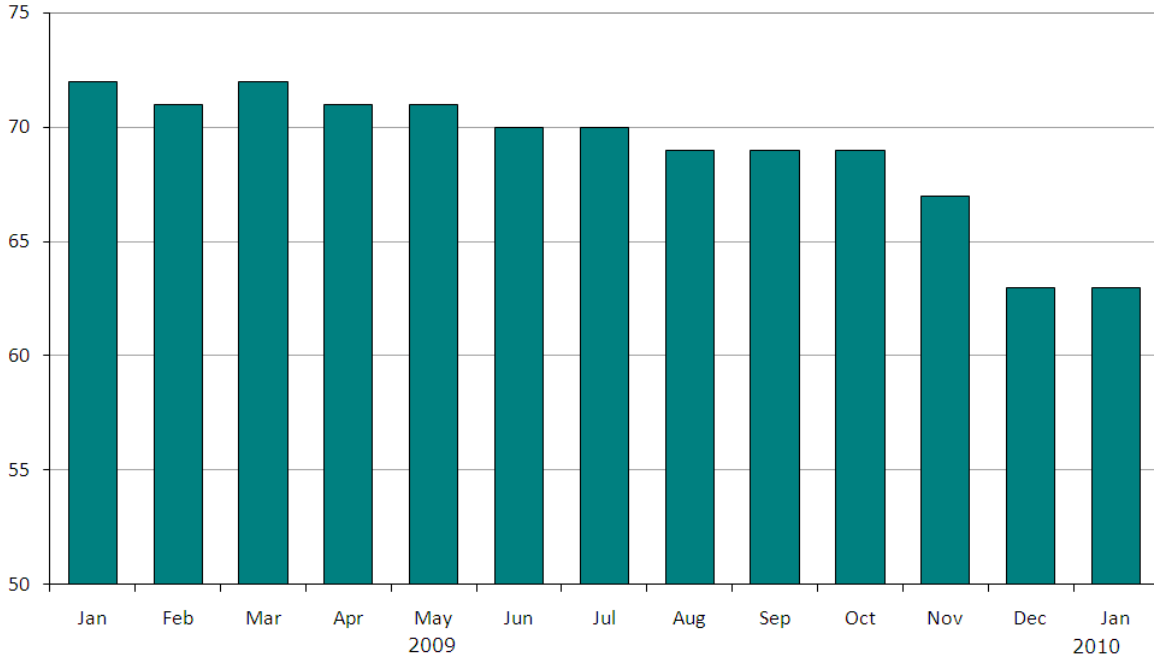
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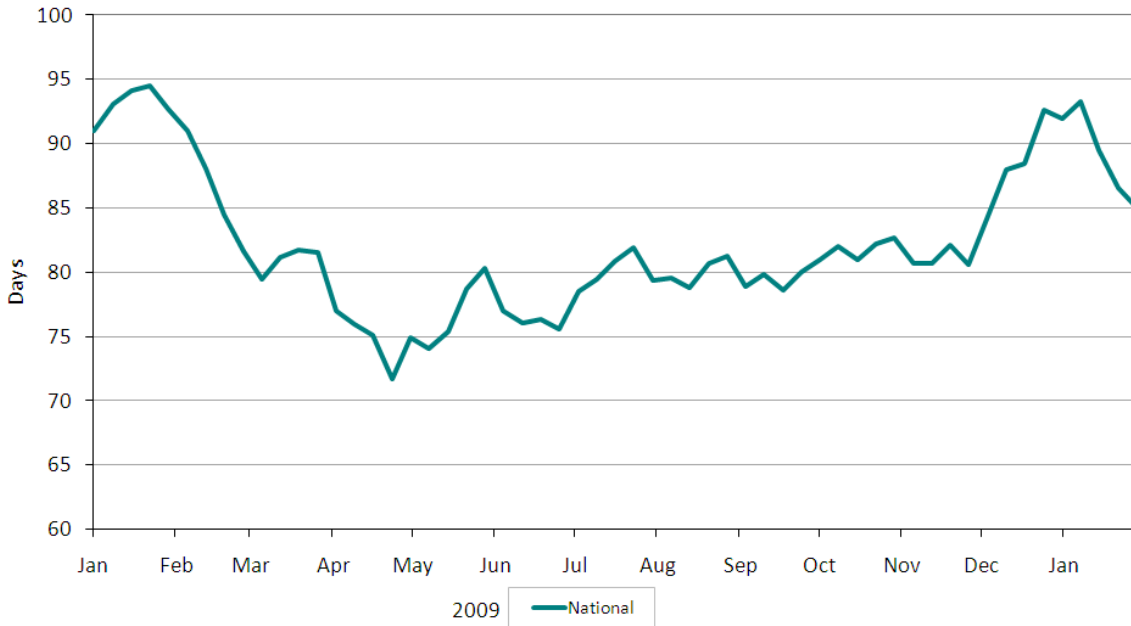
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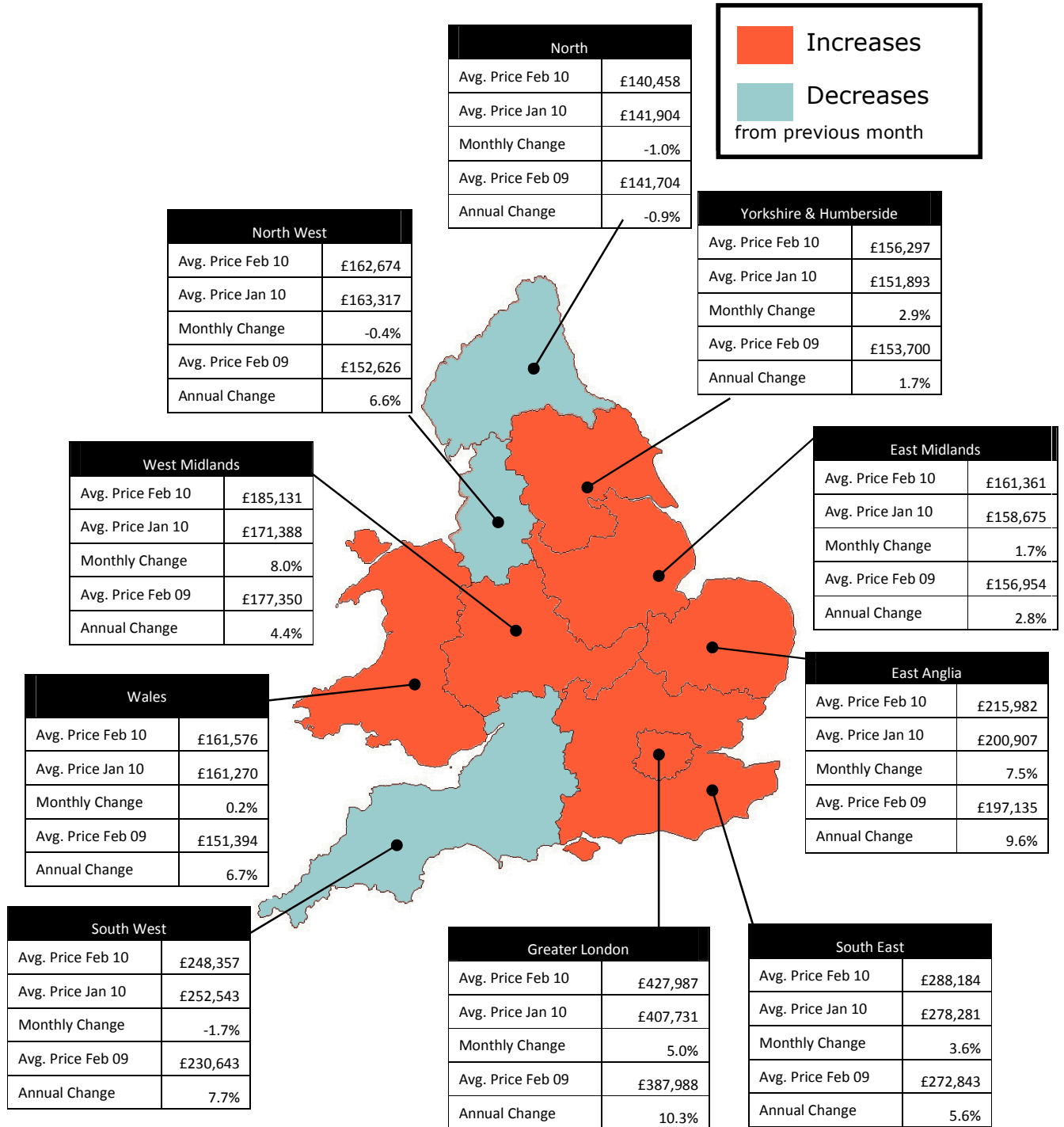
Average properties for sale per Estate Agent



Time on Market Indicator (National)



# 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 (Jan 2002 = 100)	% Change	Avg. Price
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
February 2010	186.6	+3.2%	£229,463
<b>Annual Change</b>	<b>+10.7</b>	<b>+6.1%</b>	<b>+£13,300</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
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
February 2010	£328,700	£194,198	£181,654	£187,915
<b>Annual Change</b>	<b>+6.0%</b>	<b>+4.9%</b>	<b>+9.2%</b>	<b>+6.0%</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 February 2010

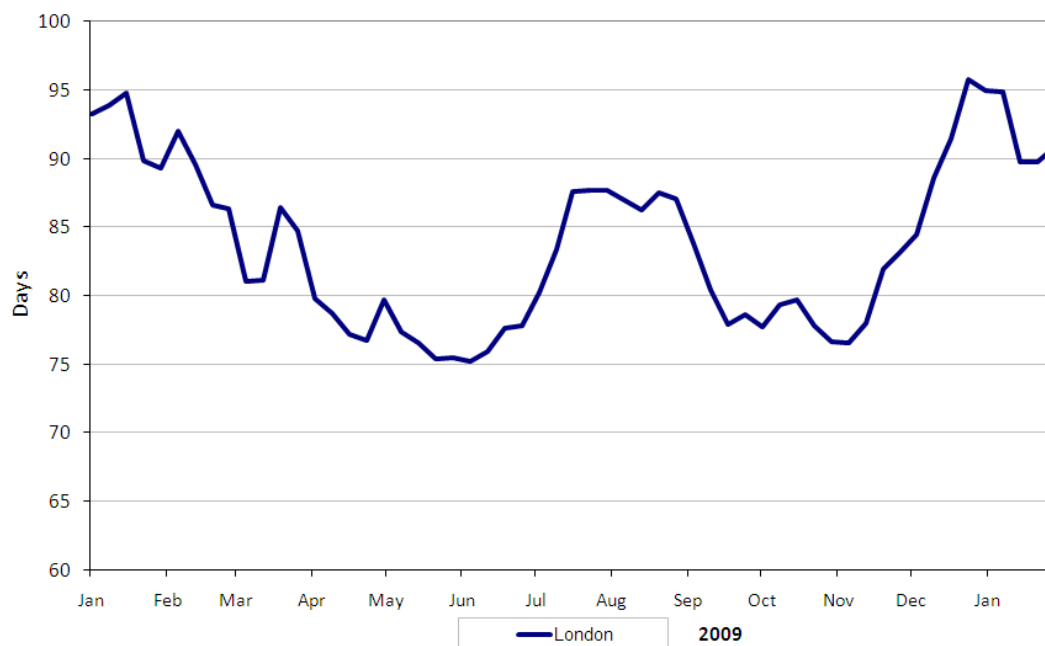
London's Top 5	Avg. Price Feb 10	Avg. Price Jan 10	Monthly Change
City of Westminster	£1,278,185	£1,112,520	14.9%
Newham	£258,436	£233,220	10.8%
Hounslow	£495,607	£448,033	10.6%
Hammersmith and Fulham	£788,188	£717,781	9.8%
Lambeth	£428,589	£398,588	7.5%

## London's Worst Performers February 2010

London's bottom 5	Avg. Price Feb 10	Avg. Price Jan 10	Monthly Change
Richmond-upon-Thames	£582,600	£584,086	-0.3%
Sutton	£333,646	£330,825	0.9%
Hillingdon	£346,212	£338,763	2.2%
Islington	£577,920	£564,467	2.4%
Southwark	£395,798	£386,061	2.5%

## London Time on Market

Time on Market Indicator



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## London Boroughs

Borough	Avg. Price Feb 10	Avg. Price Jan 10	Monthly Change	Avg. Price Feb 09	Annual Change
Kensington and Chelsea	£1,934,069	£1,848,859	4.6%	£1,978,468	-2.2%
City of Westminster	£1,278,185	£1,112,520	14.9%	£1,089,682	17.3%
Hammersmith and Fulham	£788,188	£717,781	9.8%	£694,059	13.6%
Camden	£766,002	£736,506	4.0%	£717,391	6.8%
Brent	£584,833	£563,197	3.8%	£469,943	24.4%
Richmond-upon-Thames	£582,600	£584,086	-0.3%	£547,911	6.3%
Wandsworth	£578,440	£552,334	4.7%	£498,377	16.1%
Islington	£577,920	£564,467	2.4%	£561,381	2.9%
Kingston-upon-Thames	£557,964	£540,037	3.3%	£494,936	12.7%
Barnet	£500,985	£474,862	5.5%	£475,157	5.4%
Hounslow	£495,607	£448,033	10.6%	£436,496	13.5%
Hackney	£469,927	£457,579	2.7%	£421,037	11.6%
Haringey	£437,701	£415,156	5.4%	£442,642	-1.1%
Lambeth	£428,589	£398,588	7.5%	£375,841	14.0%
Merton	£428,543	£414,750	3.3%	£390,632	9.7%
Tower Hamlets	£407,018	£394,806	3.1%	£376,103	8.2%
Ealing	£405,653	£388,336	4.5%	£370,977	9.3%
Southwark	£395,798	£386,061	2.5%	£352,307	12.3%
Bromley	£346,993	£327,488	6.0%	£315,668	9.9%
Lewisham	£346,408	£335,175	3.4%	£317,193	9.2%
Hillingdon	£346,212	£338,763	2.2%	£339,555	2.0%
Enfield	£340,396	£320,120	6.3%	£302,246	12.6%
Sutton	£333,646	£330,825	0.9%	£308,099	8.3%
Harrow	£327,620	£314,874	4.0%	£307,627	6.5%
Waltham Forest	£297,317	£282,435	5.3%	£261,093	13.9%
Redbridge	£285,283	£276,790	3.1%	£271,747	5.0%
Greenwich	£277,233	£263,583	5.2%	£237,511	16.7%
Croydon	£276,418	£263,296	5.0%	£254,538	8.6%
Havering	£262,363	£250,309	4.8%	£246,932	6.2%
Newham	£258,436	£233,220	10.8%	£214,095	20.7%
Bexley	£224,789	£215,920	4.1%	£205,613	9.3%
Barking and Dagenham	£213,319	£204,773	4.2%	£206,279	3.4%

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

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The UK's number one property website

## Index Comparison

	February 10		January 10		December 09	
	House Price	Monthly change	House Price	Monthly change	House Price	Monthly change
<b>Rightmove</b>	<b>£229,398</b>	<b>+3.2%</b>	<b>£222,261</b>	<b>+0.4%</b>	<b>£221,463</b>	<b>-1.7%</b>
<b>Halifax</b>	N/A *	N/A *	£169,777	+0.6%	£169,042	+1.0%
<b>Nationwide</b>	N/A *	N/A *	£163,481	+1.2%	£162,103	+0.4%

\* 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. Figure quoted for monthly change is 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 9,311 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 30 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.