

# The Rightmove House Price Index

The largest monthly sample of residential property prices

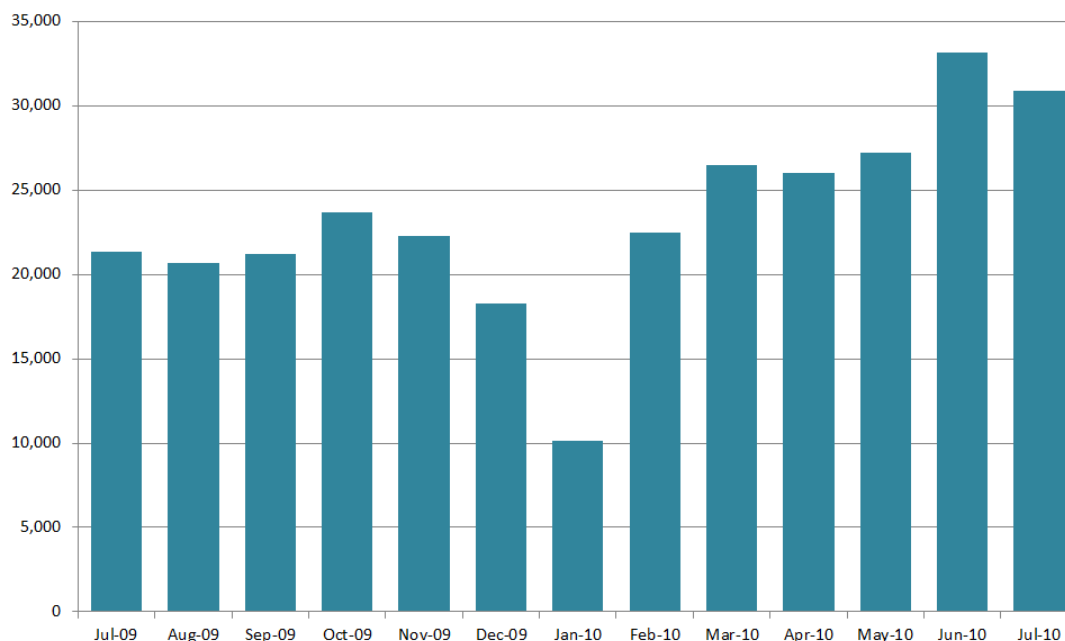
*Under embargo for 00:01 hours: Monday 19<sup>th</sup> July 2010*

## Second half price falls of 7% forecast to wipe out first half gains

	July	June
Average Property Asking Price	£236,332	£237,767
% Change in Month	-0.6%	+0.3%
% Change in Past Year	+3.7%	+5.0%
Monthly Index (Jan 2002=100)	192.3	193.5

- New sellers drop asking prices for the first time this year, down by 0.6% (£1,435)
- Over 30,000 properties coming to market a week, up by 45% compared to July last year
- Latest Rightmove Consumer Confidence Survey indicates faltering home-mover sentiment
- Number of unsold homes per agent jumps by almost 25% in the first half of the year as new sellers outnumber new mortgage approvals by 5:2
- Rightmove forecasts that sellers' average first half price gains of 7% will disappear by year-end

### Weekly average of new property listings by month



*Rightmove measured 123,507 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 12<sup>th</sup> June 2010 to 10<sup>th</sup> July 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 19<sup>th</sup> July 2010

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For media enquiries and interviews please contact:

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The UK's number one property website

## Overview

With new seller numbers outstripping new mortgage approvals by approximately 5:2, the second half of the year looks set to see prices drift back to where they were at the beginning of the year as buyers get the upper hand. An early indication of where prices are headed is new-to-market sellers dropping their asking prices for the first time this year, down by 0.6% (£1,435) this month.

Miles Shippside, commercial director of Rightmove, comments: "The number of new mortgages being approved each month is less than half the number of new sellers, with the imbalance being exacerbated by the increase of nearly 50% in the number of properties coming to market compared to a year ago. More aggressive pricing is now the order of the day, which means that conditions are ripe for a strong buyers' market in the second half of 2010. This is likely to see the average price gains of 7% for the first half of the year wiped out by year-end, in line with Rightmove's original forecast for the year of no net change in prices".

The end of spring traditionally heralds a tougher time for sellers as the market goes into recess for the summer. The 123,507 new sellers that Rightmove has recorded coming to market in this month's index have reacted by asking an average of 0.6% less for their property than the month before. This is the first month-on-month fall in 2010, and with the likelihood of more economic pain to come, we forecast further downward pressure on new sellers' asking prices. Average asking prices increased by £15,506 (7.0%) in the first six months of this year from £222,261 to a peak of £237,767 in June. While there will be some major variations between different local housing markets, we predict the national average will fall by a similar amount by year-end, reversing the gains recorded in the more buoyant first half of 2010. Sellers will need to continue to be more realistic in their pricing, as the number of mortgage approvals seems rationed at around 11,000 a week compared to the consistent weekly run-rate of circa 30,000 newly marketed properties. A mortgage is not required for every property on the market, as around half of all properties are either withdrawn by the seller or purchased by cash buyers. However, the inability of demand to keep pace with supply as buyers struggle to obtain a mortgage is shown by the continuing rise in available stock per estate agency branch. The spring buying season has failed to stabilise agents' stock levels, with an unseasonal rise from 74 to 77 unsold properties per agent this month widening the choice available to those buyers who can proceed. This is the fifth consecutive monthly rise and the highest stock level since August 2008.

Shippside adds: "Estate agents are suffering from podgy portfolios, and buyers' fitness to purchase is in correspondingly poor shape. With agents beginning to choke on a surfeit of new stock, sellers are going to have to price at bargain levels and bullishly promote their properties in order to stand out from the crowd. Those sellers that act more quickly will be able to lock-in some of the price gains made in the last eighteen months. However, the tradition of testing the water at a higher figure before reducing at a later date will backfire in areas of excess supply, as over-ambitious sellers will have to cut back even more as they chase prices downwards".

Agents report increasing reluctance by cash buyers to make up the shortfall in the number of first-time buyers. By their very nature, professional property investors tend to make more rational and less time-critical buying decisions than more emotionally driven owner-occupiers. With the recent Budget posing threats to investor returns due to the increase in Capital Gains Tax and the proposed cap on Housing Benefit, investors will be looking for an opportunity to acquire future assets more cheaply. They may choose to wait and see if the contraction in public sector employment and faltering confidence among the wider home-buying public offer up better returns.

Early indications from the next quarterly Rightmove Consumer Confidence Survey, due out in August, suggest a swing to a more negative outlook on the future direction of property prices. In the April survey, before the election and emergency Budget, fewer than half of respondents (44%) believed that prices would be the same or lower in twelve months' time. Of those surveyed so far in July, a majority (54%) now expect that prices will be the same or lower a year out, reducing for some the sense of urgency to buy.

Shippside comments: "Consumer sentiment is a major influence on the housing market and, while many would-be owner-occupiers are not swayed by short-term negativity or dips in prices, many harder-nosed investors will decide to circle and wait. The second half of 2010 could see some more motivated sellers falling into some canny buyers clutches, as conditions are looking ripe to pick up some good buys".

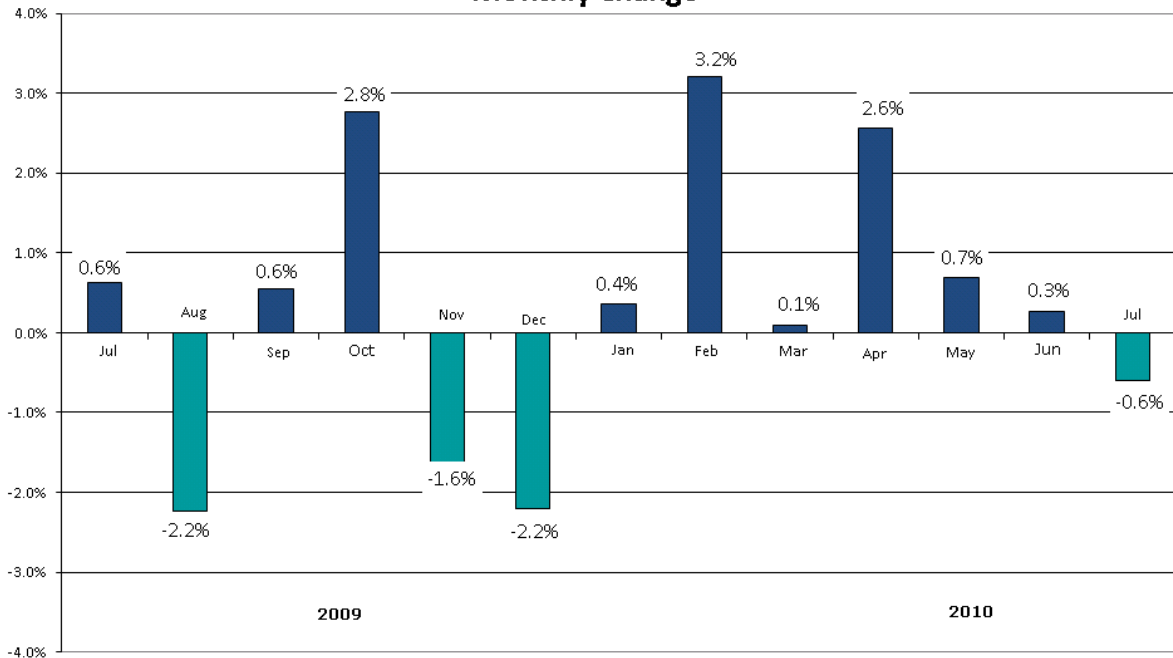
Potential buyers are keeping a beady eye on the market and seem to be looking for the right buy at the right price. In spite of the distraction of the World Cup, Rightmove recorded an average of almost 20 million pages viewed per day in June - up by 11% compared with the same period a year ago.

Shippside comments: "Internet search activity is a strong indicator of pent-up demand. Rightmove's high traffic shows that potential buyers are searching, but with prices in some areas set to drift back they are likely to be looking for sellers who are offering tomorrow's prices today".

## Rightmove Monthly Asking Price Trend



## Monthly Change



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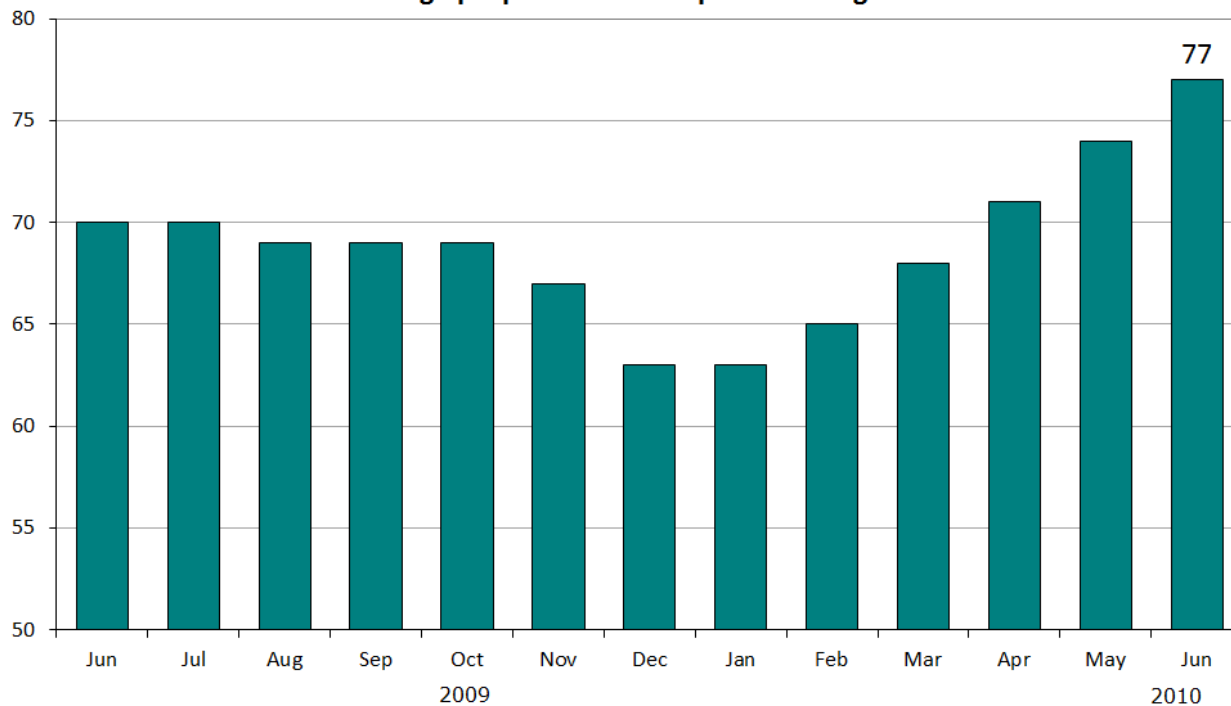
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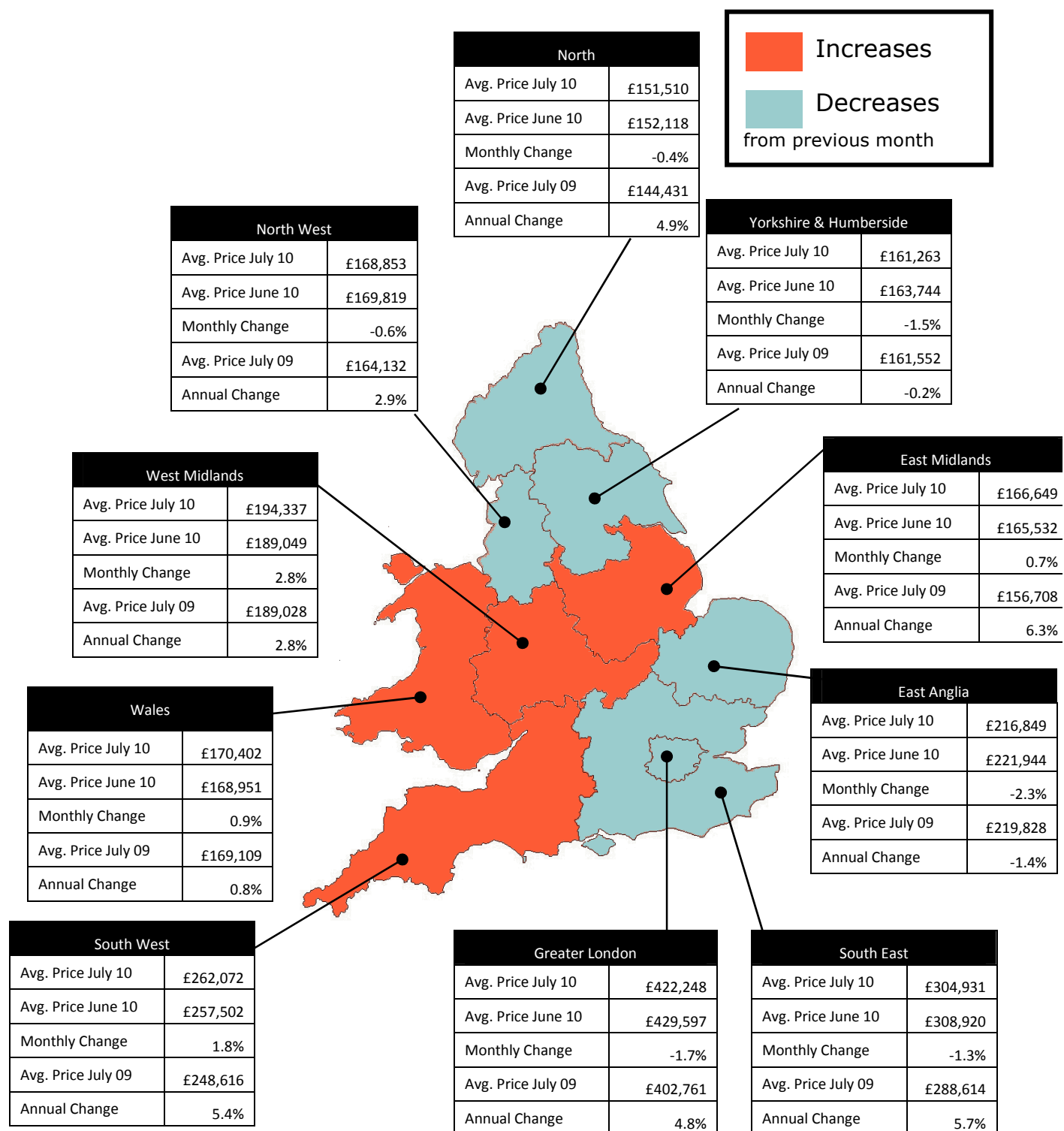
### Average properties for sale per Estate Agent



### 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
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%	£229,398
March 2010	186.8	+0.1%	£229,614
April 2010	191.6	+2.6%	£235,512
May 2010	192.9	+0.7%	£237,134
June 2010	193.5	+0.3%	£237,767
July 2010	192.3	-0.6%	£236,332
<b>Annual Change</b>	<b>+6.9</b>	<b>+3.7%</b>	<b>+£8,468</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
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	£330,710	£195,139	£180,670	£189,449
March 2010	£331,949	£197,389	£180,030	£187,754
April 2010	£344,671	£199,603	£182,300	£188,094
May 2010	£350,517	£200,758	£179,838	£189,835
June 2009	£353,476	£198,116	£181,790	£190,847
July 2010	£354,052	£198,109	£179,375	£188,268
<b>Annual Change</b>	<b>+7.1%</b>	<b>+2.5%</b>	<b>+4.8%</b>	<b>+3.0%</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.

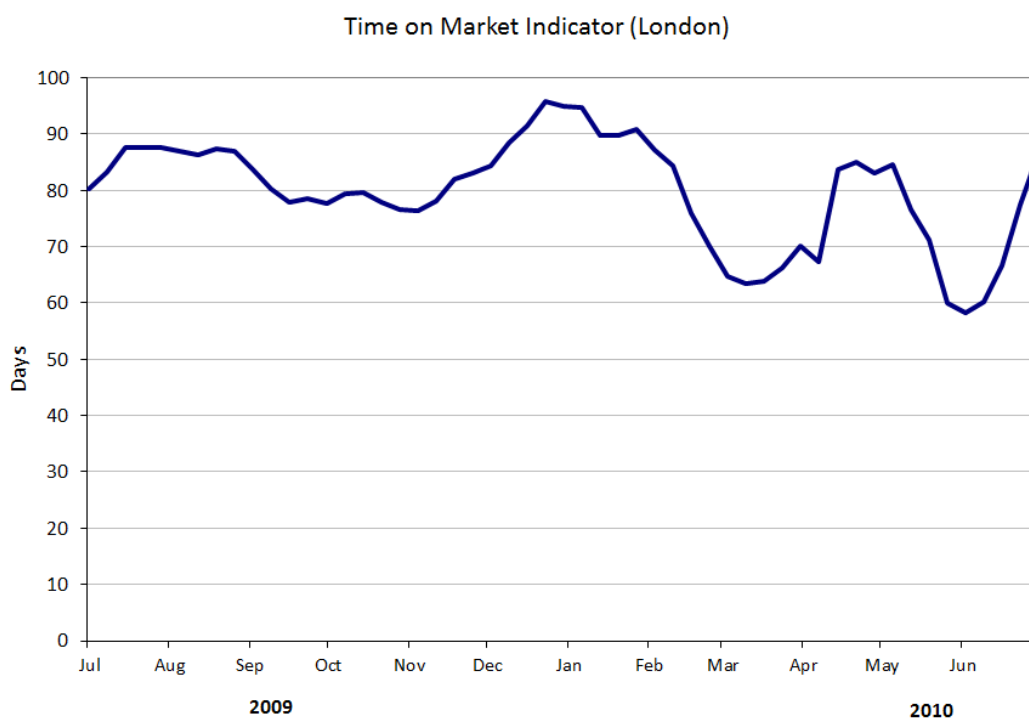
## London's Best Performers July 2010

London's Top 5	Avg. Price Jul 10	Avg. Price Jun 10	Monthly Change
Hounslow	£476,525	£468,766	1.7%
Richmond-upon-Thames	£626,919	£620,937	1.0%
Islington	£614,234	£611,897	0.4%
Kingston-upon-Thames	£588,938	£589,615	-0.1%
City of Westminster	£1,270,752	£1,274,563	-0.3%

## London's Worst Performers July 2010

London's Bottom 5	Avg. Price Jul 10	Avg. Price Jun 10	Monthly Change
Kensington and Chelsea	£1,824,919	£1,925,735	-5.2%
Haringey	£460,879	£477,967	-3.6%
Sutton	£318,400	£328,115	-3.0%
Barnet	£500,438	£515,540	-2.9%
Bromley	£335,689	£345,811	-2.9%

## London Time on Market



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## London Boroughs

Borough	Avg. Price Jul 10	Avg. Price Jun 10	Monthly Change	Avg. Price Jul 09	Annual Change
Kensington and Chelsea	£1,824,919	£1,925,735	-5.2%	£1,756,367	3.9%
City of Westminster	£1,270,752	£1,274,563	-0.3%	£1,226,794	3.6%
Hammersmith and Fulham	£784,212	£801,261	-2.1%	£697,132	12.5%
Camden	£779,513	£799,316	-2.5%	£821,570	-5.1%
Richmond-upon-Thames	£626,919	£620,937	1.0%	£592,973	5.7%
Islington	£614,234	£611,897	0.4%	£581,540	5.6%
Kingston-upon-Thames	£588,938	£589,615	-0.1%	£527,705	11.6%
Brent	£561,278	£567,503	-1.1%	£561,099	0.0%
Wandsworth	£542,870	£558,335	-2.8%	£512,795	5.9%
Barnet	£500,438	£515,540	-2.9%	£485,845	3.0%
Hackney	£480,735	£483,086	-0.5%	£465,234	3.3%
Hounslow	£476,525	£468,766	1.7%	£437,464	8.9%
Haringey	£460,879	£477,967	-3.6%	£462,742	-0.4%
Lambeth	£418,497	£427,982	-2.2%	£398,999	4.9%
Ealing	£410,953	£422,822	-2.8%	£366,589	12.1%
Merton	£403,057	£409,726	-1.6%	£398,484	1.1%
Southwark	£394,071	£400,363	-1.6%	£375,975	4.8%
Tower Hamlets	£387,800	£392,848	-1.3%	£358,236	8.3%
Hillingdon	£344,536	£351,146	-1.9%	£335,872	2.6%
Enfield	£338,513	£341,850	-1.0%	£309,516	9.4%
Lewisham	£336,462	£344,173	-2.2%	£323,461	4.0%
Bromley	£335,689	£345,811	-2.9%	£317,898	5.6%
Harrow	£323,567	£329,742	-1.9%	£318,572	1.6%
Sutton	£318,400	£328,115	-3.0%	£303,214	5.0%
Waltham Forest	£287,877	£293,653	-2.0%	£277,413	3.8%
Redbridge	£284,609	£290,066	-1.9%	£268,715	5.9%
Croydon	£275,806	£276,909	-0.4%	£260,386	5.9%
Greenwich	£272,595	£276,271	-1.3%	£259,401	5.1%
Havering	£250,758	£253,836	-1.2%	£251,943	-0.5%
Newham	£223,655	£229,858	-2.7%	£219,316	2.0%
Bexley	£214,685	£220,319	-2.6%	£205,761	4.3%
Barking and Dagenham	£211,887	£215,756	-1.8%	£208,317	1.7%

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

## Index Comparison

	Jul 2010		Jun 2010		May 2010	
	House Price	Monthly change	House Price	Monthly change	House Price	Monthly change
Rightmove	£236,332	-0.6%	£237,767	+0.3%	£237,134	+0.7%
Halifax	N/A *	N/A *	£166,203	-0.6%	£167,570	-0.4%
Nationwide	N/A *	N/A *	£170,111	+0.1%	£169,162	+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. 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 15,813 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: Experian 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.