

The Rightmove House Price Index

The largest monthly sample of residential property prices

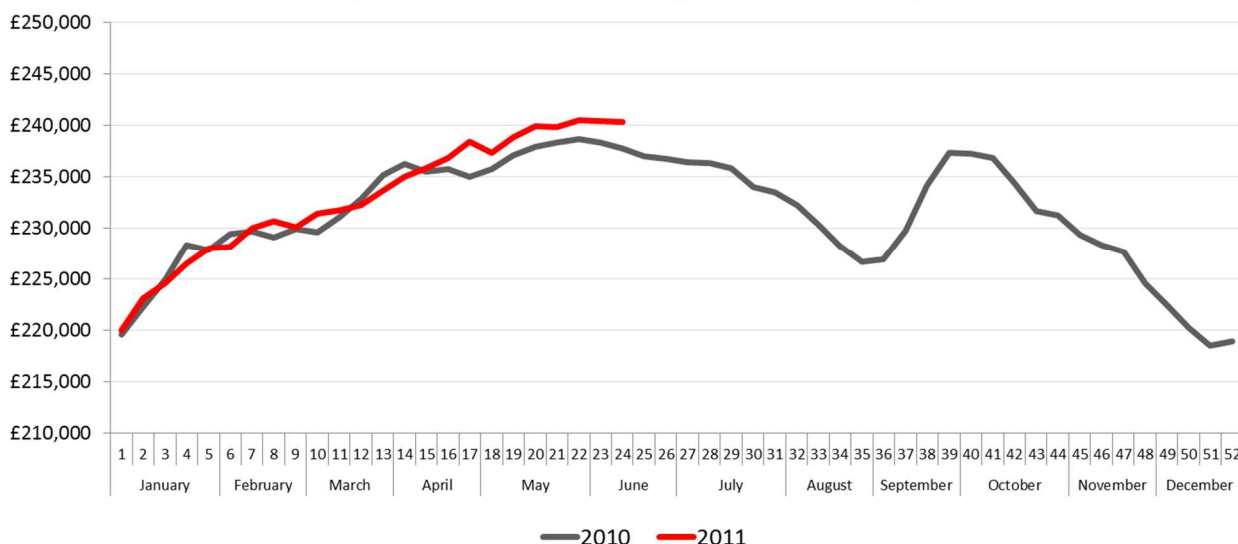
Under embargo for 00:01 hours: Monday 20th June 2011

First half price gains set to ebb away

	June	May
Average Property Asking Price	£240,394	£238,874
% Change in Month	+0.6%	+1.3%
% Change in Past Year	+1.1%	+0.7%
Monthly Index (Jan 2002=100)	195.6	194.4

- New sellers' asking prices increase for the sixth consecutive month, up by 0.6% (£1,520)
- First half gains of 8.1% (£17,984) expected to ebb away, with asking prices likely to fall by up to 7% in second half of 2011, strengthening buyers' bargaining power
- Highest ever June prices and rising stock levels look set to curtail sellers' "romp away from reality" as mortgage approval figures hit lowest level this year
- Despite expected price falls we now forecast price gains for 2011 as a whole, surpassing 2010's virtual standstill, as mortgage arrears and repossession levels fall and mortgage options improve
- North/south price divide indicates differing economic realities around the country, with London prices now at an all-time high

Rightmove National Asking Price Trend 2010/2011



Rightmove measured 142,712 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 8th May 2011 to 11th June 2011 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.

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Overview

June sees Rightmove record the sixth consecutive monthly rise in new sellers' average asking prices, up by 0.6%. At the halfway point of 2011 our price statistics are following a very similar pattern to last year, with overall gains of 8.1% (£17,984) this year compared to 7.4% (£16,303) in the first half of 2010. With similar market conditions we predict that the second half of 2011 will continue to mirror 2010. We therefore forecast that new sellers' prices will fall by up to 7% in the next six months as underlying market weakness again checks the impetus normally seen in the first half of the year.

Miles Shippside, director of Rightmove comments: "2011 looks like a case of déjà vu, with the tide of housing needs yet again failing to breach the levée of restricted mortgage funding. As the seasonal surge in demand begins to fall back, new sellers' asking prices will also have to ebb away. With mortgage approvals stuck at half the normal level, the number of sellers who can find a buyer is likely to be reduced by a similar proportion. Sellers will need to paddle hard to catch a buyer with funding, or they will find themselves well and truly grounded and unable to move home".

The average asking price for a property coming to market this month is £240,394, the highest figure Rightmove has ever recorded in the month of June. One of the peculiarities of this downturn is that prices in some parts of the country are at all-time highs, as there have been stock shortages in many areas where mortgageable buyers and cash buyers want to live. Overall we see a stagnant market, with mortgage levels at half those of 2007 yet a majority of sellers not having to sell urgently. This has given the market a deceptive sense of stability, though it is an uneasy balance that could be tipped into a price surge if and when mortgage finance returns, or significant price falls should the number of forced sellers increase.

Apart from a few blips, this position has remained the same for the past four years and looks set to continue in the absence of further major shocks to the banking system or wider economy. However, we expect there to be some modest downwards price pressure in the second half of this year, as average unsold stock levels per estate agency branch are continuing to rise in spite of the number of properties coming to market remaining subdued. New sellers in June came to market at an average weekly run rate of 28,542, some 14% lower than in the same month last year. Unsold stock per branch was an average of 69 at the beginning of the year and has risen every month since, with each estate agency branch now parading an average of 78 properties. This increase in stock levels gives more bargaining power to potential buyers, who remain active as demonstrated by record search activity on Rightmove in May, up 4% on the previous record of January this year.

Shippside comments: "Increasing stock levels are a clear indication of buyer appetite failing to keep pace with the number of sellers who are showing some hunger to sell. However, with most sellers able to take their time and wait for an offer that matches their expectations, we are seeing the highest ever asking prices for the month of June. High levels of unsold stock and record asking prices cannot remain happy bedfellows for long, so we expect to see this romp away from reality to reverse itself in the second half of the year as the over-supply of property and under-supply of mortgages reassert themselves and exert downwards price pressure. This could be good news for buyers who have been sitting on the sidelines."

The number of buyers able to proceed is limited by the availability of mortgage finance and the conditions attached to its release. The Bank of England mortgage approval figures for April were the lowest recorded in the year to date, at 45,166 (seasonally adjusted). However, there are signs of some slight easing of lending criteria, with estate agents reporting more loans being advertised for a 5% deposit, although only for the most creditworthy borrowers. Lenders will be encouraged to be in a more positive frame of mind should arrears continue to improve.

The latest figures from the Council of Mortgage Lenders show that arrears of 2.5% or more of the outstanding mortgage have fallen from 1.65% to 1.47% of borrowers between Q1 2010 and Q1 2011, with a consequent fall in the number of repossessions. At 9,100 in the first quarter of 2011,

repossessions are some 10% lower than the same period in 2010. With interest rates expected to stay at or close to record lows for the remainder of this year, and recent positive news on unemployment numbers, the number of forced sellers looks likely to remain subdued which in turn will help to underpin prices. We therefore anticipate that the second half of 2011 will be more positive than in 2010, and while we expect new sellers to have to drop their prices over the remainder of the year, we now believe that they will end 2011 slightly higher than they began it.

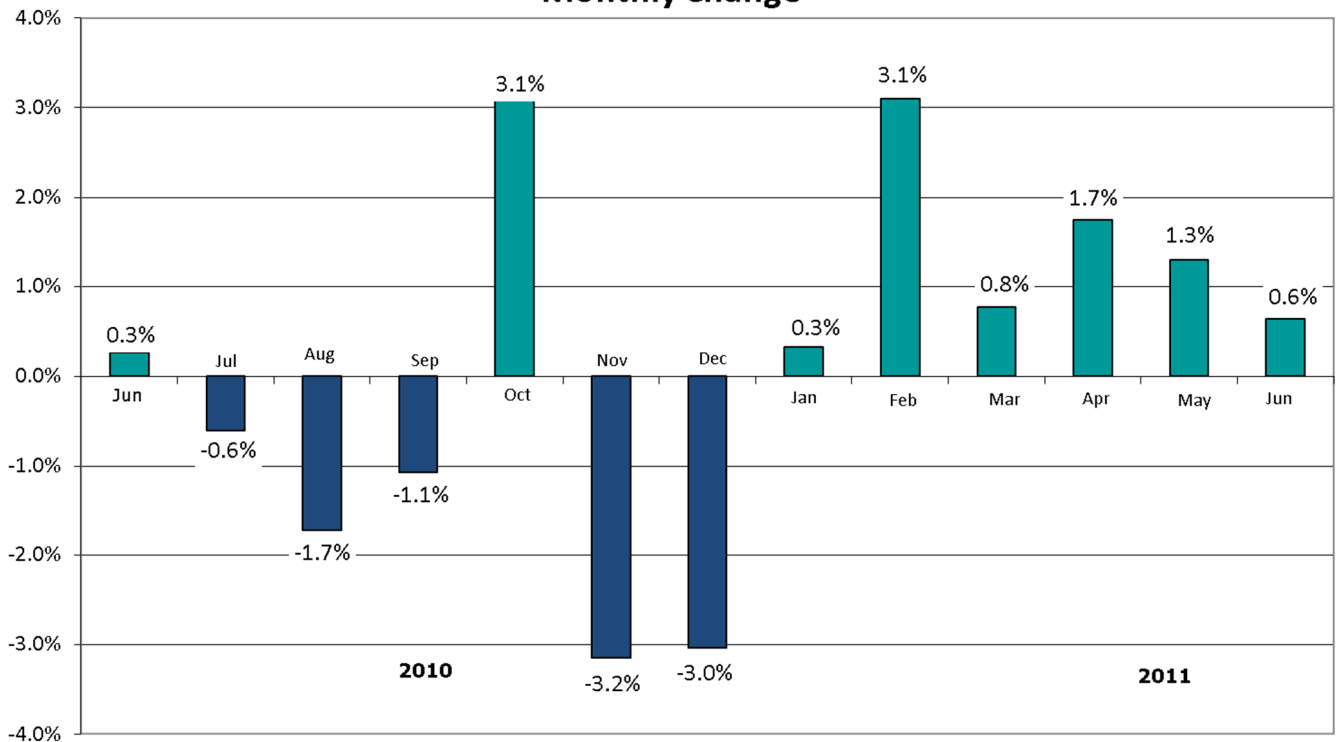
We have thus revised our December 2010 forecast of falls in the range of 2% to 5% and now predict an increase for 2011 of up to 2% in national average asking prices. As always, local conditions vary, with wildly different activity levels and price changes. Areas with deposit-rich buyers and limited property availability are seeing active markets with prices holding steady or rising. These are more concentrated in the south and east of the country, and those regions stand out in this month's index. All the southern regions show rises month-on-month, with London setting a new record, and the South East the highest average asking price for three years. In contrast, all but one of the six northern regions show monthly falls, and three of them have fallen year-on-year.

Shipside concludes: "The 'wealth gap' between the south and the north is widening, which shows itself in rising prices in the south this month, with prices going backwards in the north. However, wealthier locations in the north are definitely bucking this trend with brisk activity, and poorer areas in the south are struggling just as much as similar areas in the north. Earning power and the ability to raise a decent deposit are the deciding factors, rather than your location on a map".

Rightmove Monthly Asking Price Trend



Monthly Change



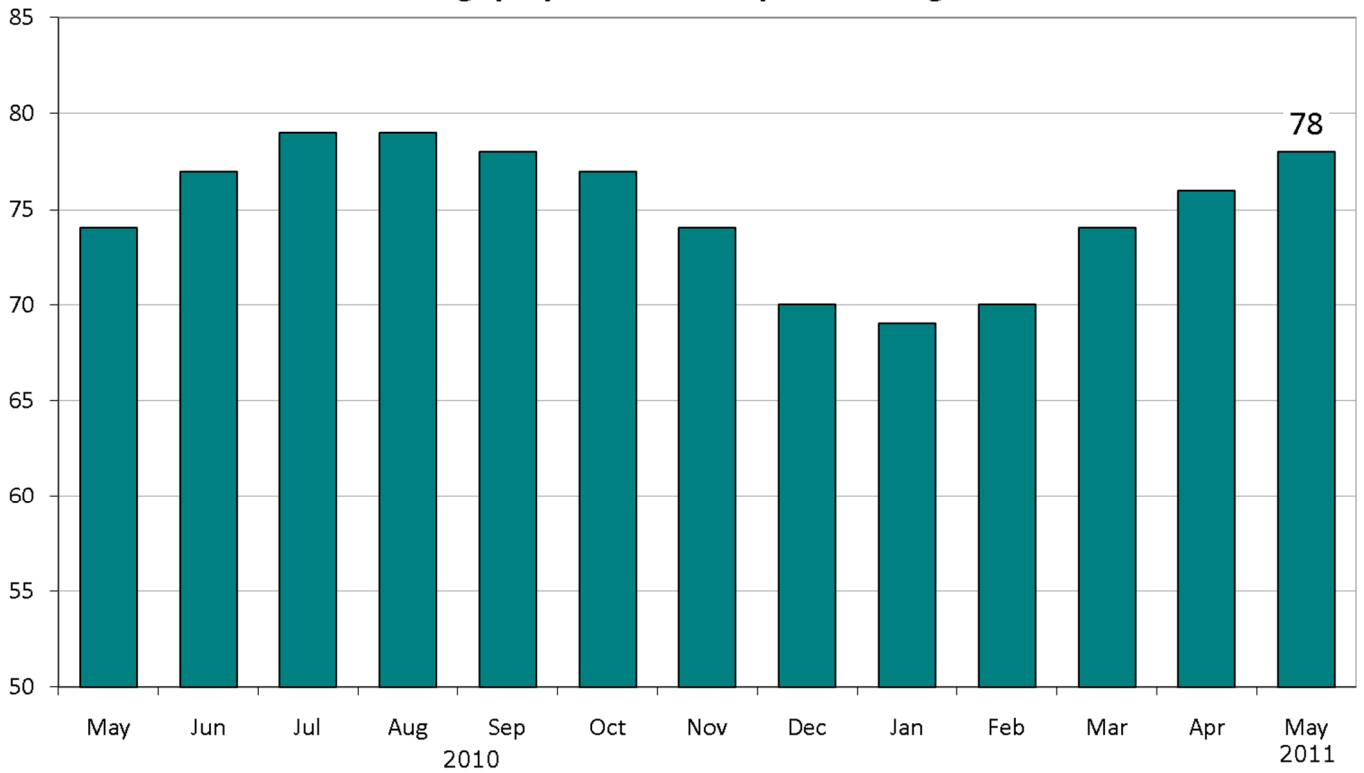
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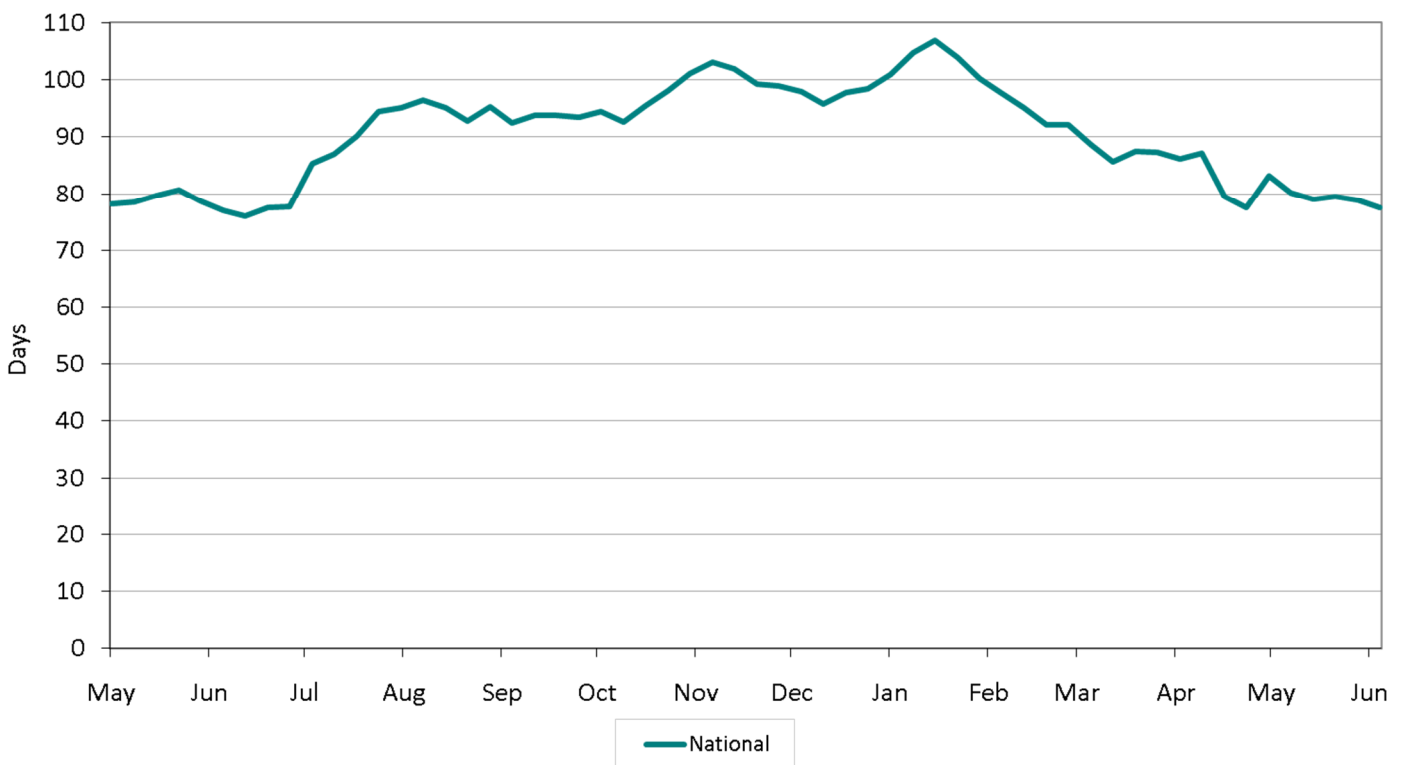
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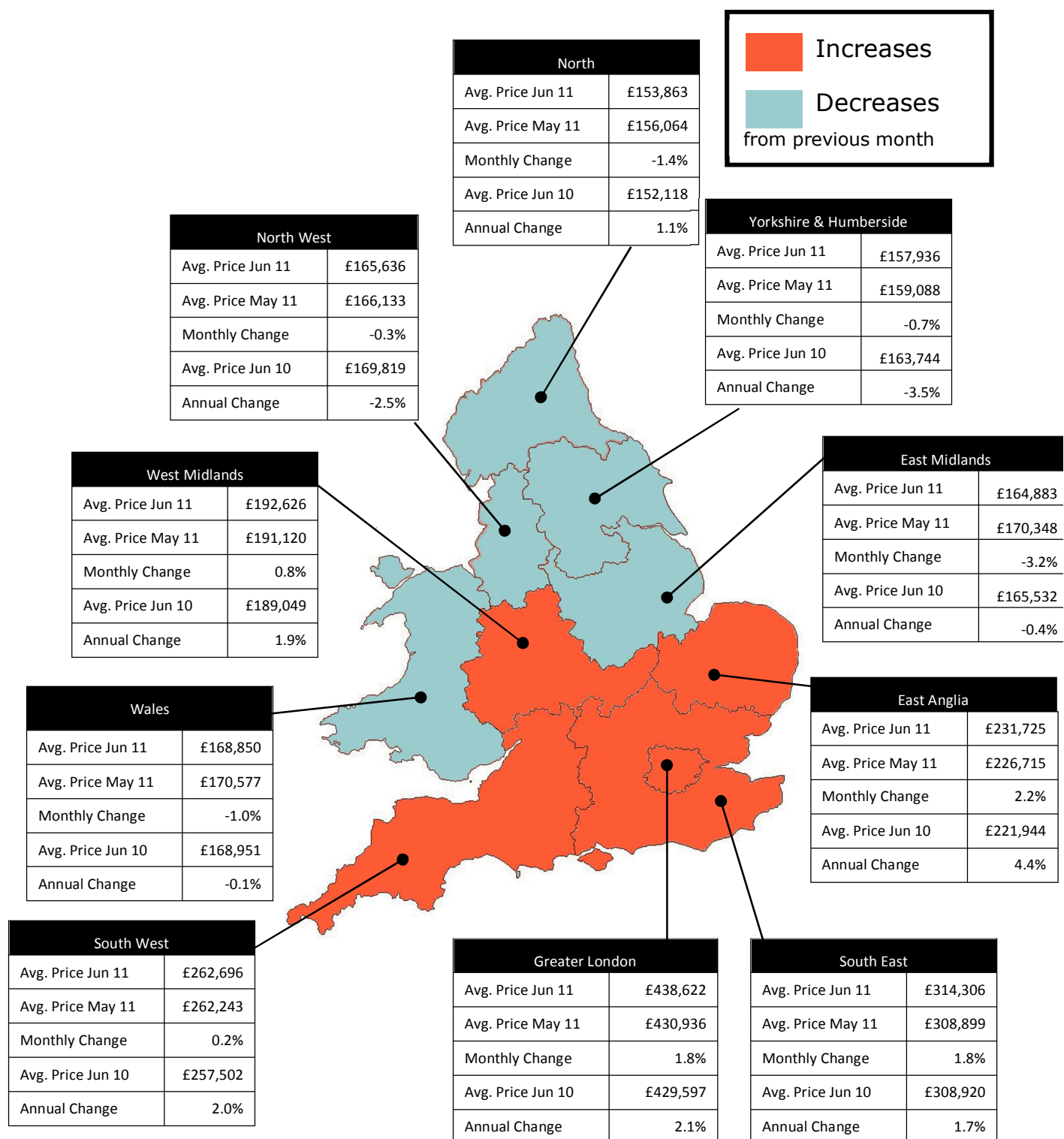
Average properties for sale per Estate Agent



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 or call 0845 456 8439

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National Asking Price Trend

Month	Index (Jan 2002 = 100)	% Change	Avg. Price
June 2010	193.5	+0.3%	£237,767
July 2010	192.3	-0.6%	£236,332
August 2010	189.0	-1.7%	£232,241
September 2010	186.9	-1.1%	£229,767
October 2010	192.7	+3.1%	£236,849
November 2010	186.6	-3.2%	£229,379
December 2010	181.0	-3.0%	£222,410
January 2011	181.5	+0.3%	£223,121
February 2011	187.2	+3.1%	£230,030
March 2011	188.6	+0.8%	£231,790
April 2011	191.9	+1.7%	£235,822
May 2011	194.4	+1.3%	£238,874
June 2011	195.6	+0.6%	£240,394
Annual Change	+2.1	+1.1%	+£2,627

(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
June 2010	£353,476	£198,116	£181,790	£190,847
July 2010	£354,052	£198,109	£179,375	£188,268
August 2010	£345,414	£197,870	£177,762	£188,524
September 2010	£342,636	£196,752	£174,880	£183,659
October 2010	£352,260	£198,866	£180,706	£187,562
November 2010	£337,214	£195,386	£174,826	£187,770
December 2010	£326,708	£190,603	£171,769	£183,281
January 2011	£328,831	£190,534	£172,759	£187,269
February 2011	£338,546	£196,106	£178,058	£186,862
March 2011	£343,427	£196,487	£177,422	£190,367
April 2011	£347,974	£197,649	£178,034	£191,519
May 2011	£354,276	£199,409	£177,463	£192,660
June 2011	£354,079	£198,904	£179,397	£192,090
Annual Change	-0.1%	-0.3%	+1.1%	-0.3%

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 or call 0845 456 8439.

London's Best Performers June 2011

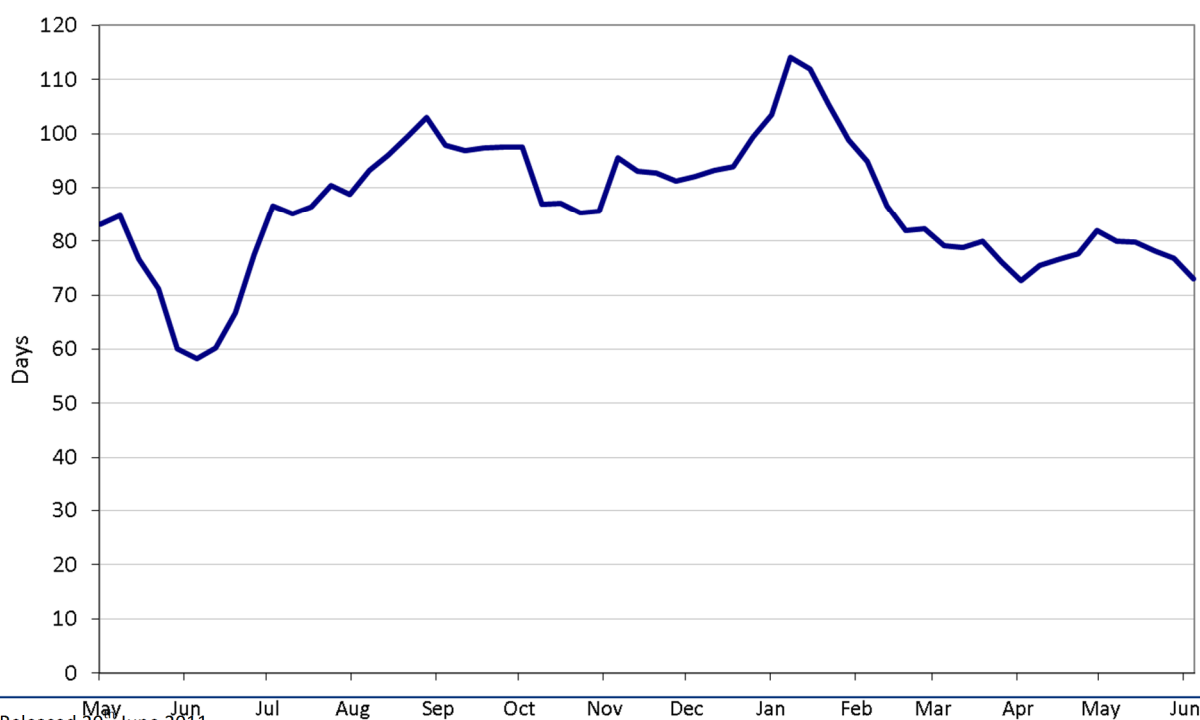
London's Top 5	Avg. Price Jun 11	Avg. Price May 10	Monthly Change
Brent	£607,681	£573,901	5.9%
Tower Hamlets	£406,885	£387,808	4.9%
Merton	£423,452	£406,249	4.2%
Hillingdon	£346,650	£335,174	3.4%
Bromley	£342,858	£332,149	3.2%

London's Worst Performers June 2011

London's Bottom 5	Avg. Price Jun 11	Avg. Price May 10	Monthly Change
Camden	£798,818	£834,952	-4.3%
Hackney	£486,702	£491,978	-1.1%
Lambeth	£422,650	£423,873	-0.3%
Southwark	£404,081	£405,109	-0.3%
Haringey	£476,562	£476,539	0.0%

London Time on Market

Time on Market Indicator (London)



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London Boroughs

Borough	Avg. Price Jun 11	Avg. Price May 11	Monthly Change	Avg. Price Jun 10	Annual Change
Kensington and Chelsea	£1,840,730	£1,791,786	2.7%	£1,925,735	-4.4%
City of Westminster	£1,339,927	£1,335,509	0.3%	£1,274,563	5.1%
Camden	£798,818	£834,952	-4.3%	£799,316	-0.1%
Hammersmith and Fulham	£784,621	£776,110	1.1%	£801,261	-2.1%
Brent	£607,681	£573,901	5.9%	£567,503	7.1%
Kingston-upon-Thames	£617,695	£609,807	1.3%	£589,615	4.8%
Richmond-upon-Thames	£610,715	£598,358	2.1%	£620,937	-1.6%
Islington	£596,514	£595,828	0.1%	£611,897	-2.5%
Wandsworth	£591,656	£576,720	2.6%	£558,335	6.0%
Barnet	£510,364	£500,718	1.9%	£515,540	-1.0%
Hounslow	£496,445	£488,134	1.7%	£468,766	5.9%
Hackney	£486,702	£491,978	-1.1%	£483,086	0.7%
Haringey	£476,562	£476,539	0.0%	£477,967	-0.3%
Merton	£423,452	£406,249	4.2%	£409,726	3.4%
Lambeth	£422,650	£423,873	-0.3%	£427,982	-1.2%
Ealing	£418,505	£405,622	3.2%	£422,822	-1.0%
Tower Hamlets	£406,885	£387,808	4.9%	£392,848	3.6%
Southwark	£404,081	£405,109	-0.3%	£400,363	0.9%
Hillingdon	£346,650	£335,174	3.4%	£351,146	-1.3%
Bromley	£342,858	£332,149	3.2%	£345,811	-0.9%
Lewisham	£341,248	£337,403	1.1%	£344,173	-0.8%
Harrow	£330,232	£322,500	2.4%	£329,742	0.1%
Sutton	£329,890	£328,650	0.4%	£328,115	0.5%
Enfield	£328,131	£318,394	3.1%	£341,850	-4.0%
Waltham Forest	£293,792	£288,156	2.0%	£293,653	0.0%
Redbridge	£286,239	£280,670	2.0%	£290,066	-1.3%
Greenwich	£279,686	£275,283	1.6%	£276,271	1.2%
Croydon	£266,139	£265,147	0.4%	£276,909	-3.9%
Havering	£252,957	£251,740	0.5%	£253,836	-0.3%
Newham	£238,993	£235,279	1.6%	£229,858	4.0%
Barking and Dagenham	£214,369	£211,023	1.6%	£215,756	-0.6%
Bexley	£212,579	£207,975	2.2%	£220,319	-3.5%

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

Index Comparison

	Jun 2011		May 2011		Apr 2011	
	House Price	Monthly change	House Price	Monthly change	House Price	Monthly change
Rightmove	£240,394	+0.6%	£238,874	+1.3%	£235,822	+1.7%
Halifax	N/A *	N/A *	£160,519	+0.1%	£160,395	-1.4%
Nationwide	N/A *	N/A *	£167,208	+0.3%	£165,605	-0.2%

* 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 15,559 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 or call 0845 456 8439.