

The Rightmove House Price Index

The largest monthly sample of residential property prices

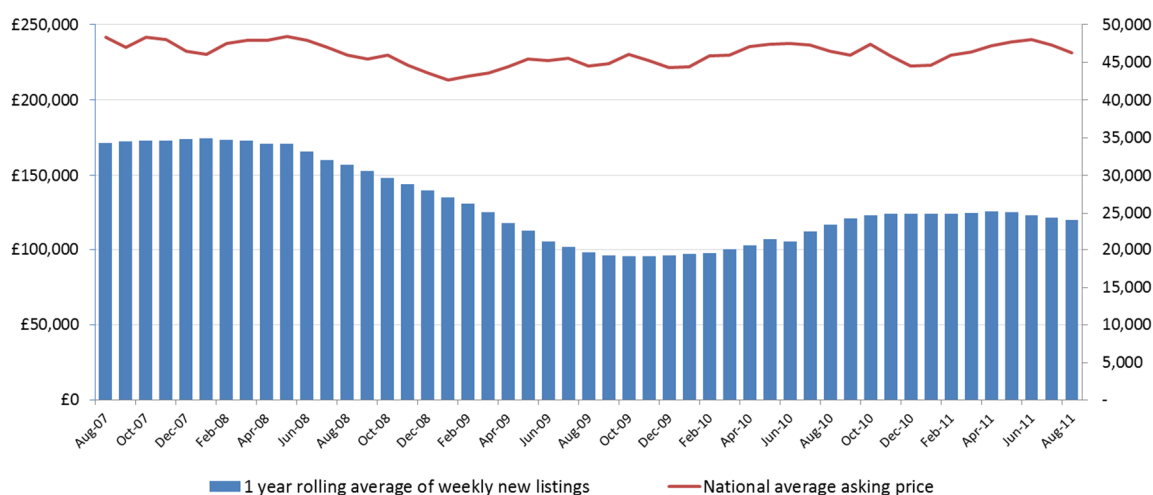
Under embargo for 00:01 hours: Monday 15th August 2011

UK housing market insulated from global financial jitters

	August	July
Average Property Asking Price	£231,543	£236,597
% Change in Month	-2.1%	-1.6%
% Change in Past Year	-0.3%	+0.1%
Monthly Index (Jan 2002=100)	188.4	192.5

- August's sellers drop average asking prices by 2.1% (£5,054), and year-on-year prices edge down for the first time since September 2009 (-0.3%).
- In the four years since the onset of the financial crisis asking prices have fallen by only 4.1% (£9,930).
- Impact of renewed financial turmoil likely to be limited because prices are already 'bumping along the bottom' with low transaction levels, as:
 - supply of new sellers remains muted at 30% below 2007 levels, as the number of motivated sellers is broadly matched by the number of serious buyers;
 - base rates now expected to be unchanged until at least 2013, limiting forced sales and holding down mortgage rates for deposit-rich buyers.
- But there are still risks on the downside:
 - increases in unemployment could stretch lender forbearance to breaking point;
 - sovereign debt concerns could hit willingness to lend and freeze credit markets again.

National average asking prices and new listings since August 2007



Rightmove measured 102,031 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 10th July 2011 to 6th August 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.

Released 15th August 2011

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For media enquiries and interviews please contact the Rightmove press office:

0845 456 8439 or press@rightmove.co.uk

Overview

As we approach the fourth anniversary of the demise of Northern Rock, formerly the UK's fifth biggest mortgage lender, the country's housing market remains in limbo as the renewed crisis in the world's financial markets puts any thoughts of a recovery on hold. With August's 2.1% fall in new sellers' average asking prices, they remain almost identical to those of a year ago (-0.3%) and not much different to four years ago (-4.1%). There is evidence that the unique upside factors of the country's housing market have found an uneasy balance with the downside risks, which may well insulate it from major price falls or further deterioration in transaction volumes in spite of the ongoing financial crisis.

Miles Shippside, director of Rightmove comments: "While the world's financial jitters are now playing havoc with stock markets and our future pensions, there are bound to be concerns about the impact on assets held as bricks and mortar. While the repeated shocks to the financial system have severely limited transaction numbers compared to pre-credit-crunch levels, the last four years have seen them stabilise, with an uneasy balance developing between those that have a pressing need to sell and those that have a good reason and the capability to buy. Sellers' initial asking price aspirations have remained remarkably stable, and in spite of the continuing global economic unrest, the UK housing market has several unique factors that should help to insulate it from downside risks".

This month, new sellers' average asking prices have dropped by 2.1%, following the post-credit-crunch pattern of falls in August that has remained consistent since 2008. However, although this is the fourth year of economic uncertainty, the average price at which new sellers market their properties remains in the same ball-park when compared to both last year and the onset of the credit crunch in August 2007. These figures show that the country has avoided the downward spiral of widespread price slashing that has been a common feature of the property downturn in many other countries with similarly highly geared housing markets. While local conditions vary, overall the upside factors that are unique to the UK mainland look set to continue the awkward but stable status quo.

Shippside adds: "We're in a 'limbo-land', where a restricted number of motivated sellers are trying to match themselves up with the similarly restricted number of financially capable buyers. In many parts of the country transaction levels are limited to the number of sellers who are willing to price aggressively below the competition and can afford to do deals. It seems that this stalemate can continue indefinitely, until it is broken either by an improvement in upside factors, such as a relaxation of mortgage finance, or by a further marked deterioration in employment and a corresponding increase in forced sales at bargain-basement prices."

The upside factors that are restricting supply are:

- Supply of new sellers remains subdued at 30% below August 2007 levels, as lack of confidence and/or ability to come to market stops an oversupply of sellers from bidding each other down;
- Bank of England base rates now look set to remain unchanged until at least 2013. As well as helping those whose finances have deteriorated to service their debts and remain in their homes rather than becoming forced sellers, it is a further boost for deposit-rich buyers. Their mortgage rates are set to remain historically cheap, helping to fund their trading-up or other housing investments. This may include expansion of buy-to-let portfolios to satisfy demand from the growing number of new households, which is also encouraged by the poor returns available on most other types of investment;
- Supply of new-build properties is falling further and further behind the increase in the number of households. The UK is currently building fewer than half as many new homes as its demographics require, meaning the backlog is growing at an alarming rate;

- Mortgage approval levels have been running at a monthly average of just under 50,000 for two consecutive years, and so seem to be offering a consistent, albeit constrained, level of funding.

However, there still remain some downside risks for the housing market, which may yet lead to more significant falls in house prices:

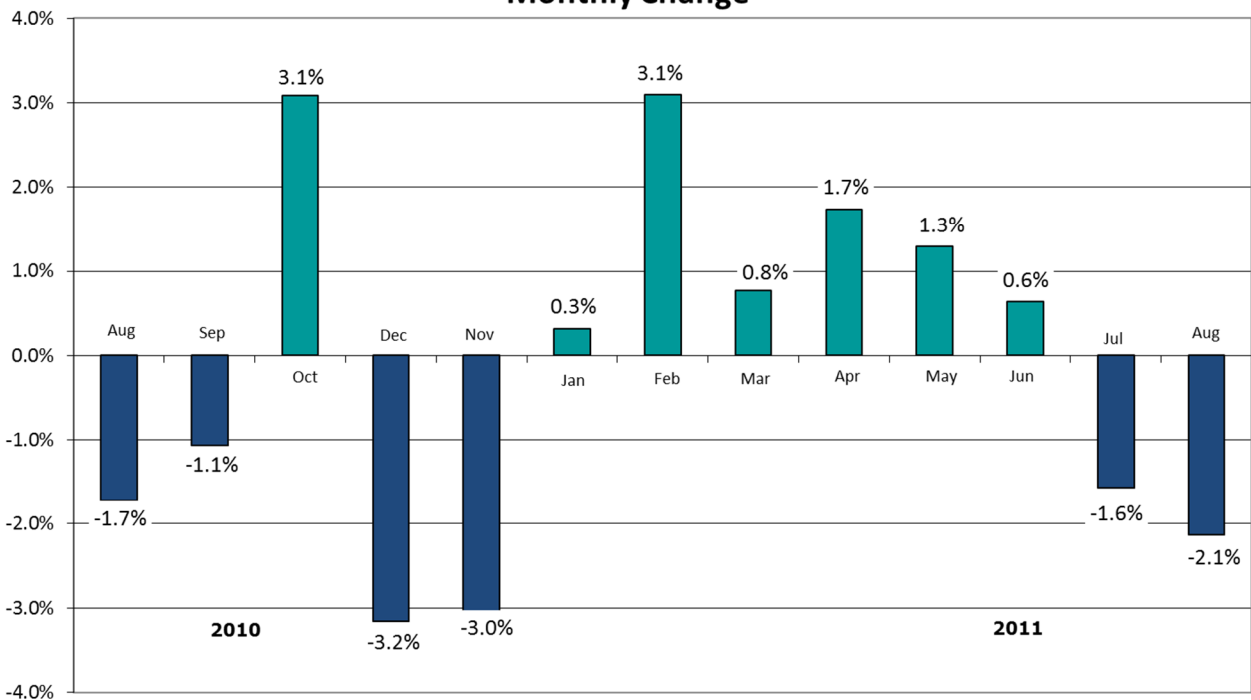
- Employment levels have thus far remained stronger than expected in the economic downturn. However, a renewed slowdown in the global economy driven by concerns about sovereign debt in the Eurozone and the United States could lead to more widespread unemployment. This in turn would both reduce the number of buyers willing and able to proceed and result in more forced sales, undermining prices in the surrounding market. Lender forbearance has been assisted by a low interest rate environment limiting the growth of arrears, plus the degree of property price resilience. Should that resilience begin to falter and undermine the value of their mortgage book, it will force lenders to adopt a harder line, leading to more forced sales and a vicious circle of further price falls;
- A further increase in sovereign debt risk would again undermine trust in the banking sector, leading to restricted inter-bank lending and an increase in inter-bank interest rates. This renewed credit squeeze and increase in the cost of borrowing would then impact mortgage availability and rates and drive down the number of buyers;
- The Bank of England could increase base rates prematurely, driving many struggling homeowners over the edge into forced sale or repossession;
- Further unanticipated shocks to the financial sector could also heighten individuals' concerns over their personal finances and damage market sentiment, leading to short-term periods of buyer paralysis.

Shipside comments: "We are four years into this journey, and it still looks like a long road ahead. The UK does not have the chronic over-supply of property seen in many other countries, due to restrictive planning laws and tight central control of local government finances, leading to low levels of new build in both social housing and the private sector. Demand for housing is high due to demographic changes, including net immigration, boosting household numbers. These factors give our housing market more balance and stability, but perversely prevent a possibly quicker but more painful route to recovery via lower prices with higher transaction volumes."

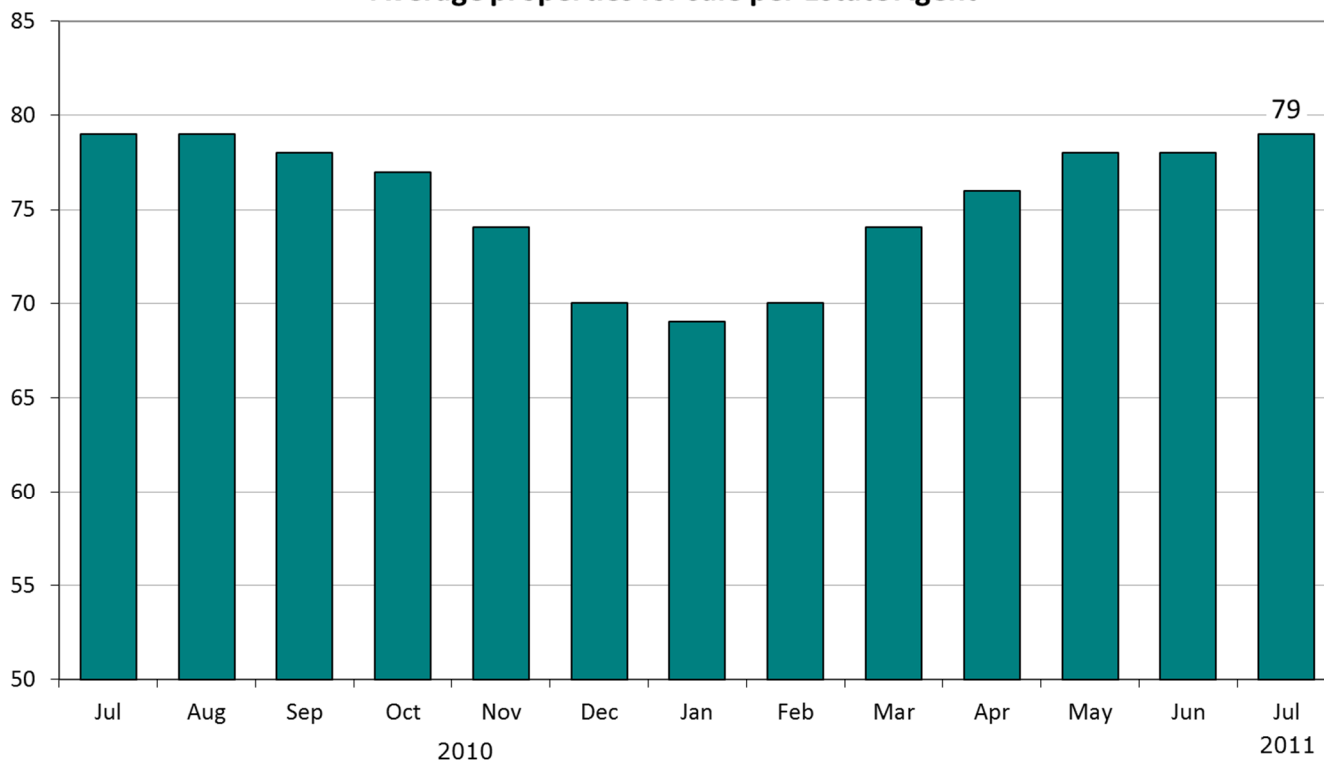
Rightmove Monthly Asking Price Trend



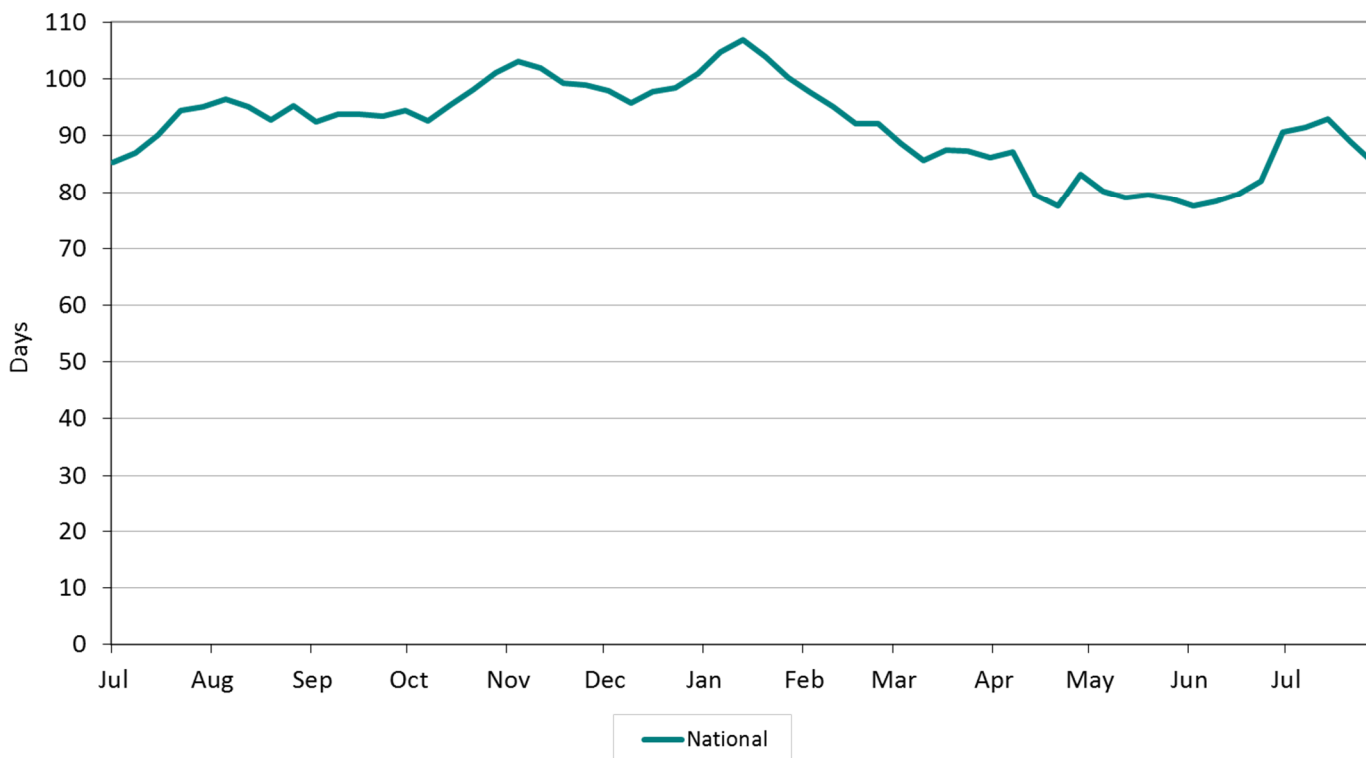
Monthly Change



Average properties for sale per Estate Agent



Time on Market Indicator (National)



Regions of England & Wales

Increases

Decreases
from previous month

North	
Avg. Price Aug 11	£149,316
Avg. Price Jul 11	£151,194
Monthly Change	-1.2%
Avg. Price Aug 10	£155,503
Annual Change	-4.0%

North West	
Avg. Price Aug 11	£162,301
Avg. Price Jul 11	£165,957
Monthly Change	-2.2%
Avg. Price Aug 10	£165,878
Annual Change	-2.2%

Yorkshire & Humberside	
Avg. Price Aug 11	£155,451
Avg. Price Jul 11	£155,269
Monthly Change	0.1%
Avg. Price Aug 10	£158,084
Annual Change	-1.7%

West Midlands	
Avg. Price Aug 11	£187,963
Avg. Price Jul 11	£192,803
Monthly Change	-2.5%
Avg. Price Aug 10	£185,736
Annual Change	1.2%

East Midlands	
Avg. Price Aug 11	£160,114
Avg. Price Jul 11	£163,133
Monthly Change	-1.9%
Avg. Price Aug 10	£169,081
Annual Change	-5.3%

Wales	
Avg. Price Aug 11	£171,744
Avg. Price Jul 11	£170,405
Monthly Change	0.8%
Avg. Price Aug 10	£169,909
Annual Change	1.1%

East Anglia	
Avg. Price Aug 11	£219,524
Avg. Price Jul 11	£223,658
Monthly Change	-1.8%
Avg. Price Aug 10	£216,800
Annual Change	1.3%

South West	
Avg. Price Aug 11	£255,825
Avg. Price Jul 11	£259,336
Monthly Change	-1.4%
Avg. Price Aug 10	£255,828
Annual Change	0.0%

Greater London	
Avg. Price Aug 11	£418,008
Avg. Price Jul 11	£432,641
Monthly Change	-3.4%
Avg. Price Aug 10	£405,058
Annual Change	3.2%

South East	
Avg. Price Aug 11	£297,119
Avg. Price Jul 11	£305,098
Monthly Change	-2.6%
Avg. Price Aug 10	£300,752
Annual Change	-1.2%

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

National Asking Price Trend

Month	Index (Jan 2002 = 100)	% Change	Avg. Price
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
July 2011	192.5	-1.6%	£236,597
August 2011	188.4	-2.1%	£231,543
Annual Change	-0.6	-0.3%	-£698

(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
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
July 2011	£348,145	£196,560	£178,694	£190,758
August 2011	£342,590	£194,781	£176,393	£190,143
Annual Change	-0.8%	-1.6%	-0.8%	+0.9%

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 August 2011

London's Top 5	Avg. Price Aug 11	Avg. Price Jul 11	Monthly Change
Ealing	£417,994	£418,735	-0.2%
Wandsworth	£582,854	£586,959	-0.7%
Richmond-upon-Thames	£601,880	£606,667	-0.8%
Kingston-upon-Thames	£606,723	£613,335	-1.1%
Camden	£786,900	£796,119	-1.2%

London's Worst Performers August 2011

London's Bottom 5	Avg. Price Aug 11	Avg. Price Jul 11	Monthly Change
Greenwich	£265,425	£277,278	-4.3%
Bexley	£202,231	£210,761	-4.0%
Southwark	£385,218	£400,626	-3.8%
Newham	£229,473	£238,231	-3.7%
Waltham Forest	£280,190	£290,610	-3.6%

London Time on Market



Released 15th August 2011

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London Boroughs

Borough	Avg. Price Aug 11	Avg. Price Jul 11	Monthly Change	Avg. Price Aug 10	Annual Change
Kensington and Chelsea	£1,779,055	£1,832,873	-2.9%	£1,793,580	-0.8%
City of Westminster	£1,288,898	£1,327,393	-2.9%	£1,195,667	7.8%
Camden	£786,900	£796,119	-1.2%	£738,095	6.6%
Hammersmith and Fulham	£755,907	£780,110	-3.1%	£747,033	1.2%
Kingston-upon-Thames	£606,723	£613,335	-1.1%	£553,527	9.6%
Brent	£603,514	£622,307	-3.0%	£526,619	14.6%
Richmond-upon-Thames	£601,880	£606,667	-0.8%	£588,576	2.3%
Wandsworth	£582,854	£586,959	-0.7%	£509,296	14.4%
Islington	£575,421	£594,105	-3.1%	£588,940	-2.3%
Barnet	£494,020	£504,729	-2.1%	£477,549	3.4%
Hounslow	£479,287	£492,306	-2.6%	£459,247	4.4%
Hackney	£476,700	£483,571	-1.4%	£466,125	2.3%
Haringey	£453,720	£469,661	-3.4%	£444,895	2.0%
Ealing	£417,994	£418,735	-0.2%	£391,417	6.8%
Lambeth	£413,920	£418,898	-1.2%	£395,671	4.6%
Merton	£408,534	£419,546	-2.6%	£395,928	3.2%
Tower Hamlets	£391,194	£403,550	-3.1%	£371,904	5.2%
Southwark	£385,218	£400,626	-3.8%	£381,017	1.1%
Hillingdon	£337,768	£344,162	-1.9%	£332,743	1.5%
Bromley	£331,470	£339,759	-2.4%	£316,657	4.7%
Lewisham	£329,290	£337,846	-2.5%	£323,365	1.8%
Harrow	£320,773	£327,037	-1.9%	£312,103	2.8%
Enfield	£319,542	£325,947	-2.0%	£328,860	-2.8%
Sutton	£318,257	£328,181	-3.0%	£307,397	3.5%
Waltham Forest	£280,190	£290,610	-3.6%	£279,081	0.4%
Redbridge	£274,451	£283,715	-3.3%	£273,782	0.2%
Greenwich	£265,425	£277,278	-4.3%	£262,240	1.2%
Croydon	£259,285	£263,842	-1.7%	£266,838	-2.8%
Havering	£244,869	£251,303	-2.6%	£243,586	0.5%
Newham	£229,473	£238,231	-3.7%	£220,976	3.8%
Barking and Dagenham	£206,224	£212,874	-3.1%	£205,977	0.1%
Bexley	£202,231	£210,761	-4.0%	£209,009	-3.2%

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

Index Comparison

	Aug 2011		Jul 2011		Jun 2011	
	House Price	Monthly change	House Price	Monthly change	House Price	Monthly change
Rightmove	£231,543	-2.1%	£236,597	-1.6%	£240,394	+0.6%
Halifax	N/A *	N/A *	£163,981	+0.3%	£163,205	+1.2%
Nationwide	N/A *	N/A *	£168,731	+0.2%	£168,205	0.0%

* 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 10,318 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.