

The Rightmove House Price Index

The largest monthly sample of residential property prices

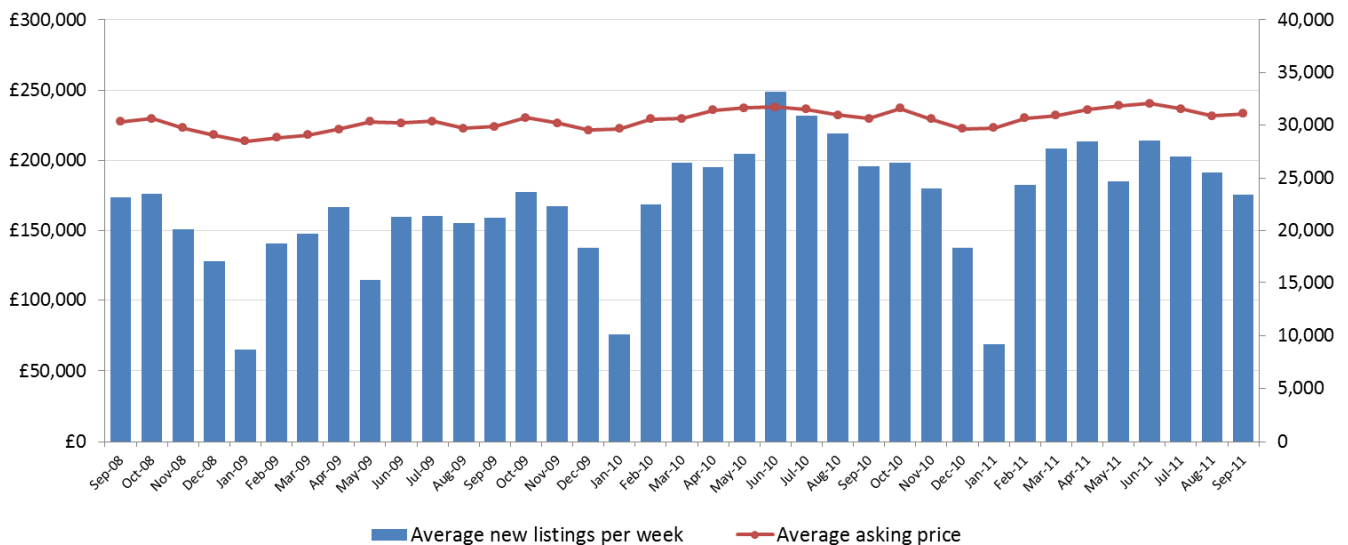
Under embargo for 00:01 hours: Monday 19th September 2011

Act now to move before Christmas

	September	August
Average Property Asking Price	£233,139	£231,543
% Change in Month	+0.7%	-2.1%
% Change in Past Year	+1.5%	-0.3%
Monthly Index (Jan 2002=100)	189.7	188.4

- New sellers' average asking prices up by 0.7% on the month, but 3.0% down over the summer period
- Two deadlines should focus the minds of frustrated sellers:
 - Christmas is 98 days away but average time on the market is 94 days, so buyers and sellers need to get serious now if they are to tie up a deal before the festive season;
 - first-time buyer stamp duty relief is due to finish on 25th March 2012.
- Market recovery appears as far away as ever three years after the collapse of Lehman Brothers, as key metrics are little changed:
 - new sellers again at 23,000 per week as lack of confidence and inability to move remains;
 - prices up by 2.5% in three years, compared with 16.4% in the previous three year period;
 - unsold stock per estate agency branch still stuck in the high 70s.
- While new planning proposals may boost housing market activity in the longer term, initiatives supporting mortgage lending such as FirstBuy are the more immediate requirement.

Average Asking Price and Average Weekly Listings (Sept 2008-Sept 2011)



Rightmove measured 117,061 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 7th August 2011 to 10th September 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 19th September 2011

Page 1 of 10

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

0845 456 8439 / press@rightmove.co.uk

Overview

This month's new sellers made up some of the holiday quarter's lost ground by upping their average asking price by 0.7% (£1,596). Heavy falls in the previous two months have still left sellers with a deficit of 3.0% (£7,255) over the three months of the summer downturn, which this year was again exacerbated by stagnant market conditions. This month is the third anniversary of the collapse of Lehman Brothers, which triggered the freeze in credit markets and wholesale mortgage funding. It is concerning that many of Rightmove's key metrics have not changed since then—indicating that recovery still remains on hold until the lending squeeze eases. Given these market conditions and the 94 day average time a property is on the market, sellers seeking to tie up a deal in the 98 days left before Christmas need to take action now to undercut and out-promote their competition.

Miles Shipside, director of Rightmove comments: "New sellers are asking £7,255 less than they were three months ago, trying to strike a balance between maximising their returns and grabbing a buyer in the brief autumn selling season. Many buyers hope to move in before the Christmas break and enjoy their turkey in their new abode. With less than 100 days left before Christmas there's an opportunity for some deadline-focused movers to do their bit to get some action into a market that is still pretty moribund three years after the financial fiascos that precipitated the downturn".

Agents report that one of the reasons why the market lacks momentum is that prospective buyers do not feel any urgency to make an offer and conclude a purchase. However, prospective buyers looking to move before the festive season should note the short timescales involved. A further and more financially significant deadline is the ending of first-time buyer stamp duty relief on the 25th of March next year. The nil-rate threshold will fall from £250,000 to £125,000, so first-time buyers should be aware that they must have completed their purchase by that date to avoid paying stamp duty of 1% of their purchase price.

Shipside adds: "It's a tight but feasible deadline to find and be in a new home for Christmas. The stamp duty relief has more teeth to bite you in the pocket if you miss it, but that is a tasty incentive as long as you beat the deadline. There are a couple of opportunities here to get a sense of urgency into buyers, something that's been sadly lacking since the collapse of Lehman's put a seemingly indelible blot in the financial landscape".

This month is the third anniversary of the collapse of Lehman Brothers, and many of Rightmove's key metrics are little changed, so a housing market recovery seems as far away as ever. The number of properties coming to market this month compared to September 2008 is equally subdued, with a weekly run-rate of 23,412 this month, just 1.2% higher than the 23,131 in the same month three years ago. Forced sales remain low, so the market has not yet been forced to address the affordability issues that are preventing many would-be buyers from taking a more active role.

Shipside observes: "The deposit-rich are able to trade up, but many mass-market rung-climbers are stuck in their current homes due to having insufficient equity to fund a large enough deposit for their next purchase. The good news is that low interest rates and static prices are keeping most of them out of the clutches of negative equity and forced sales, but those factors are also delaying a return to affordability and liquidity that would help to get the first-time buyer and volume markets moving again".

New sellers' average asking prices are also little changed compared to September 2008, when the average price of a property coming to market was £227,438. In spite of three years of unresolved financial uncertainty, this September's sellers are asking £233,139, a difference of just 2.5% or £5,701. In the previous three year period from 2005 to 2008 prices went up from an average of £195,407, an increase of 16.4% or £32,031.

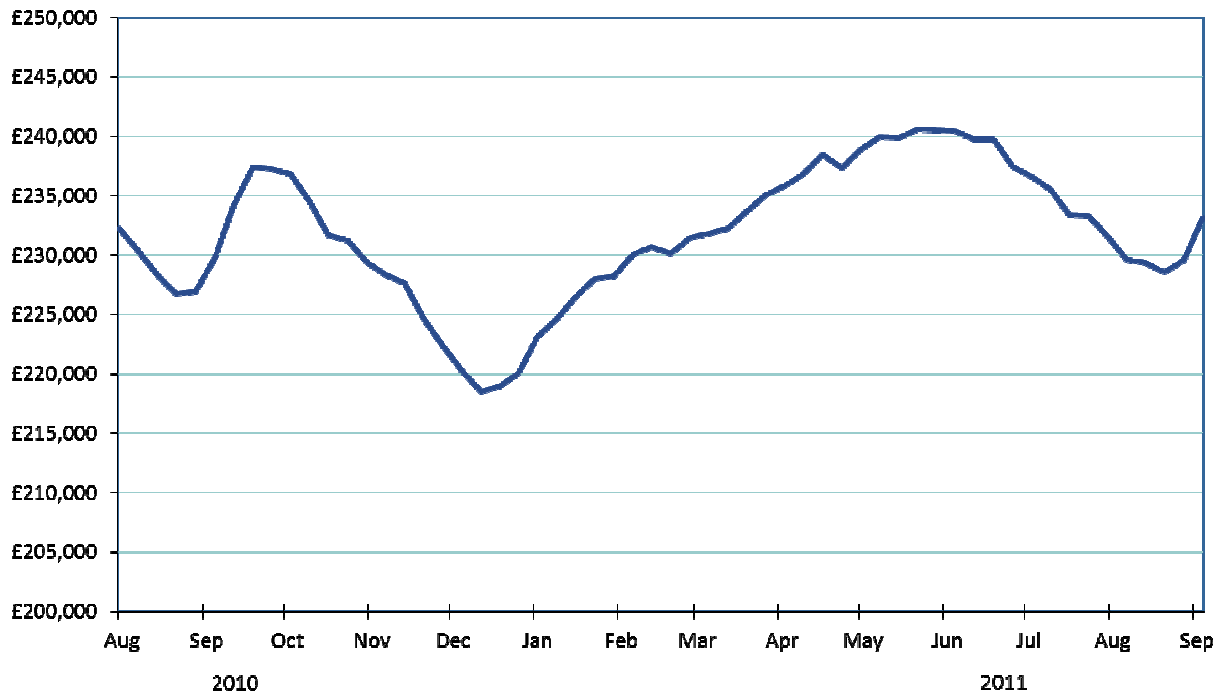
The relative shortage of property coming to market continues, helping to underpin prices. The improvement in new seller numbers measured in September 2010 now seems to have ebbed away, with the number recorded this September 10.3% down on last year. This is keeping in check the average unsold stock per estate agency branch which remains in the high 70s, though it is slightly up from 76 three years ago to its current level of 78 properties.

Shipside comments: "It's a delicate balance between the markets not being flooded with sellers desperate to sell and having enough of them to bring prices down to more affordable levels and encourage more buyer activity. Although local markets vary, at a national level it still seems that sellers have the upper hand in being able to hold out for higher prices. Buyers can retaliate by not buying, but do not have the power to force many sellers to take lower offers. The result is a stalemate and continuing stagnation in the number of sales transactions and successful moves".

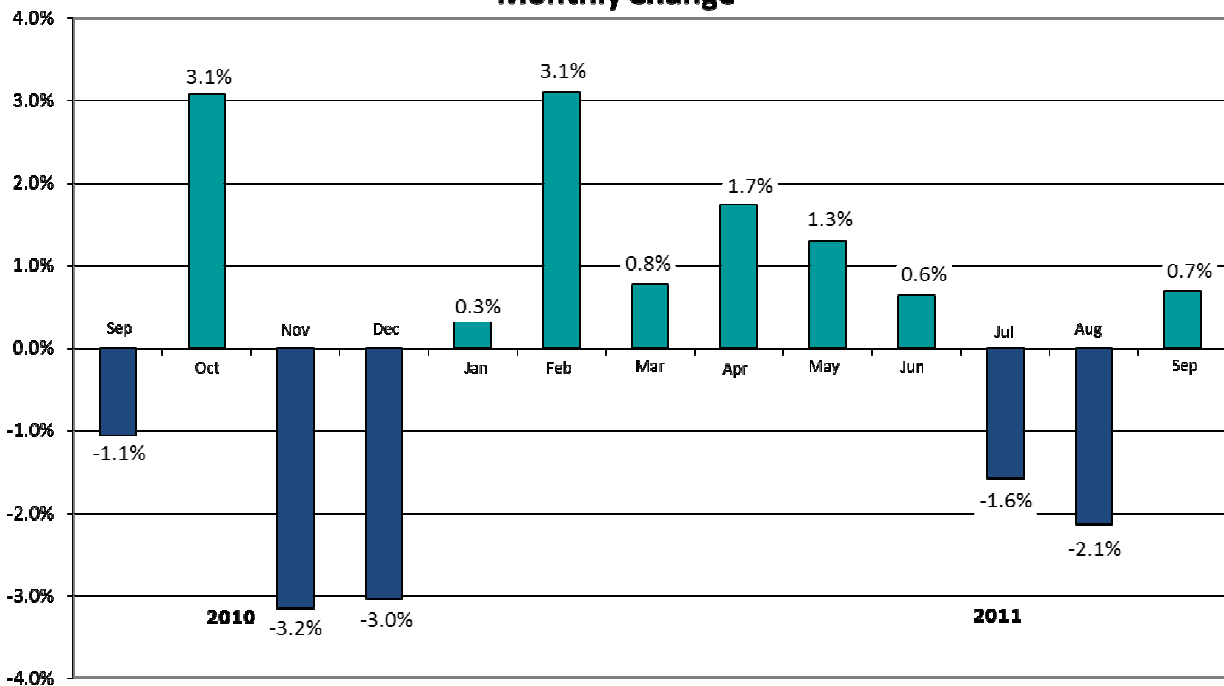
The market needs and seeks solutions to boost housing activity. Government proposals to liberalise local planning laws are partly justified by a view that they will promote economic activity as well as providing a greater supply of affordable homes to meet demographic needs. However, the lead-time before developments come to market means that any benefits will take several years to come to fruition. While catering for future needs, they will do nothing to boost housing market activity now, at a time when, arguably, the impact and need is greater. The recently launched new-build FirstBuy deposit assistance initiative is an example of an incentive that, while limited in number, has created considerable interest.

Shipside comments: "Planning relaxation may help to boost housing market and economic activity in three or four years' time, but it does nothing to help the market now. The continuing lack of attractive mortgage products with higher loan-to-value ratios is stalling a housing market recovery, as first-time buyers or existing homeowners with little or no equity are faced with years of saving to raise the necessary deposits. The risk is that the current turmoil in the financial markets, which would be exacerbated by a Greek default, could make lending criteria even tighter at a time when they appeared to be easing slightly".

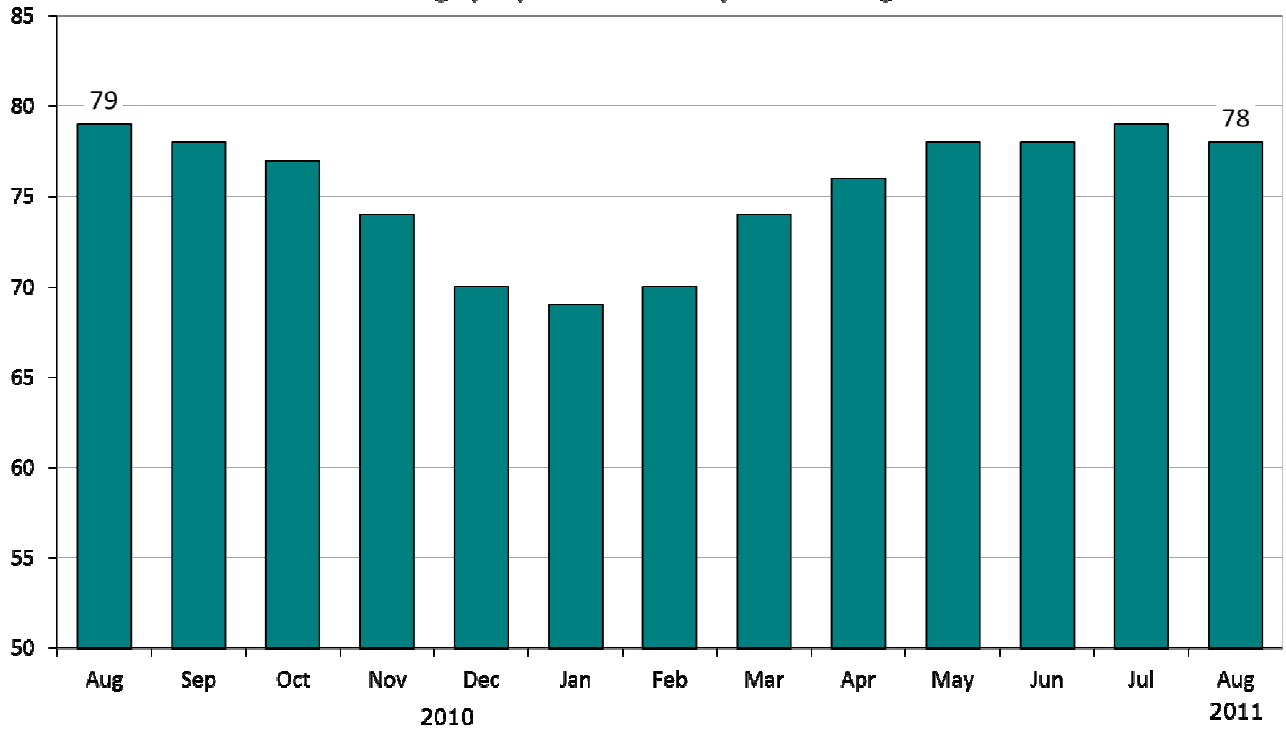
Rightmove Monthly Asking Price Trend



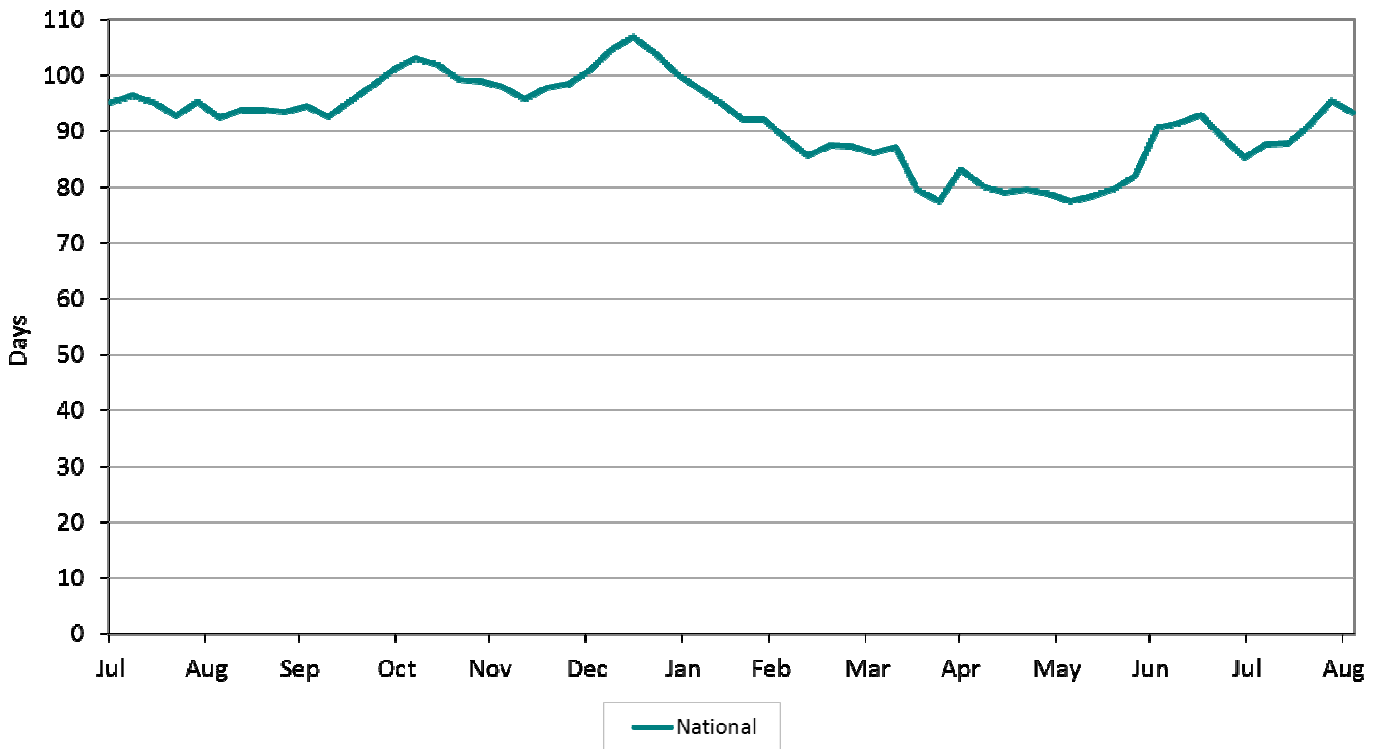
Monthly Change



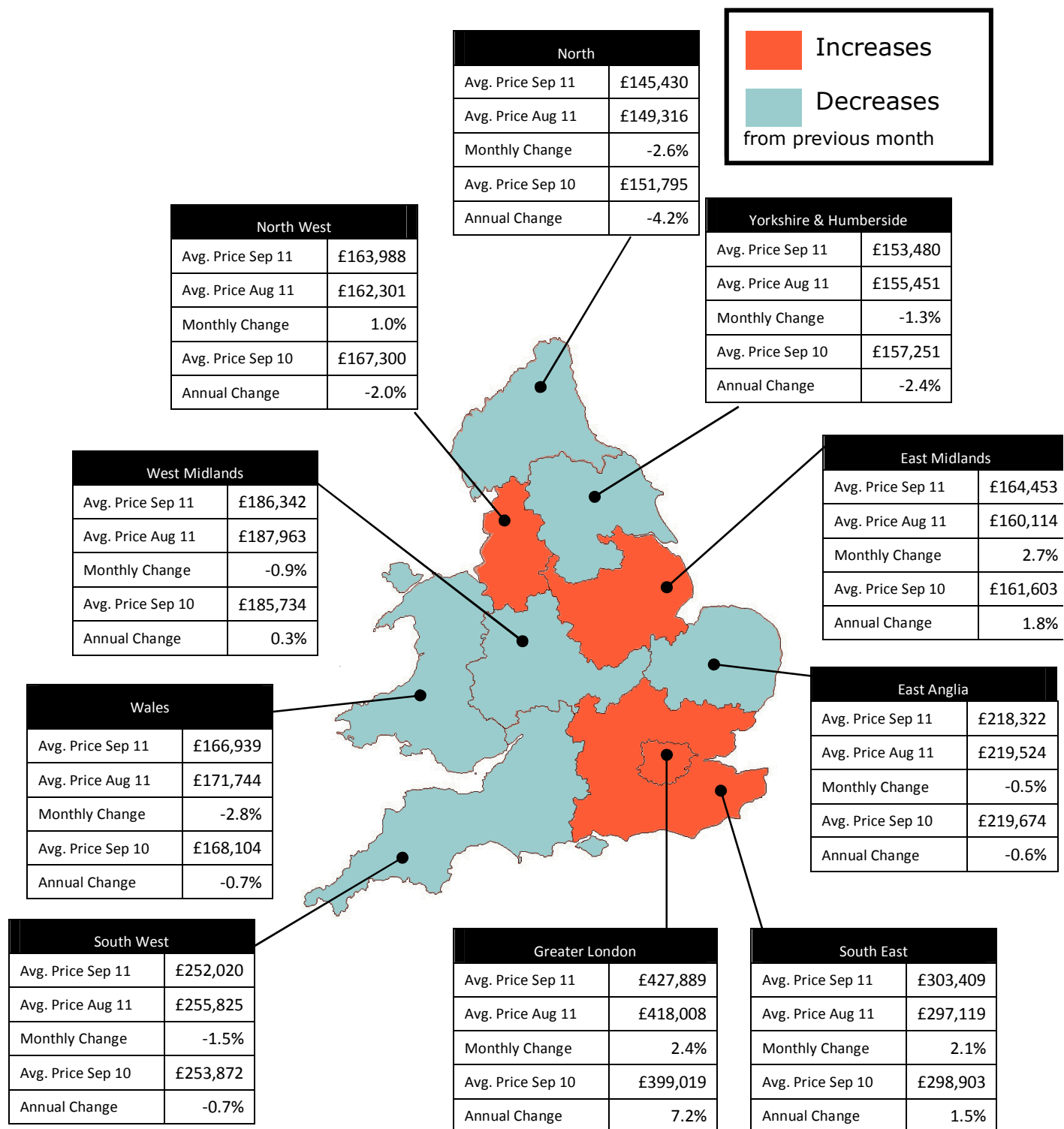
Average properties for sale per Estate Agent



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

National Asking Price Trend

Month	Index (Jan 2002 = 100)	% Change	Avg. Price
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
September 2011	189.7	+0.7%	£233,139
Annual Change	+2.8	+1.5%	+£3,372

(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
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
September 2011	£342,687	£194,642	£178,505	£189,427
Annual Change	0.0%	-1.1%	+2.1%	+3.1%

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 September 2011

London's Top 5	Avg. Price Sep 11	Avg. Price Aug 11	Monthly Change
Sutton	£334,734	£318,257	5.2%
Merton	£428,439	£408,534	4.9%
Croydon	£271,470	£259,285	4.7%
Islington	£601,151	£575,421	4.5%
Bexley	£211,030	£202,231	4.4%

London's Worst Performers September 2011

London's Bottom 5	Avg. Price Sep 11	Avg. Price Aug 11	Monthly Change
Hounslow	£467,952	£479,287	-2.4%
Wandsworth	£572,375	£582,854	-1.8%
Hammersmith and Fulham	£754,053	£755,907	-0.2%
Kingston-upon-Thames	£605,738	£606,723	-0.2%
Brent	£603,934	£603,514	0.1%

London Time on Market

Time on Market Indicator (London)



London Boroughs

Borough	Avg. Price Sep 11	Avg. Price Aug 11	Monthly Change	Avg. Price Sep 10	Annual Change
Kensington and Chelsea	£1,798,547	£1,779,055	1.1%	£1,702,146	5.7%
City of Westminster	£1,314,396	£1,288,898	2.0%	£1,122,055	17.1%
Camden	£794,320	£786,900	0.9%	£706,896	12.4%
Hammersmith and Fulham	£754,053	£755,907	-0.2%	£685,263	10.0%
Kingston-upon-Thames	£605,738	£606,723	-0.2%	£538,860	12.4%
Brent	£603,934	£603,514	0.1%	£506,533	19.2%
Richmond-upon-Thames	£602,856	£601,880	0.2%	£555,124	8.6%
Islington	£601,151	£575,421	4.5%	£579,696	3.7%
Wandsworth	£572,375	£582,854	-1.8%	£499,121	14.7%
Barnet	£502,585	£494,020	1.7%	£460,258	9.2%
Hackney	£496,453	£476,700	4.1%	£465,349	6.7%
Hounslow	£467,952	£479,287	-2.4%	£460,570	1.6%
Haringey	£462,308	£453,720	1.9%	£427,137	8.2%
Merton	£428,439	£408,534	4.9%	£395,536	8.3%
Lambeth	£427,769	£413,920	3.3%	£391,341	9.3%
Ealing	£426,249	£417,994	2.0%	£384,912	10.7%
Tower Hamlets	£399,887	£391,194	2.2%	£383,011	4.4%
Southwark	£393,986	£385,218	2.3%	£378,544	4.1%
Hillingdon	£347,106	£337,768	2.8%	£337,276	2.9%
Lewisham	£338,845	£329,290	2.9%	£322,532	5.1%
Sutton	£334,734	£318,257	5.2%	£313,756	6.7%
Bromley	£333,872	£331,470	0.7%	£312,625	6.8%
Harrow	£329,659	£320,773	2.8%	£312,481	5.5%
Enfield	£327,765	£319,542	2.6%	£319,034	2.7%
Waltham Forest	£284,374	£280,190	1.5%	£274,708	3.5%
Redbridge	£284,121	£274,451	3.5%	£270,780	4.9%
Greenwich	£274,357	£265,425	3.4%	£262,916	4.4%
Croydon	£271,470	£259,285	4.7%	£269,347	0.8%
Havering	£251,955	£244,869	2.9%	£244,510	3.0%
Newham	£234,283	£229,473	2.1%	£221,252	5.9%
Barking and Dagenham	£211,725	£206,224	2.7%	£207,669	2.0%
Bexley	£211,030	£202,231	4.4%	£206,902	2.0%

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

Index Comparison

	Sep 2011		Aug 2011		Jul 2011	
	House Price	Monthly change	House Price	Monthly change	House Price	Monthly change
Rightmove	£233,139	+0.7%	£231,543	-2.1%	£236,597	-1.6%
Halifax	N/A *	N/A *	£161,743	-1.2%	£163,981	+0.3%
Nationwide	N/A *	N/A *	£165,914	-0.6%	£168,731	+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 14,132 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.