

# The Rightmove House Price Index

The largest monthly sample of residential property prices

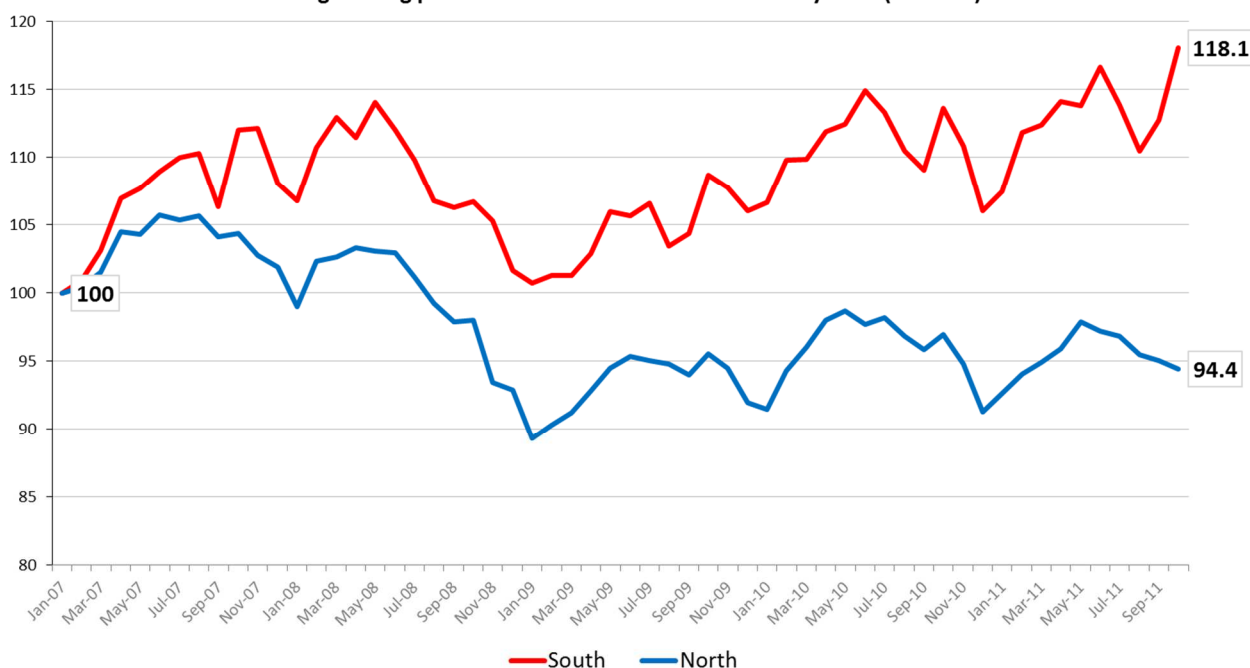
*Under embargo for 00:01 hours: Monday 17<sup>th</sup> October 2011*

## Widest ever price gulf between the north and south

	October	September
Average Property Asking Price	£239,672	£233,139
% Change in Month	+2.8%	+0.7%
% Change in Past Year	+1.2%	+1.5%
Monthly Index (Jan 2002=100)	195.0	189.7

- National rise of 2.8% (£6,533) in new sellers' asking prices masks two-tier UK property market
- Asking prices in the south rise by 4.7% to set new records while the north falls back 0.7% to levels first achieved over six years ago in May 2005
- Average property prices in the south (£336,743) are now more than double those in the north (£164,347)
- Highest mortgage approvals since November 2009, indicating a slight easing in the mortgage famine, with low-rate deals likely to help home movers in the deposit-rich south while public sector job losses hit prices in the north

**THE NORTH-SOUTH PRICE GAP**  
Average asking prices for north and south since January 2007 (Indexed)



Rightmove measured 98,402 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 11<sup>th</sup> September 2011 to 8<sup>th</sup> October 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 17<sup>th</sup> October 2011

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## Overview

The 2.8% monthly rise in new sellers' average asking prices, and a two year high in mortgage approvals are positive signals, although they mask the tough state of the market in the north of the country while highlighting the more buoyant conditions in the south. The gulf in average asking prices is now the highest Rightmove has ever recorded, with prices in the south (£336,743) now more than double those in the north (£164,347).

Miles Shippside, director of Rightmove comments: "Wider access to mortgages and rising asking prices are early signs of increasing demand, giving home owners some grounds for hope of a market recovery. However, the reality is that there is further evidence of the two-tier twist which is dogging the return to more widespread liquidity in the housing market. While those in the affluent south may have cause to celebrate their prices being well up on this time last year, prices in the north continue to go backwards, leaving the widest price gap ever. For the average asking price of a property in the south you could now buy two average properties in the north and still have enough change left to buy new carpets and curtains."

While there was a 2.8% national average increase in new sellers' asking prices compared to last month, the driver of the rise was the 4.7% uplift in the southern regions (London, South East, South West and East Anglia). The northern regions (Wales, West Midlands, East Midlands, Yorkshire & Humberside, North West and North) actually recorded a 0.7% month-on-month fall. The south's ability to perform better despite the continuing global financial crisis and resultant credit squeeze is further highlighted by property coming to the market at all-time price highs in both the London and South East regions. London's £450,210 is 2.6% higher than the previous record set in June this year, while the £317,055 seen in the South East is 0.2% up on the previous high in May 2008.

Shippside comments: "Existing home-owners in the highest priced regions are seeing the value of their bricks and mortar increase even further, though it is at the expense of buyers who are faced with the highest ever asking prices. Those trading up will benefit from already being on the housing ladder, though the gap to trade up to the next rung is a bigger financial leap when prices rise like this and desirable homes are in short supply. Those who are not property owners, such as first-time buyers or those taking an ownership break in the rented sector, will either have to spend more or compromise on what they can afford".

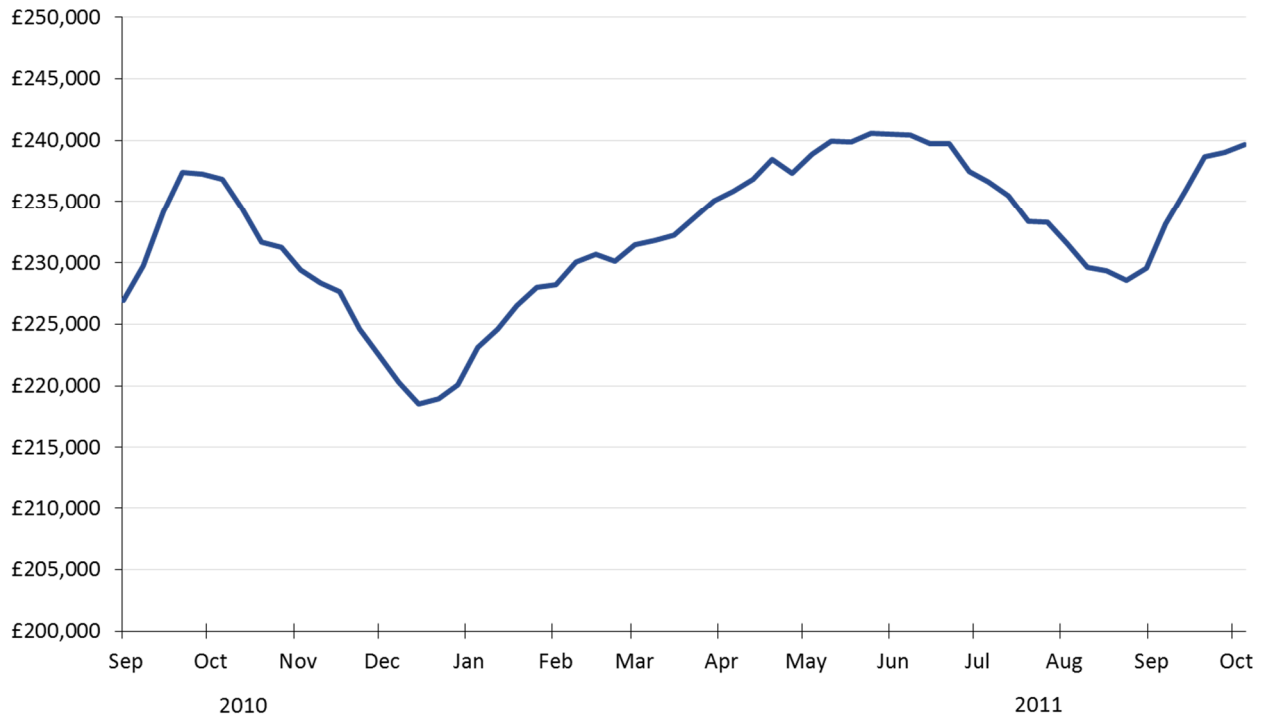
Compared to the beginning of the credit crunch four years ago, prices of properties coming to market have risen by 5.4% in the south but fallen by 9.6% in the north. In the last year, sellers coming to the market in the north have on average reduced their asking prices by 2.6%, while those in the south have felt able to put them up by 3.9%. Price decreases usually result when negative sentiment, influenced by uncertainty around employment and tightening of finances, rises. Of the seven UK regions with the highest unemployment levels six are in the north, so employment concerns, especially in the public sector, will be exerting downwards pressure on prices and activity in many northern areas. This will be exacerbated by lenders favouring buyers with higher deposits, where the less affluent north also fares poorly.

Shippside adds: "There is quite a simple formula to generate activity in the housing market, and access to finance through the ability to raise a substantial deposit and a secure job to fund repayments are the key variables. If prices are perceived to be rising then buyers are afraid that their dream home could move out of their reach unless they act quickly. These drivers of higher volumes of transactions and more buoyant conditions are more prevalent in the south".

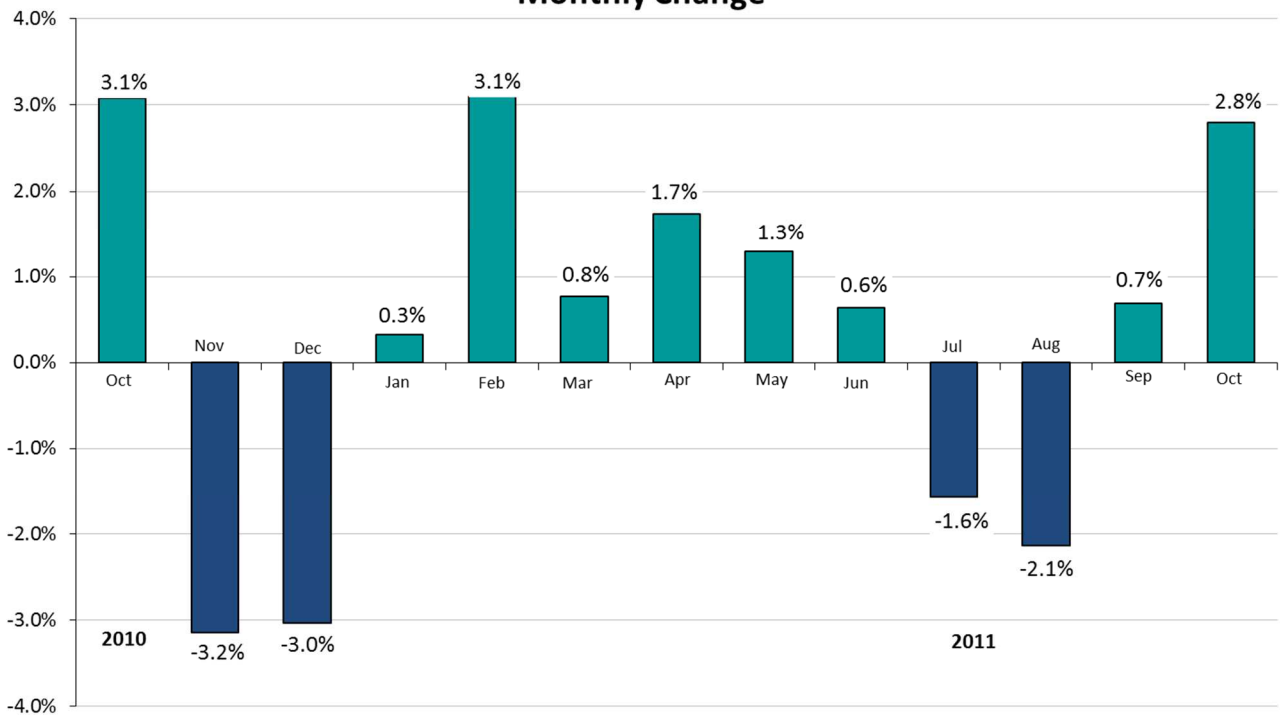
At 52,410 the Bank of England's mortgage approval figures for August (seasonally adjusted) are at their highest level since the end of 2009. While still half the average number seen from 2000 to 2006, it is worth noting that they are nearly twice the 26,333 seen during the trough in April 2008. With base rates at record lows and more competition among lenders for higher deposit borrowers, those with sufficient equity have more opportunity to trade up, especially if there is the incentive of rising prices. With mortgage approvals recovering to levels similar to two years ago, it seems that owners in London are enjoying the biggest growth in equity and should be feeling positive about trading up. However, there are signs that the distance to the next rung of the ladder may be getting too high for some in the capital as the number of new sellers coming to market is 13.9% down compared to this time last year.

Shippside concludes: "Low rate mortgage deals will only benefit those with the requisite high deposits, and at the moment the best equity growth has been seen in the London market. With record prices in the capital, some will be priced out of the best areas and will either have to stay put or look for value further afield. If they are looking to move to the north of the country, the growing price gap will let them buy a lot more house for their money".

## Rightmove Monthly Asking Price Trend



## Monthly Change



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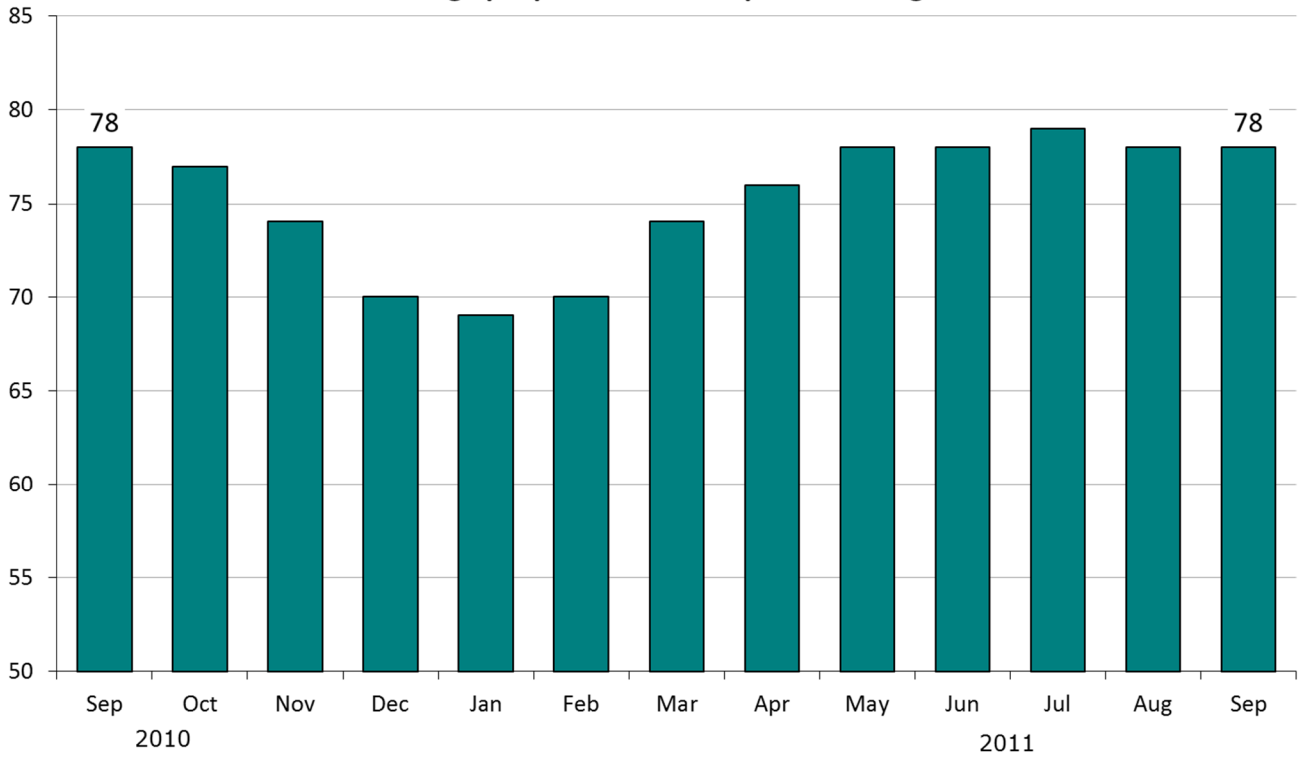
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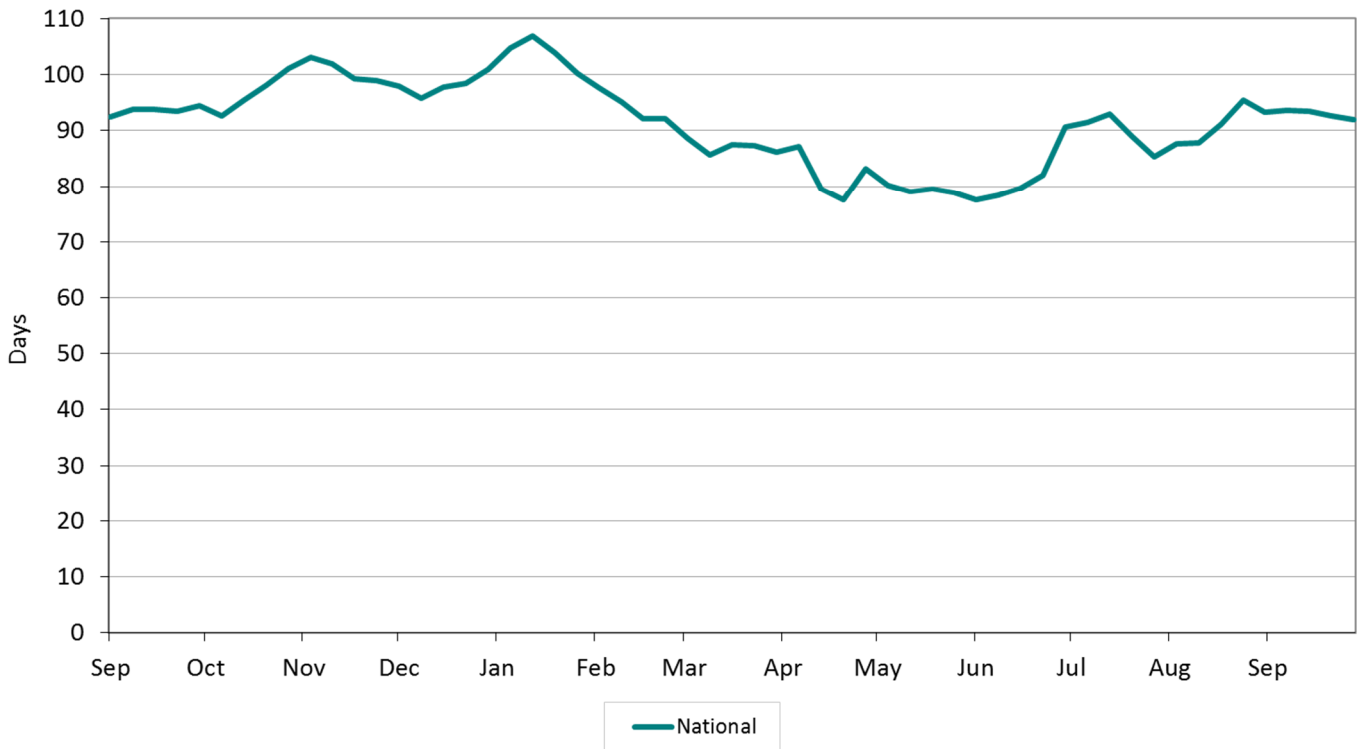
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### Average properties for sale per Estate Agent



### Time on Market Indicator (National)



# Regions of England & Wales

**Increases**

**Decreases**  
from previous month

North	
Avg. Price Oct 11	£145,585
Avg. Price Sep 11	£145,430
Monthly Change	0.1%
Avg. Price Oct 10	£151,937
Annual Change	-4.2%

North West	
Avg. Price Oct 11	£161,797
Avg. Price Sep 11	£163,988
Monthly Change	-1.3%
Avg. Price Oct 10	£163,390
Annual Change	-1.0%

Yorkshire & Humberside	
Avg. Price Oct 11	£154,498
Avg. Price Sep 11	£153,480
Monthly Change	0.7%
Avg. Price Oct 10	£159,959
Annual Change	-3.4%

West Midlands	
Avg. Price Oct 11	£185,695
Avg. Price Sep 11	£186,342
Monthly Change	-0.3%
Avg. Price Oct 10	£190,624
Annual Change	-2.6%

East Midlands	
Avg. Price Oct 11	£159,341
Avg. Price Sep 11	£164,453
Monthly Change	-3.1%
Avg. Price Oct 10	£168,623
Annual Change	-5.5%

Wales	
Avg. Price Oct 11	£165,597
Avg. Price Sep 11	£166,939
Monthly Change	-0.8%
Avg. Price Oct 10	£167,041
Annual Change	-0.9%

East Anglia	
Avg. Price Oct 11	£227,549
Avg. Price Sep 11	£218,322
Monthly Change	4.2%
Avg. Price Oct 10	£221,336
Annual Change	2.8%

South West	
Avg. Price Oct 11	£262,675
Avg. Price Sep 11	£252,020
Monthly Change	4.2%
Avg. Price Oct 10	£259,744
Annual Change	1.1%

Greater London	
Avg. Price Oct 11	£450,210
Avg. Price Sep 11	£427,889
Monthly Change	5.2%
Avg. Price Oct 10	£418,778
Annual Change	7.5%

South East	
Avg. Price Oct 11	£317,055
Avg. Price Sep 11	£303,409
Monthly Change	4.5%
Avg. Price Oct 10	£304,792
Annual Change	4.0%

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

## National Asking Price Trend

Month	Index (Jan 2002 = 100)	% Change	Avg. Price
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
October 2011	195.0	+2.8%	£239,672
<b>Annual Change</b>	<b>+2.3</b>	<b>+1.2%</b>	<b>+£2,823</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
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
October 2011	£346,883	£198,267	£179,626	£194,545
<b>Annual Change</b>	<b>-1.5%</b>	<b>-0.3%</b>	<b>-0.6%</b>	<b>+3.7%</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 October 2011

London's Top 5	Avg. Price Oct 11	Avg. Price Sep 11	Monthly Change
Kensington and Chelsea	£1,917,895	£1,798,547	6.6%
Havering	£268,099	£251,955	6.4%
Wandsworth	£608,956	£572,375	6.4%
Croydon	£288,465	£271,470	6.3%
Hammersmith and Fulham	£800,984	£754,053	6.2%

## London's Worst Performers October 2011

London's Bottom 5	Avg. Price Oct 11	Avg. Price Sep 11	Monthly Change
Brent	£604,816	£603,934	0.1%
Kingston-upon-Thames	£619,285	£605,738	2.2%
Bromley	£341,401	£333,872	2.3%
Merton	£441,283	£428,439	3.0%
Hackney	£511,801	£496,453	3.1%

## London Time on Market

Time on Market Indicator (London)



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## London Boroughs

Borough	Avg. Price Oct 11	Avg. Price Sep 11	Monthly Change	Avg. Price Oct 10	Annual Change
Kensington and Chelsea	£1,917,895	£1,798,547	6.6%	£1,825,664	5.1%
City of Westminster	£1,362,985	£1,314,396	3.7%	£1,152,784	18.2%
Camden	£840,007	£794,320	5.8%	£740,502	13.4%
Hammersmith and Fulham	£800,984	£754,053	6.2%	£697,616	14.8%
Richmond-upon-Thames	£630,871	£602,856	4.6%	£582,900	8.2%
Islington	£624,246	£601,151	3.8%	£596,340	4.7%
Kingston-upon-Thames	£619,285	£605,738	2.2%	£580,334	6.7%
Wandsworth	£608,956	£572,375	6.4%	£536,720	13.5%
Brent	£604,816	£603,934	0.1%	£510,303	18.5%
Barnet	£526,880	£502,585	4.8%	£492,254	7.0%
Hackney	£511,801	£496,453	3.1%	£493,300	3.8%
Haringey	£490,986	£462,308	6.2%	£445,116	10.3%
Hounslow	£486,712	£467,952	4.0%	£491,824	-1.0%
Lambeth	£453,970	£427,769	6.1%	£416,693	8.9%
Ealing	£443,829	£426,249	4.1%	£413,318	7.4%
Merton	£441,283	£428,439	3.0%	£409,547	7.7%
Tower Hamlets	£418,521	£399,887	4.7%	£402,157	4.1%
Southwark	£417,673	£393,986	6.0%	£399,352	4.6%
Hillingdon	£360,694	£347,106	3.9%	£357,513	0.9%
Lewisham	£354,879	£338,845	4.7%	£339,239	4.6%
Sutton	£349,352	£334,734	4.4%	£331,327	5.4%
Harrow	£345,629	£329,659	4.8%	£329,570	4.9%
Enfield	£342,454	£327,765	4.5%	£335,883	2.0%
Bromley	£341,401	£333,872	2.3%	£325,728	4.8%
Waltham Forest	£298,208	£284,374	4.9%	£285,498	4.5%
Redbridge	£297,121	£284,121	4.6%	£283,185	4.9%
Croydon	£288,465	£271,470	6.3%	£281,516	2.5%
Greenwich	£284,281	£274,357	3.6%	£272,126	4.5%
Havering	£268,099	£251,955	6.4%	£256,025	4.7%
Newham	£245,472	£234,283	4.8%	£230,365	6.6%
Barking and Dagenham	£223,131	£211,725	5.4%	£218,831	2.0%
Bexley	£218,636	£211,030	3.6%	£219,011	-0.2%

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

## Index Comparison

	Oct 2011		Sep 2011		Aug 2011	
	House Price	Monthly change	House Price	Monthly change	House Price	Monthly change
Rightmove	£239,672	+2.8%	£233,139	+0.7%	£231,543	-2.1%
Halifax	N/A *	N/A *	£161,132	-0.5%	£161,743	-1.2%
Nationwide	N/A *	N/A *	£166,256	+0.1%	£165,914	-0.6%

\* 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 11,051 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.