

The Rightmove House Price Index

The largest monthly sample of residential property prices

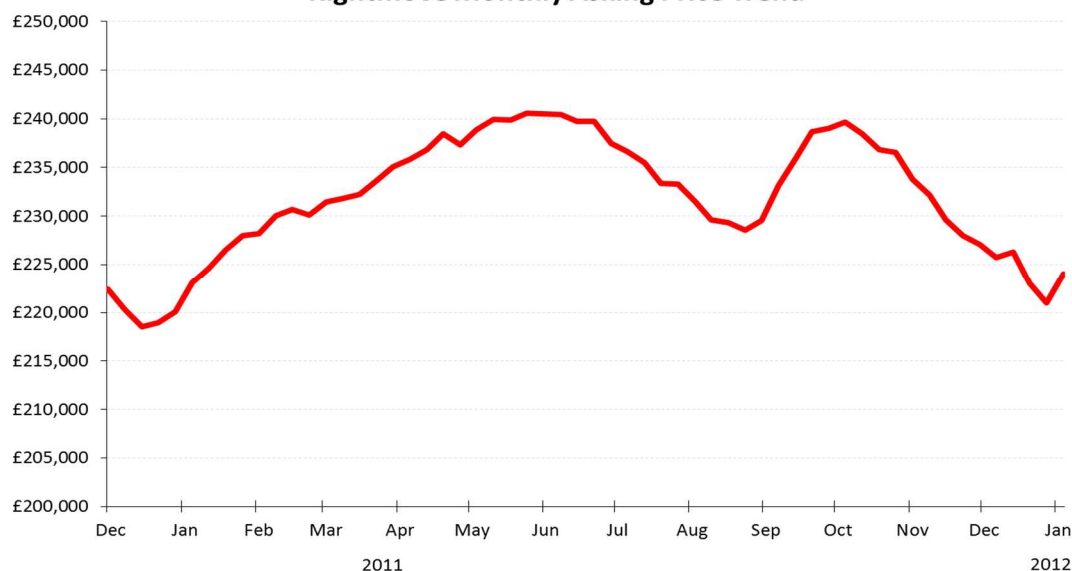
Under embargo for 00:01 hours: Monday 16th January 2012

Search activity up 27%, but lowest ever number of new sellers

	January	December
Average Property Asking Price	£224,060	£225,766
% Change in Month	-0.8%	-2.7%
% Change in Past Year	+0.4%	+1.5%
Monthly Index (Jan 2002=100)	182.3	183.7

- Record level of search activity as value-seeking buyers face the smallest ever choice of new listings
 - 44 million property searches in first 10 days of 2012, up 27% on 2011, highlighting pent-up demand held back by ongoing mortgage famine
 - Estate agents marketing less than one new property per week per branch, the lowest ever seen
- First week of 2012 sees asking prices rise by 1.4%, though prices still down 0.8% on the month - an early indicator that a new seller shortage is likely to underpin prices this year, especially in 'micro-markets' where supply is limited
- 2012 Winners: deposit-assisted first-time buyers, equity-blessed trader-uppers, savvy buy-to-let investors, some golden-oldies, and those selling properties 'with a difference'
- 2012 Losers: trapped renters and sellers of 'average' homes unwilling or unable to offer a cut-price deal

Rightmove Monthly Asking Price Trend



Rightmove measured 36,433 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 11th December 2011 to 7th January 2012 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 16th January 2012

Page 1 of 10

Copyright © 2012, Rightmove plc

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

0845 456 8439 or press@rightmove.co.uk

Overview

Rightmove's early indicators of housing market activity in 2012 show that interest in buying is strong despite the lack of mortgage finance, though the willingness or ability of new sellers to come to market remains weak. Search activity on Rightmove during the first 10 days of 2012 reached new record heights, up by 27% on the same period in 2011, as prospective movers intensively research the market. However, they are faced with the lowest level of new supply per estate agency branch that Rightmove has ever recorded – an average of less than one new listing per branch per week.

Miles Shipside, director of Rightmove comments: "Old records are being shattered as search activity is up by a staggering 27% on this time last year. Potential buyers and sellers are looking more often and researching more thoroughly. In areas where there is a lot of property up for sale, buyers are looking hard for properties that tempt them with something really special in terms of value, potential, location or quality of finish. If it doesn't shout 'special' then they are unlikely to overpay for the privilege of buying an average property in these mortgage-constrained times. In locations where there is little stock for sale, they appear to have become online junkies, ready to pounce on fresh property coming to market to see if it will satisfy their housing need. This search-addiction is in part caused by each estate agency branches currently listing an average of less than one new property per week, an all-time low and around half of pre-credit crunch levels. The market is stuck in a low transaction volume pit that will be hard to escape from without the mortgage funding to satisfy what appears to be strong pent-up demand."

There have been more than 44 million property searches on Rightmove during the first ten days of 2012. While this doesn't necessarily indicate a surge in proceedable buyer numbers, it does highlight a strong pent-up demand to move and is also a reflection that value-seeking buyers who can proceed are taking extra care to research the market. It also emphasises the fact that, were a larger number of mortgages available to the market, the interest, confidence and necessity to buy would lift the current muted sales transaction numbers from the virtual subsistence level of the last three years.

As well as less property coming to market there is less available stock already on the market compared to the same period last year. Average unsold stock per estate agency branch is 66, the lowest we have measured since February 2010. The 36,433 properties coming to market this month equate to an average of less than one new listing per branch per week. This is the lowest recorded in the ten years of Rightmove's House Price Index and around half of pre-credit crunch levels. Agents report prospective sellers are being deterred by a combination of a shortage of confidence, lack of choice of property to buy and restrictive mortgage lending. Depending on local market conditions, there will be differing pressures on the direction of prices. The lack of property coming to market in some areas will help to underpin new sellers' asking prices in those locations, especially as estate agents compete to attract fresh stock for the new year. January often sees the beginning of a 'spring bounce' in the asking prices of properties coming to market, and there is again evidence of this with an increase of 1.4% in the first week of 2012. This is masked within the overall monthly price fall of 0.8%. In spite of the challenging market, year-on-year asking prices remain virtually unchanged, up by a nominal 0.4%, though with RPI running at 5.2% this represents a fall in real terms.

Shipside explains: "The increased market fragmentation caused by the credit crunch means that success in selling now requires a very careful and complex micro-market analysis, rather than a wishful price-punt to see what happens. There can be hotspots and blackspots by property type within the same geographic location depending on local buyer confidence, demographics and their ability to obtain a mortgage, so doing your research and taking expert advice are critical. There will be upwards price pressure where the local market is short of a type or style of stock. In these areas, getting your property onto the market soon could be to a seller's advantage given the strong upsurge in property search activity."

Rightmove forecasts that the market will remain challenging and fragmented during 2012. There are opportunities and threats within local micro-markets for different categories of buyers and sellers. Some of the groups that stand out as potential winners and losers in 2012 are:

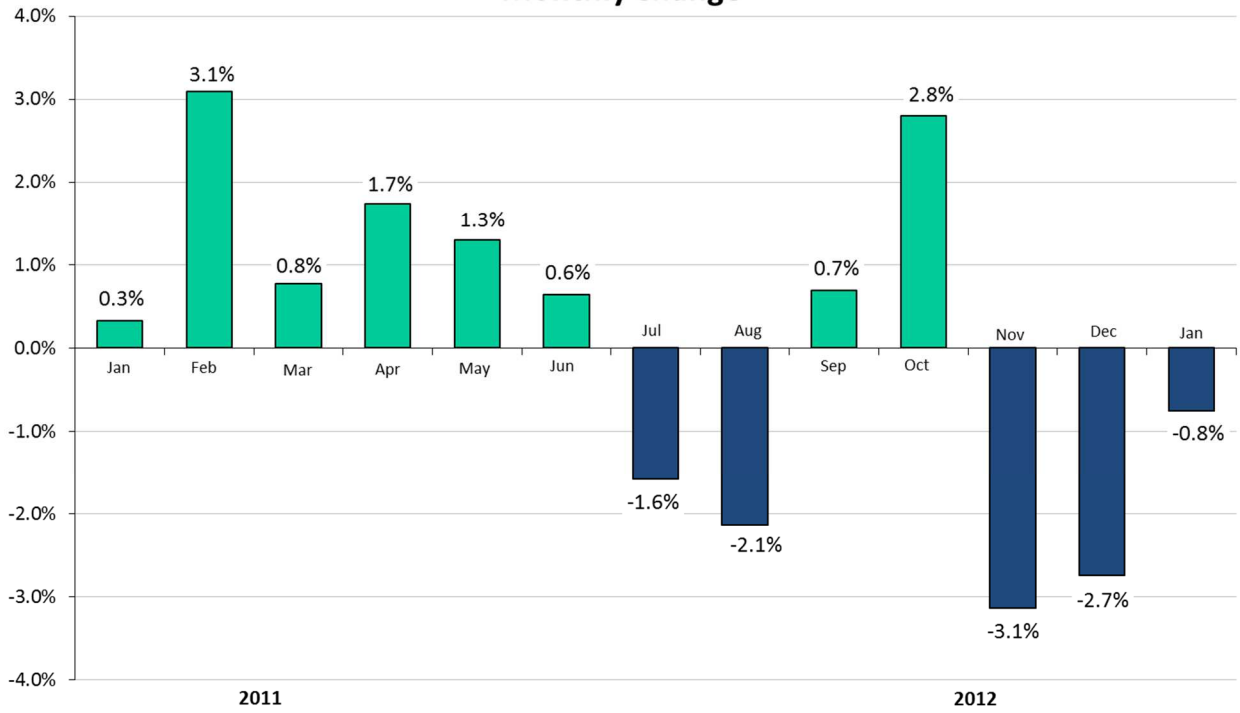
Winners in 2012:

- **The Mortgage-Ready.** Deposit-assisted first-time buyers and equity-blessed trader-uppers will be able to access historically cheap mortgage deals and be sought after and fought over by sellers in areas of property over supply. Shipline comments: "Mortgage-ready first-time buyers have lots of bargaining power. Some will benefit from parental assistance. Others, who wish to buy a new build home, can benefit from a variety of schemes such as FirstBuy and the imminent Government-backed mortgage indemnity guarantee, aimed at assisting them to realise their dream of home ownership. Those who are selling to trade up will have to offer good value on their sale, but should be able to offset any reduction by negotiating hard on their purchase."
- **Savvy Buy-To-Letters.** Buy-to-let investors who can identify where tenant demand and rental levels will give good secure returns compared to local capital values are being strongly courted by lenders. Shipline explains: "There are nearly three times more buy-to-let mortgage products available than two years ago. With low yields on most alternative investments, 2012 is potentially a good year for investor landlords to expand their portfolios."
- **The Special Ones.** Those selling properties 'with a difference' have an opportunity to stand out from the crowd, especially if they operate in a micro-market where there is a shortage of supply of their property type or style. Shipline adds: "With discerning buyers seeking value, estate agents will be competing hard to attract the attention of owners who are selling a property that offers something special."
- **Golden-Oldies.** Agents report that in locations of low stock for sale and shortages of fresh stock coming to market, some properties that have been on the market for a long time are now attracting interest. Shipline comments: "New-on-the-block potential buyers will look at everything that is available no matter how long it has been for sale, while due to the lack of choice, more long-standing searchers are re-considering properties that they have previously discarded. Relaunching a stale property by combining a price reduction with refreshing of photographs to show off previously hidden 'golden features' of a stale property could do the trick with this upsurge in buyer interest."

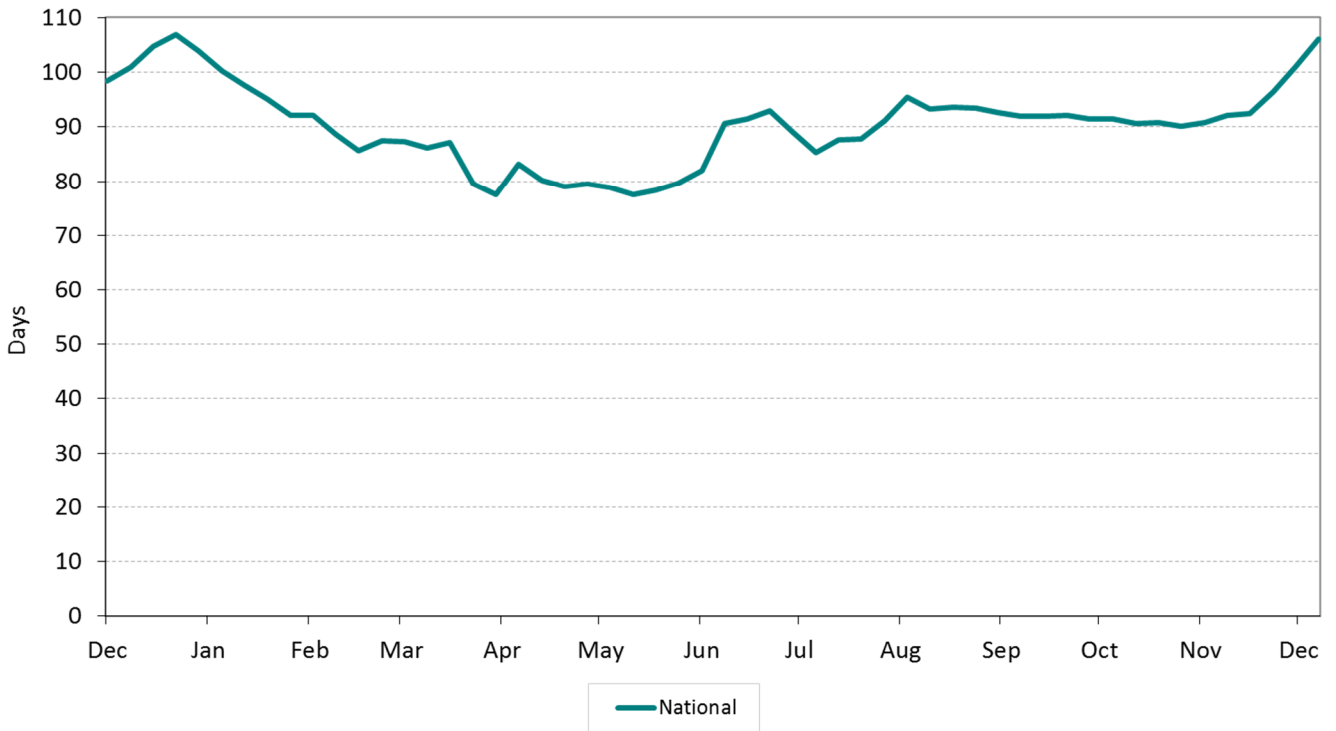
Losers in 2012:

- **Trapped Renters.** 55% of renters state they wish to buy but cannot afford to, according to Rightmove's recent Rental Market Report. Shipline comments: "With the upwards pressure on rents, many tenants will be thinking they could pay less on a mortgage if only lenders would relax their deposit criteria."
- **The Upwardly Immobility.** There are a large number of homeowners who would like to trade upwards, but find themselves immobilised in a property that no longer suits their needs. They are equity-poor and stuck in their existing property, as the size of the deposit that they would need in order to move on or move up is more than they could raise from the sale of their current home. Shipline explains: "Many would-be first-time sellers will fit into this category. They will be further disadvantaged by the removal of the stamp duty holiday at the beginning of March for their target audience of first-time buyers."
- **The Average Ones.** Those selling properties 'without a difference'. In areas of over-supply, a property that is ordinary must be made extra-ordinary either by reducing its price or by improving its appeal, if that is practically and financially feasible. Shipline comments: "In locations with plenty of choice, sellers that do not or cannot offer a special home or a special deal are likely to be left on the estate agent's shelf. There is a 'mass-market mortgage desert' now parched of funds. They were formerly provided by overseas and UK lenders, raising funds in the wholesale money markets that have now effectively closed down. To stand out as the exceptional property where supply really outstrips demand requires a financial hit that many are not willing or able to take unless they are absolutely forced to."

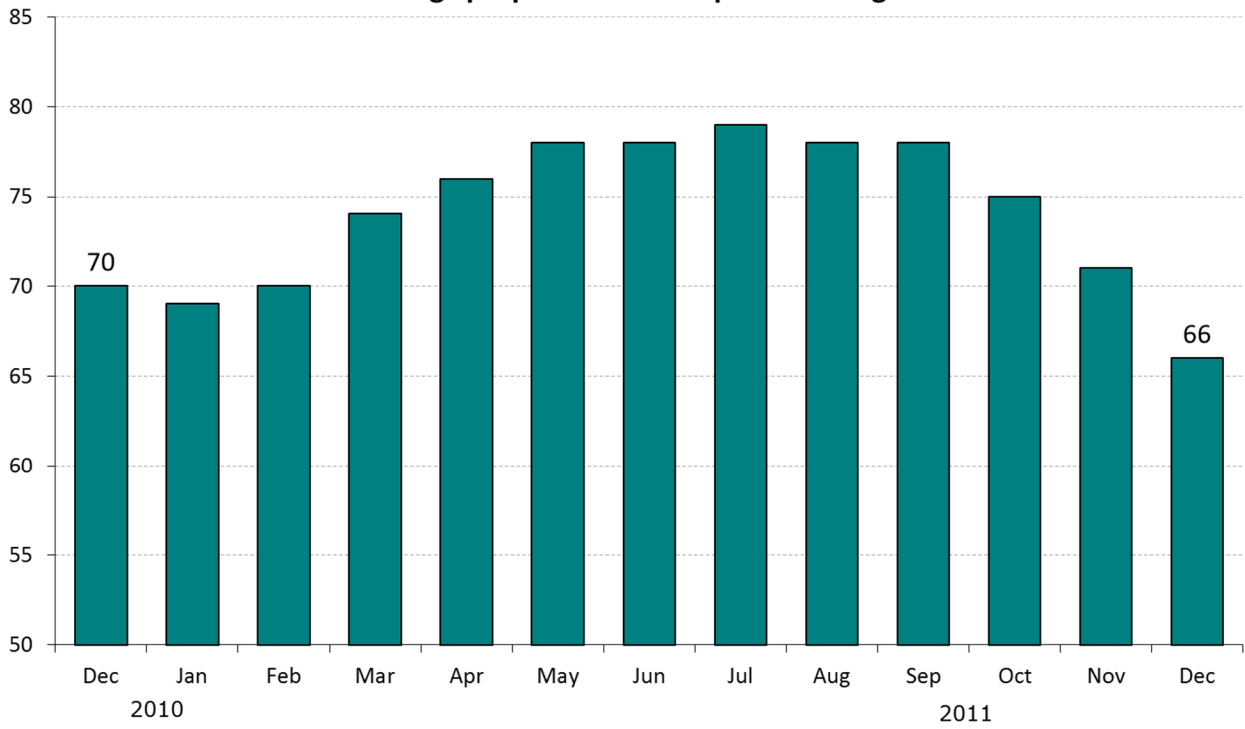
Monthly Change



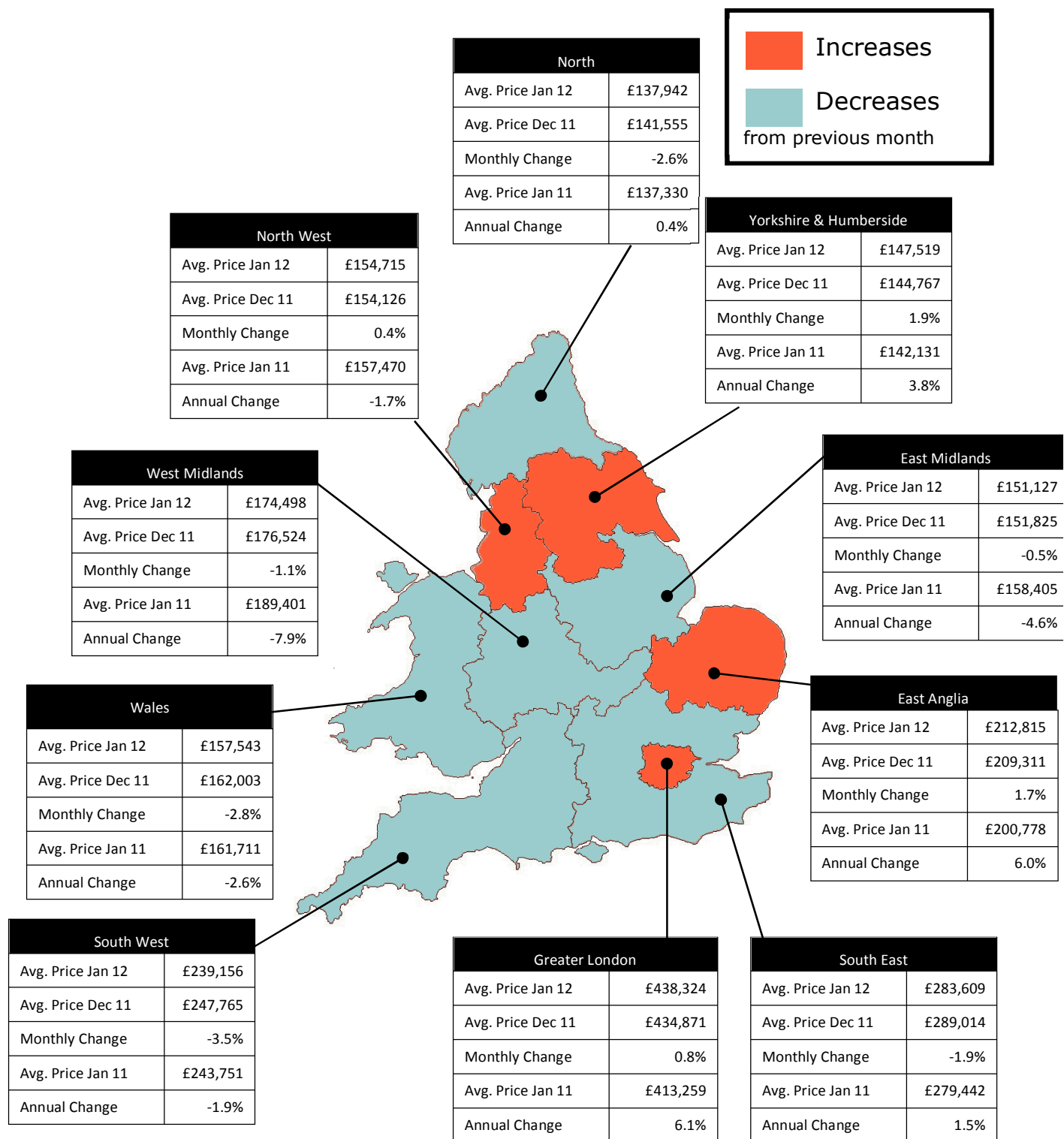
Time on Market Indicator (National)



Average properties for sale per Estate Agent



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

Released 16th January 2012

Page 6 of 10

Copyright © 2012, Rightmove plc

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

0845 456 8439 or press@rightmove.co.uk

National Asking Price Trend

Month	Index (Jan 2002 = 100)	% Change	Avg. Price
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
November 2011	188.9	-3.1%	£232,144
December 2011	183.7	-2.7%	£225,766
January 2012	182.3	-0.8%	£224,060
Annual Change	+0.8	+0.4%	+£939

(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
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
November 2011	£343,200	£194,412	£173,935	£193,381
December 2011	£336,197	£191,040	£173,266	£189,870
January 2012	£332,266	£189,092	£173,474	£193,540
Annual Change	+1.0%	-0.7%	+0.4%	+3.3%

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 January 2012

London's Top 5	Avg. Price Jan 12	Avg. Price Dec 11	Monthly Change
Camden	£866,941	£813,652	6.5%
Brent	£632,467	£606,122	4.3%
Kingston-upon-Thames	£606,686	£585,762	3.6%
Bromley	£333,112	£322,072	3.4%
Bexley	£215,365	£208,841	3.1%

London's Worst Performers January 2012

London's Bottom 5	Avg. Price Jan 12	Avg. Price Dec 11	Monthly Change
Kensington and Chelsea	£1,924,048	£1,956,710	-1.7%
Ealing	£424,667	£428,578	-0.9%
Havering	£251,659	£253,942	-0.9%
Islington	£579,667	£583,538	-0.7%
Wandsworth	£600,321	£604,035	-0.6%

London Time on Market

Time on Market Indicator (London)



Released 16th January 2012

Page 8 of 10

Copyright © 2012, Rightmove plc

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

0845 456 8439 or press@rightmove.co.uk

London Boroughs

Borough	Avg. Price Jan 12	Avg. Price Dec 11	Monthly Change	Avg. Price Jan 11	Annual Change
Kensington and Chelsea	£1,924,048	£1,956,710	-1.7%	£1,814,846	6.0%
City of Westminster	£1,342,722	£1,329,863	1.0%	£1,255,119	7.0%
Camden	£866,941	£813,652	6.5%	£745,711	16.3%
Hammersmith and Fulham	£842,036	£826,508	1.9%	£771,134	9.2%
Brent	£632,467	£606,122	4.3%	£519,079	21.8%
Kingston-upon-Thames	£606,686	£585,762	3.6%	£571,658	6.1%
Richmond-upon-Thames	£603,231	£592,219	1.9%	£584,912	3.1%
Wandsworth	£600,321	£604,035	-0.6%	£532,085	12.8%
Islington	£579,667	£583,538	-0.7%	£589,358	-1.6%
Barnet	£534,548	£519,482	2.9%	£486,025	10.0%
Hounslow	£517,828	£518,968	-0.2%	£450,513	14.9%
Hackney	£496,358	£485,427	2.3%	£468,719	5.9%
Haringey	£476,356	£478,402	-0.4%	£455,372	4.6%
Merton	£443,700	£437,582	1.4%	£391,589	13.3%
Lambeth	£430,728	£428,727	0.5%	£397,773	8.3%
Ealing	£424,667	£428,578	-0.9%	£397,573	6.8%
Tower Hamlets	£422,373	£414,608	1.9%	£376,478	12.2%
Southwark	£405,686	£404,550	0.3%	£376,594	7.7%
Lewisham	£343,972	£340,215	1.1%	£325,559	5.7%
Hillingdon	£340,616	£341,467	-0.2%	£337,174	1.0%
Bromley	£333,112	£322,072	3.4%	£331,312	0.5%
Sutton	£327,366	£327,985	-0.2%	£316,006	3.6%
Enfield	£322,861	£324,636	-0.5%	£320,555	0.7%
Harrow	£322,595	£320,867	0.5%	£327,369	-1.5%
Waltham Forest	£291,628	£292,087	-0.2%	£278,603	4.7%
Redbridge	£288,320	£288,123	0.1%	£275,075	4.8%
Greenwich	£278,377	£274,325	1.5%	£263,514	5.6%
Croydon	£268,612	£269,523	-0.3%	£271,890	-1.2%
Havering	£251,659	£253,942	-0.9%	£242,557	3.8%
Newham	£239,968	£238,891	0.5%	£216,229	11.0%
Barking and Dagenham	£215,901	£216,543	-0.3%	£203,450	6.1%
Bexley	£215,365	£208,841	3.1%	£209,240	2.9%

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

Index Comparison

	Jan 2012		Dec 2011		Nov 2011	
	House Price	Monthly change	House Price	Monthly change	House Price	Monthly change
Rightmove	£224,060	-0.8%	£225,766	-2.7%	£232,144	-3.1%
Halifax	N/A *	N/A *	£160,063	-0.9%	£161,731	-0.9%
Nationwide	N/A *	N/A *	£163,822	-0.2%	£165,798	+0.4%

* 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 4,808 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.