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## Inner London records price fall of 2.3%, whilst Outer London prices stand still

- New seller asking prices fall by 1.2% (-£7,407) this month in Greater London
- Already slowing Inner London market hit by Brexit uncertainty and further seasonal slowdown, pushing price of property coming to market down by 2.3% (-£19,051)
- Seven cheapest Inner London boroughs all see price of newly-listed property fall this month
- In contrast Outer London remains unchanged at 0.0% (+£185)

London average asking prices				
Area	July 2016	June 2016	Monthly change	Annual change
Greater London	£635,710	£643,117	-1.2%	3.3%
Inner	£813,682	£832,733	-2.3%	-0.7%
Outer	£516,395	£516,210	0.0%	7.9%
Average asking prices by market sector:				
Sector	July 2016	June 2016	Monthly change	Annual change
First-time buyers	£474,731	£486,544	-2.4%	5.6%
Second-steppers	£668,897	£679,344	-1.5%	4.0%
Top of the ladder	£1,580,366	£1,536,564	+2.9%	-3.0%

## Overview

The price of property coming to market in Greater London sees a fall this month of 1.2% (-£7,407). Whilst it would be easy to strongly link this drop with Brexit uncertainty, it should be noted that the month of July has recorded a decrease in new seller asking prices in five years out of the last seven going back to 2010, as seasonal factors come into play.

Miles Shippside, Rightmove director and housing market analyst comments: *“The onset of the summer holiday season typically results in new sellers who are coming to market at this time of year pricing more competitively. They often have a more pressing need to sell now rather than wait till prospective buyers have refocused on their future property needs as opposed to their vacations. This year has the added dynamic of a readjusting market in parts of Inner London, where previous years’ fast-paced price rises and the more punitive property taxes were already pushing prices down before the added referendum uncertainty.”*

Inner London boroughs see the average price of newly-marketed property drop by 2.3% (-£19,051), the largest fall since November 2015. The main driver has been decreases in the seven cheapest Inner London boroughs of Newham (-4.0%), Lewisham (-2.8%), Tower Hamlets (-2.5%), Haringey (-2.3%), Lambeth (-7.4%), Southwark (-6.5%) and Hackney (-4.4%). Buyers looking for better value in Outer London and beyond will be a factor. In contrast, the Outer London boroughs see an average standstill in new seller asking prices at 0.0% (+£185), resisting a price fall in spite of the Brexit vote and the onset of the traditionally quieter summer period. While confidence has been unsettled, the governmental instability in the few days after the referendum now seems to be being addressed far more quickly than was originally imagined. This is not a new credit crunch and the effect on banks and mortgage lending should



be limited. As long as lenders keep mortgage deals attractive and available, the underlying demand for property in London should overcome most uncertainties.

Shipside observes: *"Parts of Inner London continue their price readjustment, which started well before the referendum uncertainty gathered pace. With the overall result being Leave in contrast to the majority in London voting to Remain, there is now a greater mental readjustment to the new Brexit world in the capital compared to many other parts of the UK. Housing markets do not like uncertainty, with positive sentiment typically driven by confidence and momentum, supported by low borrowing costs. There seems to be little prospect of an increase in historically low mortgage rates in the short to medium term, with even greater certainty readily available with increasingly competitive five-year or even ten-year fixed rates. Agents in areas where stock shortages were driving momentum before the referendum say activity has recovered quickly, with buyers' fear of losing a scarce property a key factor."*

## Agent's View

Stephanie McMahon, Head of Research at Strutt & Parker in London said: *"Following several years of booming conditions the London market has started to slow over the past 12 months. The prime inner London markets in particular have been in slowdown for the past 18 months following a series of brakes including the threat of mansion tax back in 2014, the devolution vote in Scotland, two batches of significant Stamp Duty changes, the General Election in 2015 and most recently Brexit. It is not surprising therefore to see pricing slipping in these markets alongside volume declines. London stays positive overall and the next few months will allow us to see if the weakening of sterling has any significant impact. One of the greatest challenges at the current time remains liquidity and volume of stock."*



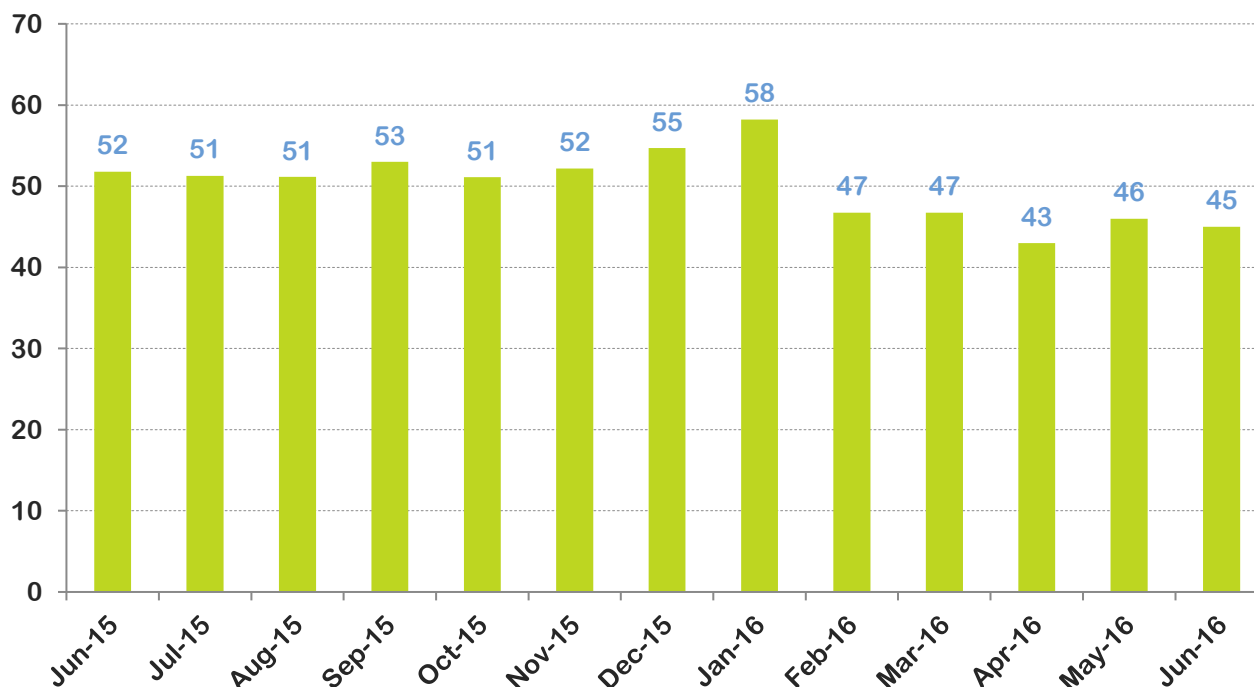
## London's best performers: July 2016

Borough	Avg. price Jul 2016	Avg. price Jun 2016	Monthly change	Avg. price Jul 2015	Annual change
Kensington and Chelsea	£2,295,878	£2,073,363	10.7%	£2,289,669	0.3%
Richmond upon Thames	£895,183	£833,595	7.4%	£825,497	8.4%
Hammersmith and Fulham	£1,017,820	£972,501	4.7%	£1,029,498	-1.1%
Brent	£644,087	£615,023	4.7%	£600,489	7.3%
Merton	£678,545	£649,002	4.6%	£694,066	-2.2%

## London's worst performers: July 2016

Borough	Avg. price Jul 2016	Avg. price Jun 2016	Monthly change	Avg. price Jul 2015	Annual change
Hounslow	£521,988	£569,003	-8.3%	£540,714	-3.5%
Lambeth	£614,581	£663,340	-7.4%	£661,335	-7.1%
Southwark	£622,580	£666,199	-6.5%	£594,483	4.7%
Camden	£1,082,224	£1,153,801	-6.2%	£1,128,349	-4.1%
Hackney	£644,181	£673,598	-4.4%	£619,377	4.0%

## Average 'time to sell' (days) - London





## London boroughs

Borough	Avg. price Jul 2016	Avg. price Jun 2016	Monthly change	Avg. price Jul 2015	Annual change
Kensington and Chelsea	£2,295,878	£2,073,363	10.7%	£2,289,669	0.3%
City of Westminster	£1,906,098	£1,851,636	2.9%	£2,053,876	-7.2%
Camden	£1,082,224	£1,153,801	-6.2%	£1,128,349	-4.1%
Hammersmith and Fulham	£1,017,820	£972,501	4.7%	£1,029,498	-1.1%
Richmond upon Thames	£895,183	£833,595	7.4%	£825,497	8.4%
Wandsworth	£802,576	£806,118	-0.4%	£800,212	0.3%
Islington	£801,165	£780,970	2.6%	£732,625	9.4%
Barnet	£685,679	£665,378	3.1%	£669,799	2.4%
Merton	£678,545	£649,002	4.6%	£694,066	-2.2%
Hackney	£644,181	£673,598	-4.4%	£619,377	4.0%
Brent	£644,087	£615,023	4.7%	£600,489	7.3%
Kingston upon Thames	£629,184	£642,770	-2.1%	£621,152	1.3%
Ealing	£628,236	£617,060	1.8%	£608,433	3.3%
Southwark	£622,580	£666,199	-6.5%	£594,483	4.7%
Lambeth	£614,581	£663,340	-7.4%	£661,335	-7.1%
Haringey	£613,476	£627,767	-2.3%	£596,826	2.8%
Tower Hamlets	£597,114	£612,339	-2.5%	£572,140	4.4%
Harrow	£557,357	£563,941	-1.2%	£530,864	5.0%
Bromley	£540,648	£542,418	-0.3%	£493,869	9.5%
Hounslow	£521,988	£569,003	-8.3%	£540,714	-3.5%
Hillingdon	£473,764	£471,790	0.4%	£444,266	6.6%
Enfield	£471,210	£472,435	-0.3%	£426,396	10.5%
Waltham Forest	£465,682	£478,780	-2.7%	£413,392	12.6%
Lewisham	£459,859	£473,319	-2.8%	£440,580	4.4%
Redbridge	£456,376	£465,013	-1.9%	£417,825	9.2%
Greenwich	£443,611	£446,748	-0.7%	£427,976	3.7%
Sutton	£438,134	£434,218	0.9%	£388,615	12.7%
Croydon	£423,105	£427,734	-1.1%	£377,114	12.2%
Havering	£394,640	£394,123	0.1%	£339,631	16.2%
Newham	£392,005	£408,269	-4.0%	£361,697	8.4%
Bexley	£356,804	£361,737	-1.4%	£321,933	10.8%
Barking and Dagenham	£305,117	£299,534	1.9%	£257,180	18.6%



## Editors' notes

### About the Index:

The Rightmove House Price Index methodology was refined as of January 2015. The Index now uses new mapping technology to define regions at a postcode rather than postcode district or area level, and the mix adjustment has been updated to reflect the current proportion of stock by property type in each area, to provide even more accurate data. All regional breakdowns are now reported in line with ONS regions. For the purpose of historical comparisons, the historical figures have been restated based on the new methodology.

The Index can now include further breakdowns in the housing market to offer trends at three different sectors of the market: first-time buyer, second-stepper and top of the ladder. Inner London prices have been excluded from this categorisation as the normal housing ladder is not really applicable.

Advertising property for over 90% of all UK estate agents, Rightmove is in a unique position to identify any immediate changes in the market. Rightmove's House Price Index is compiled from the asking prices of properties coming onto the market via over 13,000 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 asking 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, whilst 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 in the housing market.

Market sectors explained:

**First-time buyer:** This figure represents the typical property a first-time buyer would purchase, covering all two bed properties and smaller that come to market (houses and flats).

**Second-stepper:** This figure represents the typical property of a person moving from their first home, covering all three and four bed properties that come to market (houses and flats) excluding four bed detached houses.

**Top of the ladder:** This figure represents asking prices at the top end of the market, covering all five bed properties and above (houses and flats), as well as four bed detached houses.

### 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 is consistently ranked the number one property website in the UK (source: Experian Hitwise). 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. The Rightmove.co.uk site attracts over 90 million visits from home movers each month who view in excess of one billion pages (Rightmove data, October 2014).