



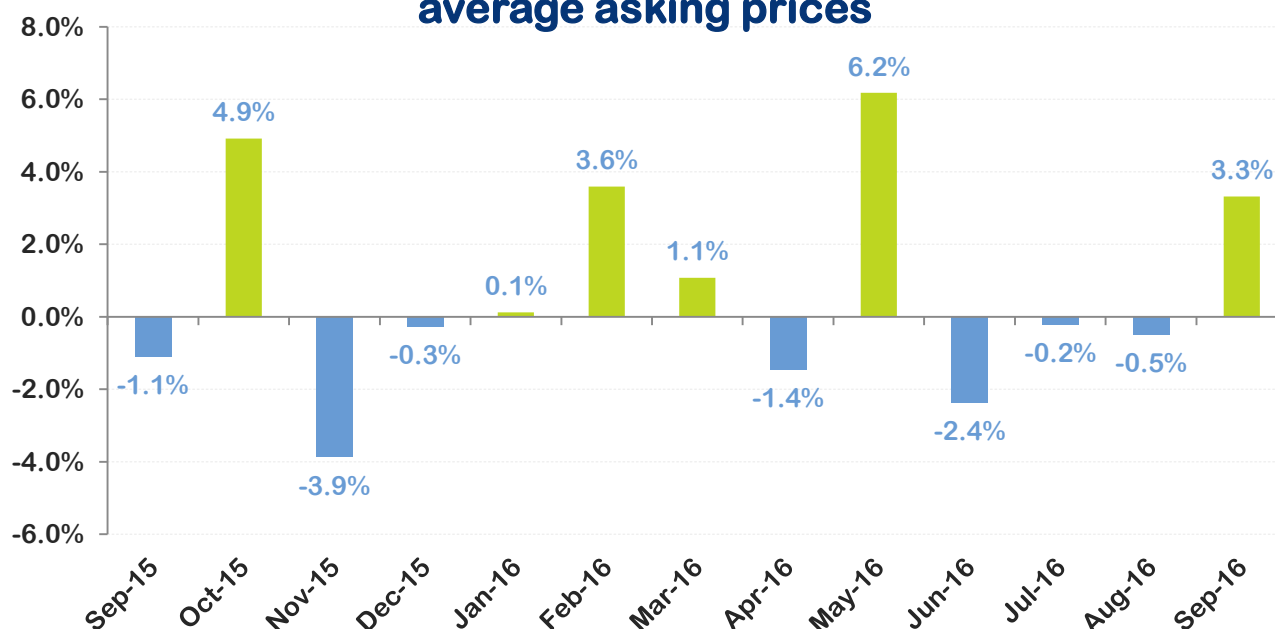
**Under embargo for 00:01 hours, Monday 19<sup>th</sup> September 2016**

## Bottom-end post-Brexit bounce squeezes first-time buyers

- Price of property coming to market rebounds by 0.7% (+£2,277) after falling 2.0% over previous two months
- First-time buyers in danger of being marooned by rising prices cutting them off from home-ownership:
  - Monthly jump of 3.3% (+£6,240) in price of newly-marketed property with two bedrooms or fewer
  - New seller asking prices now almost £20,000 (+10.5%) higher than a year ago in this sector
  - Higher prices mean higher deposits and repayments, negating the benefits of falling mortgage rates
- Broadly positive picture overall as the market continues to shake off post-Brexit vote uncertainty:
  - Seven out of 10 regions see asking price rises or standstills this month, compared with eight falls last month
  - First full week of September sees visits to Rightmove up 8% on same period in 2015

National average asking prices				
Month	Avg. asking price	Monthly change	Annual change	Index
September 2016	£306,499	+0.7%	+4.0%	252.3
August 2016	£304,222	-1.2%	+4.1%	250.5
National average asking prices by market sector (excluding Inner London)				
Sector	September 2016	August 2016	Monthly change	Annual change
First-time buyers	£194,477	£188,237	+3.3%	+10.5%
Second-steppers	£258,836	£257,495	+0.5%	+5.2%
Top of the ladder	£545,387	£538,755	+1.2%	+2.7%

## % monthly change in first-time buyer average asking prices





## Overview

The average price of property coming to market in the last month has risen by 0.7% (+£2,277). This is a partial rebound from the fall of 2.0% (-£6,249) seen over the two previous months. The rise is lower than the +0.9% recorded at this time of year in both 2014 and 2015, but it contrasts with the four preceding years, 2010 to 2013, which suffered marginal price falls. Whilst a broadly positive picture at a headline level, the detail starkly illustrates the continuing affordability plight of first-time buyers who typically dominate the lower-end property sector. This sector of two bedrooms or fewer has seen an average increase in the price of newly-marketed property of 3.3% (+£6,240) this month and 10.5% (+£18,450) over the past year.

Miles Shipside, Rightmove director and housing market analyst comments: *"Some of those trying to get onto the property ladder may have wistfully listened to speculation of lower prices in a post-Brexit Britain. While the referendum result has created additional downwards price pressure in some upper segments of the market that were already slowing, those who do not own a home and arguably have the greatest housing need are now finding it harder to achieve their goal in the post-Brexit-vote aftermath. In their favoured target sector with two-bedrooms or fewer average asking prices have jumped by over £6,000 in the last month as we enter the typically active Autumn market."*

The first-time buyer property sector had already seen significant upwards price pressure this year due to a surge in buy-to-let sales before April's additional stamp duty on second homes, and a subsequent shortage of available stock for first-timers in May. This latest rise of 3.3% pushes the annual rate of increase to 10.5%. In contrast the next rung up the ladder, second-stepper properties with three or four bedrooms (excluding four-bedroom detached), has increased by just 0.5% this month and a much more modest 5.2% year-on-year. The upper end 'top of the ladder' sector with four bedrooms or more is up by 1.2% this month and just 2.7% in the last 12 months.

While Help to Buy has encouraged much-needed building of more entry-level homes, this is the sector that has historically had the greatest demand and therefore requires the greatest supply. Churn in this sector has also been diminished since the turn of this century as buy-to-let landlords, having heavily concentrated on buying up smaller homes as a long-term investment, typically do not sell as often. Aspiring first-time buyers still have a strong desire to get onto the housing ladder rather than rent, fuelled by cheaper mortgage rates often making buying cheaper than renting, and are now seeing affordability become increasingly stretched.

Shipside warns: *"The rising tide of prices is marooning more and more first-time buyers, out-stripping their ability to meet stricter lending criteria and afford the required deposits and monthly repayments. Increasing numbers are being cut off from home-ownership altogether and while schemes are in place to help, the additional demand they create is not matched by available and affordable supply. With an average rise of over 10% in prices of typical first-time buyer properties over the last 12 months, minimum entry prices in some locations will go above what lenders are able to lend to most aspiring first-time buyers. Ironically the post-referendum uncertainty has made some sellers of larger and higher value homes more willing to negotiate, making it easier for those already on the ladder to trade up. There appear to be no such positives at present for those hoping to get onto the property ladder, especially as agents report more investor activity attracted by better returns than available elsewhere."*

Overall this month's data is broadly positive with seven out of 10 regions recording either a monthly rise in new seller asking prices or a standstill, compared to eight out of 10 price falls last month (see map on page 6). There has also been an uplift in Rightmove website visits (+8%) in the first full week of September, after the end of the holiday season, compared to the same period in 2015.

Shipside adds: *"The market continues to shake off the effect of post-Brexit vote uncertainty, though more so in the lower end sector. Buyers are still looking and enquiring, but there are limits on their willingness or ability to pay over the odds so sellers should be wary of over-pricing unless their local market can really justify it."*



## Agents' Views

Duncan Young, Managing Director of Sanderson Young in Newcastle, said: *"The year started well until May when the Brexit fears caused a significant reduction in enquiries between May and July. We're pleased to report that August and September activity has been double that of last year making amends for the wobble earlier."*

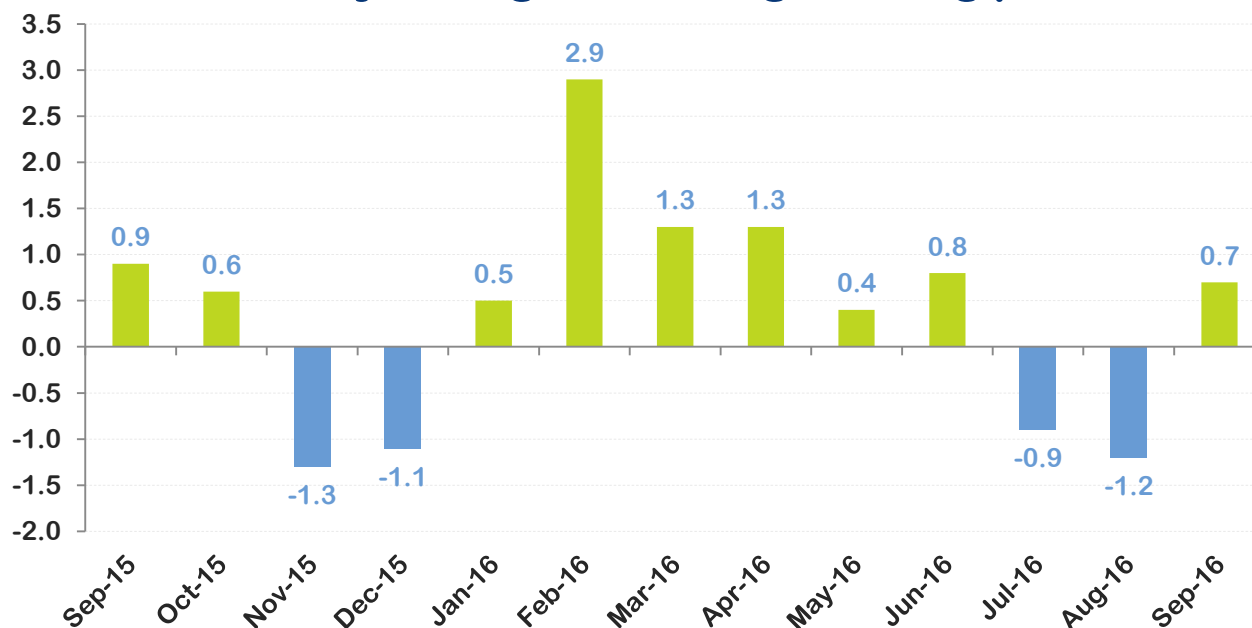
Aidan Branch, Director of Durrants in Norfolk and Suffolk, said: *"In the north Suffolk and South Norfolk area available stock remains the major issue. Undoubtedly house prices are rising slightly, this is due to lack of stock and reasonable levels of demand. Applicant enquiries remain steady and there is little doubt that interest is likely to be strong if you market your house now. The autumn buyers are waiting for you."*

Kevin Shaw, Estate agent Leaders' national sales director, said: *"It has been an unusually active summer during which we saw a 24 per cent increase in sales in August compared with July, suggesting that the post-Brexit bounce back has well and truly happened. September too has got off to a strong start; we have seen an increase in new instructions following the end of the summer holidays - as is typical this time of year - along with strong demand from buyers, many of whom are keen to complete their move before the Christmas season begins. It is clear the market has remained resilient in the face of Brexit and we are anticipating a very busy autumn."*

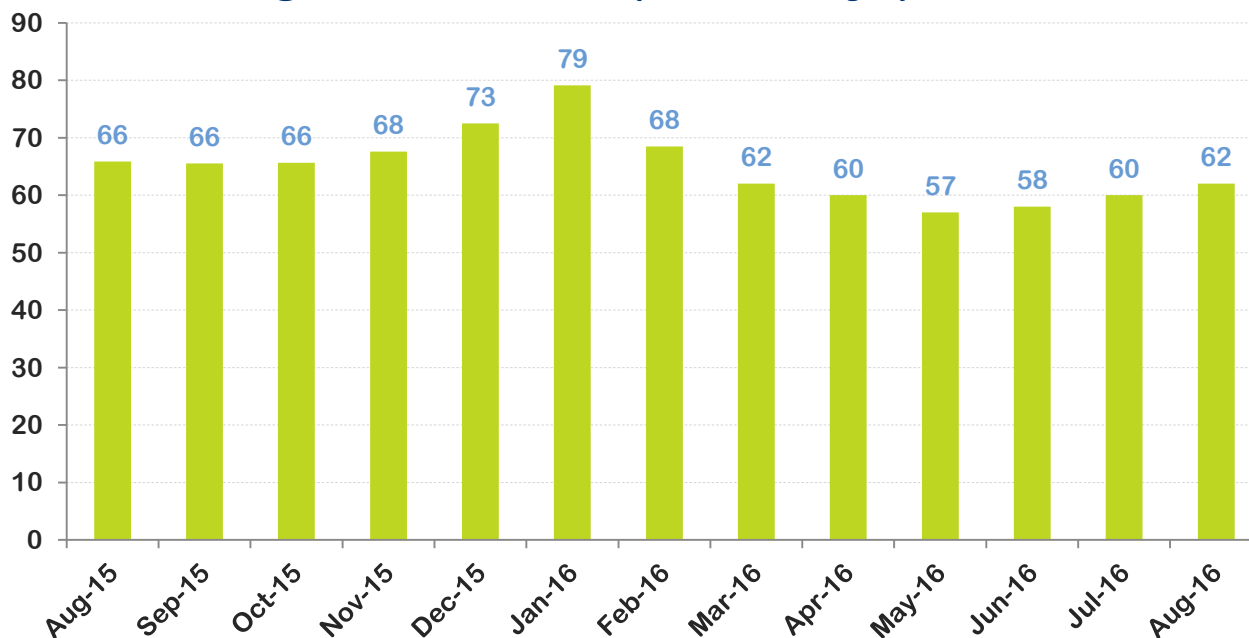
Steve Pymm, Managing Director of Pymm & Co Estate Agents in Norwich, said: *"The market has picked up pace in the last seven days since the schools have returned, August in general was a very good month in Norfolk with the interest rate drop giving renewed confidence, and we saw family homes and bungalows sell very well."*



## % monthly change in average asking prices

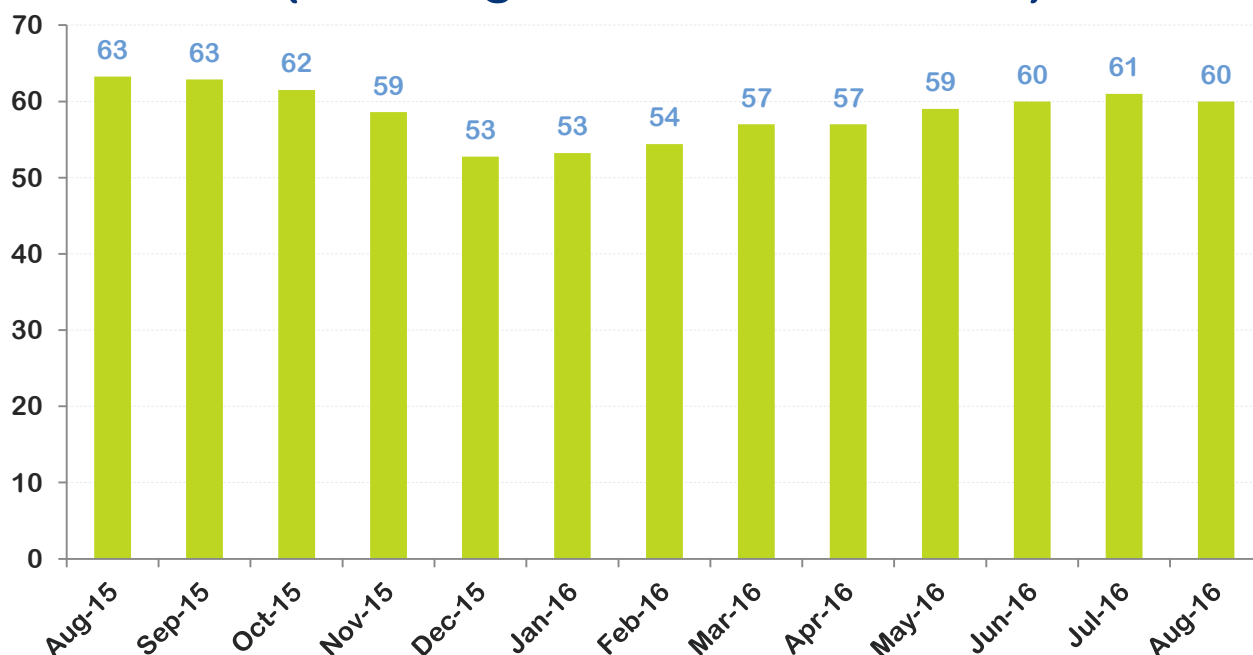


## Average 'time to sell' (no. of days) - National





## Average stock per agent (including Under Offer/Sold STC)



## Monthly asking price trend





## Regional trends



Increase from previous month



Decrease from previous month

### NORTH EAST

Avg. price Sept 16 £147,338

Avg. price Aug 16 £147,330

**Monthly change** 0.0%

Avg. price Sept 15 £144,219

**Annual change** 2.2%

### YORKS. & HUMBER

Avg. price Sept 16 £175,356

Avg. price Aug 16 £176,654

**Monthly change** -0.7%

Avg. price Sept 15 £171,733

**Annual change** 2.1%

### NORTH WEST

Avg. price Sept 16 £180,035

Avg. price Aug 16 £180,146

**Monthly change** -0.1%

Avg. price Sept 15 £176,838

**Annual change** 1.8%

### EAST MIDLANDS

Avg. price Sept 16 £197,502

Avg. price Aug 16 £194,908

**Monthly change** 1.3%

Avg. price Sept 15 £187,156

**Annual change** 5.5%

### WEST MIDLANDS

Avg. price Sept 16 £208,130

Avg. price Aug 16 £208,186

**Monthly change** 0.0%

Avg. price Sept 15 £199,627

**Annual change** 4.3%

### EAST OF ENGLAND

Avg. price Sept 16 £337,252

Avg. price Aug 16 £334,951

**Monthly change** 0.7%

Avg. price Sept 15 £312,638

**Annual change** 7.9%

### WALES

Avg. price Sept 16 £177,077

Avg. price Aug 16 £180,425

**Monthly change** -1.9%

Avg. price Sept 15 £176,245

**Annual change** 0.5%

### GTR. LONDON

Avg. price Sept 16 £630,974

Avg. price Aug 16 £619,409

**Monthly change** 1.9%

Avg. price Sept 15 £620,003

**Annual change** 1.8%

### SOUTH WEST

Avg. price Sept 16 £300,500

Avg. price Aug 16 £300,606

**Monthly change** 0.0%

Avg. price Sept 15 £284,823

**Annual change** 5.5%

### SOUTH EAST

Avg. price Sept 16 £409,310

Avg. price Aug 16 £404,797

**Monthly change** 1.1%

Avg. price Sept 15 £386,685

**Annual change** 5.9%



## London's best performers: September 2016

Borough	Avg. price Sep 2016	Avg. price Aug 2016	Monthly change	Avg. price Sep 2015	Annual change
City Of Westminster	£1,777,498	£1,629,205	9.1%	£1,878,256	-5.4%
Lambeth	£665,870	£627,320	6.1%	£605,929	9.9%
Greenwich	£461,957	£435,373	6.1%	£441,914	4.5%
Brent	£644,188	£608,885	5.8%	£623,835	3.3%
Richmond Upon Thames	£867,512	£829,533	4.6%	£910,626	-4.7%

## London's worst performers: September 2016

Borough	Avg. price Sep 2016	Avg. price Aug 2016	Monthly change	Avg. price Sep 2015	Annual change
Enfield	£469,443	£492,283	-4.6%	£443,470	5.9%
Camden	£1,059,161	£1,094,577	-3.2%	£1,119,730	-5.4%
Waltham Forest	£461,703	£475,662	-2.9%	£423,193	9.1%
Barking And Dagenham	£296,989	£303,357	-2.1%	£267,567	11.0%
Ealing	£618,741	£630,867	-1.9%	£618,339	0.1%





## London boroughs

Borough	Avg. price Sep 2016	Avg. price Aug 2016	Monthly change	Avg. price Sep 2015	Annual change
Kensington And Chelsea	£2,054,707	£2,010,038	2.2%	£2,326,857	-11.7%
City Of Westminster	£1,777,498	£1,629,205	9.1%	£1,878,256	-5.4%
Camden	£1,059,161	£1,094,577	-3.2%	£1,119,730	-5.4%
Hammersmith And Fulham	£1,009,603	£977,758	3.3%	£1,036,493	-2.6%
Richmond Upon Thames	£867,512	£829,533	4.6%	£910,626	-4.7%
Wandsworth	£827,528	£798,069	3.7%	£877,178	-5.7%
Islington	£801,685	£777,032	3.2%	£759,046	5.6%
Barnet	£693,044	£679,428	2.0%	£679,720	2.0%
Lambeth	£665,870	£627,320	6.1%	£605,929	9.9%
Merton	£663,782	£643,899	3.1%	£619,838	7.1%
Hackney	£659,868	£630,649	4.6%	£639,148	3.2%
Brent	£644,188	£608,885	5.8%	£623,835	3.3%
Southwark	£630,711	£622,731	1.3%	£631,055	-0.1%
Haringey	£627,398	£625,440	0.3%	£573,719	9.4%
Ealing	£618,741	£630,867	-1.9%	£618,339	0.1%
Kingston upon Thames	£610,355	£607,330	0.5%	£610,070	0.0%
Tower Hamlets	£601,449	£604,249	-0.5%	£566,497	6.2%
Harrow	£569,326	£555,975	2.4%	£542,953	4.9%
Bromley	£537,994	£531,374	1.2%	£510,122	5.5%
Hounslow	£528,819	£516,753	2.3%	£531,400	-0.5%
Hillingdon	£489,930	£470,808	4.1%	£446,130	9.8%
Enfield	£469,443	£492,283	-4.6%	£443,470	5.9%
Lewisham	£462,997	£471,716	-1.8%	£436,820	6.0%
Greenwich	£461,957	£435,373	6.1%	£441,914	4.5%
Waltham Forest	£461,703	£475,662	-2.9%	£423,193	9.1%
Redbridge	£447,662	£443,741	0.9%	£428,306	4.5%
Sutton	£436,549	£426,467	2.4%	£398,505	9.5%
Croydon	£429,653	£426,016	0.9%	£386,953	11.0%
Newham	£403,842	£397,182	1.7%	£361,557	11.7%
Havering	£392,879	£392,464	0.1%	£351,244	11.9%
Bexley	£350,942	£356,263	-1.5%	£327,506	7.2%
Barking And Dagenham	£296,989	£303,357	-2.1%	£267,567	11.0%





### Editors' notes

#### About the Index:

The Rightmove House Price Index methodology has been 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.

Rightmove measured 131,323 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 7<sup>th</sup> August 2016 to 10<sup>th</sup> September 2016 and advertised on Rightmove.co.uk. This month 6,497 properties have been excluded due to being anomalies.

#### 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 110 million visits from home movers each month who view in excess of 1.5 billion pages (Rightmove data, 2015).