



**Under embargo for 00:01 hours, Monday 20<sup>th</sup> June 2016**

## Prices fall this month in London but no other region

- The price of property coming to market falls by 0.2% (-£971) this month, the only region to record a fall
- Why is London bucking this month's national and regional upward price trend?
  - Capital's +55% rise since 2010 means the other regions at average of +24% still have price momentum
  - Effects of more punitive property tax regime for higher-priced or second homes still a major drag on activity and prices
  - Uncertainty around EU referendum and possible effects of a Brexit greater in London than elsewhere

London average asking prices				
Area	June 2016	May 2016	Monthly change	Annual change
Greater London	£643,117	£644,088	-0.2%	4.8%
Inner	£832,733	£829,231	+0.4%	0.7%
Outer	£516,210	£520,073	-0.7%	9.5%
Average asking prices by market sector:				
Sector	June 2016	May 2016	Monthly change	Annual change
First-time buyers	£486,544	£483,122	+0.7%	9.3%
Second-steppers	£679,344	£689,356	-1.5%	5.6%
Top of the ladder	£1,536,564	£1,514,173	+1.5%	-6.5%

## Overview

Whilst every region in the rest of the country recorded a rise in the price of property coming to market this month, London recorded an average fall of 0.2% (-£971). The overall national average rise of 0.8% seems at odds with the uncertainty that is affecting the country as the EU referendum approaches.

Miles Shipside, Rightmove director and housing market analyst comments: *"Markets typically dislike uncertainty, and London's fall in prices seems to be in line with what one would expect, though for some reason it is out of kilter with the rest of the country."*

There are three main factors proving to be a drag on the capital's housing market. Firstly, prices have risen by considerably less on average in the rest of the country (+24%) compared to the capital (+55%) since June 2010, meaning that affordability is less stretched and there is still some room for growth. Furthermore, the ripple effect of high house prices in London is still spreading out to other regions.

Shipside notes: *"We've become accustomed to prices rising in London and now that the pace of rises has slackened it's easy to forget that the price of property coming to market is still £228,632 higher than it was six years ago. Buyers either have physical limits to what they can afford or mental limits to what they are prepared to pay, and this month Londoners are at odds with the rest of the country."*

Secondly, and in our view most importantly, the effects of the new property tax regime are still a major drag on activity and prices, designed to be punitive in the higher-priced sector of the property market. Changes in stamp duty, annual levies for company and offshore purchasers and additional taxes on second homes have added considerably to the costs of purchase for many transactions in London.



Shipside observes: *“Some sellers have dropped their prices to suit, but buyer momentum has been lost, and even those with access to considerable funds are still being deterred. This is also due to the tax regime changing the dynamics and motivation to purchase, with renting high-end properties now being considered by some as a more cost-effective option.”*

Finally, the EU referendum outcome would create political and economic uncertainty if the vote is to leave. The possible effects of a Brexit are likely to be felt more strongly in London than elsewhere, as it is the favoured destination for international buyers.

Shipside speculates: *“There are differing opinions on what the effects of a Leave vote could be. Some are saying that a large drop in sterling compared to other currencies would encourage a recovery in activity as buyers accessing funds in the appreciating currency would effectively be getting a large price discount. Others speculate that any resultant job losses due to companies leaving the UK would harm demand and lead to lower prices.”*



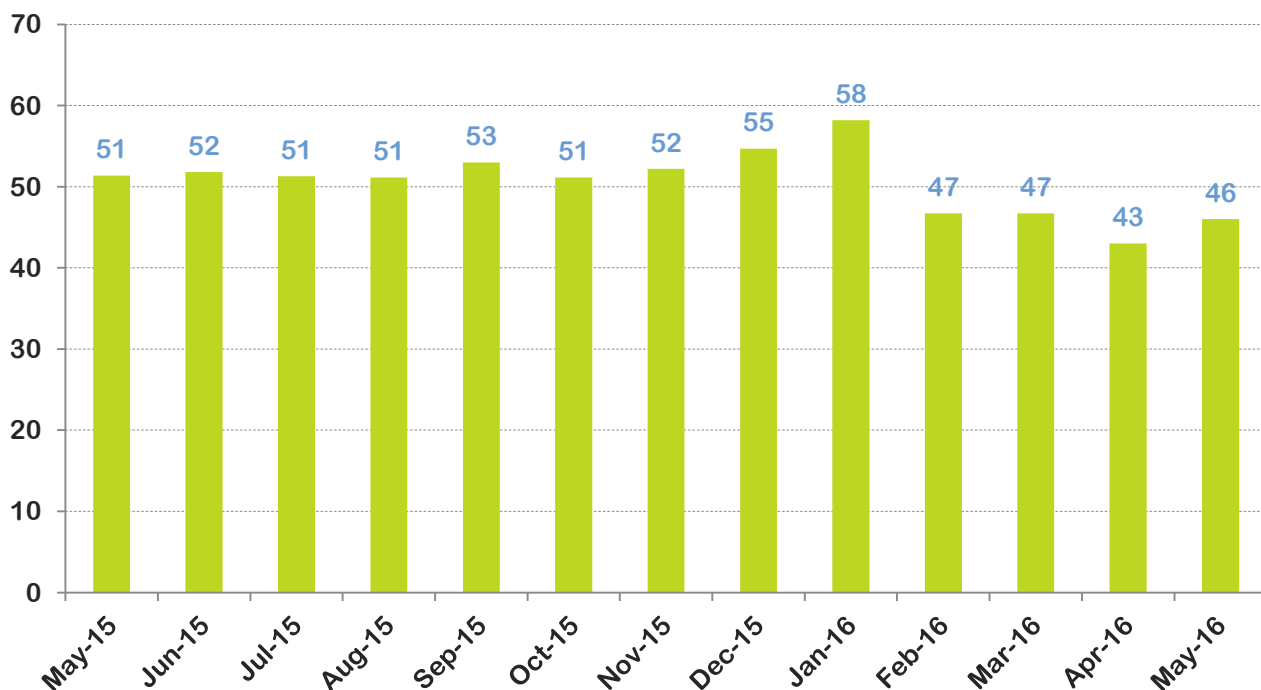
## London's best performers: June 2016

Borough	Avg. price Jun 2016	Avg. price May 2016	Monthly change	Avg. price Jun 2015	Annual change
Southwark	£666,199	£628,163	6.1%	£599,080	11.2%
Lambeth	£663,340	£630,350	5.2%	£613,621	8.1%
Hackney	£673,598	£641,775	5.0%	£601,327	12.0%
Camden	£1,153,801	£1,099,702	4.9%	£1,191,409	-3.2%
Redbridge	£465,013	£452,517	2.8%	£410,942	13.2%

## London's worst performers: June 2016

Borough	Avg. price Jun 2016	Avg. price May 2016	Monthly change	Avg. price Jun 2015	Annual change
Richmond upon Thames	£833,595	£927,944	-10.2%	£882,867	-5.6%
Kensington and Chelsea	£2,073,363	£2,287,938	-9.4%	£2,467,876	-16.0%
Merton	£649,002	£713,285	-9.0%	£675,051	-3.9%
Brent	£615,023	£651,267	-5.6%	£618,596	-0.6%
Hammersmith and Fulham	£972,501	£1,020,421	-4.7%	£1,056,971	-8.0%

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





## London boroughs

Borough	Avg. price Jun 2016	Avg. price May 2016	Monthly change	Avg. price Jun 2015	Annual change
Kensington and Chelsea	£2,073,363	£2,287,938	-9.4%	£2,467,876	-16.0%
City of Westminster	£1,851,636	£1,871,358	-1.1%	£2,036,645	-9.1%
Camden	£1,153,801	£1,099,702	4.9%	£1,191,409	-3.2%
Hammersmith and Fulham	£972,501	£1,020,421	-4.7%	£1,056,971	-8.0%
Richmond upon Thames	£833,595	£927,944	-10.2%	£882,867	-5.6%
Wandsworth	£806,118	£829,151	-2.8%	£810,585	-0.6%
Islington	£780,970	£774,037	0.9%	£742,057	5.2%
Hackney	£673,598	£641,775	5.0%	£601,327	12.0%
Southwark	£666,199	£628,163	6.1%	£599,080	11.2%
Barnet	£665,378	£670,654	-0.8%	£663,247	0.3%
Lambeth	£663,340	£630,350	5.2%	£613,621	8.1%
Merton	£649,002	£713,285	-9.0%	£675,051	-3.9%
Kingston upon Thames	£642,770	£659,122	-2.5%	£599,525	7.2%
Haringey	£627,767	£639,960	-1.9%	£607,601	3.3%
Ealing	£617,060	£635,757	-2.9%	£636,803	-3.1%
Brent	£615,023	£651,267	-5.6%	£618,596	-0.6%
Tower Hamlets	£612,339	£608,789	0.6%	£574,865	6.5%
Hounslow	£569,003	£585,150	-2.8%	£519,419	9.5%
Harrow	£563,941	£573,952	-1.7%	£509,644	10.7%
Bromley	£542,418	£541,856	0.1%	£503,686	7.7%
Waltham Forest	£478,780	£476,363	0.5%	£407,004	17.6%
Lewisham	£473,319	£482,336	-1.9%	£424,602	11.5%
Enfield	£472,435	£476,284	-0.8%	£426,459	10.8%
Hillingdon	£471,790	£485,349	-2.8%	£431,187	9.4%
Redbridge	£465,013	£452,517	2.8%	£410,942	13.2%
Greenwich	£446,748	£460,532	-3.0%	£396,542	12.7%
Sutton	£434,218	£439,176	-1.1%	£387,174	12.2%
Croydon	£427,734	£419,856	1.9%	£371,500	15.1%
Newham	£408,269	£401,295	1.7%	£369,248	10.6%
Havering	£394,123	£385,906	2.1%	£347,652	13.4%
Bexley	£361,737	£359,692	0.6%	£322,237	12.3%
Barking and Dagenham	£299,534	£297,114	0.8%	£252,400	18.7%



## 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.

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).