



Under embargo for 00.01 hrs, Monday 15th February 2016

Prices hit new record with highest annual increase in cheapest borough

- London's new seller asking prices have rebounded in usual fashion after the festive recess with a large increase of 5.4% (+£33,102) this month, exacerbated by owners of more expensive properties now coming to market
- Higher prices in 23 out of 32 boroughs push the average price of newly-listed property to a new all-time high of £643,843, surpassing the previous record set in October 2015 by £13,793
- Those looking for value in the cheapest borough (Barking & Dagenham) will be disheartened that it has increased in price the most in the last year, up by 22.3% (+£54,999). Its new seller asking prices have soared from an average of £236,639 to £291,638, taking more properties out of the price range of would-be first-time buyers looking to benefit from initiatives such as Help to Buy

London average asking prices				
Area	February 2016	January 2016	Monthly change	Annual change
Greater London	£643,843	£610,741	+5.4%	+10.5%
Inner London	£848,019	£788,399	+7.6%	+8.6%
Outer London	£506,787	£490,649	+3.3%	+12.1%
Average asking prices by market sector:				
Sector	February 2016	January 2016	Monthly change	Annual change
First-time buyers	£477,417	£455,853	+4.7%	+10.7%
Second-steppers	£671,441	£640,130	+4.9%	+9.2%
Top of the ladder	£1,652,277	£1,533,889	+7.7%	+12.5%

Overview

The price of property coming to market has hit a new record high in London this month. Up by 5.4% (+£33,102) to an average of £643,843, there has been the usual price rebound from the muted festive season with owners of more expensive properties now placing their homes on the market ready for the peak spring selling season.

Miles Shipside, Rightmove director and housing market analyst comments: *"In spite of continuing market readjustments in boroughs that have seen rapid price increases in the last few years, and the trials of the massive upper end stamp duty hikes, 23 out of 32 boroughs recorded a rise in new seller asking prices this month. This seasonal rebound, underpinned by high underlying demand for the right property at the right price, has meant that the average price of property coming to market has hit another record high."*

The high cost of housing in the capital means that moving to London's cheaper boroughs is one of the few options for many aspiring first-time buyers, but with an annual jump of 22.3% in the cheapest one, Barking & Dagenham, home-ownership plans for some are even further out of reach. The mortgage guarantees for the Government's Help to Buy scheme for resale properties are capped at 4½ times annual income, so this large increase takes the price of many properties out of reach for average earners in London, in even the cheapest borough.



Shipside notes: *“While first-time buyer type properties will be at the cheaper end of the £291,638 average in Barking & Dagenham, those that were hoping 2016 would be their step onto the housing ladder have found that the first rung is now set far higher than a year ago. There is the option to try and buy a suitable new build in the capital with the more generous Help to Buy assistance now available on brand new homes, but that does not suit everyone’s earning capacity or needs. It underlines why the capital’s housing requirements are such an important and emotive issue, and very difficult to address.”*

Agent’s View

Simon Woodcock, Managing Director of Robinson Michael & Jackson in Medway said: *“While sales are up and there are more first-time buyers coming in to the market, they’re not falling over themselves to use the Government’s Help to Buy scheme. In fact, only three of the homes we sold to first timers in January were bought with Help to Buy’s aid. Instead, we are seeing a resurgence of the Bank of Mum and Dad. Many parents are remortgaging to release equity from their own homes to pass on to their children – many of whom are struggling to save a decent deposit. Many of our home movers are coming to the Medway from London suburbs like Catford, Lewisham, Bromley and Orpington as cash buyers or equity rich purchasers, having sold up and made the most of rising values in SE & Greater London. It’s a trend we forecast to continue across the whole Robinson Jackson Group, as buyers realise how much property their budget buys them further out in the suburbs, into North Kent and out through the Medway.”*



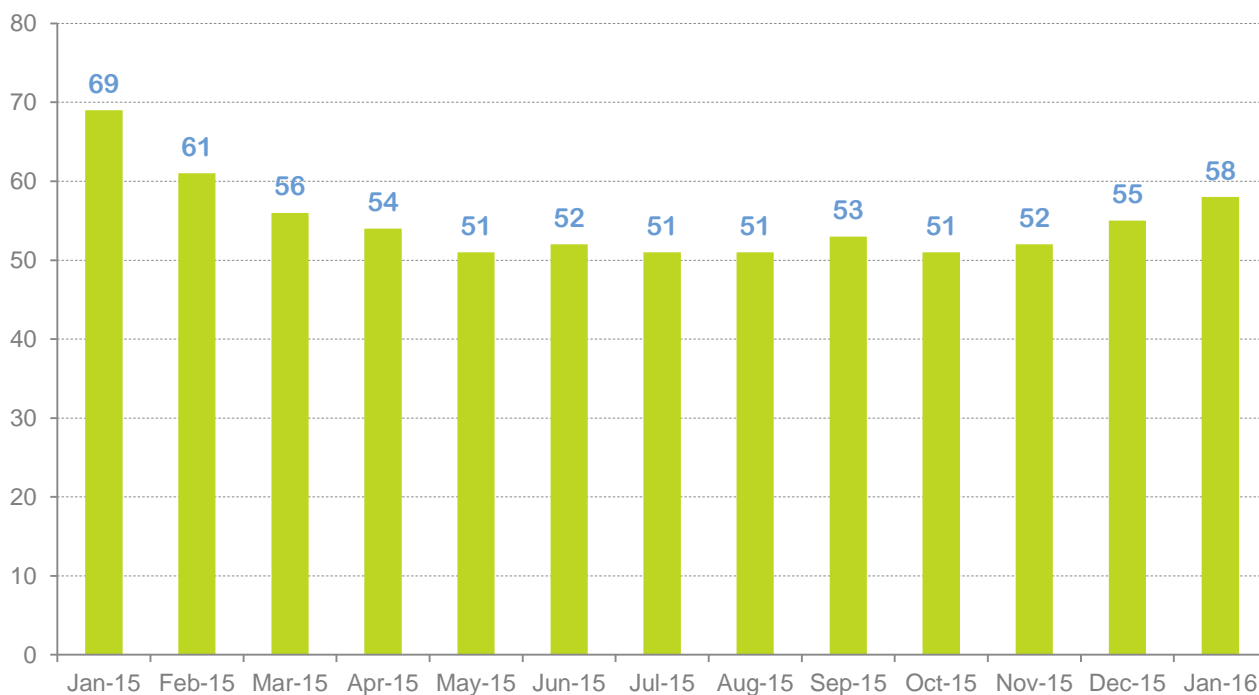
London's best performers: February 2016

Borough	Avg. price Feb 2016	Avg. price Jan 2016	Monthly change	Avg. price Feb 2015	Annual change
Merton	£704,481	£611,062	15.3%	£604,531	16.5%
Haringey	£625,016	£558,884	11.8%	£560,981	11.4%
Sutton	£442,303	£397,705	11.2%	£372,639	18.7%
Kensington and Chelsea	£2,489,126	£2,256,043	10.3%	£2,317,078	7.4%
Islington	£804,467	£734,066	9.6%	£706,453	13.9%

London's worst performers: February 2016

Borough	Avg. price Feb 2016	Avg. price Jan 2016	Monthly change	Avg. price Feb 2015	Annual change
Camden	£1,117,232	£1,338,376	-16.5%	£1,019,586	9.6%
Richmond upon Thames	£878,113	£906,934	-3.2%	£844,606	4.0%
Barnet	£689,060	£703,248	-2.0%	£707,364	-2.6%
Greenwich	£432,666	£441,021	-1.9%	£386,078	12.1%
City of Westminster	£2,015,540	£2,044,240	-1.4%	£2,118,353	-4.9%

Average 'time to sell' (days) - London





London boroughs

Borough	Avg. price Feb 2016	Avg. price Jan 2016	Monthly change	Avg. price Feb 2015	Annual change
Kensington and Chelsea	£2,489,126	£2,256,043	10.3%	£2,317,078	7.4%
City of Westminster	£2,015,540	£2,044,240	-1.4%	£2,118,353	-4.9%
Camden	£1,117,232	£1,338,376	-16.5%	£1,019,586	9.6%
Hammersmith and Fulham	£1,069,235	£1,072,983	-0.3%	£1,018,270	5.0%
Richmond upon Thames	£878,113	£906,934	-3.2%	£844,606	4.0%
Wandsworth	£846,666	£808,651	4.7%	£789,317	7.3%
Islington	£804,467	£734,066	9.6%	£706,453	13.9%
Merton	£704,481	£611,062	15.3%	£604,531	16.5%
Barnet	£689,060	£703,248	-2.0%	£707,364	-2.6%
Hackney	£666,945	£634,150	5.2%	£618,709	7.8%
Southwark	£659,096	£645,339	2.1%	£613,228	7.5%
Lambeth	£658,069	£608,077	8.2%	£590,435	11.5%
Brent	£649,889	£601,273	8.1%	£599,824	8.3%
Ealing	£632,596	£609,885	3.7%	£577,101	9.6%
Kingston upon Thames	£627,672	£633,588	-0.9%	£573,079	9.5%
Haringey	£625,016	£558,884	11.8%	£560,981	11.4%
Tower Hamlets	£578,662	£584,205	-0.9%	£563,726	2.6%
Hounslow	£563,555	£514,740	9.5%	£513,973	9.6%
Harrow	£542,901	£521,899	4.0%	£499,888	8.6%
Bromley	£532,505	£498,352	6.9%	£475,985	11.9%
Hillingdon	£478,230	£465,330	2.8%	£414,076	15.5%
Lewisham	£457,352	£453,735	0.8%	£406,577	12.5%
Enfield	£452,818	£447,192	1.3%	£403,055	12.3%
Waltham Forest	£452,689	£439,241	3.1%	£370,646	22.1%
Sutton	£442,303	£397,705	11.2%	£372,639	18.7%
Redbridge	£440,222	£432,125	1.9%	£387,811	13.5%
Greenwich	£432,666	£441,021	-1.9%	£386,078	12.1%
Croydon	£399,953	£399,068	0.2%	£360,498	10.9%
Newham	£396,582	£401,945	-1.3%	£338,643	17.1%
Havering	£371,090	£359,847	3.1%	£330,095	12.4%
Bexley	£338,097	£337,431	0.2%	£305,518	10.7%
Barking and Dagenham	£291,638	£287,364	1.5%	£236,639	23.2%



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).