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New instructions down 14% as Londoners lose that moving feeling

- The price of property coming to market rises by 1.4% (+£8,793) this month, a typical seasonal rebound as the Christmas price lull starts to dissipate
- New seller numbers have yet to pick up, with the number of properties coming to market this month down by nearly 14% compared to the same period a year ago
- Inner London prices remain subdued with a 0.6% monthly increase, whilst Outer London continues to out-perform with a 2.2% rise

London average asking prices				
Area	January 2017	December 2016	Monthly change	Annual change
Greater London	£624,953	£616,160	+1.4%	+2.3%
Inner	£789,310	£784,620	+0.6%	+0.1%
Outer	£514,483	£503,519	+2.2%	+4.9%
Average asking prices by market sector				
Sector	January 2017	December 2016	Monthly change	Annual change
First-time buyers	£469,648	£468,401	+0.3%	+3.0%
Second-steppers	£656,270	£665,544	-1.4%	+2.5%
Top of the ladder	£1,557,501	£1,380,358	+12.8%	+1.5%

Overview

The London market is considerably affected by seasonal factors, with price falls being typical in November and December, and a rebound in January. This year is no exception, with a rise in the price of property coming to market of 1.4% (+£8,793).

Miles Shippside, Rightmove director and housing market analyst comments: "Owners of more expensive properties tend to shy away from coming to market in the couple of months before Christmas, exaggerating some of the price falls, especially with volumes also being lower. With the new year upon us, more have started to come to market helping prices to swing back into positive territory. There are price rises in both Inner (+0.6%) and Outer (+2.2%) London though Outer London remains more buoyant as buyers seek more house for their money further out from the centre. However, this year the pick-up in prices has yet to be matched by a pick-up in the number of new sellers."

There seems to be a marked reluctance this year compared to last year for home-owners to put their property up for sale, with 13.7% fewer homes coming to market in London. While 2016 overall saw a relative surge of new sellers with 4.3% more than in 2015, driven by some trying to cash-in before prices fell, 2017 has started with a marked lull.

Shippside observes: "Last year saw a rush of owners trying to exit at what they perceived as the top of the market, though in truth those in Inner London were already a year too late. Owners now seem well aware of the more challenging conditions, with the high stamp duty costs and Brexit uncertainty perhaps making them hold back from



trying to sell. Whilst it is too early to say that this is a trend that will continue for the rest of 2017, for the moment some Londoners seem to have lost that moving feeling."

There are some large monthly price swings at a borough level, though with low volumes at this time of year we would caution against placing too much reliance on these and instead looking at the annual rate.

Agent's View

Robert Nichols, Managing Director at Portico in London said: "With volume typically leading price, we do expect property prices to soften this year - especially in prime central London and the most expensive boroughs. We have already seen a year on year price drop in Westminster, and it is possible that this price correction could ripple out to greater London. We do however still expect certain hotspots in the outer London Zones - like East Croydon, Forest Gate and Leyton - to experience price growth - though perhaps not at the level we've seen in previous years. If you're planning on purchasing an investment property this year, make sure to buy in an area undergoing infrastructure investment or gentrification. That way, even in a weak market you'll still stand to profit from a boost in both rental yield and capital growth."



London's best annual performers: January 2017

Borough	Avg. price Jan 2017	Avg. price Dec 2016	Monthly change	Avg. price Jan 2016	Annual change
Hackney	£732,573	£646,350	13.3%	£634,150	15.5%
Bromley	£556,044	£509,330	9.2%	£498,352	11.6%
Kensington and Chelsea	£2,485,483	£2,129,846	16.7%	£2,256,043	10.2%
Islington	£807,550	£801,593	0.7%	£734,066	10.0%
Sutton	£437,115	£437,480	-0.1%	£397,705	9.9%

London's worst annual performers: January 2017

Borough	Avg. price Jan 2017	Avg. price Dec 2016	Monthly change	Avg. price Jan 2016	Annual change
Camden	£1,118,218	£994,411	12.5%	£1,338,376	-16.4%
Hammersmith and Fulham	£948,671	£1,028,770	-7.8%	£1,072,983	-11.6%
Richmond upon Thames	£864,137	£904,802	-4.5%	£906,934	-4.7%
Brent	£573,189	£641,503	-10.6%	£601,273	-4.7%
Wandsworth	£775,702	£756,067	2.6%	£808,651	-4.1%

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





London boroughs

Borough	Avg. price Jan 2017	Avg. price Dec 2016	Monthly change	Avg. price Jan 2016	Annual change
Kensington and Chelsea	£2,485,483	£2,129,846	16.7%	£2,256,043	10.2%
City of Westminster	£1,992,328	£1,917,079	3.9%	£2,044,240	-2.5%
Camden	£1,118,218	£994,411	12.5%	£1,338,376	-16.4%
Hammersmith and Fulham	£948,671	£1,028,770	-7.8%	£1,072,983	-11.6%
Richmond upon Thames	£864,137	£904,802	-4.5%	£906,934	-4.7%
Islington	£807,550	£801,593	0.7%	£734,066	10.0%
Wandsworth	£775,702	£756,067	2.6%	£808,651	-4.1%
Hackney	£732,573	£646,350	13.3%	£634,150	15.5%
Barnet	£732,439	£685,868	6.8%	£703,248	4.2%
Southwark	£684,410	£617,803	10.8%	£645,339	6.1%
Lambeth	£662,177	£677,373	-2.2%	£608,077	8.9%
Merton	£632,749	£583,271	8.5%	£611,062	3.5%
Kingston upon Thames	£621,638	£598,373	3.9%	£633,588	-1.9%
Haringey	£605,271	£601,465	0.6%	£558,884	8.3%
Ealing	£604,736	£606,334	-0.3%	£609,885	-0.8%
Tower Hamlets	£600,774	£614,134	-2.2%	£584,205	2.8%
Brent	£573,189	£641,503	-10.6%	£601,273	-4.7%
Bromley	£556,044	£509,330	9.2%	£498,352	11.6%
Harrow	£542,733	£548,826	-1.1%	£521,899	4.0%
Hounslow	£499,873	£516,028	-3.1%	£514,740	-2.9%
Enfield	£486,236	£469,958	3.5%	£447,192	8.7%
Hillingdon	£483,951	£478,104	1.2%	£465,330	4.0%
Waltham Forest	£475,186	£468,924	1.3%	£439,241	8.2%
Lewisham	£473,592	£461,086	2.7%	£453,735	4.4%
Greenwich	£464,144	£435,767	6.5%	£441,021	5.2%
Redbridge	£446,581	£459,543	-2.8%	£432,125	3.3%
Sutton	£437,115	£437,480	-0.1%	£397,705	9.9%
Newham	£426,971	£378,748	12.7%	£401,945	6.2%
Croydon	£423,347	£419,062	1.0%	£399,068	6.1%
Havering	£391,186	£391,511	-0.1%	£359,847	8.7%
Bexley	£370,291	£358,281	3.4%	£337,431	9.7%
Barking and Dagenham	£298,255	£302,994	-1.6%	£287,364	3.8%



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