



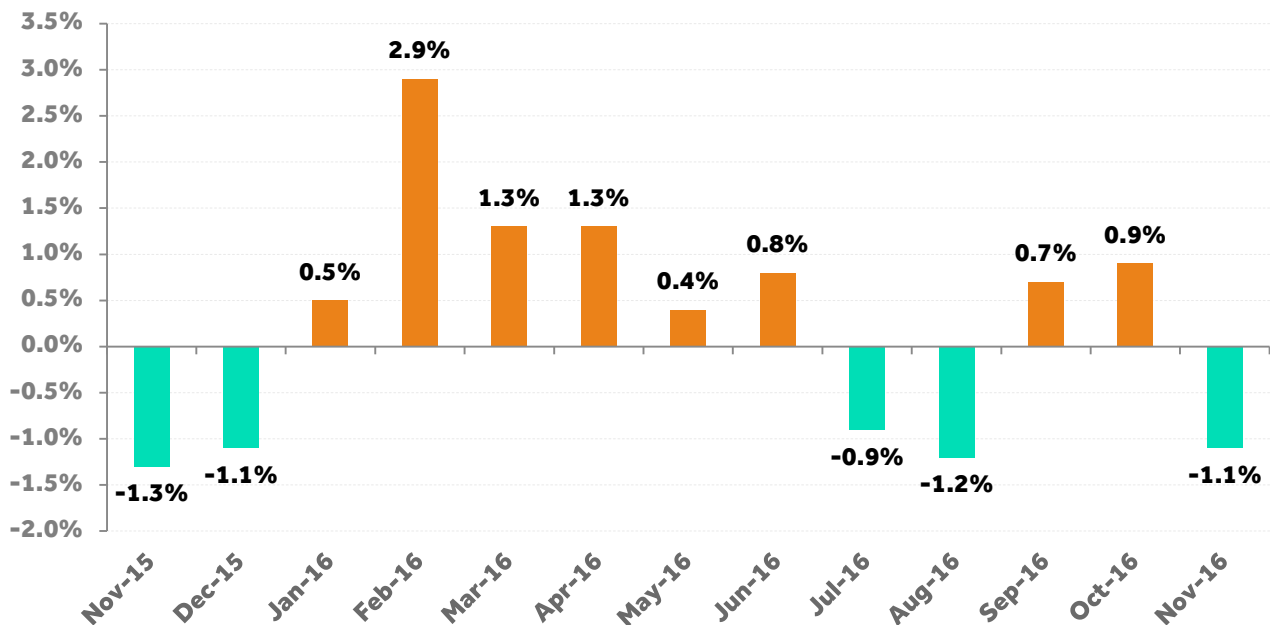
**Under embargo for 00:01 hours, Monday 14<sup>th</sup> November 2016**

## No respite for first-time buyers - can the Chancellor help?

- Price of property coming to market records a seasonal fall of 1.1% (-£3,452) this month, a smaller drop than the 1.8% average over the last six years showing signs of a resilient market
- Despite the overall seasonal fall, first-time buyers see properties of two beds or fewer rise by 1.7% this month, resulting in an annual jump of nearly £15,000 (+8.2%) which is twice the percentage rate in other market sectors
- Those living with parents or aged between 21 to 24 are most likely to shun attempting to get on the housing ladder according to new research<sup>1</sup>
- With the average first-time buyer age being 33<sup>2</sup>, will the Autumn statement deliver any help to get more and younger first-time buyers onto the property ladder?

National average asking prices				
Month	Avg. asking price	Monthly change	Annual change	Index
November 2016	£305,670	-1.1%	+4.5%	251.6
October 2016	£309,122	+0.9%	+4.2%	254.5
National average asking prices by market sector (excluding Inner London)				
Sector	November 2016	October 2016	Monthly change	Annual change
<b>First-time buyers</b>	£192,147	£188,891	+1.7%	+8.2%
<b>Second-steppers</b>	£259,157	£260,629	-0.6%	+5.6%
<b>Top of the ladder</b>	£533,818	£550,641	-3.1%	+2.6%

## % monthly change in average asking prices





## Overview

The price of property coming to market has fallen by 1.1% (-£3,452) this month. This is a relatively strong performance, as the average fall over the last six years at this seasonally quieter time of year has been 1.8%. There has been no respite for affordability-stretched first-time buyers however, with their typical target property type of two bedrooms or fewer being the only sector with a month-on-month increase, jumping by 1.7% (+£3,256). This now puts their annual rate of increase up nearly £15,000 to 8.2%, double the average percentage growth rate in other market sectors. The government has pledged to help this increasingly frustrated group, and many will be hoping for some good news in the Chancellor's forthcoming Autumn statement.

Miles Shippside, Rightmove director and housing market analyst comments: "Overall, house prices continue to hold up well. This is the smallest drop in average November asking prices since we saw the same figure of -1.1% in November 2011. Furthermore, the average time to sell of 65 days is one day quicker than at this time last year. However, price resilience is not good news for cash-strapped aspiring first-time buyers, and in spite of the more subdued time of year the smaller properties that they typically target have increased in price this month, the only market sector to show an increase. Compared to 12 months ago the price of newly-marketed properties with two bedrooms or fewer is up by over 8%, twice the rate of the sectors containing properties with three bedrooms or more. In the sprint to get onto the housing ladder, wage inflation to help meet lender affordability ratios and to save for the larger deposits required is being comprehensively outrun by price increases."

New Rightmove research<sup>1</sup> shows the two groups most pessimistic about their housing situation both contain potential first-time buyers. Those living with parents and the age group from 21 to 24 ranked highest in negative sentiment, in stating it is a 'bad time to buy'. There are government-backed schemes to help entry-level buyers, including the equity-loan Help to Buy scheme running until 2020 on new-build homes. However, with the average age of a first-time buyer being 33<sup>2</sup>, and this scheme being limited to new build only, there is a chance for the government to help more people and a younger age group in the Chancellor's autumn statement on the 23<sup>rd</sup> of November.

Shippside speculates: "As well as helping people's home-ownership aspirations, activity at the bottom rung of the ladder helps the rest of the market to move and through that boosts the wider economy. Short-term options that might be top of a first-time buyer's list would be a stamp duty holiday exclusive to them. However, there are dangers to increasing demand unless this is matched by policies to improve supply, and more radical steps need to be taken to remove some of the barriers preventing more affordable homes to buy and rent from being built in the right locations."

One of the ways to make the price of the end product more affordable is to make the land element cheaper, though it is essential that this feeds through into cheaper new-build property and is subject to quicker building programmes. Ideas that have been mooted include releasing suitable public land at below market value, speeding up and relaxing planning, and offering tax breaks to further incentivise landowners to sell up. Some would say that we should try all of the above to quickly address a backlog now estimated at over two million dwellings across a mixture of tenures.

Shippside surmises: "Building two million extra homes in the short-term is not going to happen, so the immediate goal must be to meet the current 230,000 annual target for house building and to include more affordable options. This needs a co-ordinated approach to create an army of appropriately skilled



workers, to include small and medium size developers, and to massively increase capacity and output. This has to be facilitated by more innovation, creative funding and overcoming some vested interests. Local Authorities or Housing Associations have a major role for both social rented housing and the ownership ladder, perhaps allowing renters to build an equity stake that leads to gradually increasing shared ownership.”

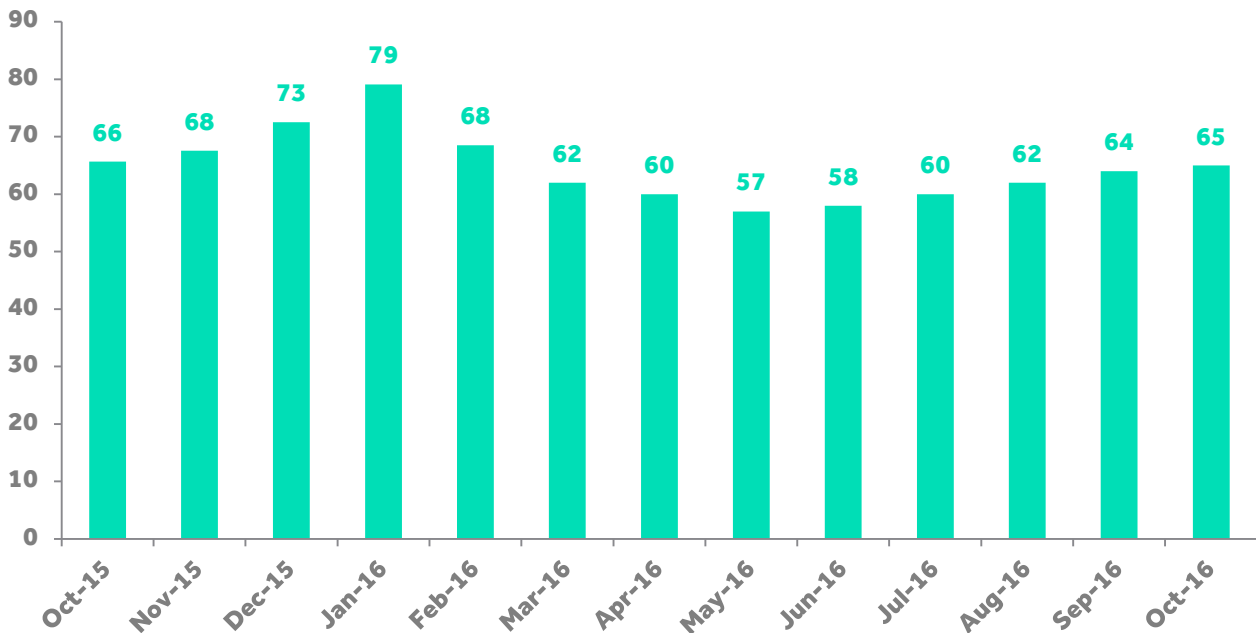
## Agents' Views

Mark Manning, Director of Manning Stainton in Leeds, Harrogate, Wetherby and Wakefield said: “The market across our region remains very much in the hands of the sellers with pent up demand still an ever present feature of the market. The number of new buyers registering across our network is 20% higher than at this time last year with a noticeable upturn in the number of first time buyers looking to make their first step onto the ladder. In many respects it feels like the market might be ready to take a pause for breath. However, a general lack of supply equally hampered by a slow rate of new build property coming into the market makes any adjustment in prices difficult to see as we start to think about the New Year ahead.”

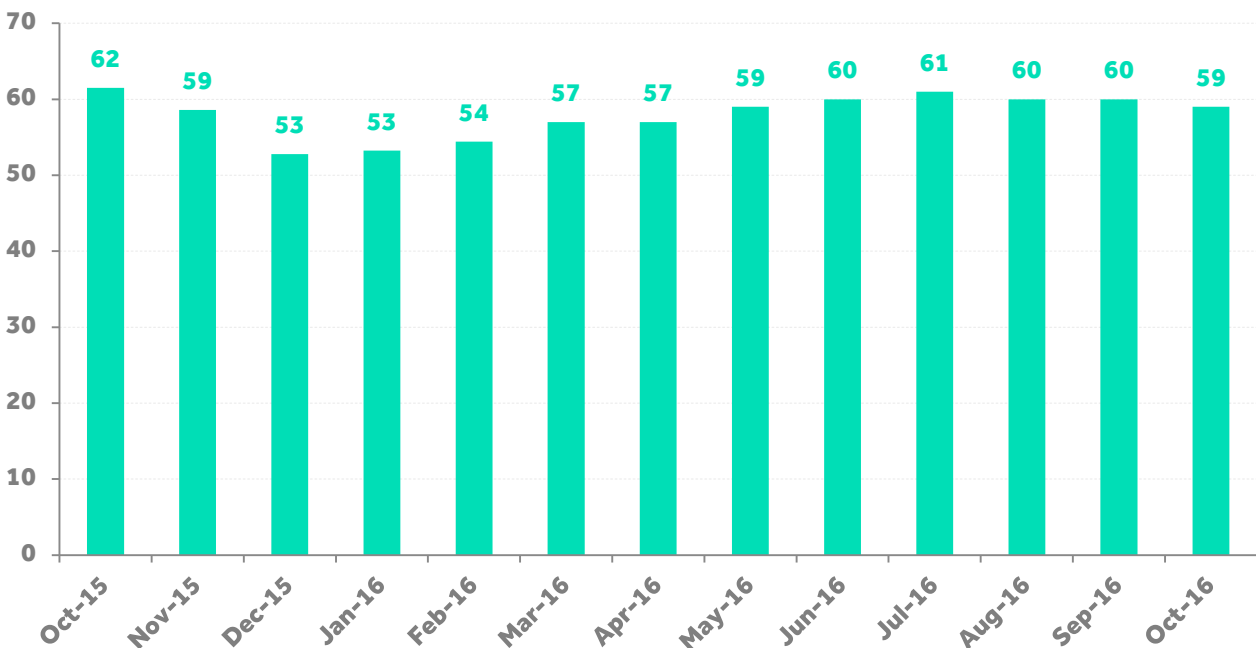
Martin Robinson, Director of Sales at Hunters Estate Agents, said: “Lack of stock across all of our branches is still an issue, especially now that things have settled down after the Brexit vote and a lot of serious buyers have come in over the past couple of weeks, meaning that it's taking less time to agree sales. Based on the recent flurry of activity I think there will be a strong end to the year. There does need to be more options available to younger first-time buyers as the demand and desire to buy a property is definitely there, but being able to raise a big enough deposit is preventing many from being able to make the first step.”



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

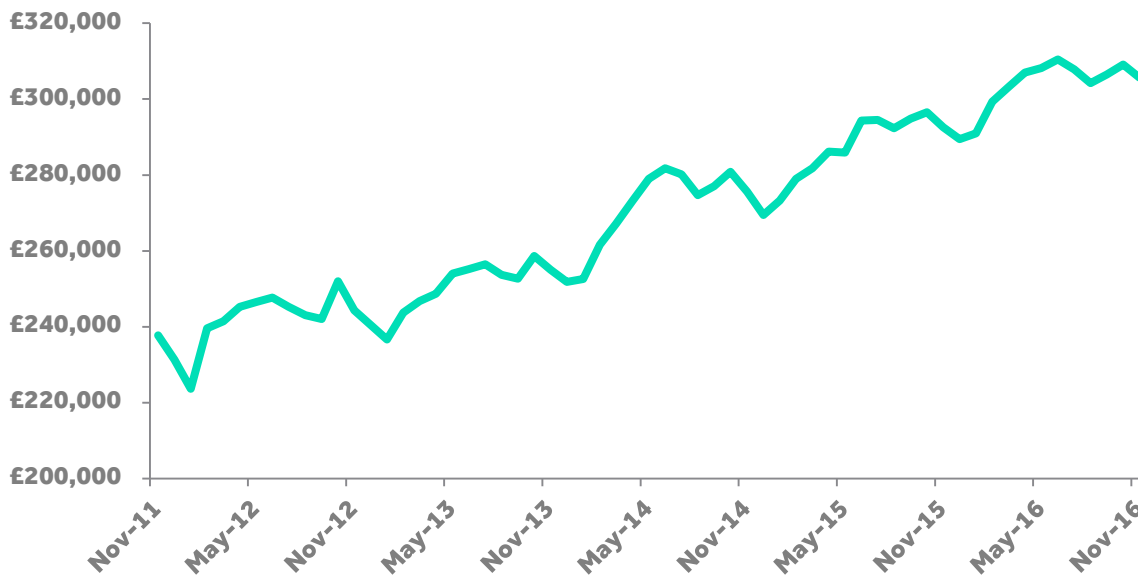


## Average stock per agent (including Under Offer/Sold STC)





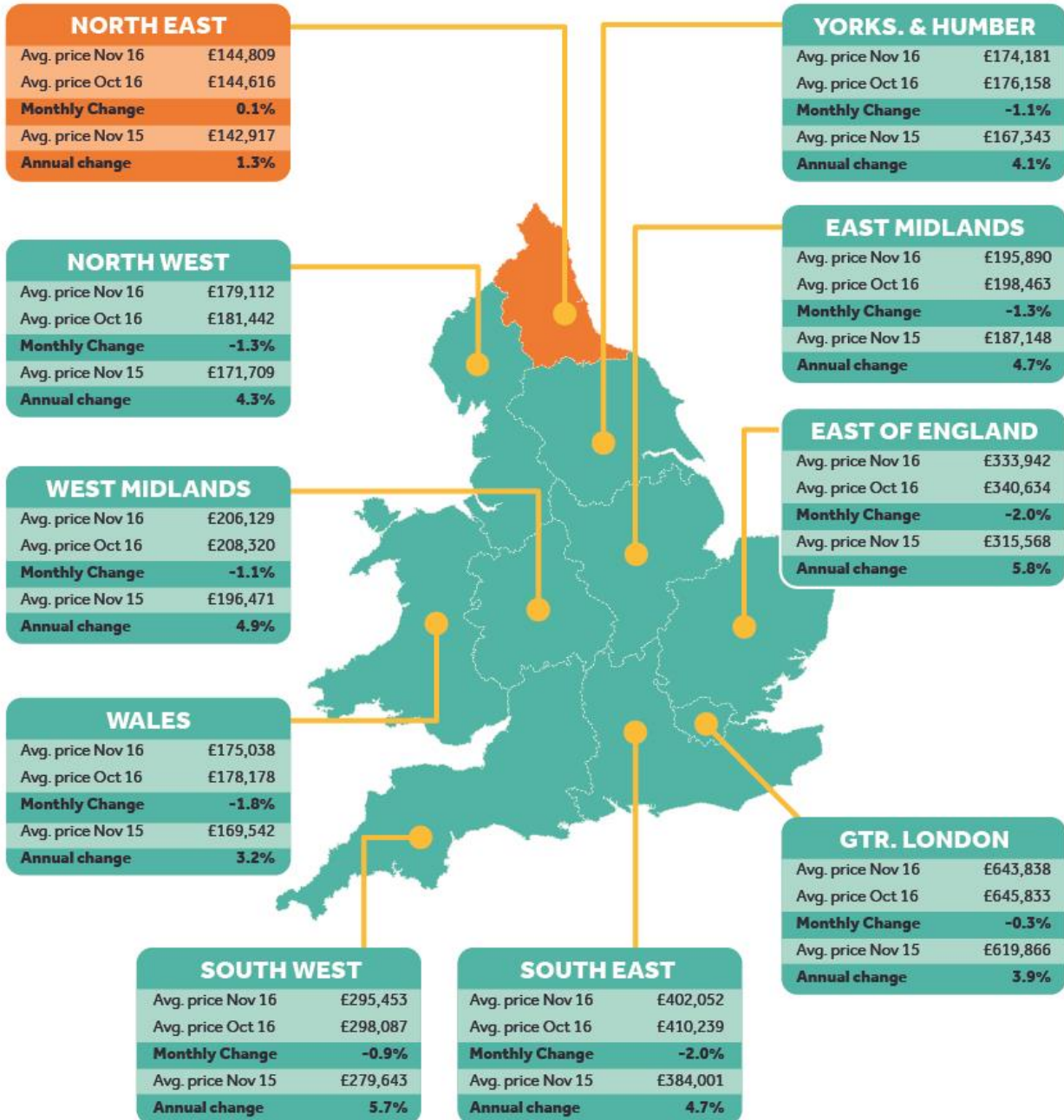
## Monthly asking price trend





## Regional trends

■ Increase from previous month   
 ■ Decrease from previous month   
 ■ No change





## London's best performers: November 2016

Borough	Avg. price Nov 2016	Avg. price Oct 2016	Monthly change	Avg. price Nov 2015	Annual change
Islington	£859,175	£793,326	8.3%	£795,978	7.9%
Camden	£1,174,095	£1,106,363	6.1%	£1,047,597	12.1%
City of Westminster	£1,967,858	£1,859,042	5.9%	£1,929,379	2.0%
Enfield	£491,777	£467,332	5.2%	£455,389	8.0%
Lambeth	£676,003	£646,074	4.6%	£631,566	7.0%

## London's worst performers: November 2016

Borough	Avg. price Nov 2016	Avg. price Oct 2016	Monthly change	Avg. price Nov 2015	Annual change
Merton	£623,088	£707,130	-11.9%	£631,304	-1.3%
Haringey	£633,518	£676,695	-6.4%	£637,076	-0.6%
Hounslow	£543,117	£576,113	-5.7%	£546,413	-0.6%
Tower Hamlets	£622,614	£649,954	-4.2%	£587,752	5.9%
Ealing	£630,835	£654,412	-3.6%	£626,216	0.7%

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





## London boroughs

Borough	Avg. price Nov 2016	Avg. price Oct 2016	Monthly change	Avg. price Nov 2015	Annual change
Kensington and Chelsea	£2,349,894	£2,328,422	0.9%	£2,327,125	1.0%
City of Westminster	£1,967,858	£1,859,042	5.9%	£1,929,379	2.0%
Camden	£1,174,095	£1,106,363	6.1%	£1,047,597	12.1%
Hammersmith and Fulham	£1,010,439	£1,009,951	0.0%	£1,047,889	-3.6%
Richmond upon Thames	£909,598	£902,252	0.8%	£879,220	3.5%
Islington	£859,175	£793,326	8.3%	£795,978	7.9%
Wandsworth	£786,596	£811,191	-3.0%	£833,266	-5.6%
Barnet	£704,213	£707,243	-0.4%	£676,424	4.1%
Lambeth	£676,003	£646,074	4.6%	£631,566	7.0%
Hackney	£649,867	£647,057	0.4%	£687,330	-5.5%
Brent	£646,509	£661,560	-2.3%	£622,145	3.9%
Haringey	£633,518	£676,695	-6.4%	£637,076	-0.6%
Ealing	£630,835	£654,412	-3.6%	£626,216	0.7%
Southwark	£623,915	£630,568	-1.1%	£638,666	-2.3%
Merton	£623,088	£707,130	-11.9%	£631,304	-1.3%
Tower Hamlets	£622,614	£649,954	-4.2%	£587,752	5.9%
Kingston upon Thames	£618,582	£615,549	0.5%	£611,145	1.2%
Harrow	£559,074	£570,639	-2.0%	£537,883	3.9%
Hounslow	£543,117	£576,113	-5.7%	£546,413	-0.6%
Bromley	£532,190	£543,839	-2.1%	£510,107	4.3%
Hillingdon	£497,803	£481,106	3.5%	£475,420	4.7%
Enfield	£491,777	£467,332	5.2%	£455,389	8.0%
Lewisham	£469,076	£484,050	-3.1%	£460,822	1.8%
Waltham Forest	£468,765	£461,237	1.6%	£433,466	8.1%
Redbridge	£455,509	£458,602	-0.7%	£433,413	5.1%
Greenwich	£453,868	£458,238	-1.0%	£449,776	0.9%
Sutton	£431,753	£434,312	-0.6%	£392,045	10.1%
Croydon	£424,554	£420,404	1.0%	£395,467	7.4%
Newham	£405,583	£410,934	-1.3%	£377,592	7.4%
Havering	£395,660	£392,457	0.8%	£361,441	9.5%
Bexley	£358,964	£358,023	0.3%	£331,197	8.4%
Barking and Dagenham	£303,171	£303,690	-0.2%	£274,957	10.3%





## Editors' notes

1 An independent nationally representative survey of 1,000 adults aged 18+.

2 English Housing Survey, 2014-15.

### 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 97,177 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 9<sup>th</sup> October 2016 to 5<sup>th</sup> November 2016 and advertised on Rightmove.co.uk. This month 4,621 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).