



**Under embargo for 00:01 hours: Monday, 15th June 2015**

## London prices rebound to new all-time high after surprise election result

- Price of property coming to market hits new record high, pushing the average new seller average asking price to over £600,000
- Strong post-election rebound with rise of 5.7% (+£32,848) driven by return of upper-price-bracket sellers
- Election outcome results in some dysfunctional dynamics:
  - £2 million plus property owners show their relief at withdrawal of Mansion Tax threat with nearly double the number coming to market
  - Overall number of new sellers down 20% year-on-year, with some owners choosing to stay put either hoping for further price rises or unable to fund an upwards move

London average asking prices				
Area	June 2015	May 2015	Monthly change	Annual change
Greater London	£613,922	£581,074	+5.7%	+5.8%
Inner London	£826,585	£765,305	+8.0%	+5.2%
Outer London	£471,329	£459,504	+2.6%	+6.1%
Average asking prices by market sector:				
Sector	June 2015	May 2015	Monthly change	Annual change
First-time buyers	£444,957	£437,441	+1.7%	+6.1%
Second-steppers	£643,025	£607,198	+5.9%	+6.8%
Top of the ladder	£1,642,789	£1,443,473	+13.8%	+4.2%

## Overview

This month sees a strong rebound in the price of property coming to market in London, with a rise of 5.7% (+£32,848), aided by the unexpected election outcome. This is the largest month-on-month London increase since February 2014. The average new seller asking price is at an all-time high of £613,922, 3.3% above the previous record of £594,585 set in April 2015.

Miles Shippside, Rightmove director and housing market analyst comments: *“The strong rebound in prices has been exaggerated by some owners of upper-price-bracket property returning to the market after refusing to try to sell during the period of pre-election uncertainty. Having downed their selling tools in the run up to the election, many have now picked them up again, which has had the effect of considerably increasing the average price of property marketed this month. This is especially marked in the borough of Kensington and Chelsea which dropped massively last month with the potential Mansion Tax threat at its height. It fell by 23.1% last month, but this month is the fastest increasing borough at 24.6%, reverting to its usual mid £2million mark.”*

Overall, London sees a tightening in new supply though there are some dysfunctional dynamics currently at play in the capital. The number of properties coming to market is substantially down, by 19.6% on the same period a year ago. There has also been a month-on-month fall of 3.4% with fewer newly-marketed properties after the election than before it. One sector that has bucked the supply shortage trend is the top of the market, £2m plus properties, where there has been an 80% leap in new to market properties in the 30 days after the election compared to the 30 days before it.



Shipside notes: *“The aftermath of the previous election in May 2010 saw a 21% surge in fresh stock in London, and a similar increase would have been a welcome—albeit temporary—relief for the under-supplied housing market, as well as for choice-starved buyers. Instead supply has tightened further except in the top-end price brackets. The 20% fall in new listings compared to this time last year is symptomatic of the capital’s housing issues. Many owners are holding on to their appreciating assets, while others are staying put as they cannot afford the high price of a local move. These statistics highlight the urgency for delivery of more new-build homes to meet the growth in household formation, a major focus of the election campaigns. Meanwhile sellers above £2 million will hope that prospective buyers feel equally as enthusiastic about post-election prospects. The number of new sellers in this bracket has nearly doubled compared to the month before, so a good dose of buyer enthusiasm is required to soak up this fresh surge of supply.”*

## Agents’ Views

**Lulu Egerton, Partner at Strutt & Parker in Chelsea said:** *“The market in Kensington & Chelsea has been in a healthy place since the election, when beforehand it was more of a sick dog. There are more properties coming to the market and viewing levels are up because there is more for buyers to choose from. There is no doubt that the Conservative win was a shock for everyone, and in the run up to the election, I think many of our potential buyers had stopped factoring property into their investment five year plan. So the surprise result certainly discombobulated the market and I think a lot of people are still taking stock in the aftermath. There is certainly a lot more energy, appetite and confidence out there. Transaction levels have risen slightly. One property that we had on for three months before the beginning of May, which had seen little traction, has now been agreed over the asking price with several bidders involved. The market does however remain price sensitive. I think we are gearing up for a very busy autumn when we will see a particularly rapid trading environment, and prices will start to rise again.”*

**Alex Bourne, Director at Hanover West End, said:** *“We were holding a few instructions back before the election, one example being a £10,500,000 house in Knightsbridge that we marketed the day after the election and agreed a sale on within a week of instruction. We also went live with a number of other properties over the £2m price range straight after the election and noticed a change in the appetite of buyers at that level. We received enquiries from much more committed buyers and have generated several offers over the £2m mark since the election. There is still a difference between sellers’ expectations and the price buyers are willing to pay, but sellers are becoming more realistic with the price they are willing to accept despite listing at record prices per square foot. We’ve agreed a number of sales between £5 and £15 million, significantly less than the asking price. I believe the lull before the election motivated the sellers and simply the thought of what a mansion tax might do to the market has created a situation where they are willing to deal at a more realistic price.”*



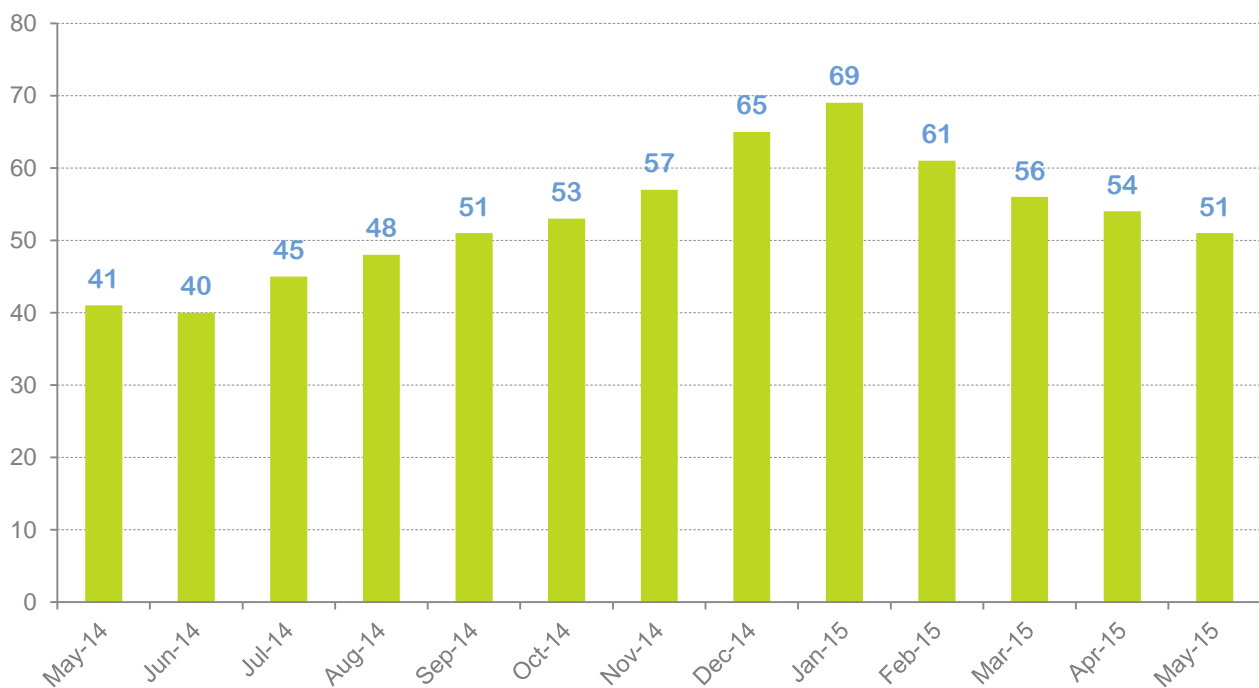
## London's best performers: June 2015

Borough	Avg. price June 2015	Avg. price May 2015	Monthly change	Avg. price June 2014	Annual change
Kensington And Chelsea	£2,467,876	£1,981,363	24.6%	£2,348,628	5.1%
Merton	£675,051	£583,108	15.8%	£616,662	9.5%
Brent	£618,596	£568,761	8.8%	£578,622	6.9%
Newham	£369,248	£340,171	8.5%	£311,996	18.4%
Richmond Upon Thames	£882,867	£815,144	8.3%	£861,834	2.4%

## London's worst performers: June 2015

Borough	Avg. price June 2015	Avg. price May 2015	Monthly change	Avg. price June 2014	Annual change
Tower Hamlets	£574,865	£620,868	-7.4%	£507,455	13.3%
Hackney	£601,327	£630,321	-4.6%	£578,439	4.0%
Southwark	£599,080	£615,613	-2.7%	£572,901	4.6%
Greenwich	£396,542	£405,329	-2.2%	£391,915	1.2%
Islington	£742,057	£756,985	-2.0%	£704,490	5.3%

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





## London boroughs

Borough	Avg. price June 2015	Avg. price May 2015	Monthly change	Avg. price June 2014	Annual change
Kensington And Chelsea	£2,467,876	£1,981,363	24.6%	£2,348,628	5.1%
City Of Westminster	£2,036,645	£1,919,918	6.1%	£1,896,615	7.4%
Camden	£1,191,409	£1,103,710	7.9%	£1,109,049	7.4%
Hammersmith And Fulham	£1,056,971	£996,675	6.0%	£1,029,633	2.7%
Richmond Upon Thames	£882,867	£815,144	8.3%	£861,834	2.4%
Wandsworth	£810,585	£767,331	5.6%	£770,865	5.2%
Islington	£742,057	£756,985	-2.0%	£704,490	5.3%
Merton	£675,051	£583,108	15.8%	£616,662	9.5%
Barnet	£663,247	£647,905	2.4%	£651,618	1.8%
Ealing	£636,803	£603,721	5.5%	£589,031	8.1%
Brent	£618,596	£568,761	8.8%	£578,622	6.9%
Lambeth	£613,621	£604,076	1.6%	£645,624	-5.0%
Haringey	£607,601	£601,526	1.0%	£613,801	-1.0%
Hackney	£601,327	£630,321	-4.6%	£578,439	4.0%
Kingston Upon Thames	£599,525	£576,318	4.0%	£567,076	5.7%
Southwark	£599,080	£615,613	-2.7%	£572,901	4.6%
Tower Hamlets	£574,865	£620,868	-7.4%	£507,455	13.3%
Hounslow	£519,419	£518,478	0.2%	£499,760	3.9%
Harrow	£509,644	£515,216	-1.1%	£471,309	8.1%
Bromley	£503,686	£490,080	2.8%	£472,781	6.5%
Hillingdon	£431,187	£435,562	-1.0%	£378,230	14.0%
Enfield	£426,459	£420,272	1.5%	£386,158	10.4%
Lewisham	£424,602	£429,325	-1.1%	£403,482	5.2%
Redbridge	£410,942	£403,993	1.7%	£373,067	10.2%
Waltham Forest	£407,004	£405,792	0.3%	£376,053	8.2%
Greenwich	£396,542	£405,329	-2.2%	£391,915	1.2%
Sutton	£387,174	£389,872	-0.7%	£362,488	6.8%
Croydon	£371,500	£372,772	-0.3%	£334,549	11.0%
Newham	£369,248	£340,171	8.5%	£311,996	18.4%
Havering	£347,652	£335,007	3.8%	£317,306	9.6%
Bexley	£322,237	£317,698	1.4%	£287,344	12.1%
Barking And Dagenham	£252,400	£250,977	0.6%	£228,469	10.5%



## 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).