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London prices reach new high as one in seven fewer owners come to market

- Average price of a newly-marketed home now £630,050, up by £10,047 (+1.6%) from last month's previous high
- Number of properties coming to market down by 16.2% this month compared to same period a year ago, giving buyers less choice and hindering them in negotiating lower prices
- In the first-time-buyer, second-stepper and top of the ladder sectors only four boroughs out of thirty-two have more supply of property coming to market so far this year than last:
 - First-time-buyer sector: New listings down 12.9% overall with only one borough, Richmond, seeing marginally more sellers (+0.2%)
 - Second-stepper sector: The smallest drop-off but still 8.9% fewer new-to-market
 - Top of the ladder sector: Typically discretionary rather than motivated sellers so can afford to stay put till their sector volumes recover, with new listings down the most at minus 14.0%

London average asking prices				
Area	October 2015	September 2015	Monthly change	Annual change
Greater London	£630,050	£620,003	1.6%	8.3%
Inner London	£832,099	£816,109	2.0%	6.6%
Outer London	£495,083	£489,125	1.2%	9.8%
Average asking prices by market sector:				
Sector	October 2015	September 2015	Monthly change	Annual change
First-time buyers	£467,050	£460,550	1.4%	8.6%
Second-steppers	£663,034	£644,529	2.9%	10.0%
Top of the ladder	£1,586,624	£1,596,800	-0.6%	3.0%

Overview

With one in seven fewer owners of property in the capital deciding that 2015 is the year of their move than in 2014, the relative shortage of homes for sale has again pushed the price of property coming to market to a new record high. New seller asking prices in London are up by 1.6% this month with the average price of a newly-marketed home now £630,050, up by £10,047 from the previous record in September.

Miles Shipside, Rightmove director and housing market analyst comments: "London is made up of a myriad of different markets with many varied factors influencing property prices. Demand has been dented by stretched affordability and buyers' sense of true values after years of big price jumps, but whilst it has taken a few knocks it still remains robust for the right property at the right price. With fewer properties coming to market, let alone the right ones at the right price, demand is still not being satisfied in many areas. So far this month compared to the same period last year, one in seven fewer home-owners are choosing to come to market. This has restricted potential gluts of over-supply, and helped push prices to a new average all-time high in the capital, driven by rises in the lower and middle sectors of the market."

Properties in the typical first-time-buyer sector, those with two bedrooms or fewer, are coming to the market at prices 1.4% higher this month compared to last. Second-stepper properties are the most active in terms of upwards price pressure, with a monthly rise of 2.9%. The top of the ladder has fallen by 0.6%.



In the first-time-buyer, second-stepper and top of the ladder sectors only four out of thirty-two boroughs have more supply of property coming to market in any of these categories so far this year than last. Whilst it should be stressed that at a borough level the numbers of new listings are relatively small and can exaggerate the percentage increase or decrease, they still give a useful indication of the strengths and weaknesses of London's local property markets.

Shipside observes: *"For only four boroughs out of thirty-two to be showing increased new listing levels in any market sector so far this year compared to last is a remarkable statistic. It highlights London property owners' financial resilience and determination to be able to choose when to sell, being acutely sensitive to time their moves to make the most of their very valuable property asset."*

The first-time-buyer sector sees new listings down 12.9% overall with only Richmond seeing marginally more sellers (+0.2%). All other boroughs have fewer properties coming to market in this sector, restricting the negotiating power of would-be first-time buyers.

Shipside says: *"Properties in London's lowest priced sector are still selling very quickly. Agents say that sellers must not over-price as buyers are price and value sensitive, but that at the right price buyer demand is very high. With fresh supply down on last year they are still being snapped up, giving buyers little scope for negotiating lower prices."*

The second-stepper sector records the smallest drop-off in new supply but there are still 8.9% fewer new-to-market homes. Only the boroughs of Hillingdon (+4.4%), Hackney (+3.7%) and Richmond (+2.5%) have more sellers year to date than in the same period in 2014.

Shipside notes: *"The level of demand that agents are reporting in this active sector helps explain it being the fastest riser in new seller asking prices both this month and year-on-year."*

Typically discretionary rather than motivated sellers, top-of-the-ladder owners can afford to stay put till their sector volumes recover. The number of properties coming to market in the top bracket is down the most at minus 14.0%. Only two boroughs record an increase, Newham (+27.0%) and Hillingdon (+1.3%).

Shipside adds: *"This sector has fallen in price this month, and its challenges of stamp duty rises and high price inflation in recent years are well documented so continued volatility is to be expected as it re-adjusts."*

Agent's View

Jo-Anne Neighbour, Head of Residential Sales at Savills in Islington, says: *"Demand is high and exceeding supply at the lower end of the market in this area, with anything not over-priced selling very quickly. Buyers are very clued up on what represents value and can easily spot an asking price that is out-of-line, with the most interest being generated in the £500,000 to £750,000 bracket."*



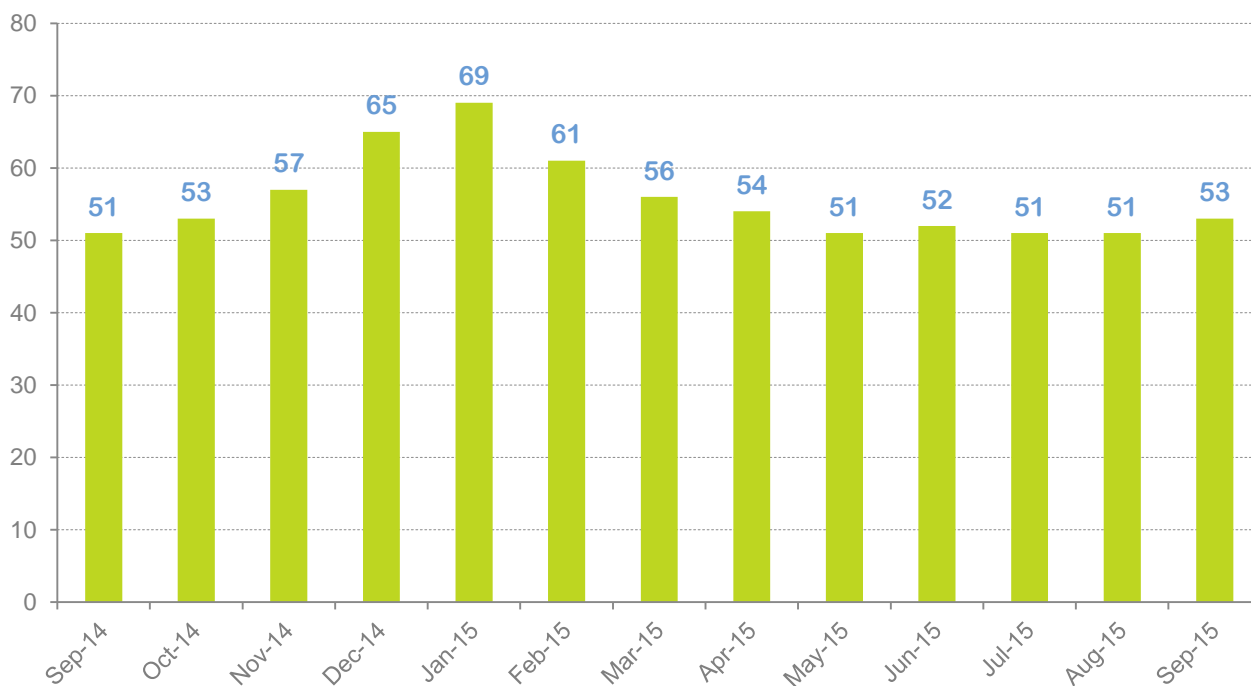
London's best performers: October 2015

Borough	Avg. price Oct 2015	Avg. price Sep 2015	Monthly change	Avg. price Oct 2014	Annual change
Tower Hamlets	£617,075	£566,497	8.9%	£523,080	18.0%
Merton	£672,563	£619,838	8.5%	£625,856	7.5%
Haringey	£620,950	£573,719	8.2%	£586,599	5.9%
Lambeth	£653,552	£605,929	7.9%	£588,688	11.0%
City of Westminster	£2,022,794	£1,878,256	7.7%	£1,946,621	3.9%

London's worst performers: October 2015

Borough	Avg. price Oct 2015	Avg. price Sep 2015	Monthly change	Avg. price Oct 2014	Annual change
Wandsworth	£818,203	£877,178	-6.7%	£818,046	0.0%
Southwark	£612,039	£631,055	-3.0%	£613,841	-0.3%
Barnet	£661,480	£679,720	-2.7%	£640,856	3.2%
Richmond upon Thames	£900,749	£910,626	-1.1%	£906,263	-0.6%
Havering	£349,520	£351,244	-0.5%	£320,918	8.9%

Average 'time to sell' (days) - London





London boroughs

Borough	Avg. price Oct 2015	Avg. price Sep 2015	Monthly change	Avg. price Oct 2014	Annual change
Kensington and Chelsea	£2,492,753	£2,326,857	7.1%	£2,385,521	4.5%
City of Westminster	£2,022,794	£1,878,256	7.7%	£1,946,621	3.9%
Camden	£1,133,750	£1,119,730	1.3%	£1,119,595	1.3%
Hammersmith and Fulham	£1,042,822	£1,036,493	0.6%	£974,507	7.0%
Richmond upon Thames	£900,749	£910,626	-1.1%	£906,263	-0.6%
Wandsworth	£818,203	£877,178	-6.7%	£818,046	0.0%
Islington	£761,320	£759,046	0.3%	£708,426	7.5%
Merton	£672,563	£619,838	8.5%	£625,856	7.5%
Barnet	£661,480	£679,720	-2.7%	£640,856	3.2%
Lambeth	£653,552	£605,929	7.9%	£588,688	11.0%
Hackney	£649,326	£639,148	1.6%	£585,429	10.9%
Brent	£644,419	£623,835	3.3%	£601,829	7.1%
Kingston upon Thames	£636,595	£610,070	4.3%	£564,499	12.8%
Ealing	£635,942	£618,339	2.8%	£594,236	7.0%
Haringey	£620,950	£573,719	8.2%	£586,599	5.9%
Tower Hamlets	£617,075	£566,497	8.9%	£523,080	18.0%
Southwark	£612,039	£631,055	-3.0%	£613,841	-0.3%
Hounslow	£554,607	£531,400	4.4%	£512,828	8.1%
Harrow	£547,831	£542,953	0.9%	£467,713	17.1%
Bromley	£523,474	£510,122	2.6%	£477,319	9.7%
Enfield	£457,247	£443,470	3.1%	£400,295	14.2%
Greenwich	£455,103	£441,914	3.0%	£392,639	15.9%
Lewisham	£450,687	£436,820	3.2%	£413,379	9.0%
Hillingdon	£444,423	£446,130	-0.4%	£406,601	9.3%
Redbridge	£434,127	£428,306	1.4%	£371,939	16.7%
Waltham Forest	£433,796	£423,193	2.5%	£378,151	14.7%
Sutton	£398,333	£398,505	0.0%	£359,320	10.9%
Croydon	£390,069	£386,953	0.8%	£348,384	12.0%
Newham	£376,073	£361,557	4.0%	£318,316	18.1%
Havering	£349,520	£351,244	-0.5%	£320,918	8.9%
Bexley	£334,049	£327,506	2.0%	£289,175	15.5%
Barking and Dagenham	£273,097	£267,567	2.1%	£234,490	16.5%



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).