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## £1 million price tag for average London home by end of 2020?

- New all-time London high as price of property coming to market rebounds from holiday-season lull to jump by 2.2% (+£13,177)
- The average new seller asking price in the capital is now £620,003, up by 0.8% (+£4,888) on the previous record set in July this year
- Annual rate of increase of 9.5% (+£53,923) as supply/demand imbalance continues along with London's international allure
- To illustrate the desperate need for more housing in and around the capital, Rightmove calculates that if the current annual rate of price growth continues, the average price tag of a London home would be £1 million by the end of 2020

London average asking prices				
Area	September 2015	August 2015	Monthly change	Annual change
Greater London	£620,003	£606,826	2.2%	9.5%
Inner London	£816,109	£798,657	2.2%	9.1%
Outer London	£489,125	£478,375	2.2%	9.7%
Average asking prices by market sector:				
Sector	September 2015	August 2015	Monthly change	Annual change
First-time buyers	£460,550	£455,624	1.1%	11.2%
Second-steppers	£644,529	£633,211	1.8%	10.0%
Top of the ladder	£1,596,800	£1,528,036	4.5%	5.4%

## Overview

The price of property coming to market in London has rebounded from its holiday-season lull to jump by 2.2% (+£13,177). The average price of a newly-marketed home in the capital is at a new all-time high of £620,003, up by 0.8% (+£4,888) on the previous record set in July of this year.

Miles Shipside, Rightmove director and housing market analyst comments: *"This month's 2.2% rise more than reverses the seasonal slowdown over the last two months when the average price of property coming to market fell by 0.6%. It's a volatile time of year for average prices however, as potential sellers of higher-priced properties tend to refrain from coming to market in the holiday period, but then get on with their home moving plans again in September partly influenced by children going back to school. The back-to-normal service has resulted in new seller asking prices reaching another milestone, with a new record high."*

The annual rate of increase is now up to 9.5% as London's long-term supply/demand imbalance and international allure result in underlying upwards price pressure, enabling the capital's property market to maintain its upward trajectory through temporary upheavals such as the recent election. Rightmove calculates that if the current annual rate of price growth was maintained for the next five years the average price tag of a London home would be £1 million by the end of 2020.



Shipside observes: *"The average price tag on a newly-marketed property is £53,923 higher in September this year than last and if this trend were to continue it would hit £1 million in just over five years. While we are not suggesting that this level of growth can or will be maintained, this extrapolation illustrates the desperate need for more building and more affordable housing in and around the capital."*

### Agent's View

Lee James Pendleton, Director of James Pendleton Estate Agents, said: *"We've had a phenomenal summer with record months in July and August, as we've seen a huge upturn in the market around Wandsworth, Lambeth and Hammersmith & Fulham. While there have been less buyers overall, there are more quality buyers. One example of a place that's booming is Nine Elms in Battersea, where studios that had been selling for £450,000 are now selling for over £600,000. These new developments have had a ripple effect on Wandsworth in general, with prices up around 15% in some places."*



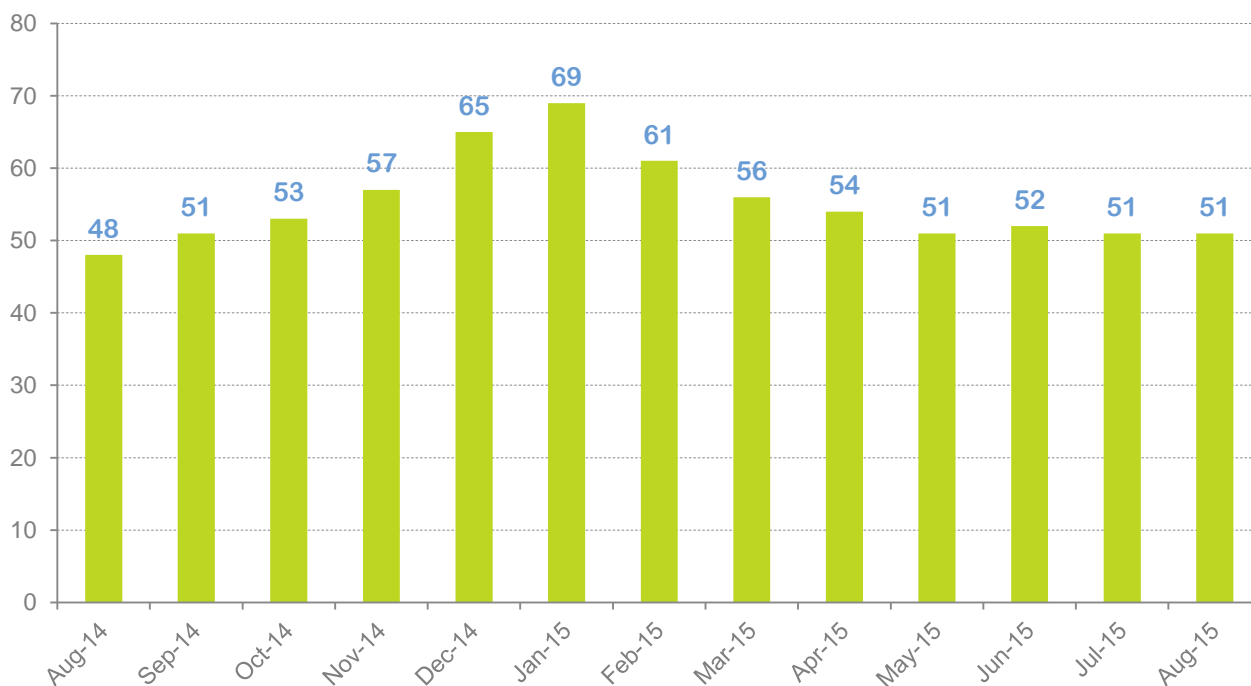
## London's best performers: September 2015

Borough	Avg. price Sept 2015	Avg. price Aug 2015	Monthly change	Avg. price Sept 2014	Annual change
Southwark	£631,055	£580,809	8.7%	£574,382	9.9%
Kensington and Chelsea	£2,326,857	£2,147,264	8.4%	£1,839,417	26.5%
Richmond upon Thames	£910,626	£849,946	7.1%	£865,585	5.2%
Hounslow	£531,400	£497,710	6.8%	£450,868	17.9%
Wandsworth	£877,178	£830,025	5.7%	£729,819	20.2%

## London's worst performers: September 2015

Borough	Avg. price Sept 2015	Avg. price Aug 2015	Monthly change	Avg. price Sept 2014	Annual change
City of Westminster	£1,878,256	£2,146,526	-12.5%	£1,855,461	1.2%
Barnet	£679,720	£717,397	-5.3%	£644,630	5.4%
Tower Hamlets	£566,497	£592,850	-4.4%	£506,068	11.9%
Lambeth	£605,929	£629,626	-3.8%	£576,256	5.1%
Newham	£361,557	£371,915	-2.8%	£314,042	15.1%

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





## London boroughs

Borough	Avg. price Sept 2015	Avg. price Aug 2015	Monthly change	Avg. price Sept 2014	Annual change
Kensington and Chelsea	£2,326,857	£2,147,264	8.4%	£1,839,417	26.5%
City of Westminster	£1,878,256	£2,146,526	-12.5%	£1,855,461	1.2%
Camden	£1,119,730	£1,106,312	1.2%	£988,861	13.2%
Hammersmith and Fulham	£1,036,493	£992,487	4.4%	£989,781	4.7%
Richmond upon Thames	£910,626	£849,946	7.1%	£865,585	5.2%
Wandsworth	£877,178	£830,025	5.7%	£729,819	20.2%
Islington	£759,046	£732,879	3.6%	£679,363	11.7%
Barnet	£679,720	£717,397	-5.3%	£644,630	5.4%
Hackney	£639,148	£627,302	1.9%	£610,367	4.7%
Southwark	£631,055	£580,809	8.7%	£574,382	9.9%
Brent	£623,835	£639,774	-2.5%	£595,332	4.8%
Merton	£619,838	£607,873	2.0%	£593,499	4.4%
Ealing	£618,339	£609,219	1.5%	£583,846	5.9%
Kingston upon Thames	£610,070	£614,355	-0.7%	£541,763	12.6%
Lambeth	£605,929	£629,626	-3.8%	£576,256	5.1%
Haringey	£573,719	£586,997	-2.3%	£613,840	-6.5%
Tower Hamlets	£566,497	£592,850	-4.4%	£506,068	11.9%
Harrow	£542,953	£526,547	3.1%	£478,831	13.4%
Hounslow	£531,400	£497,710	6.8%	£450,868	17.9%
Bromley	£510,122	£495,903	2.9%	£465,702	9.5%
Hillingdon	£446,130	£428,013	4.2%	£388,244	14.9%
Enfield	£443,470	£432,281	2.6%	£407,008	9.0%
Greenwich	£441,914	£427,078	3.5%	£378,372	16.8%
Lewisham	£436,820	£432,067	1.1%	£398,486	9.6%
Redbridge	£428,306	£430,528	-0.5%	£369,447	15.9%
Waltham Forest	£423,193	£416,476	1.6%	£371,744	13.8%
Sutton	£398,505	£394,956	0.9%	£364,381	9.4%
Croydon	£386,953	£379,279	2.0%	£351,874	10.0%
Newham	£361,557	£371,915	-2.8%	£314,042	15.1%
Havering	£351,244	£342,661	2.5%	£317,674	10.6%
Bexley	£327,506	£317,893	3.0%	£297,039	10.3%
Barking and Dagenham	£267,567	£262,292	2.0%	£229,995	16.3%



### 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).