



Under embargo for 00:01 hours: Monday, 18th May 2015 New seller surge forecast as mansion tax threat removed

- Uncertainty about the election outcome put the brakes on the price of property coming to market in London this month with a drop of 2.3% (-£13,511)
- Annual rate of increase falls to +1.5%, the lowest for over four years
- The biggest faller was the most expensive borough, Kensington & Chelsea, dropping by £593,732 (-23.1%) this month to just below the proposed £2 million mansion tax threshold
- Conservative majority means some of the brakes now off for prospective buyers:
 - Surge in new seller numbers anticipated as those who put their move on hold now act – there was a 21% jump in new properties coming to market after the May 2010 election
 - Removal of threat of mansion tax stimulates prime market sector

London average asking prices				
Area	May 2015	Apr 2015	Monthly change	Annual change
Greater London	£581,074	£594,585	-2.3%	+1.5%
Inner London	£765,305	£789,189	-3.0%	-1.5%
Outer London	£459,504	£466,033	-1.4%	+5.2%
Average asking prices by market sector:				
Sector	May 2015	Apr 2015	Monthly change	Annual change
First-time buyers	£437,411	£439,351	-0.4%	+4.9%
Second-steppers	£607,198	£619,260	-1.9%	+2.9%
Top of the ladder	£1,443,473	£1,540,481	-6.3%	-7.4%

Overview

Pre-election jitters put the brakes on the price of property coming to market in London this month with a drop of 2.3% (-£13,511). This drop gave some buyers an element of relief against the back drop of an inherent housing shortage. Estate agents now report a post-election resurgence in interest following the surprise result. Some of the brakes have been removed and this is likely to push up activity and edge prices up again. In addition, top-end sellers of properties above two million pounds have now had the mansion tax threat removed so may well be bolder on their asking prices, although they are still feeling the effect of the recent increases in stamp duty at the top of the market.

Miles Shipside, Rightmove director and housing market analyst comments: *“The heady rises in property prices in the capital over the past few years meant that the market was particularly susceptible to negative influences in spite of the underlying supply/demand imbalance. Election uncertainty and particularly the threats of financial penalties to non-doms, landlords and those with properties valued at over £2 million put a brake on the market, and their removal gives a reason for a rebound in activity and prices.”*

The biggest falling borough is the most expensive, Kensington & Chelsea. This fell by £593,732 (-23.1%) this month to an average of £1,981,363, just below the proposed £2 million mansion tax threshold. This is in part due to top-end sellers holding back from the market awaiting the election outcome, resulting in mainly the cheaper properties with prices below £2 million coming to market in the weeks leading up to the election.



The annual rate of increase in London is down to just 1.5%, the lowest since April 2011, and with a more certain political outlook there may now be renewed momentum for another London price spurt. However, sellers who think they have the upper hand due to the lack of property for sale should be aware that a surge of new competition could be on the way, giving buyers some extra negotiating power. In the three months after the May 2010 election there was a 21% jump in the number of properties coming to market in London compared to the previous quarter. With a majority government in power, early post-election indications from estate agents suggest that the next quarter could see another surge in property coming to market.

Shipside tips: "Buyers should note that there is often a surge of property supply after an election, as those that held off from coming to market decide to take the plunge. This increased choice and extra competition may help to offset buoyant sellers' price demands. Many would-be buyers and sellers may have held back expecting property prices to be affected by political uncertainty, but may now decide to catch the late spring home-moving season, boosting London market activity after a period in the doldrums."

Agent's View

Andrew Weir of Foxtons says: *"Now the months of uncertainty are finally over, we are already witnessing confidence returning to the market with buyers and sellers in a more informed position to make the decisions they were putting off. Whilst it's still far too early to put any numbers on it, we expect to see more stock coming back to the market and increased buyer confidence especially with interest rates still as low as they are. An initial observation in our agency branches in the week following the election has shown many buyers who registered months ago but put their purchasing on hold, have since picked up their search activity with a renewed vigour."*



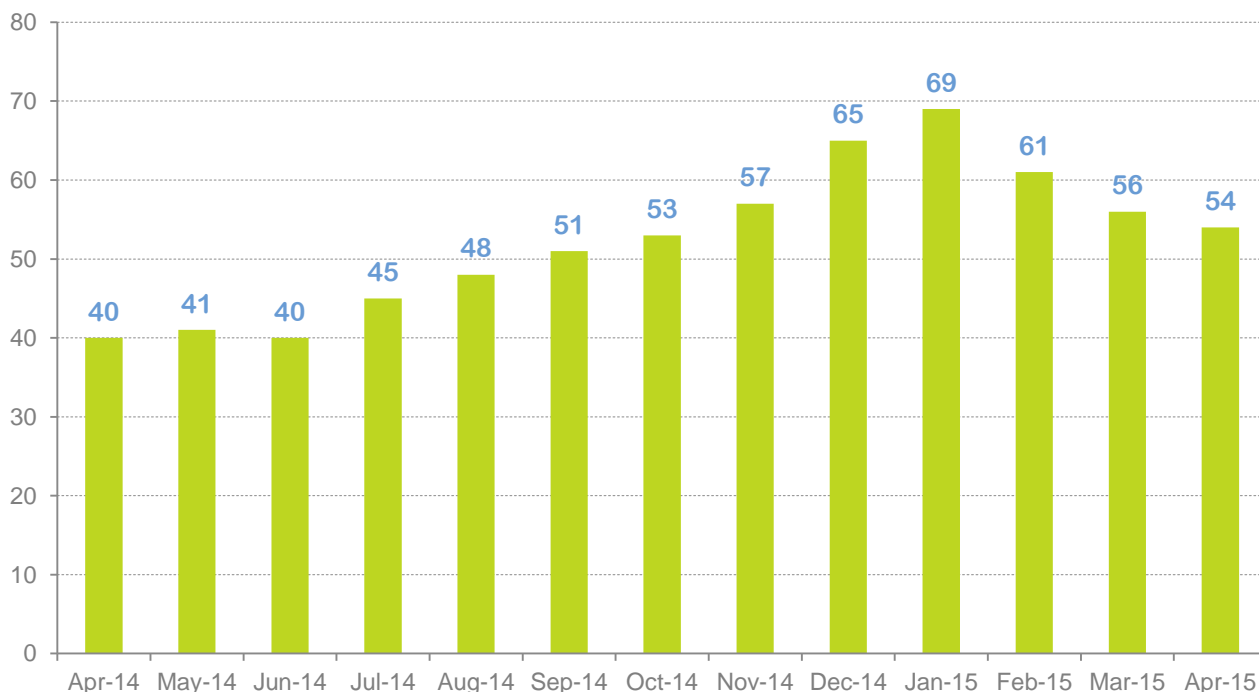
London's best performers: May 2015

Borough	Avg. price May 2015	Avg. price Apr 2015	Monthly change	Avg. price May 2014	Annual change
Camden	£1,103,710	£1,022,989	7.9%	£1,153,687	-4.3%
Haringey	£601,526	£561,762	7.1%	£590,830	1.8%
Harrow	£515,216	£482,553	6.8%	£461,673	11.6%
Redbridge	£403,993	£379,523	6.4%	£366,843	10.1%
Islington	£756,985	£734,646	3.0%	£692,875	9.3%

London's worst performers: May 2015

Borough	Avg. price May 2015	Avg. price Apr 2015	Monthly change	Avg. price May 2014	Annual change
Kensington and Chelsea	£1,981,363	£2,575,095	-23.1%	£2,408,151	-17.7%
Southwark	£615,613	£650,686	-5.4%	£562,300	9.5%
Kingston upon Thames	£576,318	£601,081	-4.1%	£537,647	7.2%
Newham	£340,171	£351,190	-3.1%	£298,585	13.9%
Merton	£583,108	£599,070	-2.7%	£612,266	-4.8%

Average 'time to sell' (days) - London





London boroughs

Borough	Avg. price May 2015	Avg. price Apr 2015	Monthly change	Avg. price May 2014	Annual change
Kensington and Chelsea	£1,981,363	£2,575,095	-23.1%	£2,408,151	-17.7%
City of Westminster	£1,919,918	£1,941,099	-1.1%	£1,779,399	7.9%
Camden	£1,103,710	£1,022,989	7.9%	£1,153,687	-4.3%
Hammersmith and Fulham	£996,675	£1,018,396	-2.1%	£1,010,039	-1.3%
Richmond upon Thames	£815,144	£805,644	1.2%	£836,021	-2.5%
Wandsworth	£767,331	£761,901	0.7%	£821,656	-6.6%
Islington	£756,985	£734,646	3.0%	£692,875	9.3%
Barnet	£647,905	£644,795	0.5%	£647,995	0.0%
Hackney	£630,321	£613,110	2.8%	£604,915	4.2%
Tower Hamlets	£620,868	£618,236	0.4%	£509,790	21.8%
Southwark	£615,613	£650,686	-5.4%	£562,300	9.5%
Lambeth	£604,076	£619,153	-2.4%	£612,508	-1.4%
Ealing	£603,721	£606,879	-0.5%	£584,882	3.2%
Haringey	£601,526	£561,762	7.1%	£590,830	1.8%
Merton	£583,108	£599,070	-2.7%	£612,266	-4.8%
Kingston upon Thames	£576,318	£601,081	-4.1%	£537,647	7.2%
Brent	£568,761	£574,108	-0.9%	£552,798	2.9%
Hounslow	£518,478	£503,711	2.9%	£499,278	3.8%
Harrow	£515,216	£482,553	6.8%	£461,673	11.6%
Bromley	£490,080	£490,982	-0.2%	£461,853	6.1%
Hillingdon	£435,562	£430,462	1.2%	£373,063	16.8%
Lewisham	£429,325	£419,524	2.3%	£395,840	8.5%
Enfield	£420,272	£419,450	0.2%	£408,091	3.0%
Waltham Forest	£405,792	£397,817	2.0%	£365,960	10.9%
Greenwich	£405,329	£399,997	1.3%	£376,616	7.6%
Redbridge	£403,993	£379,523	6.4%	£366,843	10.1%
Sutton	£389,872	£380,443	2.5%	£365,535	6.7%
Croydon	£372,772	£367,692	1.4%	£332,630	12.1%
Newham	£340,171	£351,190	-3.1%	£298,585	13.9%
Havering	£335,007	£336,254	-0.4%	£303,745	10.3%
Bexley	£317,698	£309,579	2.6%	£283,642	12.0%
Barking and Dagenham	£250,977	£245,731	2.1%	£224,118	12.0%



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).