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Stresses at top and bottom of the market drive price of property down

- New seller asking prices down by 0.4% (-£2,130) in London this month
- First fall in month of March for three years highlights re-adjusting market in the capital
- Typical first-time buyer property falls by 0.2% (-£668) as tighter lending criteria and high prices limit the spending power of those trying to get onto the property ladder
- Tax issues and international constraints continue to drag down the top of the ladder, leading to monthly drop of 2.6% (-£38,717)

London average asking prices				
Area	Mar 2015	Feb 2015	Monthly change	Annual change
Greater London	£580,308	£582,438	-0.4%	+5.5%
Inner London	£764,309	£781,145	-2.2%	+2.6%
Outer London	£458,945	£452,240	+1.5%	+9.0%
Average asking prices by market sector:				
Sector	Mar 2015	Feb 2015	Monthly change	Annual change
First-time buyers	£430,491	£431,159	-0.2%	+7.7%
Second-steppers	£616,377	£614,638	+0.3%	+7.9%
Top of the ladder	£1,430,502	£1,469,219	-2.6%	-5.3%

Overview

The price of property coming to the market in London fell by 0.4% this month, the first fall seen in the month of March for three years and the largest March fall since 2011. Outer London boroughs saw an average rise of 1.5% while Inner London recorded an overall fall of 2.2%.

Miles Shippside, Rightmove director and housing market analyst comments: *“This month fits the consistent pattern of ebbs and flows in many different localities within the overall London market, with prices still going up in some better-value boroughs and still going down in others that have overshot. The consistent theme is of a re-adjusting market, evidenced by the first fall at this time of year for three years.”*

Various powerful dynamics are at play, pushing average new seller asking prices down in spite of the high demand for housing in London. While this is a traditional time of year for first-time buyer activity to put upwards price pressure on flats and terraced houses with two bedrooms or fewer, the price of this type of property has fallen by 0.2%. The middle range of property types sees a marginal increase of 0.3% on the month, an indicator of some headroom left in affordability and demand still exceeding supply in some locations. The top end of the market has been hit by both the recent stamp duty changes and Labour’s proposed mansion tax, and is the most susceptible to international and domestic economics and sentiment, being a relatively low volume but high value sector. High-end property coming to market this month has seen asking prices trimmed by 2.6%.



Shipside observes: *“The top and bottom ends of the market in the capital are suffering, having become over-heated and also out of kilter with either buyers’ judgements of value or ability to afford. Outer London boroughs such as Bexley, Havering and Hillingdon and parts of South East England still offer value and relative affordability to buyers, and with year-on-year price increases at over 10% in many of these locations it is clear that buyer demand remains strong. However, sellers in these locations should be aware that this popularity may come at a price. An over-heating market can take a long time to cool back down and for transaction volumes to recover after buyers have been driven out by over-pricing.”*

Agent’s Views

Ken Hume of James Alexander in Norbury, South West London, says: *“The market in South West London is currently suffering from some pre-election jitters, however the lack of supply is pushing prices up, especially for mid-range houses. We’ve had enquiries from a number of older people considering buy-to-let which is likely to have an effect this year, with interest expressed particularly in smaller flats where yields are higher. As this end of the market is not as busy in our local area, these buyers are a welcome addition, especially as they are often 100% cash. The bank of Mum & Dad continues to be an important resource for many of our younger buyers, some not so young as well who just do not have the resources to fund a deposit without this assistance. Post election we expect to see a return to business as usual and for the market to rise on the back of the low interest rate environment.”*



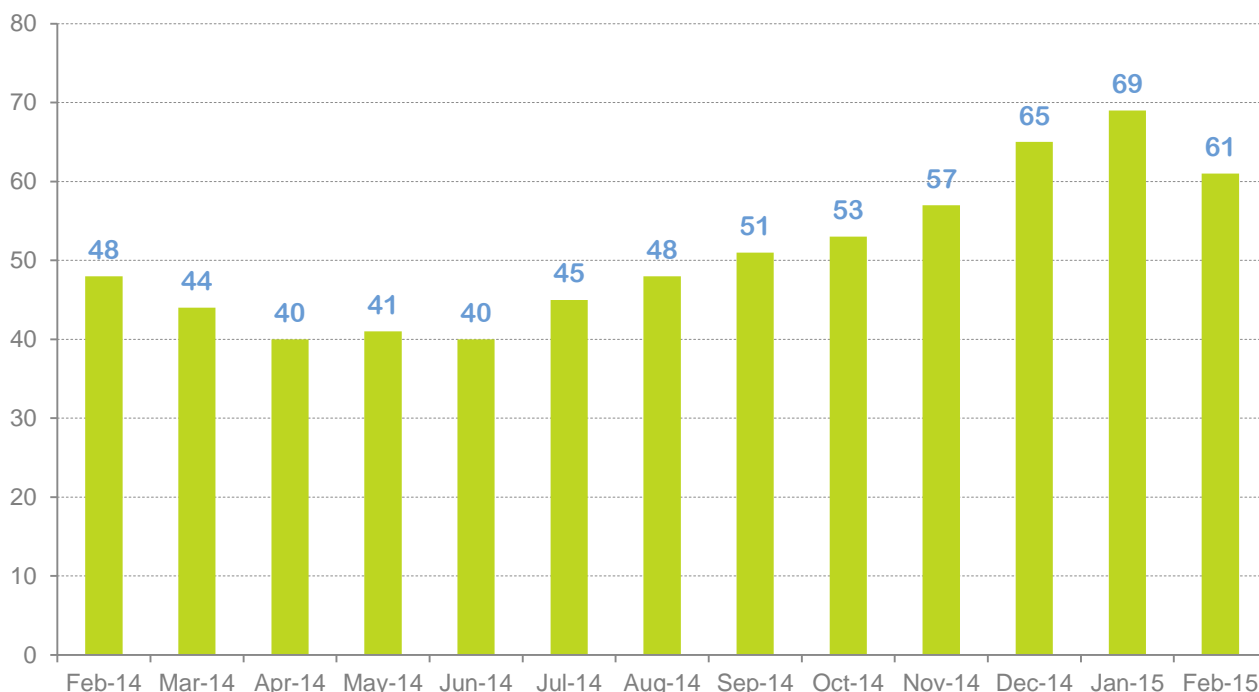
London's best performers: March 2015

Borough	Avg. price Mar 2015	Avg. price Feb 2015	Monthly change	Avg. price Mar 2014	Annual change
Islington	£757,433	£706,453	7.2%	£679,295	11.5%
Greenwich	£411,492	£386,078	6.6%	£362,182	13.6%
Waltham Forest	£389,176	£370,646	5.0%	£348,777	11.6%
Ealing	£603,252	£577,101	4.5%	£531,526	13.5%
Haringey	£581,314	£560,981	3.6%	£556,539	4.5%

London's worst performers: March 2015

Borough	Avg. price Mar 2015	Avg. price Feb 2015	Monthly change	Avg. price Mar 2014	Annual change
City of Westminster	£1,756,851	£2,118,353	-17.1%	£1,858,783	-5.5%
Barnet	£617,535	£707,364	-12.7%	£652,650	-5.4%
Hounslow	£484,253	£513,973	-5.8%	£436,703	10.9%
Hackney	£593,439	£618,709	-4.1%	£525,439	12.9%
Tower Hamlets	£544,893	£563,726	-3.3%	£493,095	10.5%

Average 'time to sell' (days) - London





London boroughs

Borough	Avg. price Mar 2015	Avg. price Feb 2015	Monthly change	Avg. price Mar 2014	Annual change
Kensington and Chelsea	£2,358,524	£2,317,078	1.8%	£2,568,950	-8.2%
City of Westminster	£1,756,851	£2,118,353	-17.1%	£1,858,783	-5.5%
Camden	£1,044,045	£1,019,586	2.4%	£1,021,997	2.2%
Hammersmith and Fulham	£1,012,875	£1,018,270	-0.5%	£966,063	4.8%
Richmond upon Thames	£827,131	£844,606	-2.1%	£893,951	-7.5%
Wandsworth	£808,680	£789,317	2.5%	£747,398	8.2%
Islington	£757,433	£706,453	7.2%	£679,295	11.5%
Barnet	£617,535	£707,364	-12.7%	£652,650	-5.4%
Merton	£613,208	£604,531	1.4%	£536,249	14.4%
Southwark	£612,291	£613,228	-0.2%	£541,856	13.0%
Ealing	£603,252	£577,101	4.5%	£531,526	13.5%
Brent	£598,042	£599,824	-0.3%	£501,023	19.4%
Lambeth	£597,032	£590,435	1.1%	£557,224	7.1%
Hackney	£593,439	£618,709	-4.1%	£525,439	12.9%
Kingston upon Thames	£583,500	£573,079	1.8%	£521,117	12.0%
Haringey	£581,314	£560,981	3.6%	£556,539	4.5%
Tower Hamlets	£544,893	£563,726	-3.3%	£493,095	10.5%
Harrow	£495,499	£499,888	-0.9%	£432,140	14.7%
Hounslow	£484,253	£513,973	-5.8%	£436,703	10.9%
Bromley	£466,996	£475,985	-1.9%	£424,240	10.1%
Lewisham	£415,152	£406,577	2.1%	£369,687	12.3%
Hillingdon	£414,329	£414,076	0.1%	£361,226	14.7%
Enfield	£411,595	£403,055	2.1%	£382,995	7.5%
Greenwich	£411,492	£386,078	6.6%	£362,182	13.6%
Waltham Forest	£389,176	£370,646	5.0%	£348,777	11.6%
Redbridge	£386,290	£387,811	-0.4%	£349,422	10.6%
Sutton	£384,102	£372,639	3.1%	£350,329	9.6%
Croydon	£364,351	£360,498	1.1%	£324,159	12.4%
Newham	£340,933	£338,643	0.7%	£285,191	19.5%
Havering	£331,526	£330,095	0.4%	£293,466	13.0%
Bexley	£310,473	£305,518	1.6%	£269,248	15.3%
Barking and Dagenham	£240,829	£236,639	1.8%	£212,372	13.4%



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).