



Under embargo for 00:01 hours: Monday, 16th February 2015

Typical first-time buyer property hits record high of over £430k

- Average price of property coming to market in London up by 2.8% (+£16,034) this month
- Time to sell increases to 69 days compared to average of 63 a year ago, indicating a slower market overall in the capital
- Average asking price of first-time buyer properties hits new all-time high of £431,159

London average asking prices:				
Area	Feb 2015	Jan 2015	Monthly change	Annual change
Greater London	£582,438	£566,404	+2.8%	+9.7%
Inner London	£781,145	£755,655	+3.4%	+8.5%
Outer London	£452,240	£440,949	+2.6%	+11.4%
Average asking prices by market sector:				
Sector	Feb 2015	Jan 2015	Monthly change	Annual change
First-time buyers	£431,159	£424,964	+1.5%	+12.3%
Second-stoppers	£614,638	£598,502	+2.7%	+12.3%
Top of the ladder	£1,469,219	£1,386,492	+6.0%	-1.8%

Overview

Twice the number of properties have come to market in London this month compared to last, and the average asking price has increased by 2.8% (+£16,034). This is 9.7% higher than a year ago. It remains to be seen whether this early 2015 price optimism by sellers and their agents is sustainable, especially as the average time to sell has gone up to 69 days compared to 63 a year ago.

Miles Shipside, Rightmove director and housing market analyst comments: *“Activity is recovering after the winter recess, with more buyers searching and twice the level of property coming to market. A combination of new seller price optimism and higher-value family properties coming to market at this time of year helps to push up average prices. Buyers, especially those trying to get onto the property ladder for the first time, will have been hoping for a price standstill to improve affordability, but it is usual to see a price jump at this time of year.”*

The average asking price of a first-time buyer property (properties with two or fewer bedrooms) in London is now £431,159. This is the highest level ever recorded for this market sector, stretching affordability for those looking to buy for the first time even further. Buy-to-let and overseas investors are also competing with first-time buyers for this kind of property, exacerbating the shortage of supply.

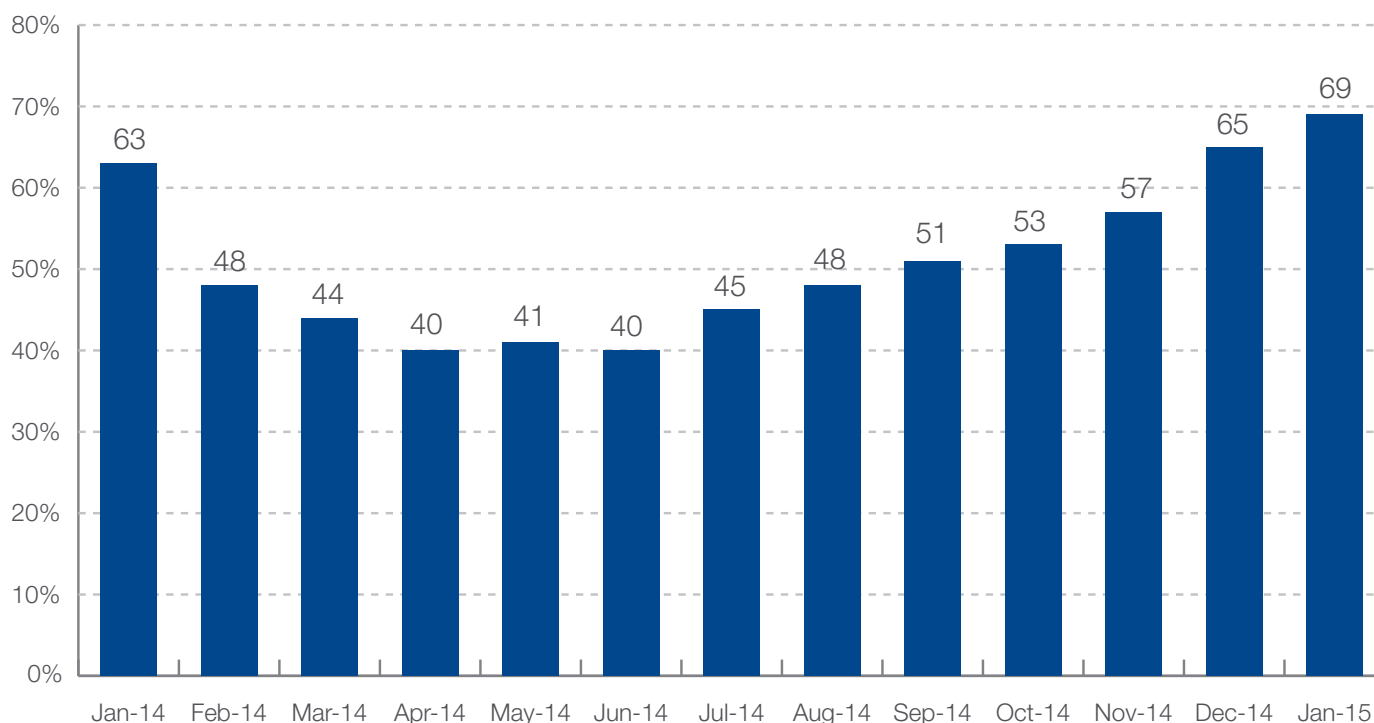
Shipside comments: *“Flats with up to two bedrooms and smaller terraces are on the wish-list of first-time buyers in London, but with their average asking prices now over £430,000 many will have to lower their size or location expectations. A big deposit or a big mortgage, or in fact both, are now required to purchase a home in the capital, even on the lowest rung of the ladder. There is plenty of demand at this supposed entry level, helping keep upwards price pressure in this sector.”*



Agent's View

Ken Hume of James Alexander in Norbury, South West London, says: "There is a definite lack of stock at present, and while this is something that would usually improve as the year progresses, I think the upcoming election will slow things down in 2015. That said, there is still enough pent-up demand so the market will continue to move as long as property is priced correctly and not over-valued. We've seen increased interest in Norbury as a location for first-time buyers, especially as it's within easy commuter distance to central London, and with the nearby investment such as the new Westfield coming to Croydon in the near future. People willing to move just that little bit further out could find a two bed flat for £250,000, well below the average of a first-time buyer property in the capital."

Average 'time to sell' (days) - London





London's best performers: February 2015

London's Top 5	Avg. price Feb 2015	Avg. price Jan 2015	Monthly change	Avg. price Feb 2014	Annual change
Hounslow	£513,973	£464,195	10.7%	£449,091	14.4%
Richmond Upon Thames	£844,606	£780,673	8.2%	£832,179	1.5%
Harrow	£499,888	£470,121	6.3%	£431,736	15.8%
Kensington And Chelsea	£2,317,078	£2,193,008	5.7%	£2,433,727	-4.8%
Camden	£1,019,586	£968,926	5.2%	£1,054,156	-3.3%

London's worst performers: February 2015

London's Bottom 5	Avg. price Feb 2015	Avg. price Jan 2015	Monthly change	Avg. price Feb 2014	Annual change
Haringey	£560,981	£608,039	-7.7%	£457,611	22.6%
Kingston upon Thames	£573,079	£593,148	-3.4%	£517,346	10.8%
Wandsworth	£789,317	£812,731	-2.9%	£740,148	6.6%
Waltham Forest	£370,646	£380,583	-2.6%	£331,469	11.8%
Barking And Dagenham	£236,639	£240,651	-1.7%	£208,870	13.3%



London boroughs

Borough	Avg. price Feb 2015	Avg. price Jan 2015	Monthly Change	Avg. price Feb 2014	Annual change
Kensington And Chelsea	£2,317,078	£2,193,008	5.7%	£2,433,727	-4.8%
City Of Westminster	£2,118,353	£2,055,666	3.0%	£1,700,902	24.5%
Camden	£1,019,586	£968,926	5.2%	£1,054,156	-3.3%
Hammersmith And Fulham	£1,018,270	£1,009,772	0.8%	£958,294	6.3%
Richmond Upon Thames	£844,606	£780,673	8.2%	£832,179	1.5%
Wandsworth	£789,317	£812,731	-2.9%	£740,148	6.6%
Barnet	£707,364	£678,635	4.2%	£627,922	12.7%
Islington	£706,453	£680,546	3.8%	£620,787	13.8%
Hackney	£618,709	£591,719	4.6%	£520,668	18.8%
Southwark	£613,228	£591,355	3.7%	£540,813	13.4%
Merton	£604,531	£589,704	2.5%	£558,731	8.2%
Brent	£599,824	£580,877	3.3%	£506,900	18.3%
Lambeth	£590,435	£597,542	-1.2%	£573,308	3.0%
Ealing	£577,101	£565,818	2.0%	£520,461	10.9%
Kingston Upon Thames	£573,079	£593,148	-3.4%	£517,346	10.8%
Tower Hamlets	£563,726	£556,138	1.4%	£489,948	15.1%
Haringey	£560,981	£608,039	-7.7%	£457,611	22.6%
Hounslow	£513,973	£464,195	10.7%	£449,091	14.4%
Harrow	£499,888	£470,121	6.3%	£431,736	15.8%
Bromley	£475,985	£483,060	-1.5%	£423,546	12.4%
Hillingdon	£414,076	£394,327	5.0%	£358,346	15.6%
Lewisham	£406,577	£411,682	-1.2%	£364,728	11.5%
Enfield	£403,055	£402,805	0.1%	£358,913	12.3%
Redbridge	£387,811	£380,425	1.9%	£347,049	11.7%
Greenwich	£386,078	£386,785	-0.2%	£350,863	10.0%
Sutton	£372,639	£372,913	-0.1%	£346,819	7.4%
Waltham Forest	£370,646	£380,583	-2.6%	£331,469	11.8%
Croydon	£360,498	£355,606	1.4%	£319,188	12.9%
Newham	£338,643	£332,337	1.9%	£267,828	26.4%
Havering	£330,095	£320,062	3.1%	£292,327	12.9%
Bexley	£305,518	£297,761	2.6%	£269,225	13.5%
Barking And Dagenham	£236,639	£240,651	-1.7%	£208,870	13.3%



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. For the purpose of historical comparisons, the historical figures have been restated based on the new methodology.

The Index now includes further breakdowns of Inner and Outer London. These have been defined in line with the Office for National Statistics Borough classification. The Index can also now offer trends at three different sectors of the market: first-time buyer, second-stepper and top of the ladder.

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.

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.

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).