



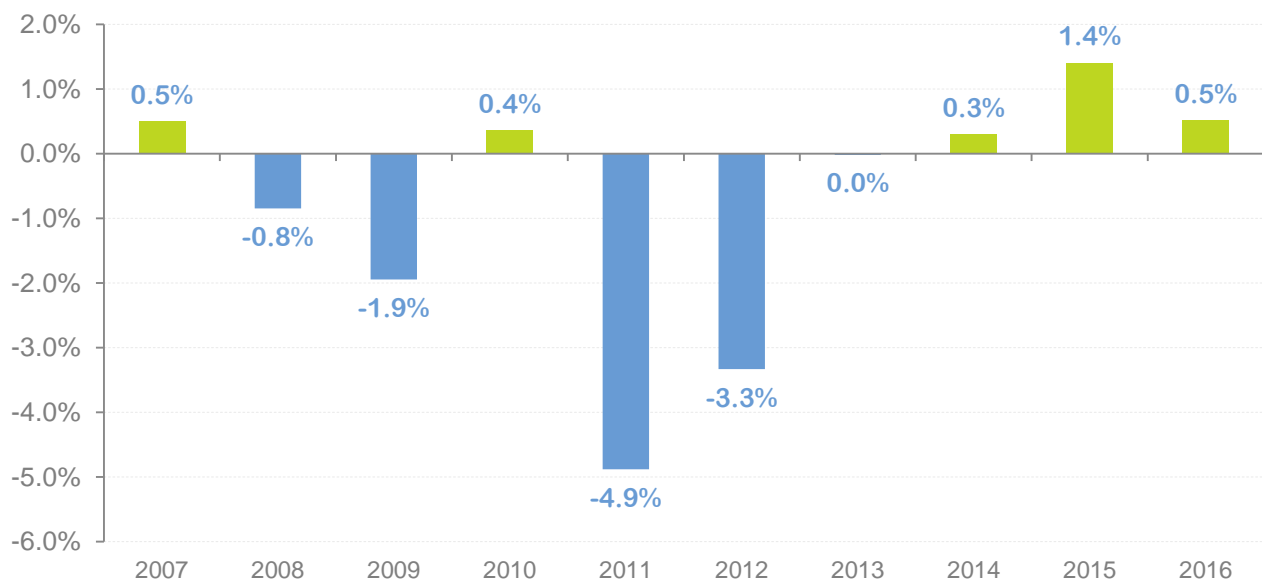
**Under embargo for 00:01 hours: Monday 18<sup>th</sup> January 2016**

## Active start to 2016 and surprisingly good news for first-time buyers

- Price of property coming to market up 0.5% (+£1,509), the second highest Christmas/New Year period rise since 2007
- First snapshot of 2016 sees demand surge with Rightmove visits up 21% in first working week of 2016 compared to same period in 2015
- Welcome and unexpected surprise for first-time buyers with more fresh property choice and price standstill:
  - 6.6% year-on-year jump in number of newly-marketed properties in their favoured market sector to highest New Year level since 2007
  - First-time buyer prices have hardly risen (+0.1%, +£209) suggesting impending stamp duty levy could be having a calming influence sooner than expected

National average asking prices				
Month	Avg. asking price	Monthly change	Annual change	Index
January 2016	£290,963	+0.5%	6.5%	239.5
December 2015	£289,452	-1.1%	7.4%	238.3
National average asking prices by market sector (excluding Inner London)				
Sector	January 2016	December 2015	Monthly change	Annual change
First-time buyers	£177,261	£177,052	+0.1%	8.6%
Second-steppers	£244,468	£242,481	+0.8%	6.9%
Top of the ladder	£518,770	£507,700	+2.2%	5.7%

## January monthly change in asking prices 2007-2016





## Overview

The first snapshot of prices, demand and supply in 2016 shows that all have increased over the period, indicating an active year ahead. The price of property coming to market is up by 0.5% (+£1,509) on last month, the second highest rise at this time of year since 2007. Demand as measured by visits to the Rightmove website in the first working week of 2016 is up by 21% on the same period in 2015. There is welcome and unexpected news for first-time buyers with a 6.6% year-on-year increase in the number of fresh-to-the-market homes in their target sector of two bedrooms or fewer, the highest since 2007. With the monthly price increase in this sector at a near standstill (+0.1%, +£209) this suggests that some of the dynamics of the changing tax regime for buy-to-let investors are starting to play out sooner than expected.

Miles Shippside, Rightmove director and housing market analyst comments: *“Upwards price pressure remains, with the second-highest rise seen at this time of year for nine years. The early snapshot of home-hunter visits in the first week of 2016 is up by 21% on the same period last year to 27.8 million visits, showing demand is not letting up either. Encouragingly for first-time buyers there’s more fresh choice with more property coming to market in their target sector. With their asking prices pretty much the same as a month ago, perhaps the knock-on effects of the more punitive landlord tax regime have arrived early and they now face a dilemma over whether to buy now or wait to see if prices drop in this sector over the next few months.”*

While the 0.5% rise in new seller asking prices is lower than the 1.4% recorded in last January’s report, it is higher than every other January since 2007, before the credit crunch began. A lack of property coming to market has been an upwards driver of both prices and unfulfilled demand, though encouragingly there has been a slight 1.8% year-on-year uplift in the number of newly-marketed properties. However, the only sector that has increased is that of two bedrooms or fewer, so the only beneficiaries of this are likely to be first-time buyers or investors looking to buy and complete before the April stamp duty hike. Some of this increase could be due to some landlords selling up or more first-time sellers marketing to take advantage of any first quarter surge in investor activity and guard against a post-April slump.

Shippside advises first-time buyers: *“Perhaps because of the increased competition among sellers and a keenness to attract buy-to-let investors before the April deadline, prices have hardly increased month-on-month for properties with two bedrooms or fewer. In this stock-starved era it will come as a relief to first-time buyers that their negotiating power may already be improving because the forthcoming tax changes, and there is a window of greater choice as more owners of smaller properties try to sell. Rather than waiting until later in the year, having a good look around now while choice is up and interest rates remain unchanged could get you onto the ladder sooner and at an acceptable price. For several years buy-to-let investors have been enticed by high tenant demand and attractive returns, but as their window of opportunity starts to close it already appears to be opening wider for first-time buyers.”*

## Agents’ Views

David Blythman, Managing Director of scottfraser in Oxfordshire, said: *“We’ve seen a strong start to the year in Oxford with an increase in general seller enquiries while buyer demand stays strong. We’re also seeing a number of investor to investor sales with an urgency to achieve completion on deals before 31 March stamp duty deadline. Any potential sellers considering coming to market to take advantage of selling to an investor would need to move fast so they have the chance to complete before the end of March.”*

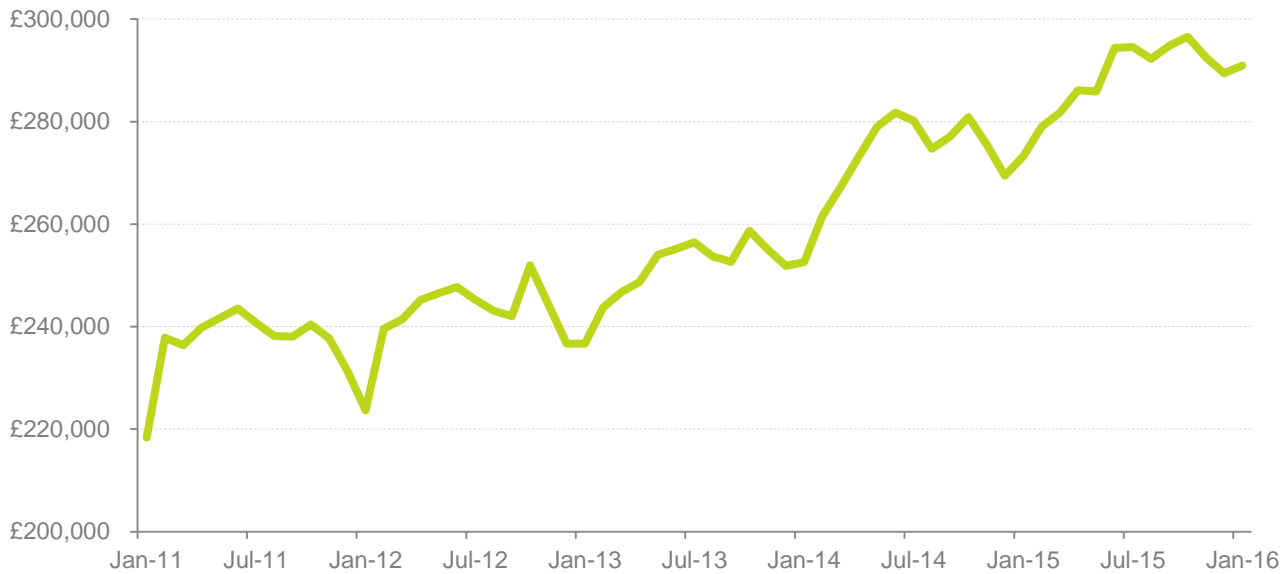
Mark Manning, Director of Manning Stainton in Leeds, Harrogate, Wetherby and Wakefield said: *“It’s been very busy since the start of the year with the volume of appraisals up indicating plenty of appetite. But such a shortage of stock means there would have to be a huge surge of instructions to satisfy the current demand. We sold the highest percentage of stock in December than ever before. I think 2016 could be a very interesting year for agents with a big requirement to change and adapt to the conditions.”*



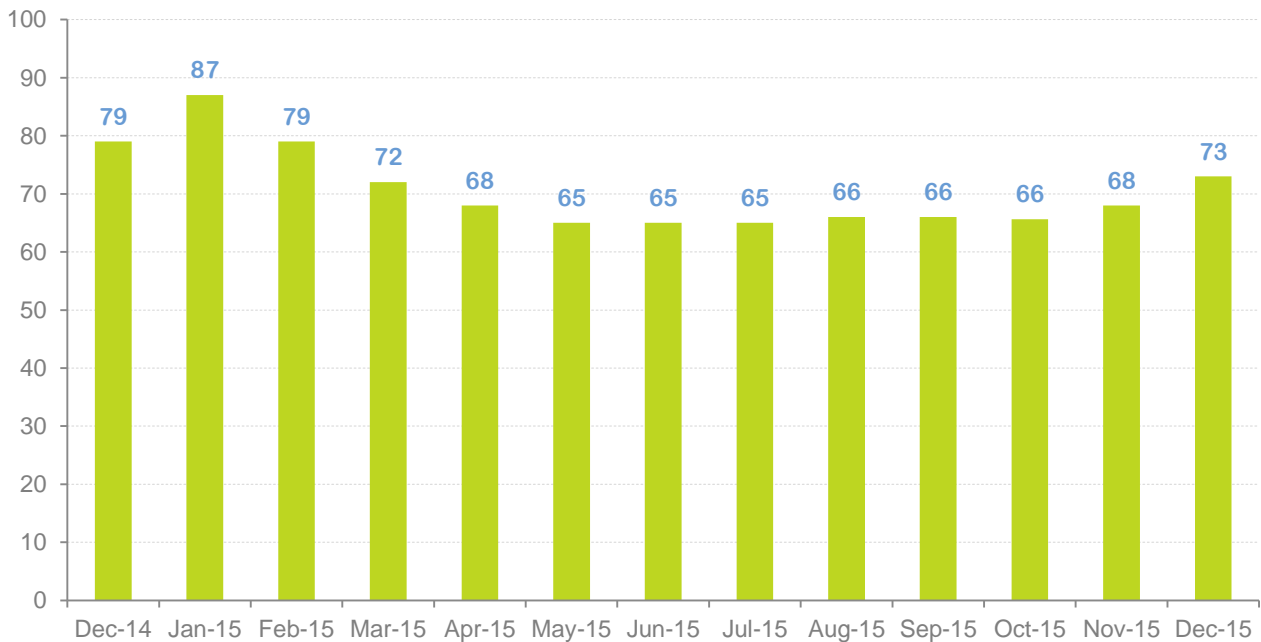
Julian Peak, Regional Sales Director of KFH South East & Kent, said: *“Some areas of London have seen exceptionally strong demand in the opening weeks of the year. South east London has been incredibly busy with more than double the number of buyers registering interest compared to the same period last year. We expect strong demand to continue well into the first five months of the year. A number of factors are increasing the draw of south London to many buyers. These include the government Help to Buy schemes, the changes to Stamp Duty charges and people wishing to achieve more value for their money. Catford, Lewisham and Deptford are great examples of these ‘up and coming’ areas offering better value, with developers and businesses alike continuing to plough money into these high streets, just as we have seen previously with Peckham Rye and Brockley.”*



## Monthly asking price trend

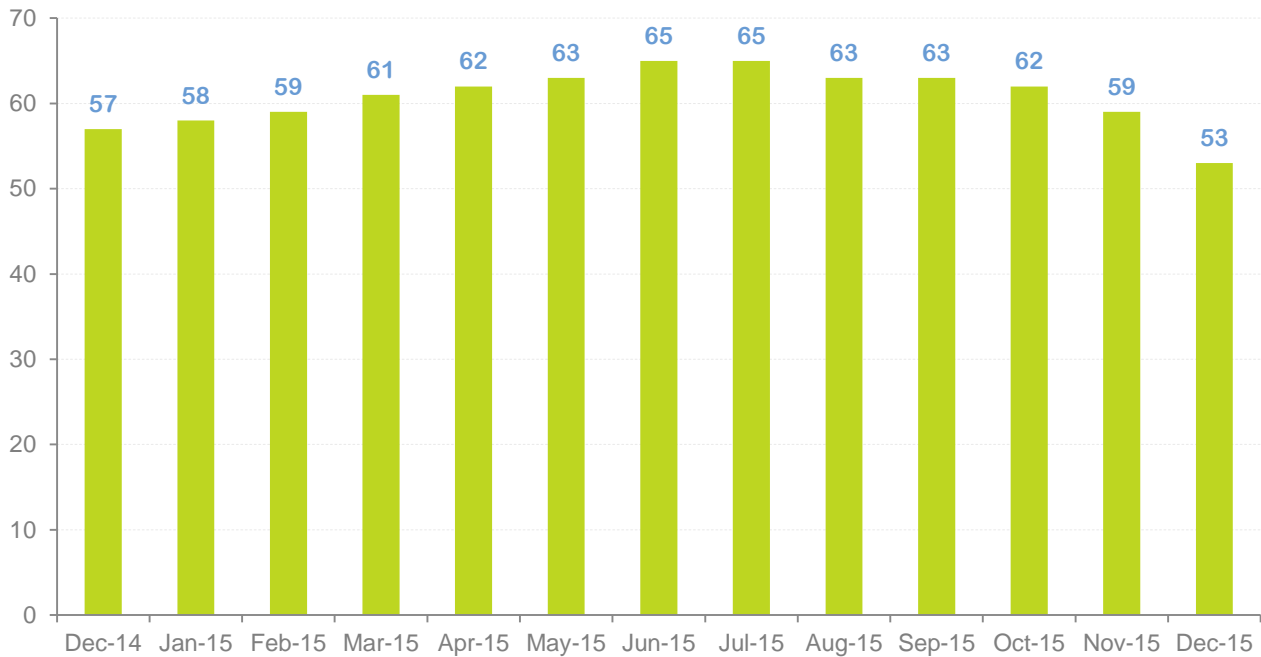


## Average 'time to sell' (no. of days) - National

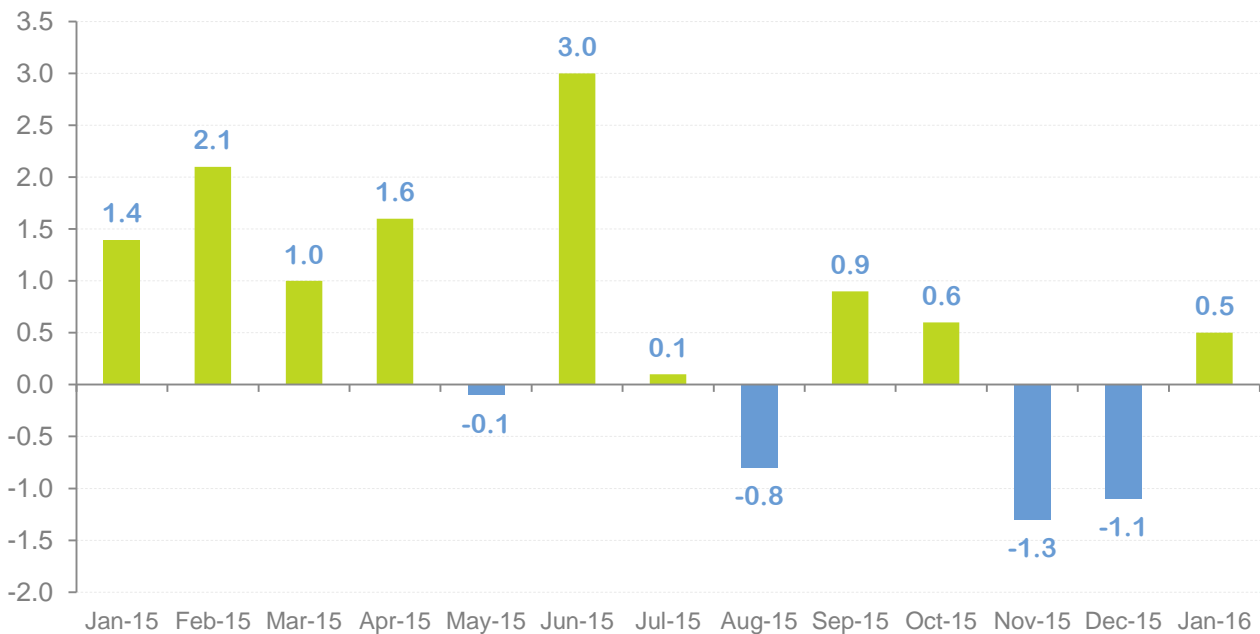




## Average stock per agent (including Under Offer/Sold STC)



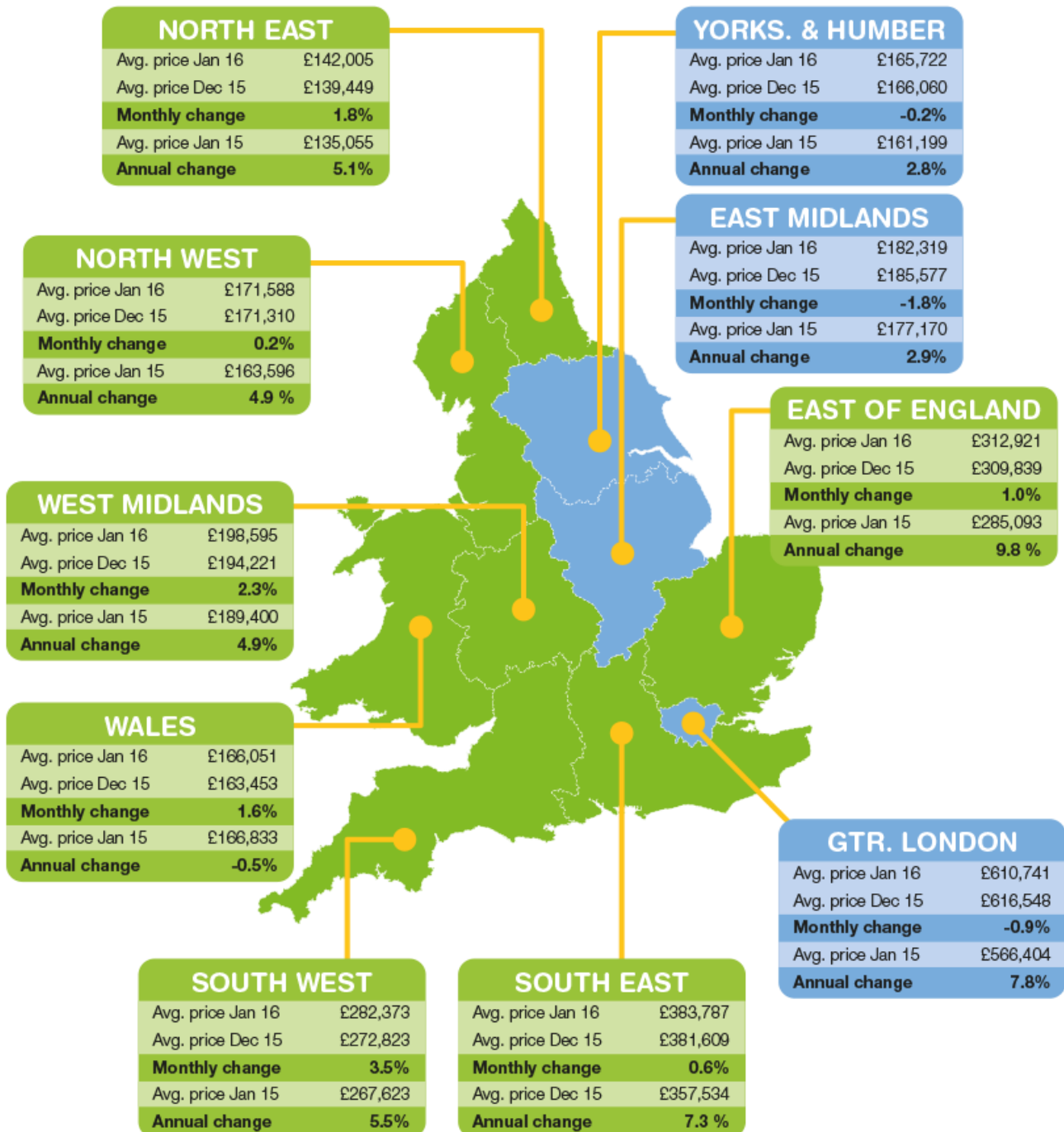
## % monthly change in average asking prices





## Regions of England and Wales

■ Increase from previous month
 ■ Decrease from previous month





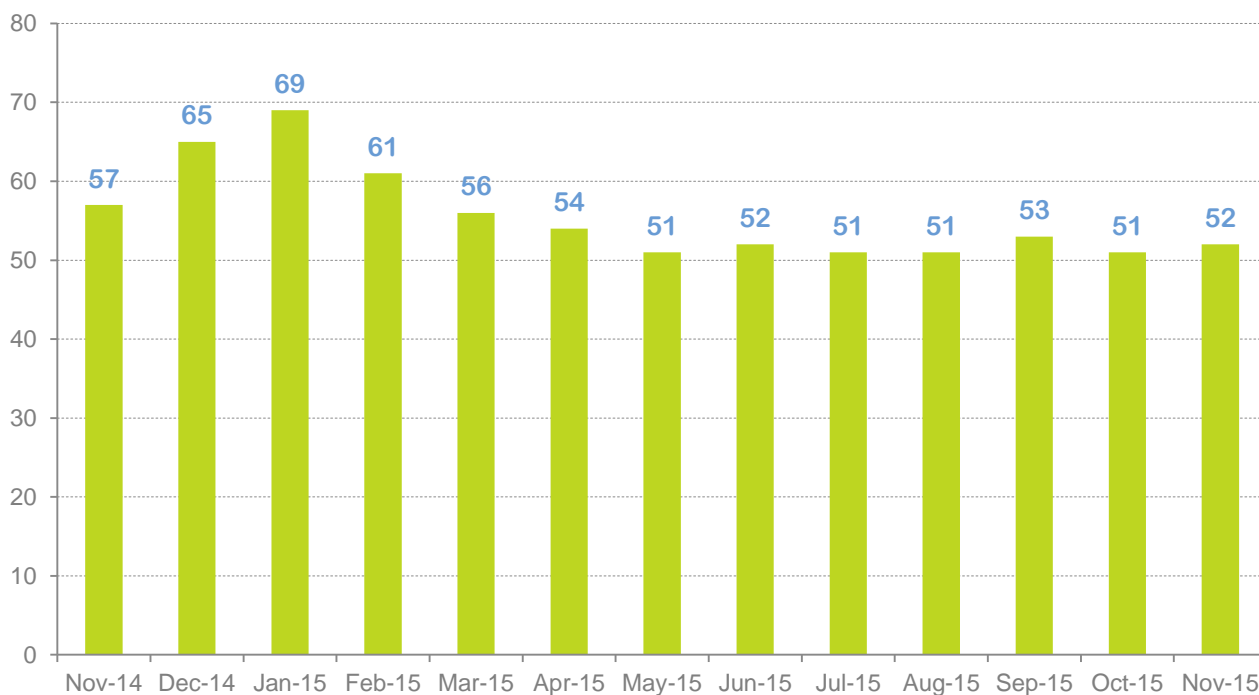
## London's best performers: January 2016

Borough	Avg. price Jan 2016	Avg. price Dec 2015	Monthly change	Avg. price Jan 2015	Annual change
City of Westminster	£2,044,240	£1,764,956	15.8%	£2,055,666	-0.6%
Camden	£1,338,376	£1,207,626	10.8%	£968,926	38.1%
Hillingdon	£465,330	£441,482	5.4%	£394,327	18.0%
Barnet	£703,248	£681,923	3.1%	£678,635	3.6%
Barking and Dagenham	£287,364	£280,128	2.6%	£240,651	19.4%

## London's worst performers: January 2016

Borough	Avg. price Jan 2016	Avg. price Dec 2015	Monthly change	Avg. price Jan 2015	Annual change
Kensington and Chelsea	£2,256,043	£2,497,560	-9.7%	£2,193,008	2.9%
Merton	£611,062	£670,771	-8.9%	£589,704	3.6%
Haringey	£558,884	£605,403	-7.7%	£608,039	-8.1%
Hounslow	£514,740	£548,580	-6.2%	£464,195	10.9%
Harrow	£521,899	£549,153	-5.0%	£470,121	11.0%

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





## London boroughs

Borough	Avg. price Jan 2016	Avg. price Dec 2015	Monthly change	Avg. price Jan 2015	Annual change
Kensington and Chelsea	£2,256,043	£2,497,560	-9.7%	£2,193,008	2.9%
City of Westminster	£2,044,240	£1,764,956	15.8%	£2,055,666	-0.6%
Camden	£1,338,376	£1,207,626	10.8%	£968,926	38.1%
Hammersmith and Fulham	£1,072,983	£1,095,788	-2.1%	£1,009,772	6.3%
Richmond upon Thames	£906,934	£930,316	-2.5%	£780,673	16.2%
Wandsworth	£808,651	£805,834	0.3%	£812,731	-0.5%
Islington	£734,066	£770,411	-4.7%	£680,546	7.9%
Barnet	£703,248	£681,923	3.1%	£678,635	3.6%
Southwark	£645,339	£645,101	0.0%	£591,355	9.1%
Hackney	£634,150	£650,657	-2.5%	£591,719	7.2%
Kingston upon Thames	£633,588	£632,897	0.1%	£593,148	6.8%
Merton	£611,062	£670,771	-8.9%	£589,704	3.6%
Ealing	£609,885	£628,941	-3.0%	£565,818	7.8%
Lambeth	£608,077	£623,310	-2.4%	£597,542	1.8%
Brent	£601,273	£619,434	-2.9%	£580,877	3.5%
Tower Hamlets	£584,205	£599,095	-2.5%	£556,138	5.0%
Haringey	£558,884	£605,403	-7.7%	£608,039	-8.1%
Harrow	£521,899	£549,153	-5.0%	£470,121	11.0%
Hounslow	£514,740	£548,580	-6.2%	£464,195	10.9%
Bromley	£498,352	£500,570	-0.4%	£483,060	3.2%
Hillingdon	£465,330	£441,482	5.4%	£394,327	18.0%
Lewisham	£453,735	£442,528	2.5%	£411,682	10.2%
Enfield	£447,192	£438,179	2.1%	£402,805	11.0%
Greenwich	£441,021	£443,377	-0.5%	£386,785	14.0%
Waltham Forest	£439,241	£431,917	1.7%	£380,583	15.4%
Redbridge	£432,125	£445,398	-3.0%	£380,425	13.6%
Newham	£401,945	£396,012	1.5%	£332,337	20.9%
Croydon	£399,068	£393,145	1.5%	£355,606	12.2%
Sutton	£397,705	£399,890	-0.5%	£372,913	6.6%
Havering	£359,847	£351,506	2.4%	£320,062	12.4%
Bexley	£337,431	£332,038	1.6%	£297,761	13.3%
Barking and Dagenham	£287,364	£280,128	2.6%	£240,651	19.4%





## 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.

Rightmove measured 70,023 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 6<sup>th</sup> December 2015 to 9th January 2016 and advertised on Rightmove.co.uk. This month 3,393 properties have been excluded due to being anomalies.

### 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).