



Under embargo for 00:01 hours, Monday 21st March 2016

£300,000 milestone passed as price of newly-marketed homes hits new high

- As demand soars and supply remains tight, the average price of a property coming to market in England and Wales passes £300,000 for the first time
- Challenges facing both first-time buyers and those trading up highlighted by 50% increase in just 10 years:
 - £100,000 jump in new seller asking prices from £200,980 in March 2006, to £303,190 today
 - Affordability constraints emphasised by average wage growth of only 22%¹ over last 10 years
- 1.3% price jump in March (+£3,903) is second-highest at this time of year since the 2008 credit crunch
- Momentum spreads north and west with six out of ten regions setting record price highs this month
 - London no longer leads the pack as prices stand still

National average asking prices				
Month	Avg. asking price	Monthly change	Annual change	Index
March 2016	£303,190	+1.3%	+7.6%	249.6
February 2016	£299,287	+2.9%	+7.3%	246.4
National average asking prices by market sector (excluding Inner London)				
Sector	March 2016	February 2016	Monthly change	Annual change
First-time buyers	£185,612	£183,635	+1.1%	+9.6%
Second-steppers	£256,359	£249,628	+2.7%	+9.0%
Top of the ladder	£536,262	£529,854	+1.2%	+4.9%

March asking price trend (2006 - 2016)





Overview

The mismatch between supply and demand has resulted in six new record highs over the past twelve months in the price of property coming to market. However, this month sees a particularly significant milestone as the average breaks through and beyond the £300,000 mark for the first time. Today's asking prices are now over 50% higher than they were ten years ago. This highlights the growing housing affordability gap now affecting more and more aspiring first-time buyers and potential trader-uppers.

Miles Shipside, Rightmove director and housing market analyst comments: *"While the start of 2016 has seen an encouraging but modest uptick in the number of properties coming to market, demand and momentum have combined to push prices over £300,000. On average 30,000 properties have come to market each week over the past month, up by 3% on this time last year, but there are insufficient numbers of newly-listed properties in many parts of the country to meet demand. Visits to the Rightmove website are up by 14% in early March compared to the same period in 2015, so it's no surprise that those buyers who can borrow more or can find some extra cash are keeping the price merry-go-round spinning, even though increasing numbers of aspiring home-movers cannot afford the ride."*

The increasing challenges of both getting onto the ladder and trading up are highlighted by the 50% increase in the price of property coming to market in just 10 years. With that timespan including the period after the credit crunch which saw several years of falling or stagnant property prices, it shows the strength of the recovery for today's £303,190 average to be over £100,000 higher than the £200,980 of March 2006. In contrast, average wage growth of 22% over the most recent ten years has failed to keep pace with CPI inflation of 26.8%² which highlights the well-documented issues of raising a deposit and affording a mortgage. The rebound from the housing market downturn has been driven by underlying demand, greater availability mortgage lending, and the economic recovery. The release of this pent-up demand and the shortfall in housing supply are resulting in insufficient availability of affordable stock in many locations.

Shipside adds: *"More first-time buyers and would-be trader-uppers are finding themselves ill-equipped to cope with current house prices given the tighter lending criteria and average earnings lagging well behind house price growth. However, stronger growth in average earnings would not have helped the situation as it would simply have enabled buyers to bid prices up even higher, chasing the limited supply of suitable housing stock. In last week's Budget the Chancellor could have encouraged landlords and second home owners to sell their properties and improve supply if he had extended the reduction in Capital Gains Tax to include those transactions. With no other significant property-related new measures in the Budget it at least allows time for his raft of recent initiatives to bed in."*

This month's national average 1.3% jump in the price of property coming to market is the second-highest at this time of year since the 2008 credit crunch. The break through the £300,000 mark is not being driven by London, where prices are at a standstill. Upwards price momentum and stretched affordability are spreading north and west, with six out of ten regions achieving record asking price highs. All four southern regions are joined by the West Midlands and the North West, with the East Midlands being only £373 shy of an all-time high.

Shipside observes: *"Three out of the top four risers this month are northern regions, with the West Midlands, the North West, and Yorkshire and the Humber being tucked in the slip-stream of the South West and ahead of all the other southern regions. London is a shadow of the former price-rise power-house that has driven up national averages over the last five years, and is now a myriad of different local markets with some boroughs dramatically up or down, but overall cancelling each other out."*



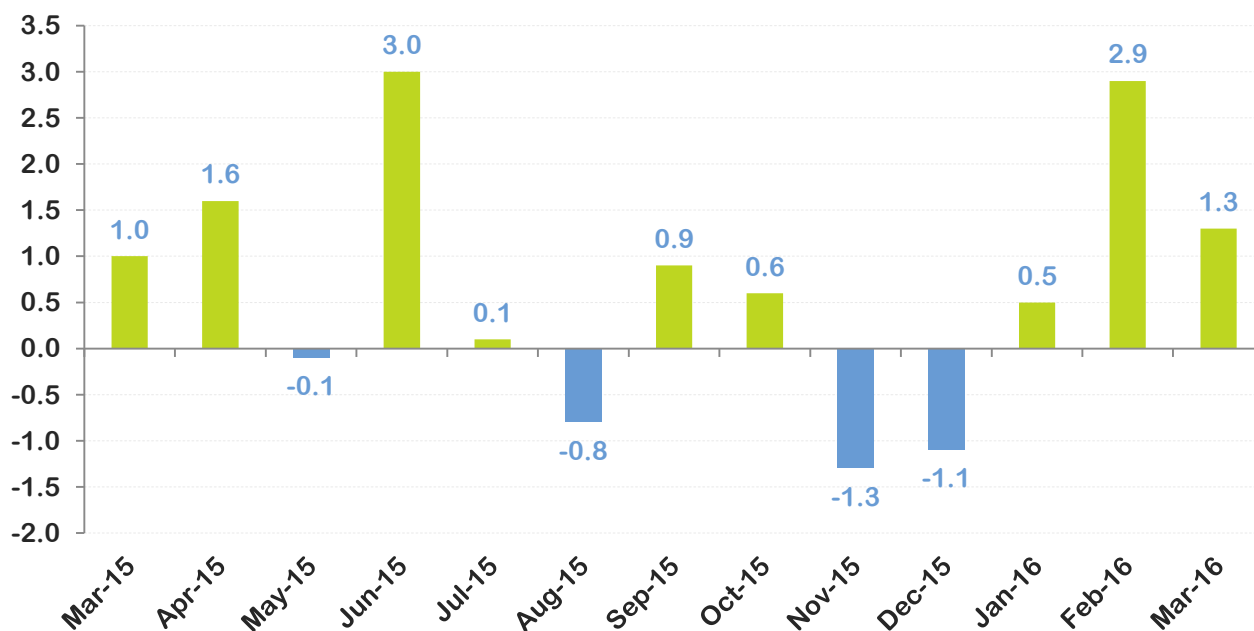
Agents' Views

Kevin Shaw, National Sales Director at Leaders commented: *"Although stock levels remain historically low across the industry, there has been a significant increase in seller activity levels in the last couple of months. We saw an increase in valuations of 78 per cent last month compared to February 2015 and a record number of new listings in both January and February. Good prices have been achieved, with properties selling quickly, open-house viewings extremely well-attended and multiple offers being received on many homes. We've seen a definite surge in house prices at the start of 2016 which is partly expected with the increased demand at this time of year, but has been exacerbated by investors and second-home buyers rushing to complete their property purchases before the additional 3 per cent stamp duty charge takes effect on 1st April."*

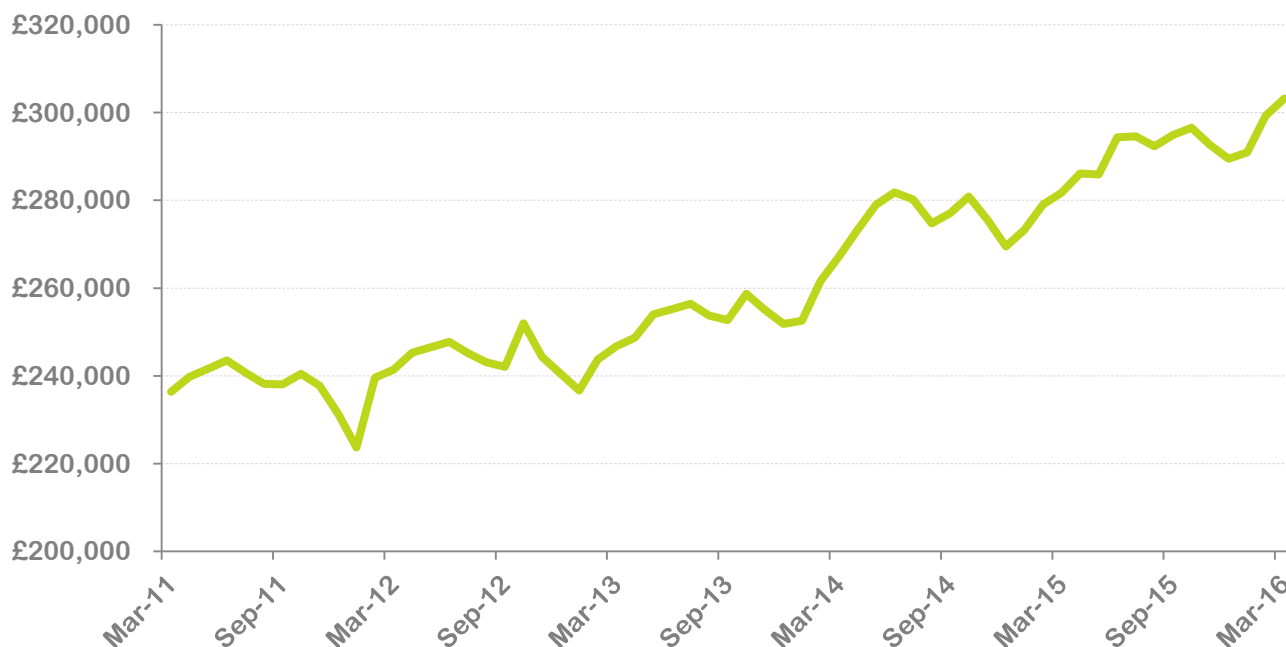
Nicky Chute from Foxtons in London commented: *"Last year the volume of sales fell across all London zones but least so in zones 3-6, whilst prices continued to rise. For example, last year, 514 properties were sold in Pimlico and Westminster with an average price of £1.2m, making the market worth £618m. In Walthamstow, where Foxtons opened a branch in 2015, 1,722 properties sold for an average of £395,000, amounting to £680m in sales. This now makes Walthamstow in Outer London a larger market than Pimlico and Westminster in central London."*



% monthly change in average asking prices



Monthly asking price trend

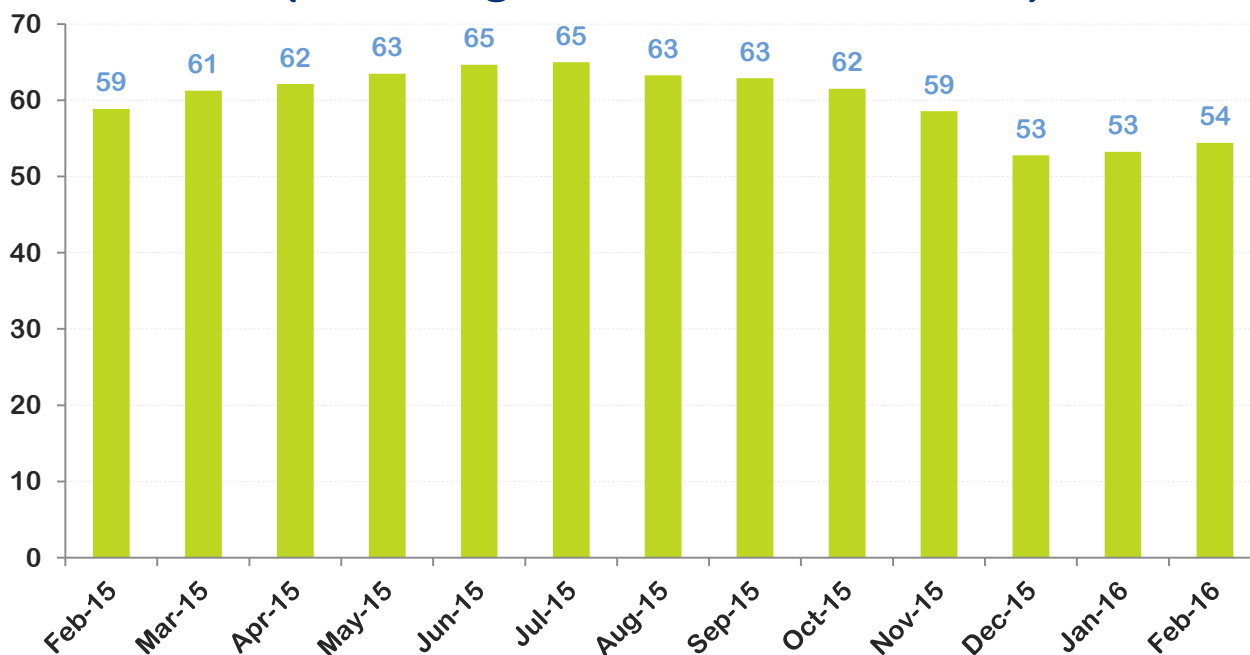




Average 'time to sell' (no. of days) - National



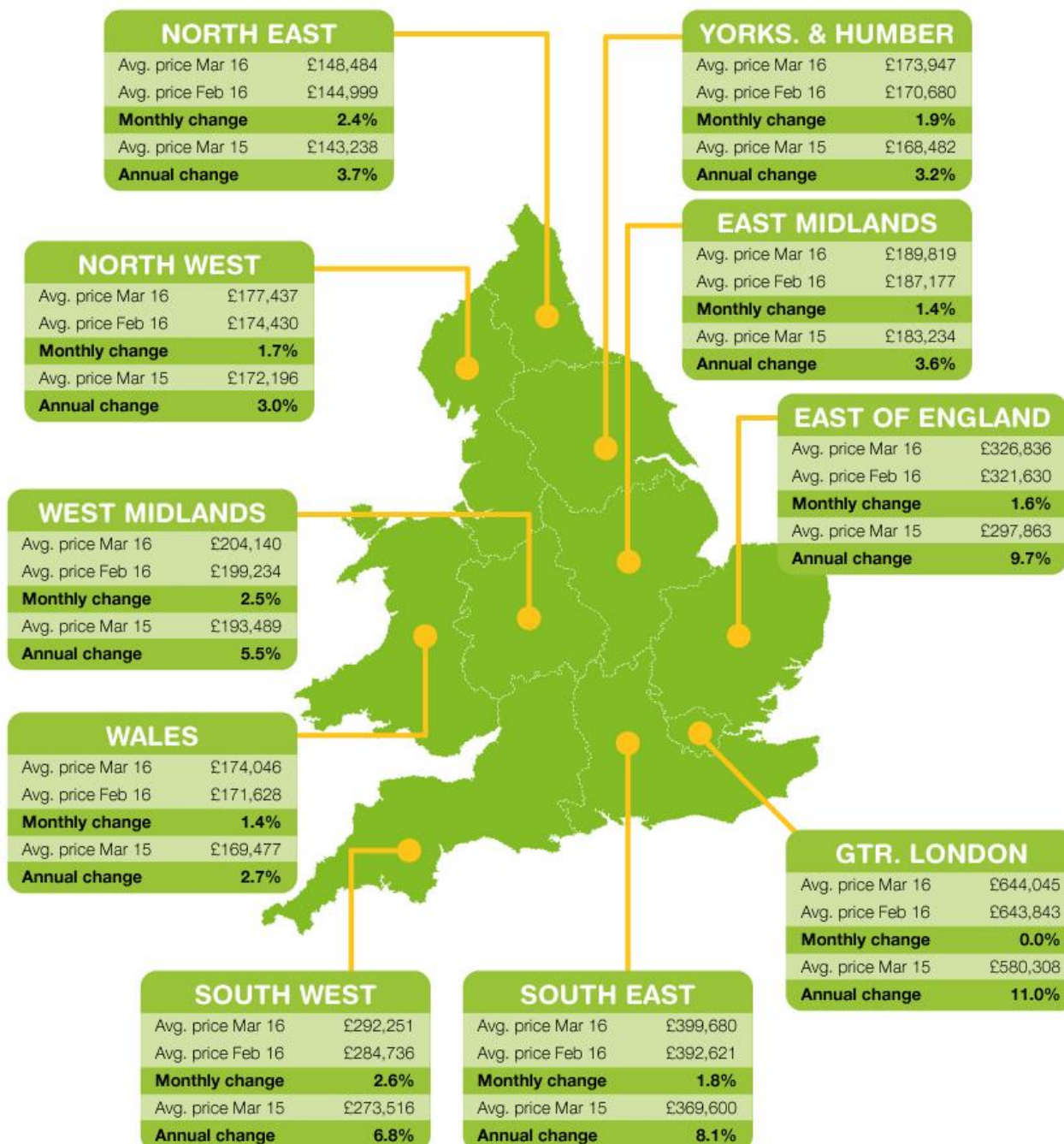
Average stock per agent (including Under Offer/Sold STC)





Regions of England and Wales

■ Increase from previous month
 ■ Decrease from previous month





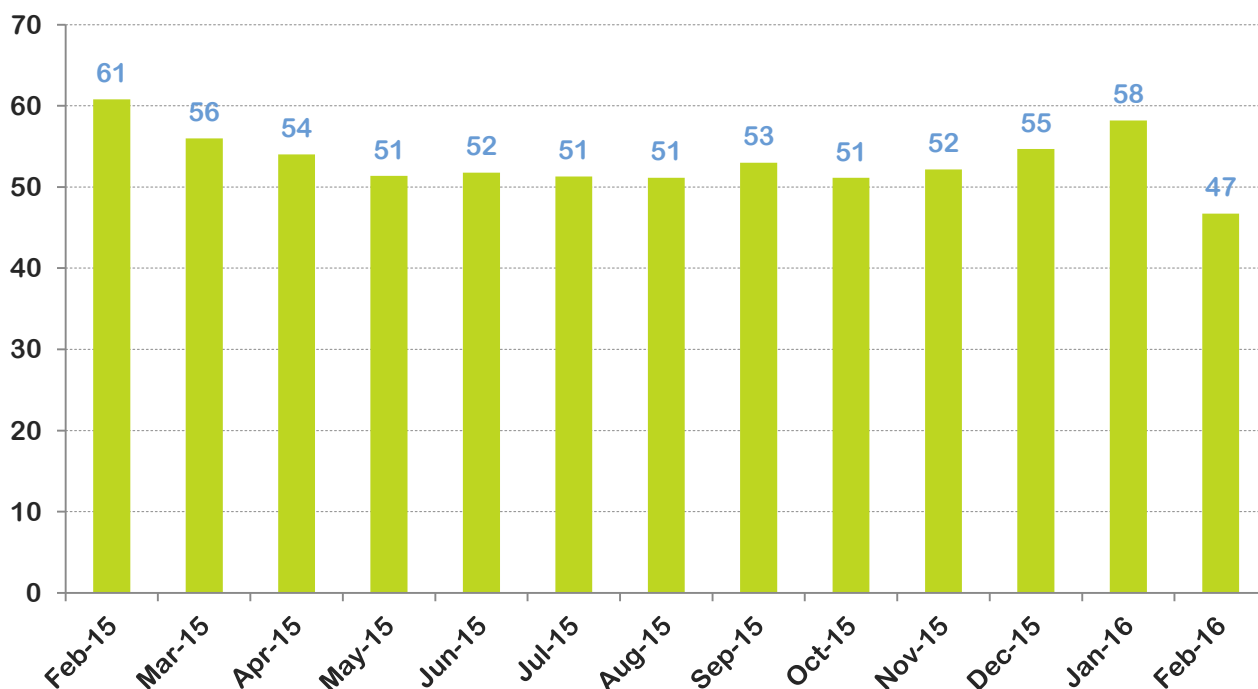
London's best performers: March 2016

Borough	Avg. price Mar 2016	Avg. price Feb 2016	Monthly change	Avg. price Mar 2015	Annual change
Richmond upon Thames	£923,220	£878,113	5.1%	£827,131	11.6%
Bexley	£354,223	£338,097	4.8%	£310,473	14.1%
Barnet	£717,368	£689,060	4.1%	£617,535	16.2%
Greenwich	£447,452	£432,666	3.4%	£411,492	8.7%
Camden	£1,153,883	£1,117,232	3.3%	£1,044,045	10.5%

London's worst performers: March 2016

Borough	Avg. price Mar 2016	Avg. price Feb 2016	Monthly change	Avg. price Mar 2015	Annual change
Kensington and Chelsea	£2,349,486	£2,489,126	-5.6%	£2,358,524	-0.4%
City of Westminster	£1,906,418	£2,015,540	-5.4%	£1,756,851	8.5%
Hammersmith and Fulham	£1,022,953	£1,069,235	-4.3%	£1,012,875	1.0%
Merton	£676,408	£704,481	-4.0%	£613,208	10.3%
Brent	£626,662	£649,889	-3.6%	£598,042	4.8%

Average 'time to sell' (days) - London





London boroughs

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Richmond upon Thames	£923,220	£878,113	5.1%	£827,131	11.6%
Wandsworth	£867,262	£846,666	2.4%	£808,680	7.2%
Islington	£826,838	£804,467	2.8%	£757,433	9.2%
Barnet	£717,368	£689,060	4.1%	£617,535	16.2%
Merton	£676,408	£704,481	-4.0%	£613,208	10.3%
Hackney	£662,845	£666,945	-0.6%	£593,439	11.7%
Southwark	£659,606	£659,096	0.1%	£612,291	7.7%
Lambeth	£643,039	£658,069	-2.3%	£597,032	7.7%
Kingston upon Thames	£641,468	£627,672	2.2%	£583,500	9.9%
Haringey	£638,723	£625,016	2.2%	£581,314	9.9%
Brent	£626,662	£649,889	-3.6%	£598,042	4.8%
Ealing	£621,116	£632,596	-1.8%	£603,252	3.0%
Tower Hamlets	£588,121	£578,662	1.6%	£544,893	7.9%
Harrow	£561,054	£542,901	3.3%	£495,499	13.2%
Hounslow	£555,016	£563,555	-1.5%	£484,253	14.6%
Bromley	£542,103	£532,505	1.8%	£466,996	16.1%
Hillingdon	£478,870	£478,230	0.1%	£414,329	15.6%
Waltham Forest	£460,921	£452,689	1.8%	£389,176	18.4%
Lewisham	£454,952	£457,352	-0.5%	£415,152	9.6%
Redbridge	£451,094	£440,222	2.5%	£386,290	16.8%
Enfield	£448,248	£452,818	-1.0%	£411,595	8.9%
Greenwich	£447,452	£432,666	3.4%	£411,492	8.7%
Sutton	£434,463	£442,303	-1.8%	£384,102	13.1%
Croydon	£405,178	£399,953	1.3%	£364,351	11.2%
Newham	£401,284	£396,582	1.2%	£340,933	17.7%
Havering	£381,495	£371,090	2.8%	£331,526	15.1%
Bexley	£354,223	£338,097	4.8%	£310,473	14.1%
Barking and Dagenham	£297,528	£291,638	2.0%	£240,829	23.5%



Editors' notes

1 Annual Survey of Hours and Earnings, Office of National Statistics - 2005 and 2015 reports.

2 Consumer Price Index, Office of National Statistics – January 2006 – January 2016.

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 153,572 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 7th February 2016 to 12th March 2016 and advertised on Rightmove.co.uk. This month 7,567 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).