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Rightmove House Price Index

The largest monthly sample of
residential property prices

April 2018
London edition

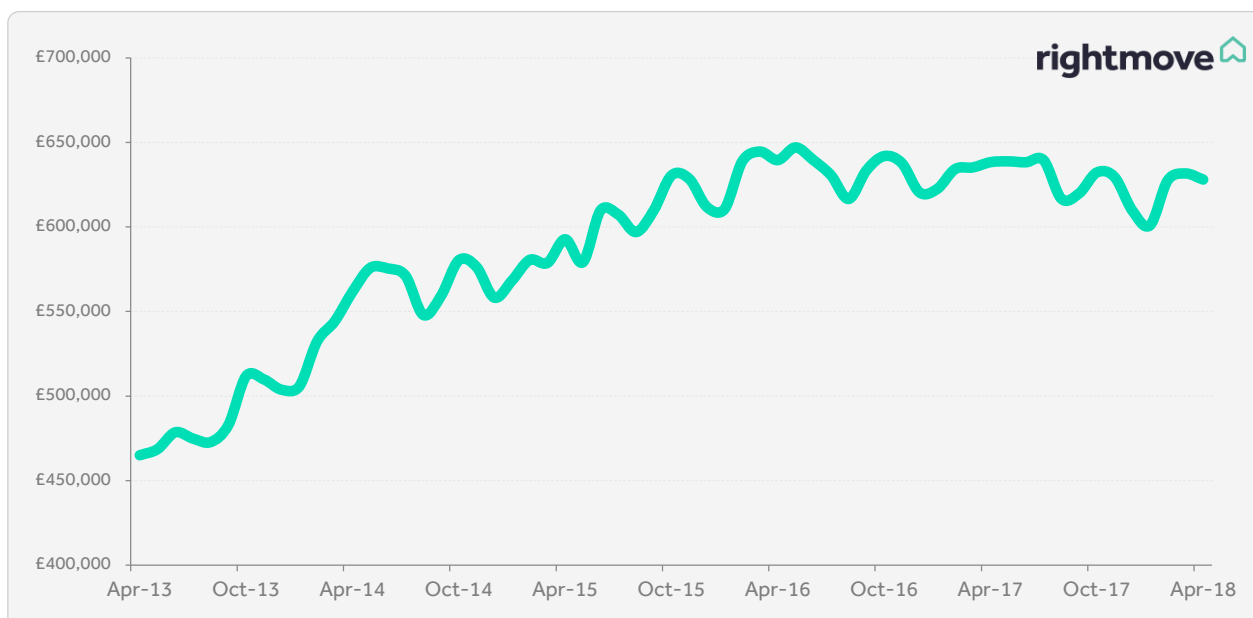


Sellers warned to price more keenly to avoid 4.4% discounts

- Rightmove analysis shows the average difference between final asking price and actual selling price in London is 4.4%, a difference of £27,000 when compared to the current new seller average asking price of £628,039
- Cyclical market in the capital highlighted by this gap growing from 1.1% in Q1 2014 to 4.4% in Q1 2018
- The average price of property coming to the market in London falls by 0.6% (-£3,612) this month, with London being one of only two regions recording a price drop nationally
- Year-on-year price of newly marketed property down by 1.6% in the capital, though three of the cheaper outer boroughs (Greenwich, Waltham Forest and Hillingdon) see record price highs

London average asking prices				
Area	April 2018	March 2018	Monthly change	Annual change
Greater London	£628,039	£631,651	-0.6%	-1.6%
Inner London	£767,941	£780,734	-1.6%	-2.8%
Outer London	£528,527	£525,383	0.6%	-0.3%
Average asking prices by market sector				
Sector	April 2018	March 2018	Monthly change	Annual change
First-time buyers	£487,459	£491,943	-0.9%	-2.1%
Second-steppers	£694,116	£697,937	-0.5%	-1.6%
Top of the ladder	£1,443,396	£1,454,247	-0.7%	+2.9%

Five year London asking price trend



Rightmove measured 114,276 asking prices nationally this month, circa 90% of the UK market. The properties were put on sale by estate agents from 11th March 2018 to 7th April 2018 and advertised on Rightmove.co.uk.

Overview

The price of property coming to market in London has fallen back by 0.6% (-£3,612) month-on-month. At what is often a more buoyant time of year, the year-on-year drop now stands at -1.6% (-£10,289).

Miles Shippside, Rightmove director and housing market analyst comments: *"London is made up of a myriad of different local markets and influences, but the overall picture remains one of a market still in re-adjustment. Demand for housing remains, but more cautious buyers are waiting for the right property at the right price with consequently less urgency unless the deal is worth going for. While some discretionary movers are staying put, demand from those who are highly motivated to buy remains strong in this low-supply and high-demand capital city, and cheaper boroughs seem to be where buyers are still active."*

Rightmove analysis shows the gap between final asking price and actual selling price in London is 4.4%. This equates to an average difference of £27,442 based on the current new seller asking price of £628,039. We stress that these discounts are not to be treated as a rule of thumb that buyers should expect off any property up for sale; this is just an average. Many properties still sell for the asking price or even over if sought-after or attractively priced in the first place.

Shippside notes: *"This is an overall London average and can only be tracked on properties that have actually sold. Property that is over-priced and has not yet sold may need to be priced more attractively in order to attract a buyer in the first place. As a buyer, doing your research before you decide what to offer is essential, as the market is often hyper-local with prices depending on local supply and demand and how sensible sellers and their agents are with their asking prices. Slower-selling areas will typically have larger discounts negotiated by buyers. As a seller, if your property is initially over-priced, you may find it much harder to achieve a sale at any price."*

The cyclical nature of the housing market in the capital is highlighted by this gap growing from a negligible 1.1% in Q1 2014 to 4.4% in Q1 2018. The cash value of this gap four years ago was just over £6,000, though average asking prices have increased by some £66,000 in that timescale.

Shippside adds: *"This big jump in the gap between final asking price and sold price really highlights the shift in extremes from the sellers' market in 2014 to a buyers' market in 2018. We stress again that this is not a standard discount you should expect off any property up for sale, this is just an average."*

Three of the cheaper outer boroughs see new record price highs this month. Greenwich is up by 0.9% on the month and 1.4% annually, with Waltham Forest up by 1.4% monthly and 0.8% year-on-year, and Hillingdon up 0.4% on the month, and 0.2% compared to a year ago.

Shippside notes: *"Cheaper boroughs offering more value or better affordability tend to fare better, especially as they did not get as over-heated in price and therefore have less need to drop their prices to appeal to choosy buyers. All these three boroughs are still relatively less expensive with average new seller asking prices still under £500,000. These shifts are typical of the ebb and flow of London's different property dynamics as buyers eke out better and more affordable options to suit their housing needs and budgets."*

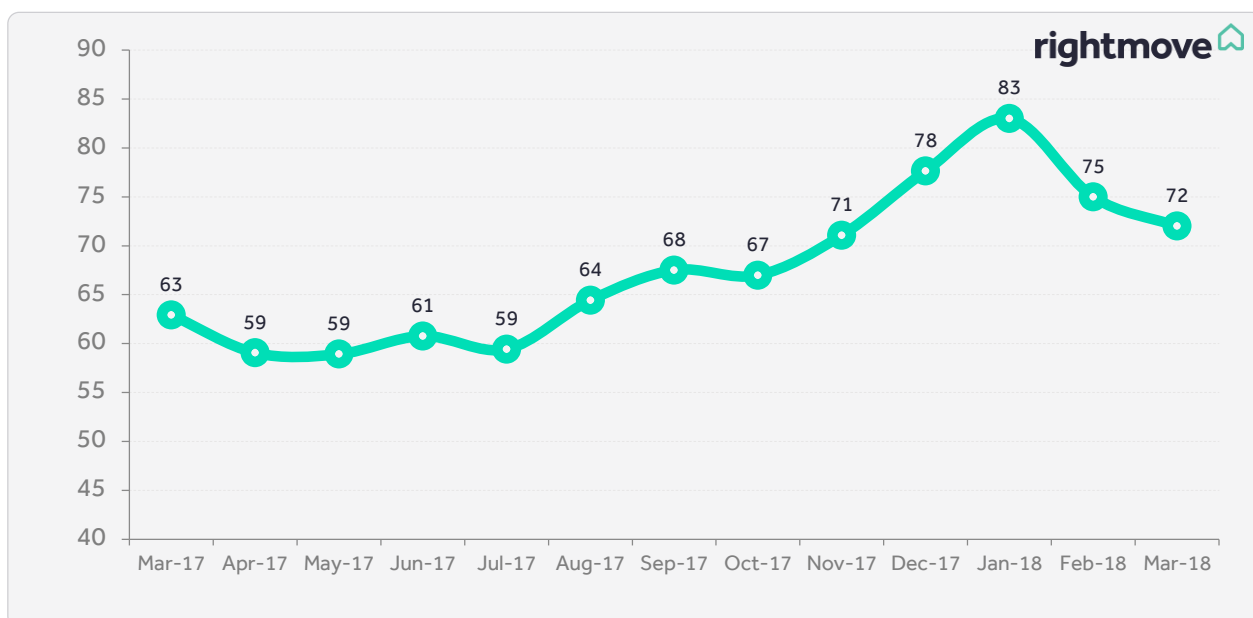
Agent's view

Lucy Pendleton, Co-Founder Director of independent estate agents James Pendleton in South London, said: *"We are always telling vendors to be realistic and price their property keenly to fuel interest. However, many don't, and this is a favourite way for vendors to shoot themselves in the foot. The difference between asking and sold price proves just how many houses have been priced badly recently and that always happens when we see a shift from a sellers' to a buyers' market in London. Many sellers could have improved the amount paid for their homes if they had encouraged more viewings on day one, rather than going for gold with an over-ambitious ticket price. Being in denial about this means you will only deny yourself the best possible price for your property."*

London trends

Transport for London zones	Avg. price Apr 2018	Avg. price Mar 2018	Monthly change	Avg. price Apr 2017	Annual change
Zone 1	£1,296,428	£1,384,382	-6.4%	£1,355,036	-4.3%
Zone 2	£750,636	£747,910	0.4%	£763,865	-1.7%
Zone 3	£610,074	£608,799	0.2%	£619,269	-1.5%
Zone 4	£491,958	£486,501	1.1%	£491,172	0.2%
Zone 5	£481,230	£482,319	-0.2%	£485,688	-0.9%
Zone 6	£498,077	£497,267	0.2%	£500,651	-0.5%

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



London trends

Borough data is based on a three month rolling average and can be used as an indicator of overall price trends in each borough over time. It is not directly comparable with the overall London monthly figures.

Borough	Avg. price April 2018	Monthly change	Annual change
Bexley	£409,236	-0.2%	2.0%
Barking and Dagenham	£315,858	0.4%	2.0%
Barnet	£661,456	0.0%	1.8%
Hounslow	£559,981	0.0%	1.7%
Greenwich	£455,404	0.9%	1.4%
Waltham Forest	£491,468	1.4%	0.8%
Redbridge	£455,279	0.3%	0.7%
Havering	£408,643	-0.2%	0.6%
Bromley	£540,364	0.5%	0.3%
Hillingdon	£497,865	0.4%	0.2%
Croydon	£444,477	0.2%	0.1%
Enfield	£463,208	1.5%	0.0%
Hackney	£663,456	-0.1%	0.0%
Camden	£1,004,381	0.5%	-0.2%
Sutton	£470,055	0.4%	-0.6%
Islington	£780,608	1.6%	-0.8%
Merton	£656,808	0.1%	-1.0%
Lewisham	£476,782	0.1%	-1.2%
Westminster	£1,461,058	-0.2%	-1.2%
Wandsworth	£817,928	0.3%	-1.3%
Newham	£411,668	-0.5%	-1.8%
Hammersmith and Fulham	£943,120	-0.7%	-2.0%
Tower Hamlets	£591,309	-0.8%	-2.0%

Boroughs continued overleaf

London trends

Borough (continued)	Avg. price April 2018	Monthly change	Annual change
Brent	£589,239	0.8%	-2.0%
Kensington and Chelsea	£1,609,245	-1.4%	-2.1%
Kingston upon Thames	£630,714	-0.3%	-2.1%
Ealing	£563,288	0.2%	-2.5%
Richmond upon Thames	£851,058	1.9%	-2.9%
Haringey	£619,637	0.1%	-3.4%
Lambeth	£649,452	0.7%	-4.3%
Harrow	£561,349	0.5%	-4.4%
Southwark	£635,994	-1.3%	-4.4%

Editor's notes

About the Index:

The Rightmove House Price Index methodology was updated in January 2018. The report now includes data for Scotland and a number of measures have been refined. The stock per agent figure now calculates the average based on the number of properties an agent has on Rightmove each day across the month, rather than the average of the total number of properties each agent advertised in the month. London asking prices are now broken down into travel zones. For the purpose of historical comparisons, the historical figures have been restated based on the new methodology.

The Index includes asking price 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. 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.

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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 circa 90% of all properties for sale and at any time displays a stock of over one million properties to buy or rent. The Rightmove.co.uk site attracts over 130 million visits from home movers each month with time on site averaging over one billion minutes per month (Rightmove data, July 2017).