

Rightmove House Price Index

The largest monthly sample of
residential property prices

May 2018
London edition



Inner London closer to recovery as commuter belt falls

- New seller asking prices rise by 1.5% (+£9,707) this month, but London still remains marginally negative year-on-year with annual fall of 0.2%
- Some signs that Inner London may be closer to recovery with monthly price gains in Zones 1, 2 & 3 resulting in monthly rise of 3.1% and annual rate of decrease at just 0.3%
- In contrast Outer London, which first saw year-on-year falls in new seller asking prices only nine months ago, records a monthly fall of 0.2% (-£1,197)
- South East region, favoured heavily by commuters to the capital, sees year-on-year prices fall by 0.1%, the first time in annual negative territory since 2011

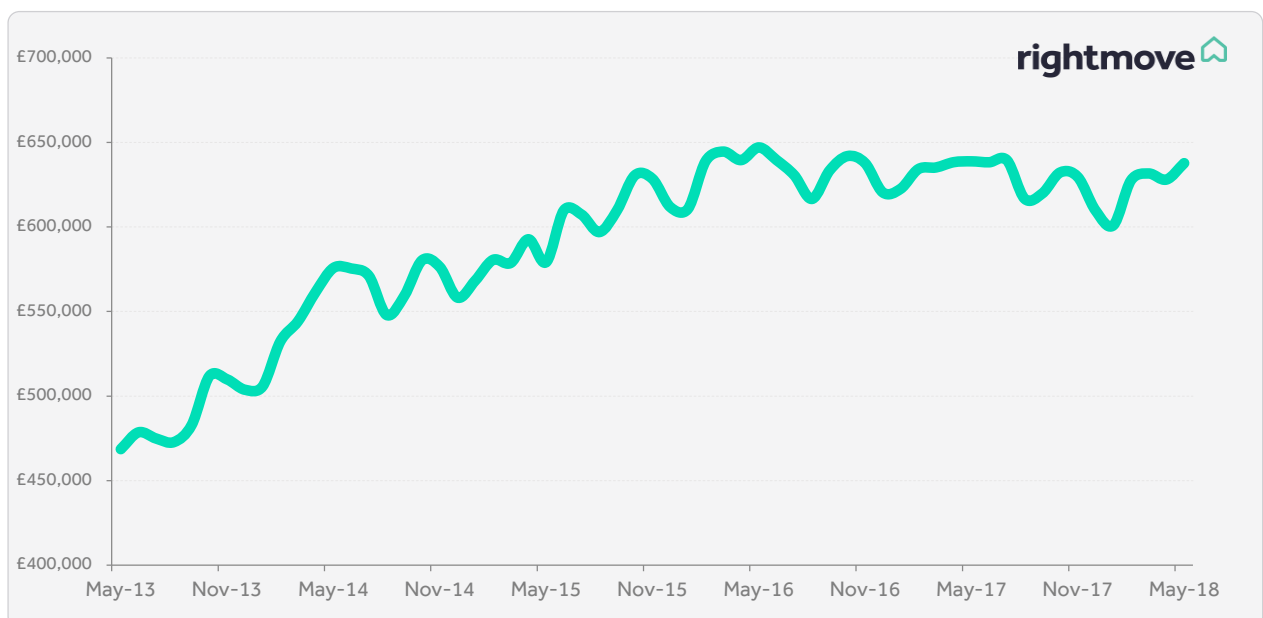
London average asking prices

Area	May 2018	April 2018	Monthly change	Annual change
Greater London	£637,746	£628,039	1.5%	-0.2%
Inner London	£792,076	£767,941	3.1%	-0.3%
Outer London	£527,330	£528,527	-0.2%	0.0%

Average asking prices by market sector

Sector	May 2018	April 2018	Monthly change	Annual change
First-time buyers	£490,185	£487,459	0.6%	-2.7%
Second-steppers	£705,896	£694,116	1.7%	0.0%
Top of the ladder	£1,450,450	£1,443,396	0.5%	4.4%

Five year London asking price trend



Rightmove measured 156,025 asking prices nationally this month, circa 90% of the UK market. The properties were put on sale by estate agents from 8th April 2018 to 12th May 2018 and advertised on Rightmove.co.uk.

Overview

New seller asking prices rise by 1.5% (+£9,707) in London this month, but the capital still remains marginally negative year-on-year with an annual fall of 0.2%. There are some signs that Inner London may be getting closer to price recovery with monthly price gains in TfL Zones 1, 2 and 3 resulting in a monthly rise of 3.1% and annual rate of decrease at just 0.3%. In contrast Outer London may be further away from a price recovery. It first saw year-on-year falls in new seller asking prices only nine months ago, and this month records a fall of 0.2% (-£1,197).

Miles Shippside, Rightmove director and housing market analyst comments: *"The price of newly-marketed property is up by 1.5%, nearly enough to pull London prices back above where they were 12 months ago. It is the largest monthly rise at this time of year for four years, though comparisons can be misleading with Easter falling at different times of year and distorting flows of property coming to the market. The figures have been boosted this month by strong rises of 4.2% in Zone 1 and 2.2% in Zone 2. These two zones typically have higher-priced properties coming to market which can buoy average prices, but after the annual price falls that began nearly two years ago this could be a sign of Inner London new seller asking prices trying to stage a recovery. It is encouraging to see sellers of more expensive central London homes testing the market rather than staying put, though buyers will still be looking to negotiate lower prices."*

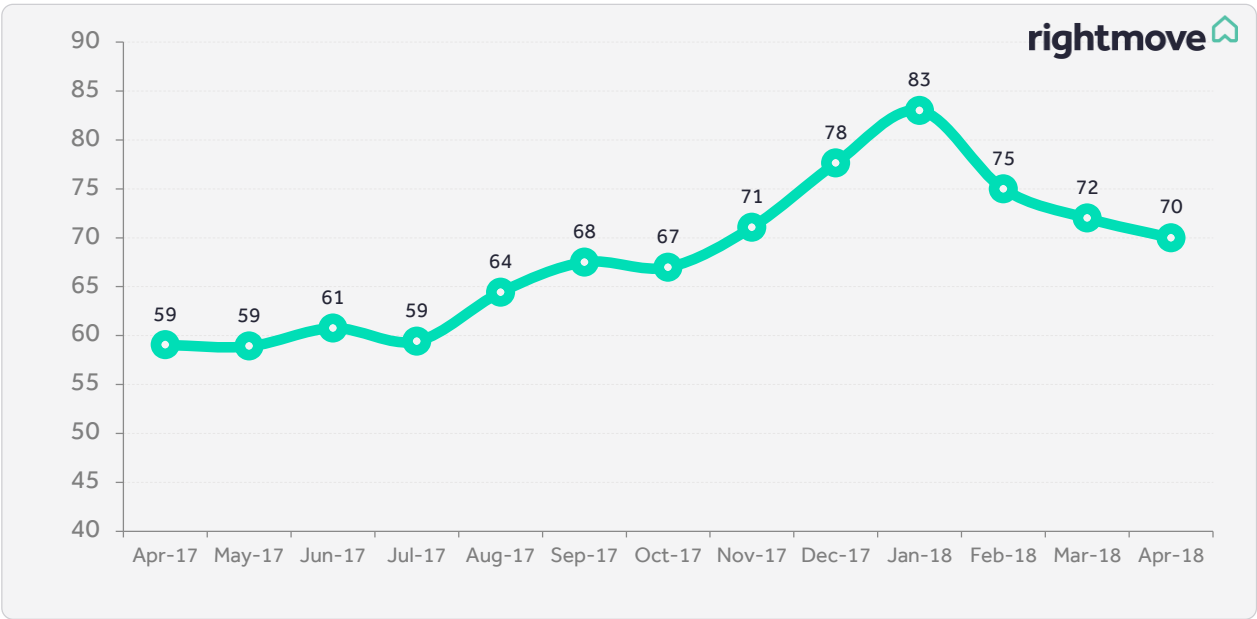
The more expensive property markets in Inner London have been struggling for longer due to previous over-heating and being hit hardest by political uncertainty and stamp duty tax increases. Outer London and the popular South East commuter belt initially benefitted from an exodus of movers from Inner London, and indeed Outer London only saw annual price decreases from September 2017. This month Outer London records a fall in new seller asking prices of 0.2% (-£1,197). In addition the South East region, favoured heavily by commuters to the capital, sees year-on-year prices fall by 0.1%, the first time it has fallen since 2011.

Shippside adds: *"While there are signs of continuing strong demand there appears to be hesitation among some buyers to commit unless they judge that the price and property are a really good deal. There have been some substantial re-adjustments in Inner London that have been underway much longer than in commuter locations further out. Many owners have benefitted from substantial house price inflation but after a good run of year-on-year growth, price sensitivity is now spreading further afield."*

London trends

Transport for London zones	Avg. price May 2018	Avg. price Apr2018	Monthly change	Avg. price May 2017	Annual change
Zone 1	£1,350,807	£1,296,428	4.2%	£1,353,131	-0.2%
Zone 2	£767,041	£750,636	2.2%	£764,544	0.3%
Zone 3	£611,923	£610,074	0.3%	£622,604	-1.7%
Zone 4	£492,858	£491,958	0.2%	£488,219	1.0%
Zone 5	£485,555	£481,230	0.9%	£489,157	-0.7%
Zone 6	£494,969	£498,077	-0.6%	£493,244	0.3%

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 May 2018	Monthly change	Annual change
Redbridge	£473,991	1.6%	4.1%
Barnet	£666,493	0.6%	2.6%
Havering	£415,210	0.8%	2.2%
Westminster	£1,536,799	2.8%	2.0%
Greenwich	£459,724	0.5%	2.0%
Barking and Dagenham	£314,305	0.0%	1.5%
Bexley	£405,398	-0.1%	0.5%
Enfield	£460,575	-0.5%	0.4%
Croydon	£445,774	-0.2%	0.3%
Richmond upon Thames	£872,192	1.3%	0.1%
Sutton	£470,889	-0.3%	-0.4%
Merton	£661,616	0.5%	-0.4%
Waltham Forest	£484,322	-0.5%	-0.6%
Hillingdon	£493,254	-0.7%	-0.7%
Bromley	£538,411	0.6%	-0.8%
Newham	£417,654	0.6%	-0.9%
Lewisham	£479,957	-0.2%	-0.9%
Tower Hamlets	£597,034	0.2%	-0.9%
Hounslow	£546,805	-0.9%	-1.0%
Kingston upon Thames	£626,302	0.3%	-1.1%
Camden	£995,472	0.1%	-1.4%
Islington	£778,755	0.3%	-1.5%
Hackney	£656,933	-0.2%	-1.7%

Boroughs continued overleaf

London trends

Borough (continued)	Avg. price May 2018	Monthly change	Annual change
Kensington and Chelsea	£1,629,078	-1.5%	-1.9%
Wandsworth	£820,013	-0.2%	-1.9%
Brent	£580,443	-1.0%	-1.9%
Haringey	£630,127	0.8%	-2.0%
Lambeth	£660,057	-0.6%	-2.2%
Southwark	£630,720	-1.1%	-3.2%
Hammersmith and Fulham	£930,153	-0.3%	-3.5%
Harrow	£563,011	0.1%	-3.5%
Ealing	£563,823	0.1%	-3.8%

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).