

# The Rightmove House Price Index

The largest monthly sample of residential property prices

*Under embargo for 00:01 hours: Monday, 19<sup>th</sup> August 2013*

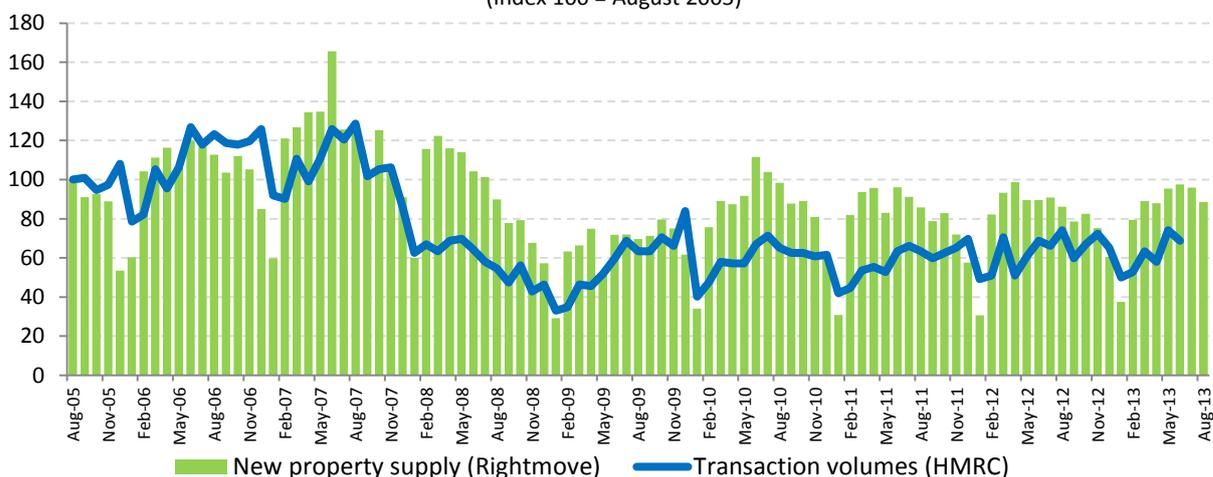
## Key to Help to Buy success is unlocking trapped sellers to boost supply

	August	July
Average Property Asking Price	£249,199	£253,658
% Change in Month	-1.8%	+0.3%
% Change in Past Year	+5.5%	+4.8%
Monthly Index (Jan 2002=100)	202.8	206.4

- August's 1.8% (-£4,459) drop in new sellers' asking prices is 2013's first fall but is more modest than usual for this time of year indicating that the steady market recovery continues
- As demand begins to outstrip supply, January's extension of the Help to Buy scheme must be clearly marketed to potential sellers, as well as buyers, to help balance supply and demand
  - Demand from home-movers is already returning with the number of email leads sent from Rightmove to agents and developers up 17% year-to-date
  - Property transactions are also up 5% while the supply of property coming to market lags behind increasing by a mere 0.2% so far this year – record prices for flats highlight the issue
  - Economic recovery, low interest rates, and Help to Buy all boost demand but, to avoid a return to excessive house price inflation, this needs to be balanced by greater supply from more sellers, increased construction of new builds and more residential conversions

## Index of supply of new properties and transaction volumes since August 2005

(Index 100 = August 2005)



*Rightmove measured 131,624 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 7<sup>th</sup> July 2013 to 10<sup>th</sup> August 2013 and advertised on Rightmove.co.uk.*

Rightmove.co.uk is the UK's largest property web site, advertising around 90% of all homes for sale via estate agents across the UK. The site attracts over 40 million visits from home movers each month who view in excess of 400 million pages. Each month Rightmove uses asking price data of up to 200,000 properties coming onto the market to produce this House Price Index - the largest, most accurate and up-to-date monthly index.

Released 19<sup>th</sup> August 2013

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0845 456 8439 or [press@rightmove.co.uk](mailto:press@rightmove.co.uk)

## Overview

August's 1.8% (-£4,459) drop in new sellers' asking prices is the first monthly fall recorded in 2013, though the recovering market means the traditional holiday season price dip is less pronounced than usual. The underlying recovery in the housing market continues, with the price of property coming to market up by an average of 8.8% (+£20,210) in the first eight months of the year. August also saw a new record asking price for 'flats and apartments' property type. Buyer demand is set to increase further when Help to Buy starts assisting purchasers of second-hand property in January, highlighting the need for greater property supply to meet growing demand and mitigate unsustainable upwards price pressure. It is imperative that Government communications around January's extension of Help to Buy do not neglect the need to stimulate supply as well as demand.

Miles Shipside, Rightmove director and housing market analyst comments: *"A holiday season price dip is the norm in August, with an average drop in the last five years of over 2%. Even with this month's below par 1.8% fall, the national average asking price is still up by more than £20,000 so far in 2013. Demand is already on the up, and that's before the roll-out of phase two of the Help to Buy stimulus. It is now critical that the supply of property improves so that the goal of a significant increase in transaction numbers is not over-shadowed by an unsustainable boom in property prices. Flats are most in demand by first-time buyers and buy-to-let investors and we have seen prices for this property type hit their highest ever level as supply fails to keep up with an increase in demand at the bottom of the market."*

The peak holiday month of August is traditionally volatile, with asking price falls recorded every year since 2007. Fewer sellers come to market, down 8% on last month, with discretionary sellers more focused on holidays and content to wait for the busier Autumn selling season. Sellers who do come to market during August tend to have a more pressing reason to sell and consequently price more aggressively.

Shipside observes: *"The underlying recovery in the housing market continues, with the price of property coming to market up in seven out of the first eight months of the year. However, outside of London and the South East it is weaker than the 5.5% annual gain headline figure suggests. Prices in the capital are 10.2% higher than this time last year compared with an average of just 2.8% for the rest of the country. While prices are up, transaction volumes still remain constrained by risk-averse lenders' high deposit requirements and a lack of fresh property supply"*.

We are already seeing early signs of demand outstripping supply and the Government needs to ensure that the current new build Help to Buy scheme, and its extension in January to second-hand homes, deliver more properties onto the market as well as boosting demand. The number of properties coming to market so far in 2013 is up just 0.2% on the same eight months in 2012, an increase of just 1,664 properties. However, this marginal improvement in fresh supply is outstripped by a 5% jump in transactions<sup>1</sup> and a 17% annual increase in email leads to agents and developers from Rightmove<sup>2</sup> so far this year. The natural lag between an increase in demand and a corresponding increase in supply could cause a short-term step-up in house price inflation over and above what is currently being seen. When, or if, property supply responds will be key in determining how long and how marked any inflationary period might be.

It is therefore vital that the Government's communication around the January extension of Help to Buy encourages sellers to take advantage of increased demand and put their property on the market, thus increasing supply. Economic recovery, low interest rates and Help to Buy are all positive factors boosting housing demand. However, to improve muted transaction volumes further and satisfy pent-up demand it needs to be balanced by more existing home-owners trading up, more landlords selling, more homes

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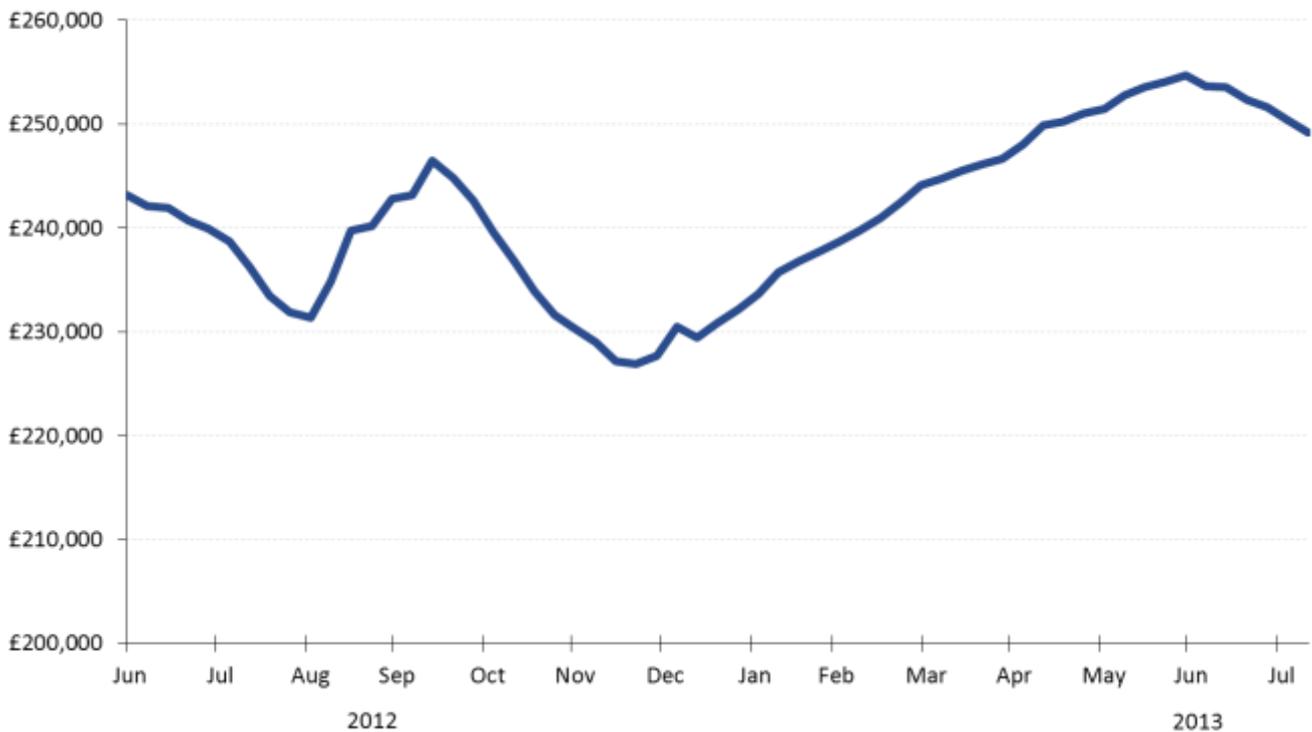
<sup>1</sup> Property transactions Jan-Jun 2012 & 2013, HMRC

<sup>2</sup> Total email leads sent via Rightmove between 1<sup>st</sup> Jan and 31<sup>st</sup> July 2012 & 2013

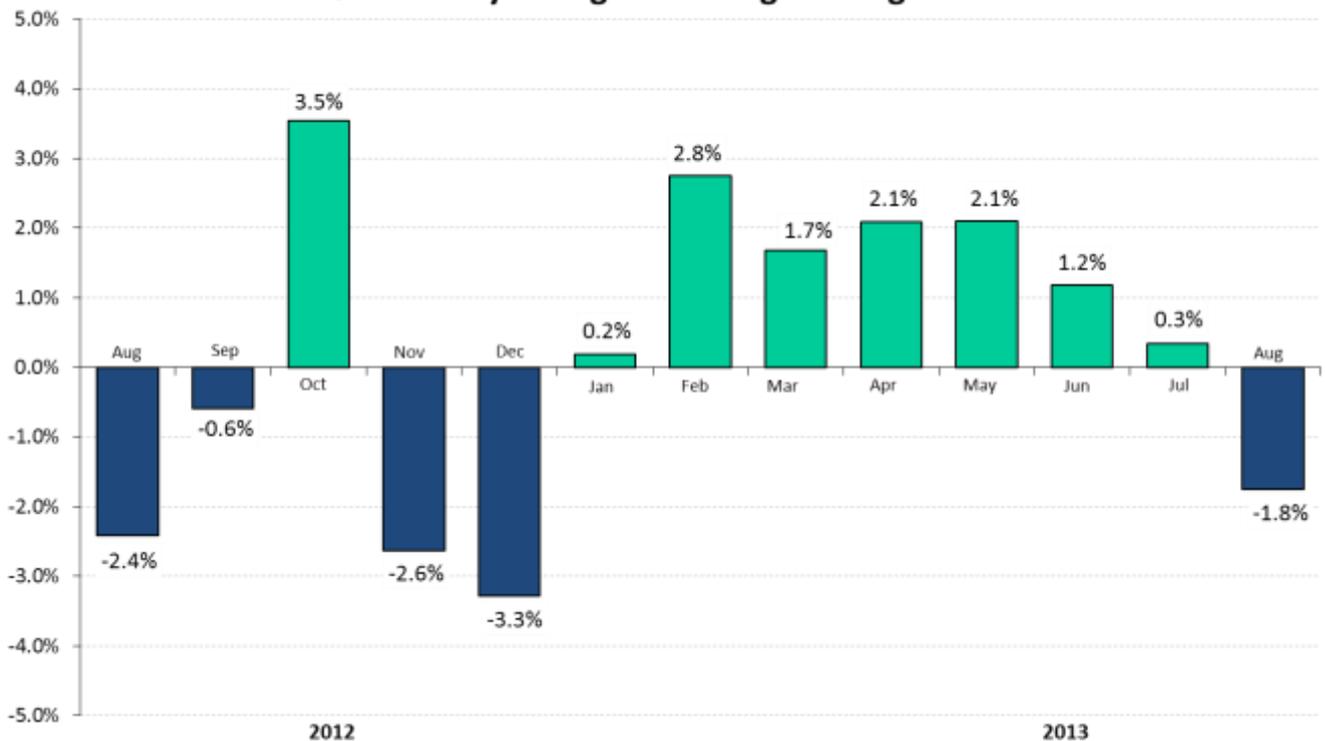
being built and more residential conversions from non-residential use. Increased Housing Association and institutional build-to-rent activity are important elements of the overall supply solution.

Shipside adds: *“The clear message is that only if the supply of property increases to meet rising demand will we see a boost in transaction numbers that will mitigate the ‘collateral damage’ of upwards price pressure. Developers’ reaction to the new-build Help to Buy scheme must start to address the structural shortfall of the last two decades and increase the number of houses being built. A second key success measure will be an increase in the supply of property to market from those who have put their housing needs on hold since 2007. It is vital that the new scheme frees low-deposit trapped-sellers, encouraging them to come to market and helping to unlock supply shortages. They are more likely to have established equity and credit-worthiness and be the main beneficiaries, rather than aspiring first-time buyers who are simultaneously struggling to pay rent and save a deposit. Tougher lending criteria following the Mortgage Market Review will also temper some first-time buyer demand and guard against a lending free-for-all like the one that inflated the last property bubble”.*

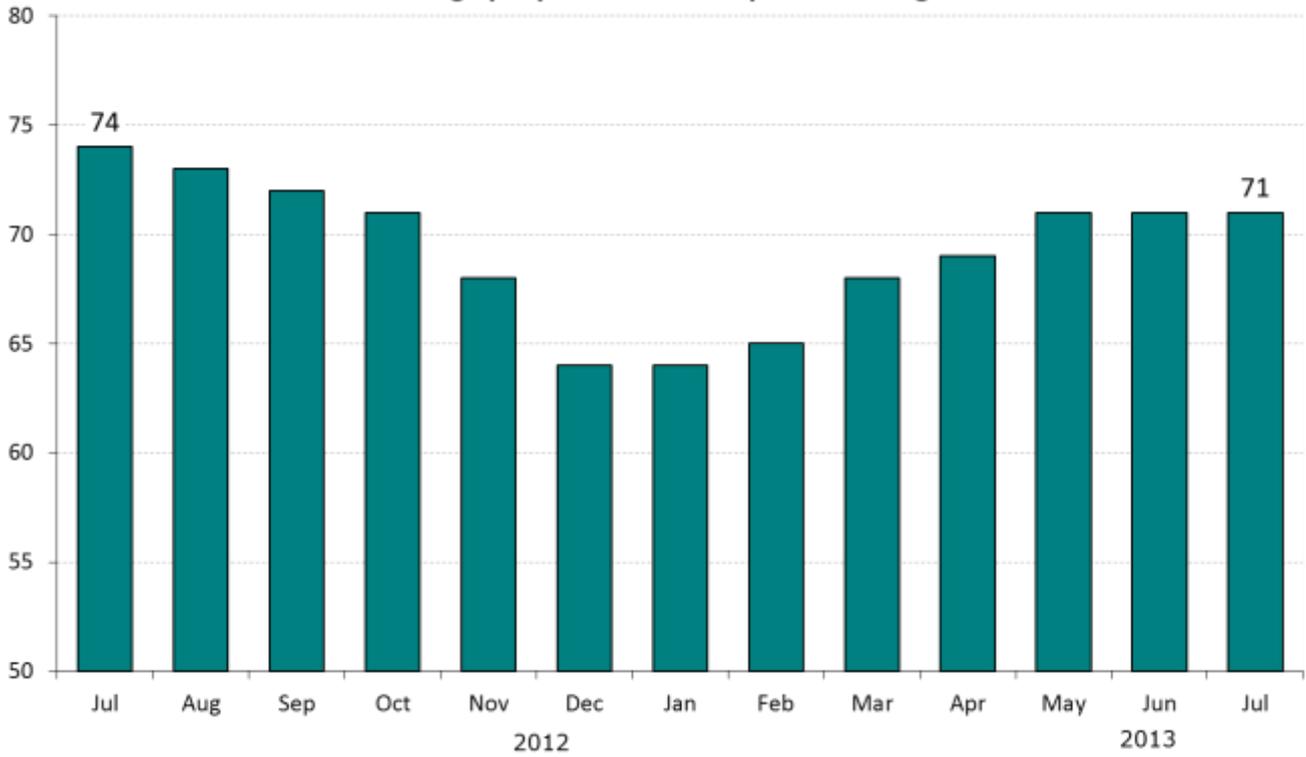
## Rightmove Monthly Asking Price Trend



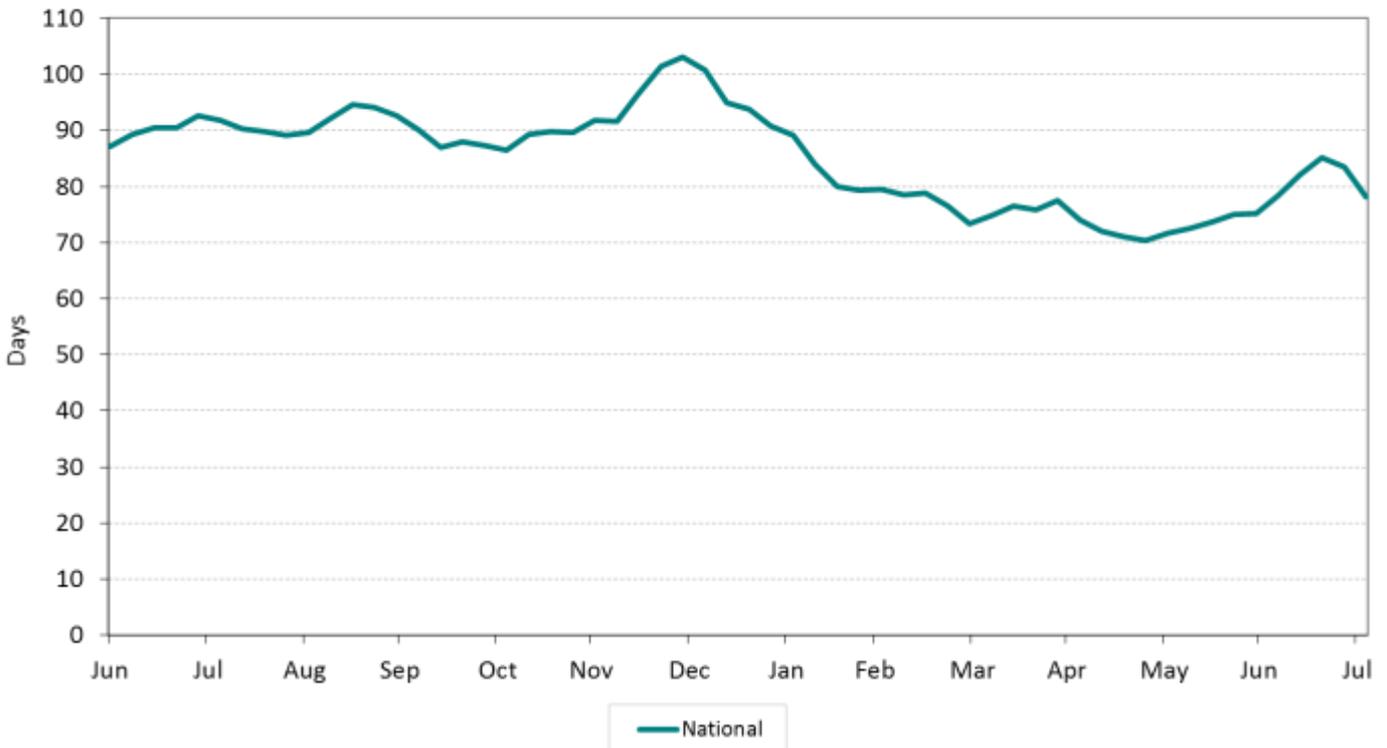
## % Monthly Change in Average Asking Prices



### Average properties for sale per Estate Agent



### Time on Market Indicator (National)



## Regions of England & Wales

 Increases  
 Decreases  
 from previous month

North	
Avg. Price Aug 13	£149,362
Avg. Price Jul 13	£151,901
Monthly Change	-1.7%
Avg. Price Aug 12	£148,139
Annual Change	0.8%

North West	
Avg. Price Aug 13	£164,503
Avg. Price Jul 13	£170,452
Monthly Change	-3.5%
Avg. Price Aug 12	£163,002
Annual Change	0.9%

Yorkshire & Humberside	
Avg. Price Aug 13	£154,237
Avg. Price Jul 13	£157,756
Monthly Change	-2.2%
Avg. Price Aug 12	£153,629
Annual Change	0.4%

West Midlands	
Avg. Price Aug 13	£193,474
Avg. Price Jul 13	£193,059
Monthly Change	0.2%
Avg. Price Aug 12	£184,444
Annual Change	4.9%

East Midlands	
Avg. Price Aug 13	£169,421
Avg. Price Jul 13	£173,600
Monthly Change	-2.4%
Avg. Price Aug 12	£160,954
Annual Change	5.3%

Wales	
Avg. Price Aug 13	£171,155
Avg. Price Jul 13	£171,143
Monthly Change	0.0%
Avg. Price Aug 12	£162,736
Annual Change	5.2%

East Anglia	
Avg. Price Aug 13	£236,371
Avg. Price Jul 13	£229,156
Monthly Change	3.1%
Avg. Price Aug 12	£219,729
Annual Change	7.6%

South West	
Avg. Price Aug 13	£260,605
Avg. Price Jul 13	£268,394
Monthly Change	-2.9%
Avg. Price Aug 12	£259,915
Annual Change	0.3%

Greater London	
Avg. Price Aug 13	£501,067
Avg. Price Jul 13	£515,379
Monthly Change	-2.8%
Avg. Price Aug 12	£454,875
Annual Change	10.2%

South East	
Avg. Price Aug 13	£326,277
Avg. Price Jul 13	£330,612
Monthly Change	-1.3%
Avg. Price Aug 12	£302,628
Annual Change	7.8%

If you are a journalist and would like a further breakdown on these regional statistics please contact the Press Office on: [press@rightmove.co.uk](mailto:press@rightmove.co.uk) or call 0845 456 8439

## National Asking Price Trend

Month	Index (Jan 2002 = 100)	% Change	Avg. Price
August 2012	192.2	-2.4%	£236,260
September 2012	191.1	-0.6%	£234,858
October 2012	197.8	+3.5%	£243,168
November 2012	192.6	-2.6%	£236,761
December 2012	186.3	-3.3%	£228,989
January 2013	186.7	+0.2%	£229,429
February 2013	191.8	+2.8%	£235,741
March 2013	195.0	+1.7%	£239,710
April 2013	199.1	+2.1%	£244,706
May 2013	203.3	+2.1%	£249,841
June 2013	205.7	+1.2%	£252,798
July 2013	206.4	+0.3%	£253,658
August 2013	202.8	-1.8%	£249,199
<b>Annual Change</b>	<b>+10.6</b>	<b>+5.5%</b>	<b>+£12,939</b>

(National asking price includes other property types that are not classified below)

## National Asking Price Trend by Property Type

Month	Detached	Semi-Detached	Terraced	Flats/Apartments
August 2012	£349,561	£196,995	£180,496	£198,012
September 2012	£347,664	£197,600	£178,989	£193,154
October 2012	£349,561	£196,995	£180,496	£198,012
November 2012	£345,138	£197,954	£181,633	£201,735
December 2012	£338,638	£193,365	£175,489	£196,819
January 2013	£333,054	£196,896	£180,824	£200,063
February 2013	£343,849	£199,232	£182,093	£200,813
March 2013	£354,003	£202,379	£187,489	£204,685
April 2013	£362,582	£205,691	£188,865	£202,867
May 2013	£369,582	£207,039	£191,161	£207,442
June 2013	£373,926	£206,670	£192,638	£208,792
July 2013	£374,370	£206,612	£192,710	£207,844
August 2013	£364,254	£204,392	£188,445	£209,652
<b>Annual Change</b>	<b>+4.2%</b>	<b>+3.8%</b>	<b>+4.4%</b>	<b>+5.9%</b>

Press enquiries regarding the methodology employed and access to further analysis of the data held by rightmove.co.uk should be directed to the Press Office on [press@rightmove.co.uk](mailto:press@rightmove.co.uk) or call 0845 456 8439.

## London's Best Performers August 2013

London's Top 5	Avg. Price Aug 13	Avg. Price Jul 13	Monthly Change
Tower Hamlets	£459,570	£446,548	2.9%
Ealing	£523,520	£513,070	2.0%
Waltham Forest	£328,796	£324,119	1.4%
Harrow	£361,916	£358,679	0.9%
Sutton	£360,841	£359,469	0.4%

## London's Worst Performers August 2013

London's Bottom 5	Avg. Price Aug 13	Avg. Price Jul 13	Monthly Change
Camden	£1,022,376	£1,098,439	-6.9%
City of Westminster	£1,547,440	£1,629,761	-5.1%
Brent	£689,840	£724,395	-4.8%
Lambeth	£522,027	£548,134	-4.8%
Kensington and Chelsea	£2,227,896	£2,338,034	-4.7%

## London Time on Market

Time on Market Indicator (London)



Released 19<sup>th</sup> August 2013

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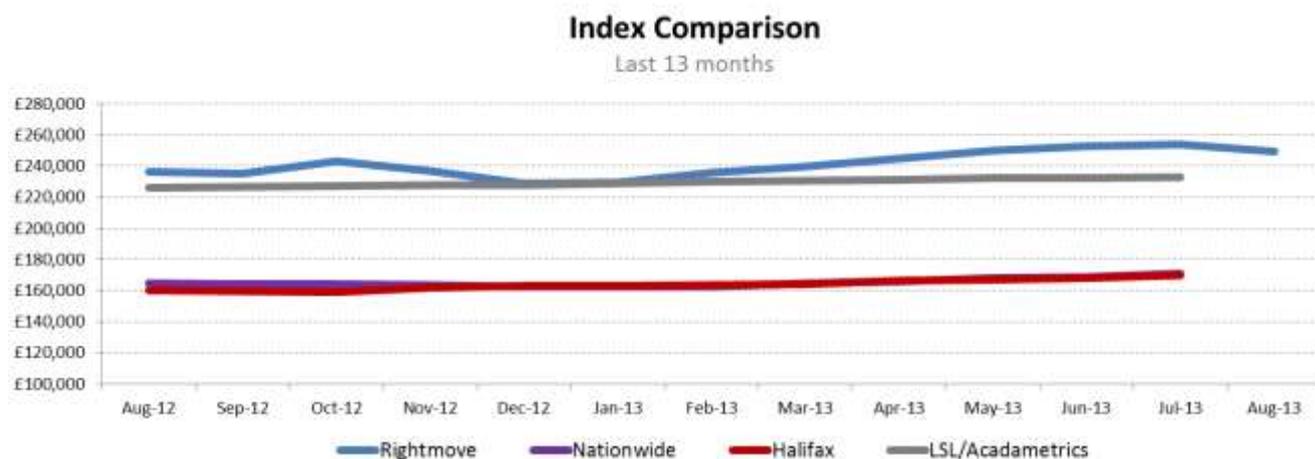
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## London Boroughs

Borough	Avg. Price Aug 13	Avg. Price Jul 13	Monthly Change	Avg. Price Aug 12	Annual Change
Kensington and Chelsea	£2,227,896	£2,338,034	-4.7%	£2,034,147	9.5%
City of Westminster	£1,547,440	£1,629,761	-5.1%	£1,340,828	15.4%
Camden	£1,022,376	£1,098,439	-6.9%	£920,185	11.1%
Hammersmith and Fulham	£988,076	£1,004,009	-1.6%	£858,374	15.1%
Richmond-upon-Thames	£747,401	£745,640	0.2%	£677,397	10.3%
Islington	£734,836	£756,325	-2.8%	£633,310	16.0%
Wandsworth	£701,851	£728,306	-3.6%	£630,769	11.3%
Brent	£689,840	£724,395	-4.8%	£616,085	12.0%
Kingston-upon-Thames	£680,028	£677,999	0.3%	£645,572	5.3%
Hackney	£598,220	£607,227	-1.5%	£533,937	12.0%
Barnet	£593,162	£617,105	-3.9%	£559,035	6.1%
Hounslow	£557,098	£562,599	-1.0%	£537,446	3.7%
Haringey	£556,041	£574,188	-3.2%	£549,197	1.2%
Ealing	£523,520	£513,070	2.0%	£459,952	13.8%
Lambeth	£522,027	£548,134	-4.8%	£448,853	16.3%
Southwark	£487,788	£508,885	-4.1%	£429,293	13.6%
Merton	£472,144	£475,786	-0.8%	£443,665	6.4%
Tower Hamlets	£459,570	£446,548	2.9%	£442,402	3.9%
Lewisham	£387,653	£389,306	-0.4%	£361,082	7.4%
Hillingdon	£373,853	£374,841	-0.3%	£364,459	2.6%
Harrow	£361,916	£358,679	0.9%	£342,013	5.8%
Sutton	£360,841	£359,469	0.4%	£327,474	10.2%
Bromley	£357,999	£367,377	-2.6%	£337,384	6.1%
Enfield	£345,998	£358,808	-3.6%	£331,043	4.5%
Waltham Forest	£328,796	£324,119	1.4%	£290,893	13.0%
Greenwich	£318,652	£317,869	0.2%	£288,377	10.5%
Croydon	£311,715	£311,941	-0.1%	£286,241	8.9%
Redbridge	£308,411	£312,023	-1.2%	£286,853	7.5%
Havering	£256,932	£261,544	-1.8%	£256,216	0.3%
Newham	£250,609	£250,367	0.1%	£244,004	2.7%
Bexley	£223,538	£224,371	-0.4%	£217,853	2.6%
Barking and Dagenham	£215,855	£219,522	-1.7%	£221,109	-2.4%

(City of London excluded due to small number of residential properties.)

## Index Comparison



**Rightmove:** compiled from asking prices of properties as they come on the market via Rightmove's member estate agents over the previous month, covering over 90% the market. Not seasonally adjusted. (Seasonally adjusted figure used for the Halifax from Nov 2003, as no unadjusted figure has been published.)

**Halifax:** based on mortgage approvals of loans agreed by Halifax Bank of Scotland over the previous month, seasonally adjusted.

**Nationwide:** based on mortgage approvals of loans agreed by Nationwide Building Society over the previous month. Figure quoted for monthly change is seasonally adjusted.

**LSL/Acadametrics:** based sold prices for properties transacted in England and Wales using Land Registry.

Rightmove measures asking prices and does not seasonally adjust its figures, while Nationwide and Halifax both report data based on mortgage offers, seasonally adjusted. The index offered by the CLG (Department of Communities and Local Government) measure prices at completion stage, not seasonally adjusted.

### Editors' notes

Advertising property for over 90% of all UK estate agents, Rightmove is in a unique position to identify any immediate changes in the market. Using a larger sample than any other house price reports, Rightmove's **House Price Index** is compiled from the asking prices of properties coming onto the market via the c.10,000 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 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, while 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 of the housing market.

This month 12,873 properties have been excluded due to being anomalies.

### **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 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. All eight corporate estate agents (those with 100 or more branches) list their properties on the site. The Rightmove.co.uk site receives over 30 million visits every month and is consistently ranked number one property website in the UK (source: Experian Hitwise).

For further information on methodology please contact the Press Office on [press@rightmove.co.uk](mailto:press@rightmove.co.uk) or call 0845 456 8439.