

# The Rightmove House Price Index

The largest monthly sample of residential property prices

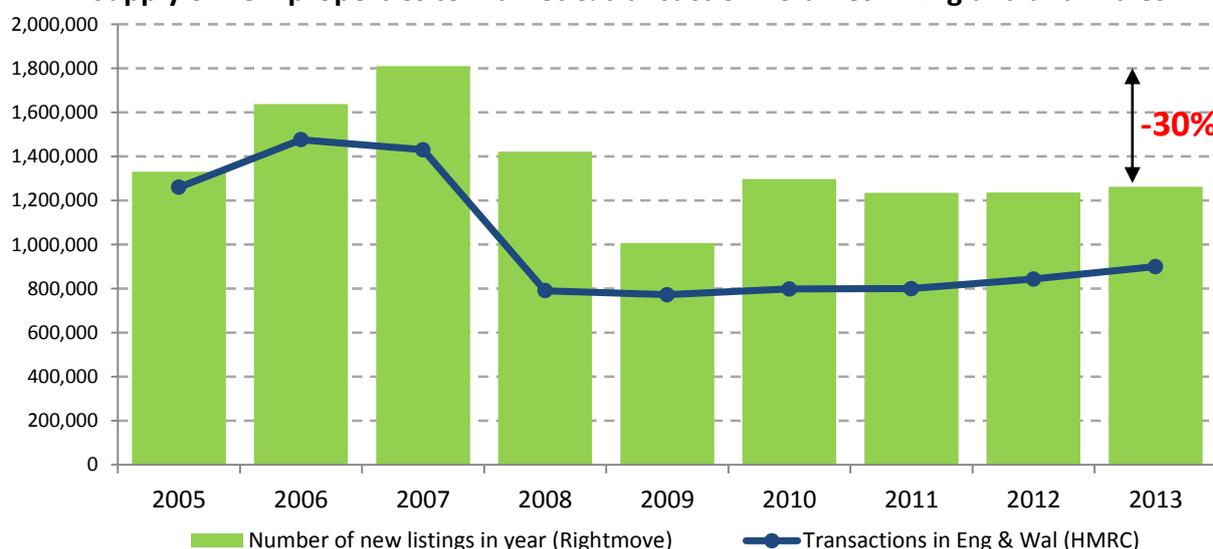
*Under embargo for 00:01 hours: Monday, 16<sup>th</sup> December 2013*

## 2014: Prices forecast to rise by up to 8% unless more properties come to market

	December	November
Average Property Asking Price	£241,455	£246,237
% Change in Month	-1.9%	-2.4%
% Change in Past Year	+5.4%	+4.0%
Monthly Index (Jan 2002=100)	196.5	200.3

- Smallest December fall (-1.9%, -£4,782) since 2006 indicates recovery is gaining momentum
- Price growth and transaction volumes in 2014 are expected to exceed those of 2013
- Rightmove forecasts new seller average asking prices to rise by up to 8% next year – unless more property comes to market in spring to redress 2013's imbalance of 2% rise in new listings versus 13% transaction jump
- Five year highs in consumer confidence and mortgage lending set 2014 up for c.10% transaction increase
- With prices forecast to rise, 2014 could be 'The Year to Move' – a move in early spring will minimise the cost of trading up to the next rung of the ladder and bring much-needed supply to offset pent-up demand

### Supply of new properties to market & transaction volumes in England and Wales



Rightmove measured 79,622 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 10<sup>th</sup> November 2013 to 8<sup>th</sup> December 2013 and advertised on Rightmove.co.uk.

Rightmove.co.uk is the UK's largest property website, advertising around 90% of all homes for sale via estate agents across the UK. The site attracts over 80 million visits from home movers each month who view in excess of one billion pages (Rightmove data, Oct 2013). 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 16<sup>th</sup> December 2013

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0207 087 0605 / 07894 255295 or [amy.funston@rightmove.co.uk](mailto:amy.funston@rightmove.co.uk)

## Overview

### Rightmove forecasts new seller average asking price to rise by 6-8% in 2014

The smallest December fall (-1.9%) since 2006 indicates that the housing market is in on track to build further on 2013's momentum. Transaction levels in England and Wales are up 13% so far in 2013<sup>1</sup> compared to 2012 and, with the release of some pent-up demand, Rightmove forecasts a rise in average new seller asking prices of between 6% and 8% in 2014. Whether the lower or upper range emerges depends on the supply of sellers who come to market in spring next year. With new listings in 2013 up just 2% on 2012, there is a time-lag between transaction growth and new listing growth leading to a further squeeze on property supply.

Miles Shipside, Rightmove director and housing market analyst comments: *"There's a listing gap to fill. While sales transactions are up 13% so far in 2013, the number of newly listed properties is only up by 2%. To help mitigate the upwards pressure on prices it is important that home-owners who have a move on their minds make it a new year's resolution to spring into action. After six years afflicted by the credit-crunch, there's a definite window to move up or move on in 2014 before the market's usual pre-election pause in early 2015. A good and plentiful choice of property for sale would limit sellers from getting over-ambitious with their asking prices and result in a national average increase closer to 6%. It would also give those who are buying a better chance of finding their dream home at a more affordable price."*

### Regional price movements will continue to mask local variations

We expect the price movements and drivers of activity in 2014 to be highly localised, with some towns and cities within regions generating momentum at a faster rate than others. We have already seen this in 2013 within the more prosperous southern markets with examples such as Bath, Bristol, Cambridge and Oxford all pushing up regional averages. We expect cities like Leeds, Manchester and York to be similar northern hotspots during 2014, though even within these cities, suburbs will increase at different rates. Further south, we predict that London could rise by another 6% and the South East by up to 10% due to the London ripple effect.

Shipside observes: *"As the momentum of recovery increases, areas with the largest shortages of fresh property supply are likely to see more substantial price rises, with the South East among the regions where listings are most scarce. The strength of the market recovery will remain patchy however, with average incomes, employment and regeneration levels having a major say both north and south. Overall, agents in even the more depressed parts of the UK say they can see light at the end of the tunnel, though they also observe that there is a lot of stale stock in these slower moving areas to be cleared before prices can rise."*

### Five year highs in confidence and mortgage lending set up 2014 to hit around one million transactions

Mark Carney, Governor of the Bank of England, recently referred to the 'lifting of uncertainty' as a key driver in unlocking pent-up demand in the economy. Rightmove's latest survey of more than 40,000 potential home-movers shows a greater degree of certainty in the housing market specifically. Four in five (79%) home-movers predict higher prices by the end of 2014, the highest proportion recorded in the five years that Rightmove has run the survey. As well as the motivation to move, buyers also need the means. With the thawing of credit conditions resulting in the highest lending levels since 2008, this piece of the recovery puzzle also seems to be in place. As lending restrictions continue to ease, Rightmove forecasts transactions to increase by around 10% in 2014 taking the total number to around one million, the highest since 2006 and up from an estimated 900,000 in 2013 (England and Wales only).

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<sup>1</sup> HMRC, January-October 2013

Ongoing efforts to build confidence among lenders to lend more, so stimulating greater competition in the higher loan-to-value mortgage market, is essential in delivering a sustainable bottom-up market. It is also essential that lending is responsible, and with lenders implementing the Mortgage Market Review recommendations in preparation for the April 2014 deadline, lending beyond a new borrower's ability to repay is much less likely. These rigorous standards also apply to mortgage applications under phase two of Help to Buy, the government-backed mortgage guarantee scheme for existing homes.

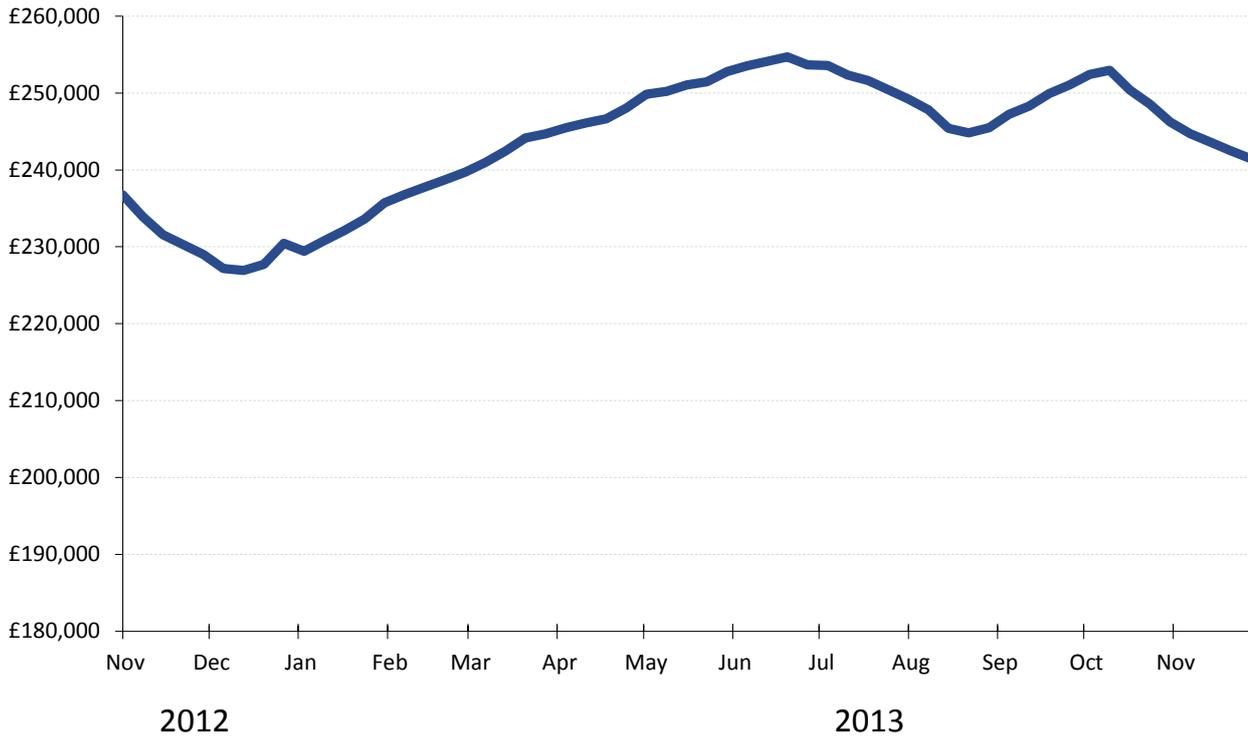
*Shipside notes: "Consumer confidence is essential to a healthy market. Transactions only increase if people are motivated to make the financial commitment to buy and trade up. More will do so if they believe prices are on the way up rather than down, leading us to expect transaction volumes to hit the one million milestone in 2014. Stable, competitive interest rates and easier access to the mortgage market are among the reasons people cite for their growing confidence. With Help to Buy encouraging more lenders to offer mortgages to those with 5% deposit, the scheme appears to have had a successful start in creating the framework for a return to a normal, functioning higher loan-to-value mortgage market. Agents report low take-up of phase two of Help to Buy in London and the South East as mortgage repayments for many properties are not affordable for buyers with only a 5% deposit. Take-up appears to be greater the further north you go, so it seems to be helping those it was targeted at and those expecting a Help to Buy London bubble have got it very wrong."*

#### **2014: The Year to Move**

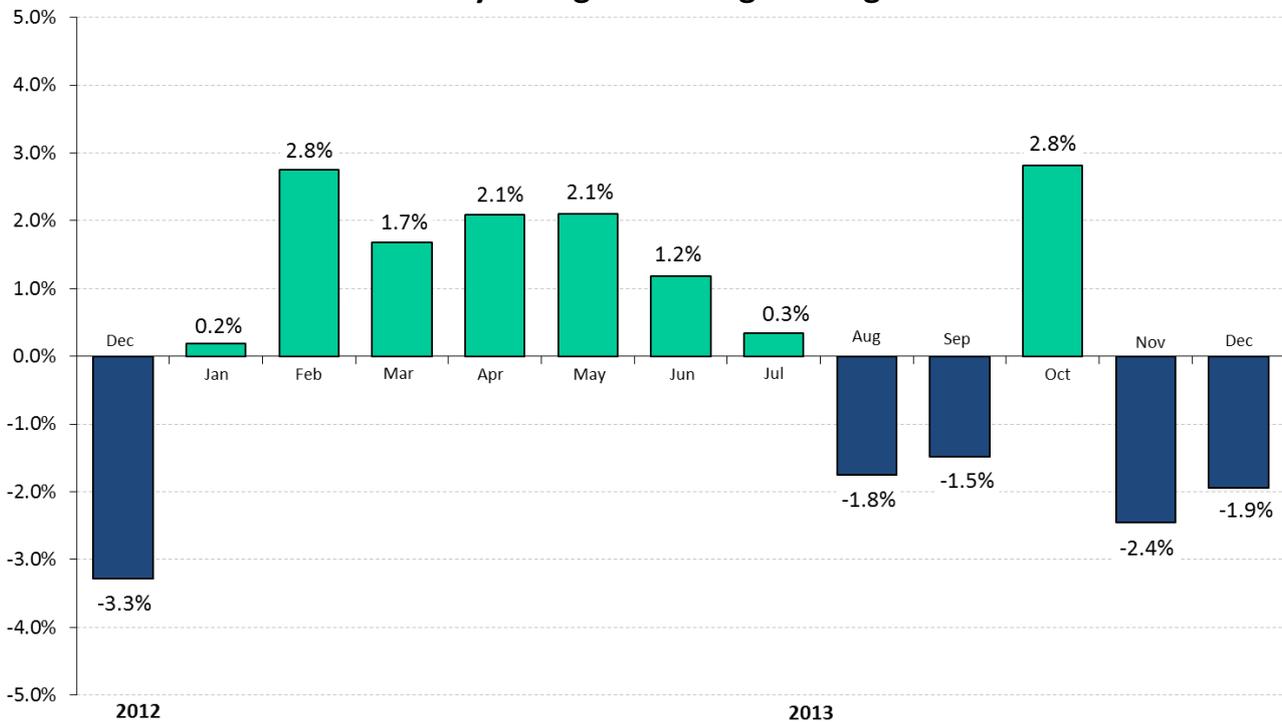
There is more upwards price pressure in the pipeline as average stock per estate agency branch fell from 68 to 63 properties in the last month. It makes sense for first-time buyers to act early before prices rise, and those looking to trade up should also consider a move as soon as possible before the trading-up price gap widens further.

*Shipside advises: "With Rightmove experiencing a 21% year-on-year increase in traffic, there is a definite sign of more people sizing up a move. Early spring marketing is the best option for trader-uppers as upwards price pressure could build if stock for sale continues to dwindle. The jump to the next rung of the property ladder could get wider, especially if those who do not have anything to sell can afford to jump in ahead of you. With mortgages still historically cheap and interest rates set to remain stable, if you've been putting off a good reason to up-sticks, it could be opportune to make 2014 the year to move."*

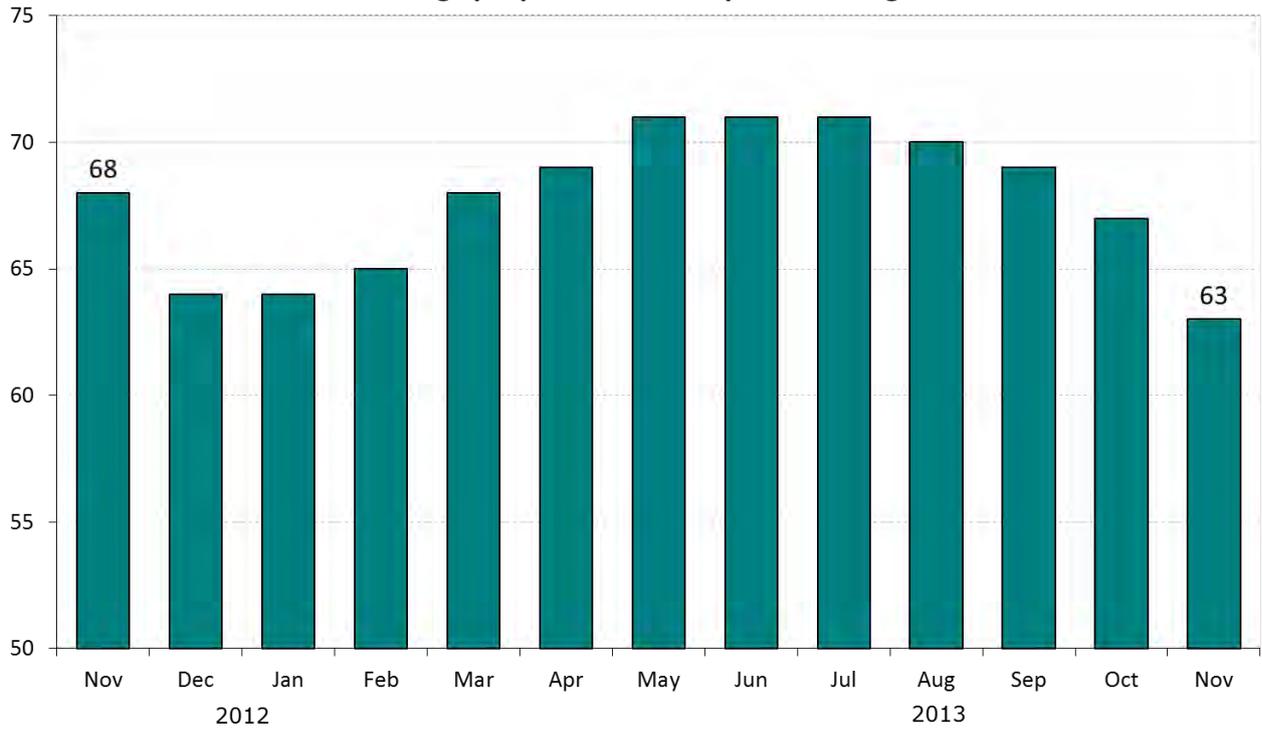
## Rightmove Monthly Asking Price Trend



## % 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 Dec 13	£138,179
Avg. Price Nov 13	£141,426
Monthly Change	-2.3%
Avg. Price Dec 12	£137,108
Annual Change	0.8%

North West	
Avg. Price Dec 13	£155,545
Avg. Price Nov 13	£159,278
Monthly Change	-2.3%
Avg. Price Dec 12	£151,819
Annual Change	2.5%

Yorkshire & Humberside	
Avg. Price Dec 13	£148,692
Avg. Price Nov 13	£150,952
Monthly Change	-1.5%
Avg. Price Dec 12	£144,655
Annual Change	2.8%

West Midlands	
Avg. Price Dec 13	£184,397
Avg. Price Nov 13	£187,349
Monthly Change	-1.6%
Avg. Price Dec 12	£174,098
Annual Change	5.9%

East Midlands	
Avg. Price Dec 13	£164,366
Avg. Price Nov 13	£168,873
Monthly Change	-2.7%
Avg. Price Dec 12	£158,480
Annual Change	3.7%

Wales	
Avg. Price Dec 13	£162,966
Avg. Price Nov 13	£165,110
Monthly Change	-1.3%
Avg. Price Dec 12	£159,216
Annual Change	2.4%

East Anglia	
Avg. Price Dec 13	£225,511
Avg. Price Nov 13	£226,015
Monthly Change	-0.2%
Avg. Price Dec 12	£218,619
Annual Change	3.2%

South West	
Avg. Price Dec 13	£249,954
Avg. Price Nov 13	£256,532
Monthly Change	-2.6%
Avg. Price Dec 12	£240,438
Annual Change	4.0%

Greater London	
Avg. Price Dec 13	£513,466
Avg. Price Nov 13	£517,276
Monthly Change	-0.7%
Avg. Price Dec 12	£464,398
Annual Change	10.6%

South East	
Avg. Price Dec 13	£303,717
Avg. Price Nov 13	£312,087
Monthly Change	-2.7%
Avg. Price Dec 12	£287,420
Annual Change	5.7%

If you are a journalist and would like a further breakdown on these regional statistics please contact the Press Office on: 0207 087 0605 / 07894 255295 / amy.funston@rightmove.co.uk.

## National Asking Price Trend

Month	Index (Jan 2002 = 100)	% Change	Avg. Asking Price
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
September 2013	199.7	-1.5%	£245,495
October 2013	205.4	+2.8%	£252,418
November 2013	200.3	-2.4%	£246,237
December 2013	196.5	-1.9%	£241,455
<b>Annual Change</b>	<b>+10.2</b>	<b>+5.4%</b>	<b>+£12,466</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
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
September 2013	£359,051	£206,639	£188,777	£205,279
October 2013	£372,274	£207,581	£196,492	£220,539
November 2013	£361,465	£205,971	£193,730	£214,011
December 2013	£357,940	£205,671	£190,844	£213,977
<b>Annual Change</b>	<b>+3.7%</b>	<b>+3.9%</b>	<b>+5.1%</b>	<b>+6.1%</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: Call 0207 087 0605 / 07894 255295 or email [amy.funston@rightmove.co.uk](mailto:amy.funston@rightmove.co.uk).

## London's Best Performers December 2013

London's Top 5	Avg. Price Dec 13	Avg. Price Nov 13	Monthly Change
Camden	£984,508	£965,614	2.0%
Hammersmith & Fulham	£1,076,257	£1,056,731	1.8%
Brent	£746,354	£735,413	1.5%
Wandsworth	£776,559	£765,753	1.4%
Merton	£510,805	£503,929	1.4%

## London's Worst Performers December 2013

London's Bottom 5	Avg. Price Dec 13	Avg. Price Nov 13	Monthly Change
Kensington and Chelsea	£2,204,821	£2,298,155	-4.1%
Haringey	£541,726	£562,466	-3.7%
Hounslow	£547,119	£564,045	-3.0%
Hackney	£589,811	£604,550	-2.4%
Southwark	£492,264	£504,231	-2.4%

## London Time on Market

### Time on Market Indicator (London)





## London Boroughs

Borough	Avg. Price Dec 13	Avg. Price Nov 13	Monthly Change	Avg. Price Dec 12	Annual Change
Kensington and Chelsea	£2,204,821	£2,298,155	-4.1%	£2,153,658	2.4%
City of Westminster	£1,517,430	£1,501,439	1.1%	£1,405,179	8.0%
Hammersmith and Fulham	£1,076,257	£1,056,731	1.8%	£885,954	21.5%
Camden	£984,508	£965,614	2.0%	£963,421	2.2%
Wandsworth	£776,559	£765,753	1.4%	£674,911	15.1%
Brent	£746,354	£735,413	1.5%	£703,876	6.0%
Richmond-upon-Thames	£728,651	£723,944	0.7%	£689,330	5.7%
Islington	£712,530	£727,742	-2.1%	£645,764	10.3%
Kingston-upon-Thames	£704,163	£695,083	1.3%	£642,928	9.5%
Barnet	£592,229	£605,320	-2.2%	£554,341	6.8%
Hackney	£589,811	£604,550	-2.4%	£531,781	10.9%
Hounslow	£547,119	£564,045	-3.0%	£530,490	3.1%
Lambeth	£543,144	£540,805	0.4%	£457,058	18.8%
Haringey	£541,726	£562,466	-3.7%	£542,244	-0.1%
Ealing	£514,798	£515,602	-0.2%	£462,177	11.4%
Tower Hamlets	£513,492	£510,737	0.5%	£424,948	20.8%
Merton	£510,805	£503,929	1.4%	£451,964	13.0%
Southwark	£492,264	£504,231	-2.4%	£421,900	16.7%
Lewisham	£390,715	£391,003	-0.1%	£353,896	10.4%
Sutton	£374,683	£373,379	0.3%	£334,740	11.9%
Hillingdon	£370,118	£372,596	-0.7%	£360,903	2.6%
Harrow	£364,895	£365,054	0.0%	£337,135	8.2%
Bromley	£357,298	£355,666	0.5%	£345,618	3.4%
Enfield	£349,458	£357,918	-2.4%	£335,463	4.2%
Croydon	£331,896	£335,908	-1.2%	£279,392	18.8%
Waltham Forest	£325,079	£325,518	-0.1%	£286,324	13.5%
Greenwich	£307,447	£312,089	-1.5%	£286,559	7.3%
Redbridge	£304,847	£310,458	-1.8%	£286,655	6.3%
Newham	£257,746	£256,616	0.4%	£227,791	13.2%
Havering	£256,239	£257,647	-0.5%	£249,360	2.8%
Bexley	£228,298	£228,856	-0.2%	£216,095	5.6%
Barking and Dagenham	£221,964	£219,658	1.0%	£208,241	6.6%

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

## Index Comparison

	Dec 2013		Nov 2013		Oct 2013	
	House Price	Monthly change	House Price	Monthly change	House Price	Monthly change
Rightmove	£241,455	-1.9%	£246,237	-2.4%	£252,418	+2.8%
Halifax	N/A *	N/A *	£174,910	+1.1%	£171,991	+0.7%
Nationwide	N/A *	N/A *	£174,566	+0.6%	£173,678	+1.0%

\* Published at the beginning of next month for Halifax and at the end of this month for Nationwide

**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.

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

The data from the Rightmove Consumer Confidence survey is taken from responses completed via an online questionnaire between **Monday, 14th of October and Monday, 28<sup>th</sup> of October 2013**. A total of **44,077** responses were received. Data is weighted using Census data available from the Office for National Statistics to help ensure the results are representative of the UK and its regions.

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 9,676 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 is consistently ranked 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. All eight corporate estate agents (those with 100 or more branches) list their properties on the site. The Rightmove.co.uk site attracts over 80 million visits from home movers each month who view in excess of one billion pages (Rightmove data, October 2013).

For further information on methodology please contact the Press Office on 0207 087 0605 / 07894 255295 or email [amy.funston@rightmove.co.uk](mailto:amy.funston@rightmove.co.uk).