

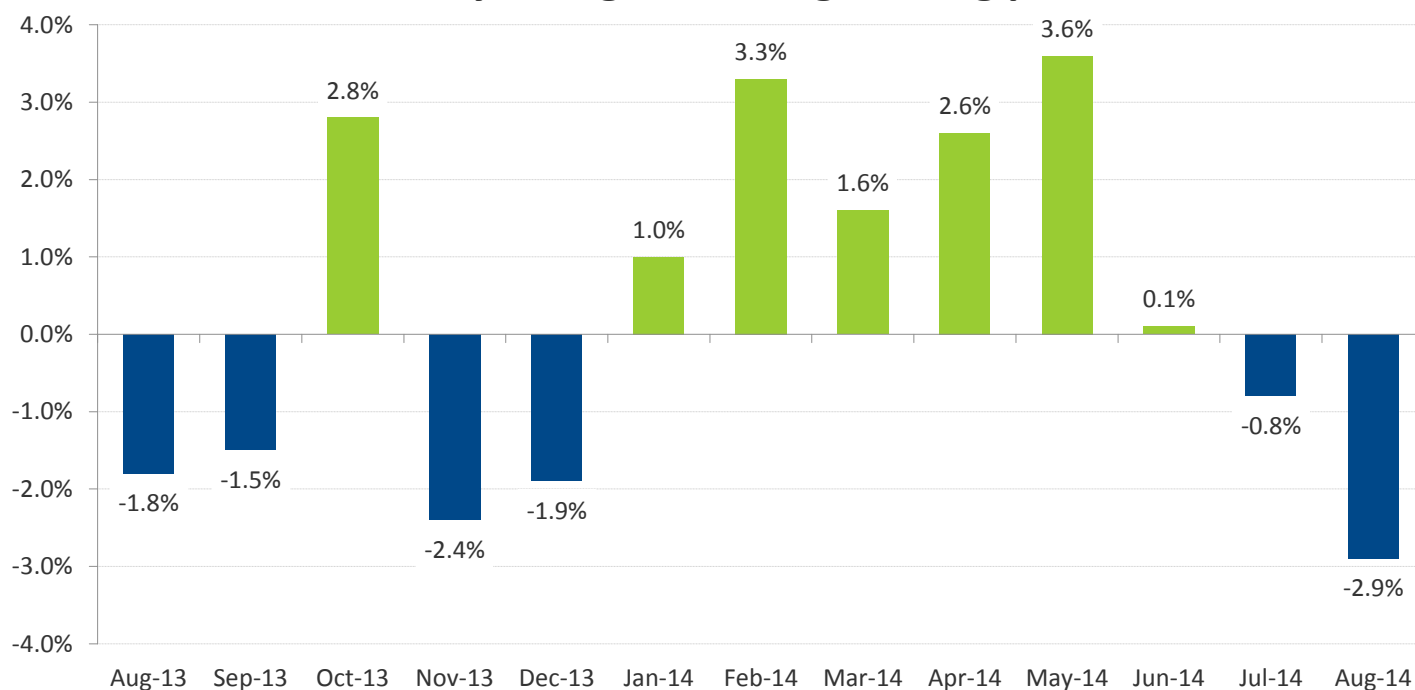
*Under embargo for 00:01 hours: Monday, 18<sup>th</sup> August 2014*

## Largest ever drop in August asking prices as 'Summer Sales' kick in

Average property asking price:	
Aug 14	Jul 14
<b>£262,401</b>	£270,159
% change in month:	
Aug 14	Jul 14
<b>-2.9%</b>	-0.8%
% change in past year:	
Aug 14	Jul 14
<b>+5.3%</b>	+6.5%
Monthly index (Jan 2002 = 100)	
Aug 14	Jul 14
<b>213.5</b>	219.8

- Asking prices of property coming to market cut by 2.9% (-£7,758), the biggest fall Rightmove has ever recorded in August
- Holiday distractions a key driver, though drop more pronounced than usual and exacerbated by 5.9% fall in London – the third consecutive monthly fall in the capital
- London agent and NAEA President: Interest rate speculation means London buyers don't want to find themselves *'hamstrung by rates going up'*
- New sellers adopting a 'Summer Sales' attitude to pricing and a slower market signals good news for buyers and relieves pressure on the Bank of England
- Average price now nearly £10,000 off June's peak and annual rate falls back from 6.5% in July to 5.3% this month

### % monthly change in average asking prices



Rightmove measured 127,435 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 13<sup>th</sup> July 2014 to 9<sup>th</sup> August 2014 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.

## Overview

The average asking price of newly-marketed property across England and Wales is down by 2.9% (-£7,758) this month compared to last. Whilst August is typically a quieter time of year with an average monthly price fall of 1.6% over the last 10 years, this is the largest decrease ever recorded by Rightmove at this time of year, and a lead indicator of a slower market in the second half of 2014. The price fall has been exacerbated by London recording a 5.9% drop, which is the largest of three consecutive monthly falls.

Miles Shippside, Rightmove director and housing market analyst comments: *"New seller asking prices are good lead indicators of the current mood of the market, and those who have put their property up for sale in the last month are obviously aware that potential buyers are thinner on the ground at this time of year and need to be tempted to act by cheaper prices. A drop in August is typical but it's steeper than expected this year for two reasons. Firstly, both buyers and sellers are becoming increasingly aware about personal finances, given that the cost of mortgages are going up and regulators are trying to bring availability down. This limits what buyers are willing or able to pay, and helps moderate sellers price expectations. The second factor is the turnaround in London. Having forced national average prices up for the last two years, it's now pushing them down with three falls in a row, and a real biggie this month. Holidays always cause a big price reverse in the capital, but there is also a massive year-on-year jump in the number of newly-marketed properties, up 20% compared to August last year, and double the figure seen in any other region. More sellers and fewer buyers mean price falls."*

### So what do this month's key property market statistics mean for buyers, sellers and the future outlook?

This month's fall has caused a substantial drop in the annual rate of increase, though new seller asking prices are still 5.3% (+£13,202) higher than they were a year ago. This is down from 6.5% last month, and a sharp decline from the highest year-on-year rise of the year, which was 8.9% recorded just three months ago in May. Activity is traditionally strongest in the first half of the year, and this year seems to be following that pattern. A drop off in buyer demand and an 8% increase in property coming to market this month compared to August last year means more competition to sell, hence national average new seller asking prices have come down for the last two months.

Shippside advises: *"Those looking to buy should remember they are a scarcer species in the summer months, and if they can identify sellers who are keen to sell then there is a better deal to be had in many parts of the country. The big drop in new seller asking prices is evidence of a 'Summer Sales' mentality, with those coming to market at a quieter time of year obviously having a more pressing need to do so and pruning their prices. This is not a glut of property for sale or a major price drop drama, though we do expect more holiday season price falls next month before the usual autumn activity flurry. It will, however, come as some relief to the Bank of England that there are signs the market is effecting its own natural slowdown without a rate rise, though under-pinned by greater awareness among the public that the five year holiday of record low interest rates is coming to an end."*

Rightmove has launched a [House Price Trendometer](#) for people to see how asking prices at a county level have fared since the House Price Index began back in 2001. Using the tool people can compare any two time periods between 2001 and 2014 and compare asking prices, while reading about the key milestones and events that have affected the housing market in England and Wales.

### Agents' views:

#### London

Simon Gerrard, President of National Association of Estate Agents and Managing Director of Martyn Gerrard Estate Agents with 11 branches in London said: *"The slowdown over summer is completely natural, however there are two factors which we*

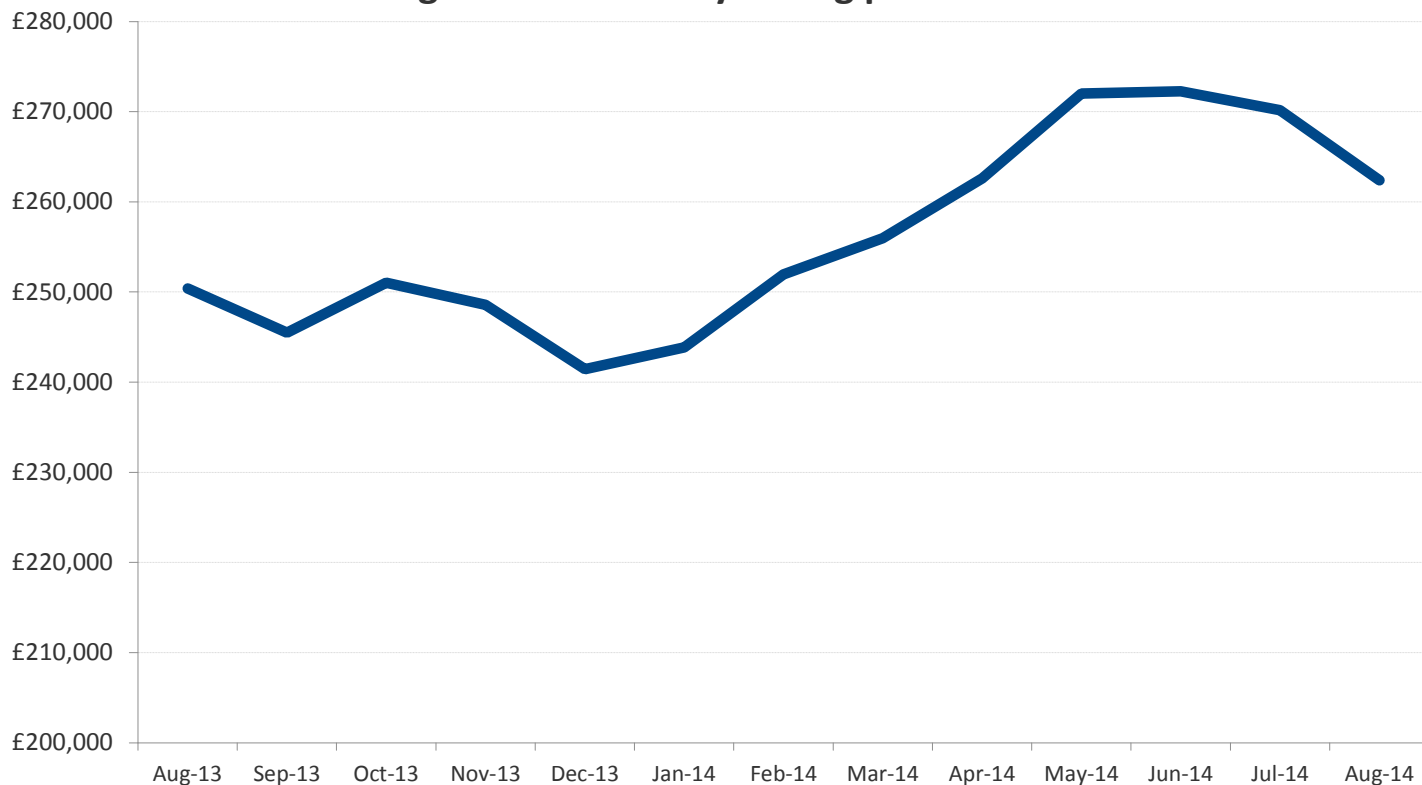
*are seeing impact the market in London. Firstly recent comments from the Bank of England mean that potential buyers are concerned about the rise in interest rates and don't want to find themselves in a position where they are hamstrung by rates going up. Secondly the recent Mortgage Market Review changes mean that banks are taking longer to process applications and are looking in far more detail at what an individual is borrowing, their regular outgoings and spending habits. In London where prices are much higher than the national average anyway, we are beginning to see the impact of these factors."*

Tim Hays, Manager of James Pendleton in Battersea says: *"After a period of dramatic property price increase over the last eight months (as much as 15-20% in Battersea) the summer has brought a much calmer buying climate. At some points during the past eight months property was coming to the market and being sold within one week, often with a sealed bid auction involving multiple buyers bidding against each other. The pace has now slowed, however, as values have reached an all-time high and we are now seeing buyers being more cautious with the offers they make. Vendors are still aiming for higher sale price and this expectation needs to change to come in line with the market conditions, also new mortgage restrictions have tightened the purse strings. All of these factors have led to a huge increase in the number of properties coming to the market in recent weeks. However, it's not all bad news, if you are potential vendor and wish to sell, put your property on the market at a realistic level and you will still sell at a very good price as South West London is a very strong investment area and one of the most popular places to live in the Capital."*

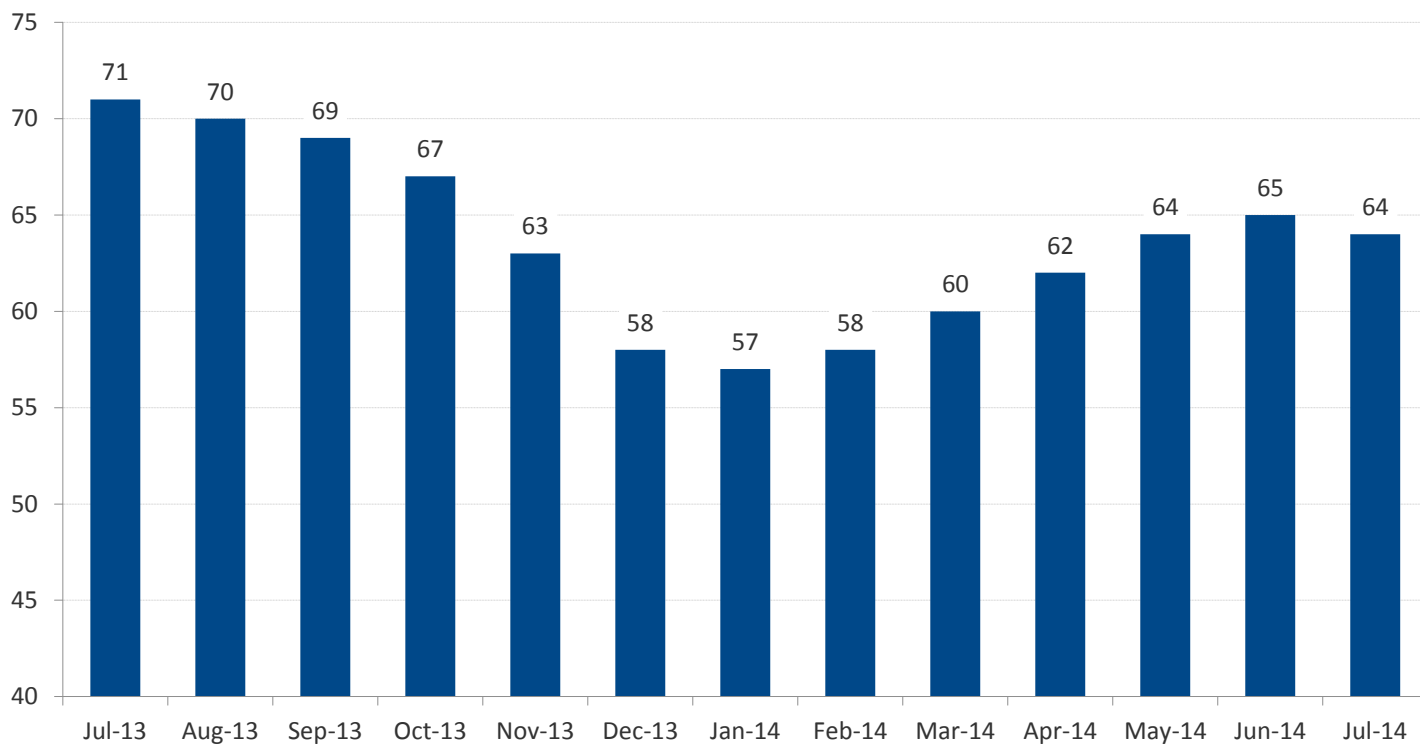
## **North West**

Lyn Fitzpatrick, Sales and Lettings Valuer at Keppie Massie Residential in Liverpool said: *"We have seen a slight dip in asking prices this month due to the high stock levels of property on the market and fewer buyers looking for a home this summer. We've seen many buyers put down multiple offers on properties to increase their chances of purchasing and often, these offers are lower than the original asking price. However, we expect to see a full return in strength after the summer months. Liverpool is currently thriving with business and the demand for property keeps increasing, so we're confident the market will remain strong towards September, October and November."*

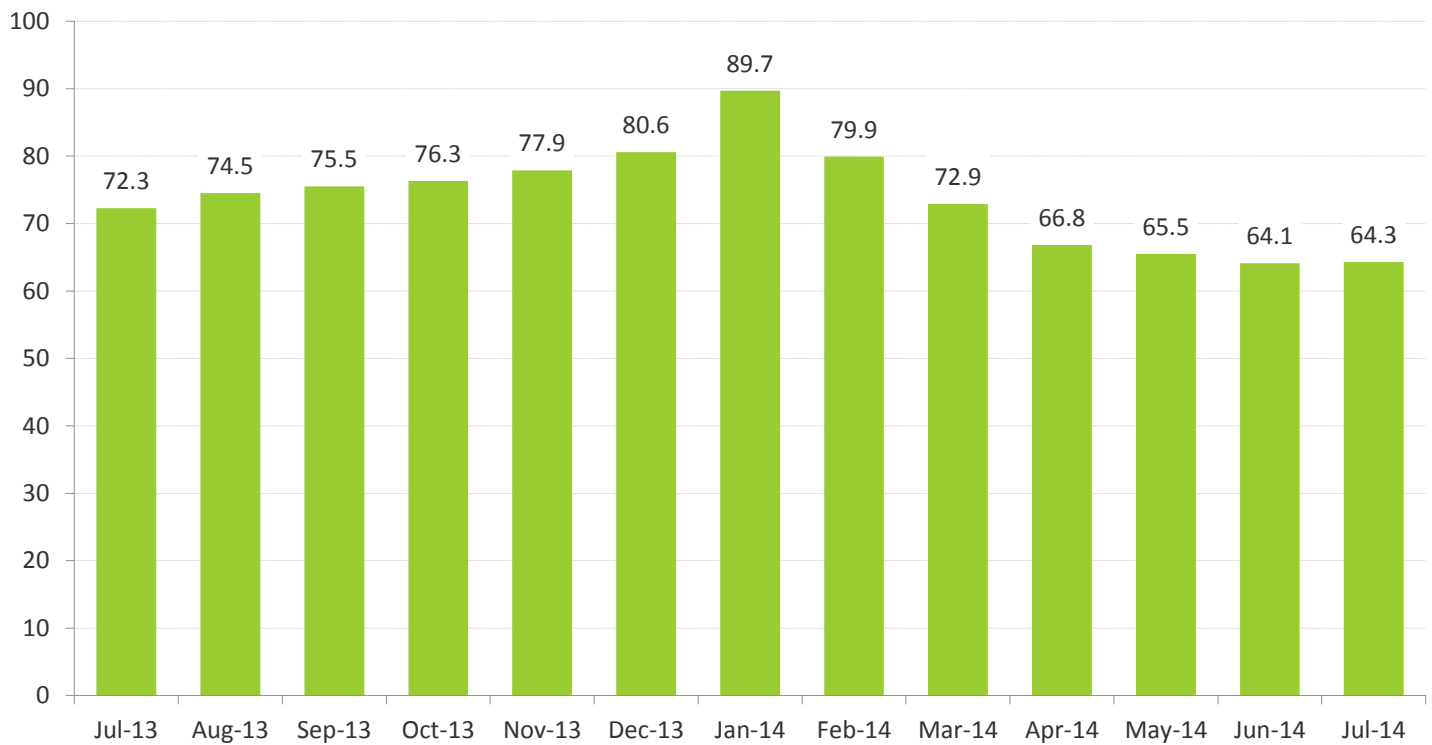
## Rightmove monthly asking price trend



## Average properties for sale per estate agent



## Average 'time to sell'



## Regions of England and Wales

■ = increased from previous month ■ = decreased from previous month

NORTH	
Avg. price Aug 14	£149,354
Avg. price Jul 14	£148,572
<b>Monthly change</b>	0.5%
Avg. price Aug 13	£149,362
<b>Annual change</b>	0.0%

YORKS & HUMBER	
Avg. price Aug 14	£157,633
Avg. price Jul 14	£161,447
<b>Monthly change</b>	-2.4%
Avg. price Aug 13	£154,237
<b>Annual change</b>	2.2%

NORTH WEST	
Avg. price Aug 14	£168,400
Avg. price Jul 14	£169,621
<b>Monthly change</b>	-0.7%
Avg. price Aug 13	£164,503
<b>Annual change</b>	2.4%

EAST MIDLANDS	
Avg. price Aug 14	£173,254
Avg. price Jul 14	£174,381
<b>Monthly change</b>	-0.6%
Avg. price Aug 13	£169,421
<b>Annual change</b>	2.3%

WEST MIDLANDS	
Avg. price Aug 14	£197,702
Avg. price Jul 14	£197,966
<b>Monthly change</b>	-0.1%
Avg. price Aug 13	£193,474
<b>Annual change</b>	2.2%

EAST ANGLIA	
Avg. price Aug 14	£241,045
Avg. price Jul 14	£251,214
<b>Monthly change</b>	-4.0%
Avg. price Aug 13	£236,371
<b>Annual change</b>	2.0%

WALES	
Avg. price Aug 14	£173,176
Avg. price Jul 14	£176,623
<b>Monthly change</b>	-2.0%
Avg. price Aug 13	£171,155
<b>Annual change</b>	1.2%

GREATER LONDON	
Avg. price Aug 14	£552,783
Avg. price Jul 14	£587,174
<b>Monthly change</b>	-5.9%
Avg. price Aug 13	£501,067
<b>Annual change</b>	10.3%

SOUTH WEST	
Avg. price Aug 14	£274,307
Avg. price Jul 14	£280,100
<b>Monthly change</b>	-2.1%
Avg. price Aug 13	£260,605
<b>Annual change</b>	5.3%

SOUTH EAST	
Avg. price Aug 14	£341,367
Avg. price Jul 14	£349,985
<b>Monthly change</b>	-2.5%
Avg. price Aug 13	£326,277
<b>Annual change</b>	4.6%

## National asking price trend

Month	Index (Jan 2002 = 100)	% change	Avg. asking price
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
January 2014	198.4	+1.0%	£243,861
February 2014	205.0	+3.3%	£251,964
March 2014	208.3	+1.6%	£255,962
April 2014	213.7	+2.6%	£262,594
May 2014	221.3	+3.6%	£272,003
June 2014	221.5	+0.1%	£272,275
July 2014	219.8	-0.8%	£270,159
August 2014	213.5	-2.9%	£262,401
	<b>+10.7</b>	<b>+5.3%</b>	<b>+£13,202</b>

## National asking price trend by property type

Month	Detached	Semi-detached	Terraced	Flats/apartments
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
January 2014	£361,672	£206,758	£191,384	£217,406
February 2014	£368,622	£213,021	£200,764	£221,492
March 2014	£373,514	£215,004	£203,064	£227,970
April 2014	£387,478	£217,831	£207,855	£229,755
May 2014	£400,698	£222,988	£212,344	£237,350
June 2014	£400,190	£225,323	£215,548	£237,498
July 2014	£397,842	£223,159	£209,474	£235,337
August 2014	£382,622	£220,622	£206,606	£230,465
<b>Annual Change</b>	<b>+4.9%</b>	<b>+7.9%</b>	<b>+9.6%</b>	<b>+9.9%</b>

## London's best performers: August 2014

London's top 5	Avg. price Aug 14	Avg. price Jul 14	Monthly change
Bexley	£261,943	£266,954	-1.9%
Sutton	£400,390	£408,763	-2.0%
Hillingdon	£405,617	£414,999	-2.3%
Tower Hamlets	£606,403	£620,923	-2.3%
Greenwich	£348,659	£358,428	-2.7%

## London's worst performers: August 2014

London's bottom 5	Avg. price Aug 14	Avg. price Jul 14	Monthly change
Wandsworth	£785,775	£857,802	-8.4%
Camden	£1,026,896	£1,106,883	-7.2%
Hammersmith	£1,069,553	£1,150,600	-7.0%
K'ton & Chelsea	£2,197,263	£2,362,908	-7.0%
Kingston	£734,360	£789,321	-7.0%



## London boroughs

Borough	Avg. price Aug 14	Avg. Price Jul 14	Monthly change	Avg. price Aug 13	Annual change
Kensington and Chelsea	£2,197,263	£2,362,908	-7.0%	£2,227,896	-1.4%
City of Westminster	£1,617,391	£1,736,063	-6.8%	£1,547,440	4.5%
Hammersmith and Fulham	£1,069,553	£1,150,600	-7.0%	£988,076	8.2%
Camden	£1,026,896	£1,106,883	-7.2%	£1,022,376	0.4%
Brent	£794,224	£845,000	-6.0%	£689,840	15.1%
Wandsworth	£785,775	£857,802	-8.4%	£701,851	12.0%
Richmond-upon-Thames	£776,816	£832,267	-6.7%	£747,401	3.9%
Islington	£755,675	£790,591	-4.4%	£734,836	2.8%
Kingston-upon-Thames	£734,360	£789,321	-7.0%	£680,028	8.0%
Hackney	£681,876	£719,800	-5.3%	£598,220	14.0%
Barnet	£615,718	£650,346	-5.3%	£593,162	3.8%
Tower Hamlets	£606,403	£620,923	-2.3%	£459,570	32.0%
Haringey	£597,854	£639,602	-6.5%	£556,041	7.5%
Hounslow	£595,596	£639,733	-6.9%	£557,098	6.9%
Lambeth	£580,538	£620,966	-6.5%	£522,027	11.2%
Ealing	£570,810	£603,242	-5.4%	£523,520	9.0%
Merton	£542,166	£578,594	-6.3%	£472,144	14.8%
Southwark	£541,579	£566,354	-4.4%	£487,788	11.0%
Lewisham	£446,108	£465,049	-4.1%	£387,653	15.1%
Hillingdon	£405,617	£414,999	-2.3%	£373,853	8.5%
Sutton	£400,390	£408,763	-2.0%	£360,841	11.0%
Bromley	£397,292	£413,559	-3.9%	£357,999	11.0%
Harrow	£392,154	£403,790	-2.9%	£361,916	8.4%
Enfield	£385,908	£406,333	-5.0%	£345,998	11.5%
Croydon	£378,748	£394,024	-3.9%	£311,715	21.5%
Waltham Forest	£365,286	£376,041	-2.9%	£328,796	11.1%
Greenwich	£348,659	£358,428	-2.7%	£318,652	9.4%
Redbridge	£340,433	£351,613	-3.2%	£308,411	10.4%
Newham	£302,370	£313,032	-3.4%	£250,609	20.7%
Havering	£275,429	£287,295	-4.1%	£256,932	7.2%
Bexley	£261,943	£266,954	-1.9%	£223,538	17.2%
Barking and Dagenham	£247,116	£257,891	-4.2%	£215,855	14.5%

## Index comparison

	House price	Monthly
<b>AUG 2014</b>		
Rightmove	£262,401	-2.9%
Halifax	N/A*	N/A*
Nationwide	N/A*	N/A*
<b>JUL 2014</b>		
Rightmove	£270,159	-0.8%
Halifax	£186,322	+3.6%
Nationwide	£188,949	+0.1%
<b>JUN 2014</b>		
Rightmove	£272,275	+0.1%
Halifax	£183,462	-0.6%
Nationwide	£188,903	+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

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.

### 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).

This month 14,135 properties have been excluded due to being anomalies.

For further information on methodology please contact the Press Office on **T** | 020 7087 0605 **M** | 07894 255295 or **E** | [amy.funston@rightmove.co.uk](mailto:amy.funston@rightmove.co.uk).