



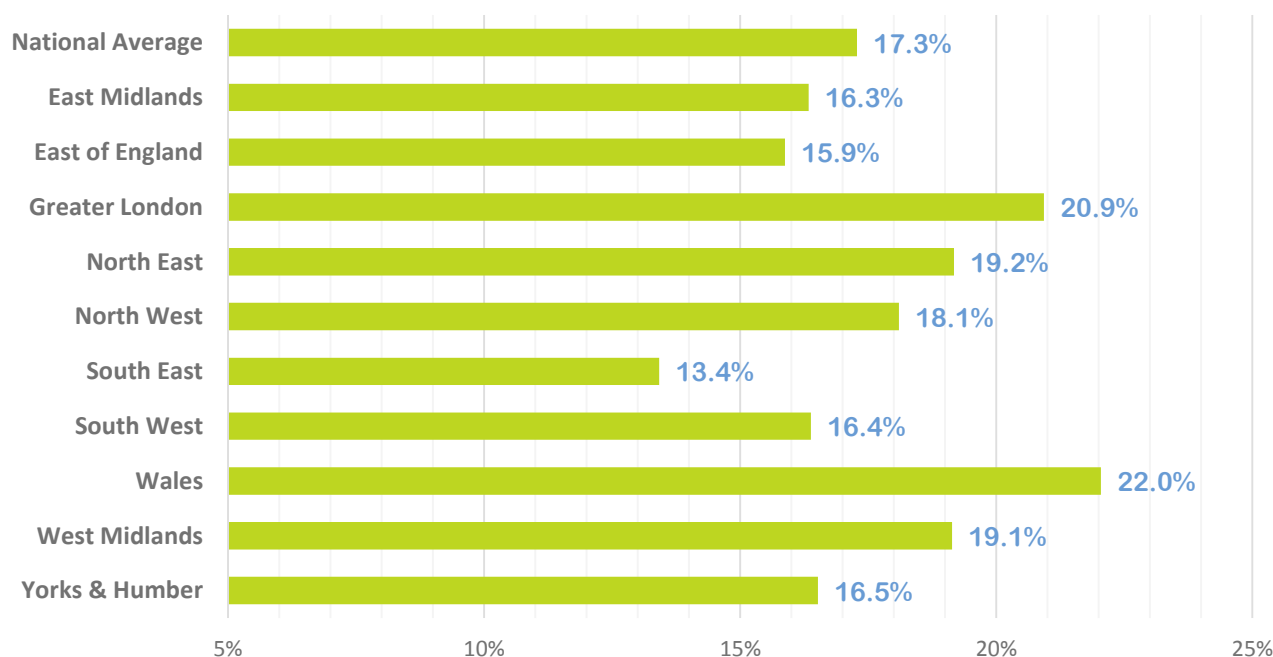
Under embargo for 00:01 hours: Monday, 18th May 2015

Brakes removed from housing market as pre-election uncertainty is lifted

- Pre-election drop of 0.1% (-£242) on price of property coming to market, the first fall in May since the last general election in 2010 and a big contrast with May 2014's +2.1% increase
- Majority government means some of the brakes now off for prospective buyers and sellers:
 - New seller numbers jumped 17% after the 2010 general election and we anticipate another surge now, giving fresh choice to stock-starved buyers
 - Buyer affordability aided by lowest annual increase for over two years, down to just +2.5%
 - Removal of threat of mansion tax stimulates prime market sector
 - Price rise momentum may be tempered by stricter lending criteria and forthcoming uncertainty of Euro-referendum

| National average asking prices | | | | |
|--|-------------------|----------------|----------------|---------------|
| Month | Avg. asking price | Monthly change | Annual change | Index |
| May 2015 | £285,891 | -0.1% | +2.5% | 235.4 |
| April 2015 | £286,133 | +1.6% | +4.7% | 235.6 |
| National average asking prices by market sector (excluding Inner London) | | | | |
| Sector | May 2015 | Apr 2015 | Monthly change | Annual change |
| First-time buyers | £174,276 | £170,850 | +2.0% | +7.4% |
| Second-steppers | £237,828 | £237,352 | +0.2% | +4.8% |
| Top of the ladder | £516,457 | £519,500 | -0.6% | -1.3% |

Increase in new listings after 2010 election (3 months)





Overview

This month sees an unseasonal drop in new seller asking prices, down by 0.1% (-£242), a big contrast with May 2014's +2.1% increase. This is the first fall in the month of May for five years, as some sellers coming to market were forced to price more aggressively due to buyer uncertainty over the election outcome. As the new government grapples with the long-term housing supply issues that contributed to a new national asking price record in April, May's price pause gives only short-term relief to some buyers. The unexpected outcome of a majority government has released the brakes on buyer confidence and activity, and will exert some upwards price pressure in the coming months.

Miles Shippside, Rightmove director and housing market analyst comments: *"Whilst activity was buoyant in early spring with demand for suitable housing outstripping the supply of property for sale in much of the country, it seems that pre-election jitters finally came home to roost in the final weeks of electioneering, with the average price of property coming to market dropping at this time of year for the first time in five years. This is an election-driven price stall which gives some buyers only short-term relief from the back-drop of a long-term housing shortage, and many estate agents are now reporting a resurgence in interest following the surprise election result. Election uncertainty and particularly the threats of financial penalties to landlords and those with properties valued at over £2 million put a brake on the market, and their removal gives a reason for a rebound in activity and prices."*

The new government faces the long-term challenge of delivering on their election promise to build 275,000 new affordable homes in the term of the current parliament. Due to the shortage of suitable property for sale, even the election uncertainty only caused prices to drop in three out of the ten regions: London (which would have been hit hardest by mansion tax), the North East and Yorkshire & the Humber.

Shippside adds: *"The underlying supply/demand imbalance has meant the election uncertainty has not had a negative price outcome in seven out of ten regions in the country. However, having been faced with an all-time asking price high in April of £286,133 nationally, any drop is welcome to those at the upper end of the stretched affordability curve."*

The annual rate of increase is down to just 2.5%, the lowest since April 2013. With average wage rises beginning to outstrip Retail Price Index inflation, some buyers may be willing or able to pay higher prices given the more certain political outlook and enticingly cheap mortgage rates. However, sellers who think they have the upper hand due to the lack of property for sale should be aware that a surge of new competition could be on the way, giving buyers some extra negotiating power. In the three months after the May 2010 election there was a 17% jump in the number of properties coming to market compared to the previous quarter. With a majority government in power and record spring traffic on Rightmove, early indications from estate agents suggest that the next quarter could see another surge in property coming to market.

Shippside tips: *"Buyers should note that there is often a surge of property supply after an election, as those who have held off coming to market decide to take the plunge. Many potential sellers may have held back expecting a period of hung-parliament uncertainty, but they could now decide to catch the late spring market. In a traditional tight-stock market an increase in supply of available property and greater competition among sellers to attract buyers may moderate their price expectations and make them more open to an offer. The previous election saw jumps in new seller numbers in all regions of the country, with London and Wales leading the way with over 20% more properties coming to market. There may be a window for buyers to act now in this late spring market before prices rise in the next few months."*

Agents' Views

Melfyn Williams of Williams & Goodwin in North Wales says: *"Since the election we've had a number of our offices seeing more potential seller enquiries. While the market has picked up in North Wales and the top end of the market has started to move, a look back at the past year does show about a 10-15% decrease in instructions. So, while it's still early days,*



the signs are pointing to an increase in property coming to market and more choice for buyers over the next few months. However, any potential sellers should be cautious about getting swept up in the post-election confidence and allowing their homes to be over-valued, as they still need to be realistically priced from the outset to have the chance of selling within the time frame they want.”

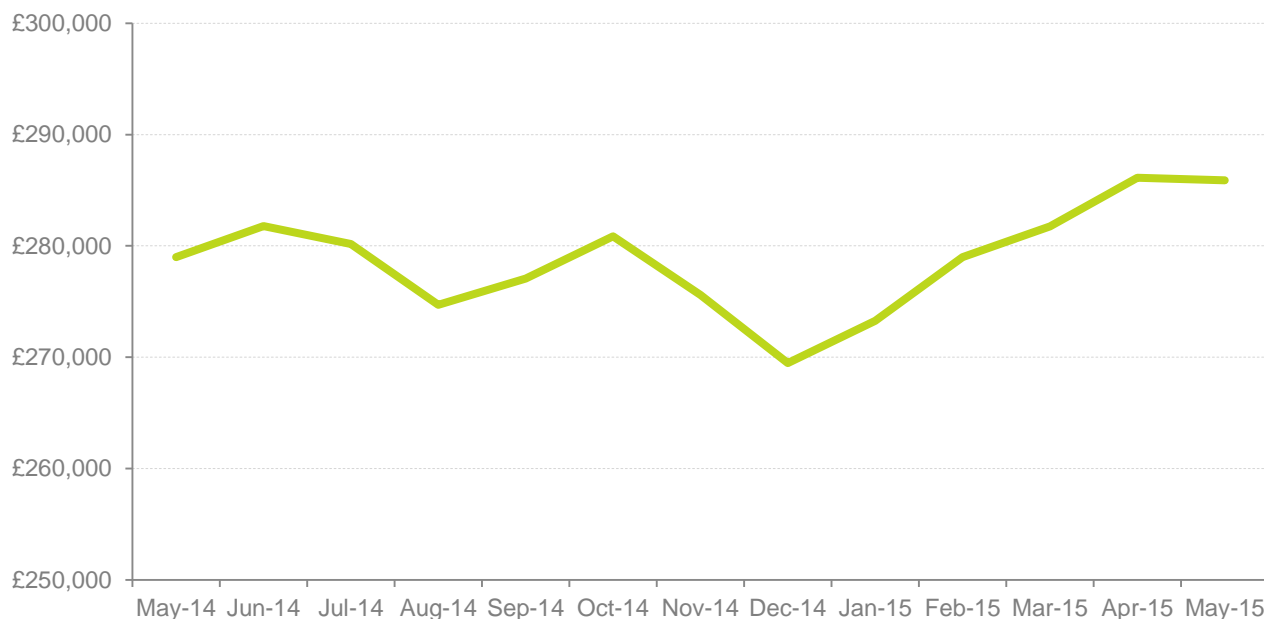
Roger Wilkinson of Wilkinson Grant & Co. in Exeter says: *“The market in Exeter has been pretty buoyant all year, with prices rising month-on-month (as much as 5%-6% this year in some of the local hotspots) but in the final weeks in the run-up to the election, there was undoubtedly a slight cooling-off in demand. For owners and buyers of £2Million-plus properties, we are pleased that the spectre of a mansion tax and increase in income tax has been avoided – it may have seemed, to some, that wealthy homeowners were an obvious target but the prospect of its introduction undoubtedly caused many potential sellers and buyers to “wait and see”. But it’s not just wealthy homeowners who can count their blessings - the post-election “feel-good factor” will have a profound effect across the whole spectrum of the local property market - especially in the coming months - as we are already seeing a marked increase in out-of-area, local and regional buyer enquiries – not only in the higher price bands but across all price ranges.”*

Clive Thompson of ehB Residential in Leamington and Warwick says: *“We saw very little drop in pre-election activity, it was only in the final week to ten days before the election that we had less enquiries from potential sellers. With the election now over and the stability of Government secure, we should start to see an increase in the number of sellers bringing their house to the market. In fact, we have had clients ringing us to instruct us this week and are currently working on a good number of new instructions ready to launch to the market over the next few days. We are confident that good levels of business will continue well into the summer as demand continues to outstrip supply, as good local prospects and employment continue to drive desire to live in the area.”*

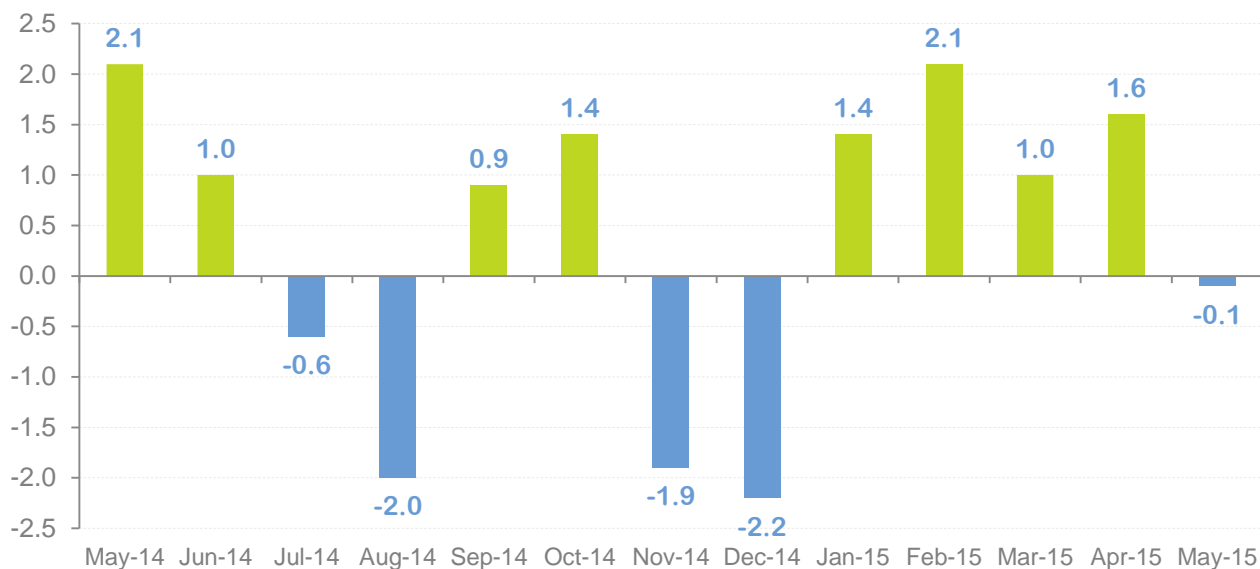
Andrew Weir of Foxtons in London says: *“Now the months of uncertainty are finally over, we are already witnessing confidence returning to the market with buyers and sellers in a more informed position to make the decisions they were putting off. Whilst it’s still far too early to put any numbers on it, we expect to see more stock coming back to the market and increased buyer confidence especially with interest rates still as low as they are. An initial observation in our agency branches in the week following the election has shown many buyers who registered months ago but put their purchasing on hold, have since picked up their search activity with a renewed vigour.”*



Monthly asking price trend

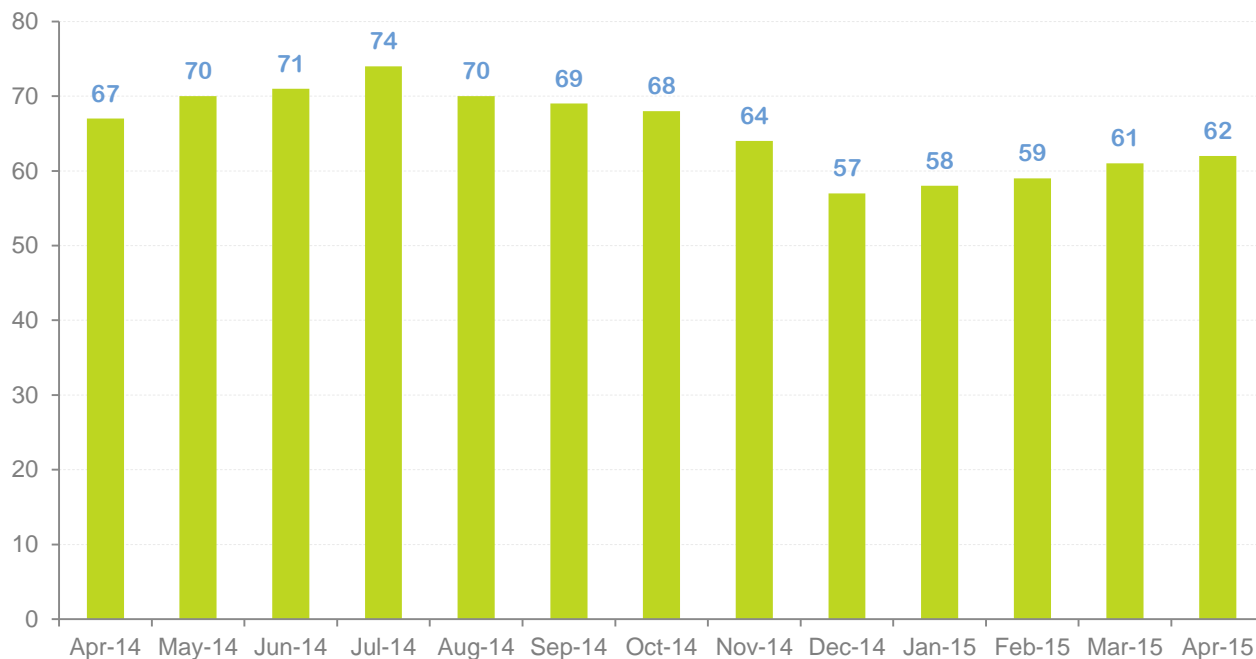


% monthly change in average asking prices

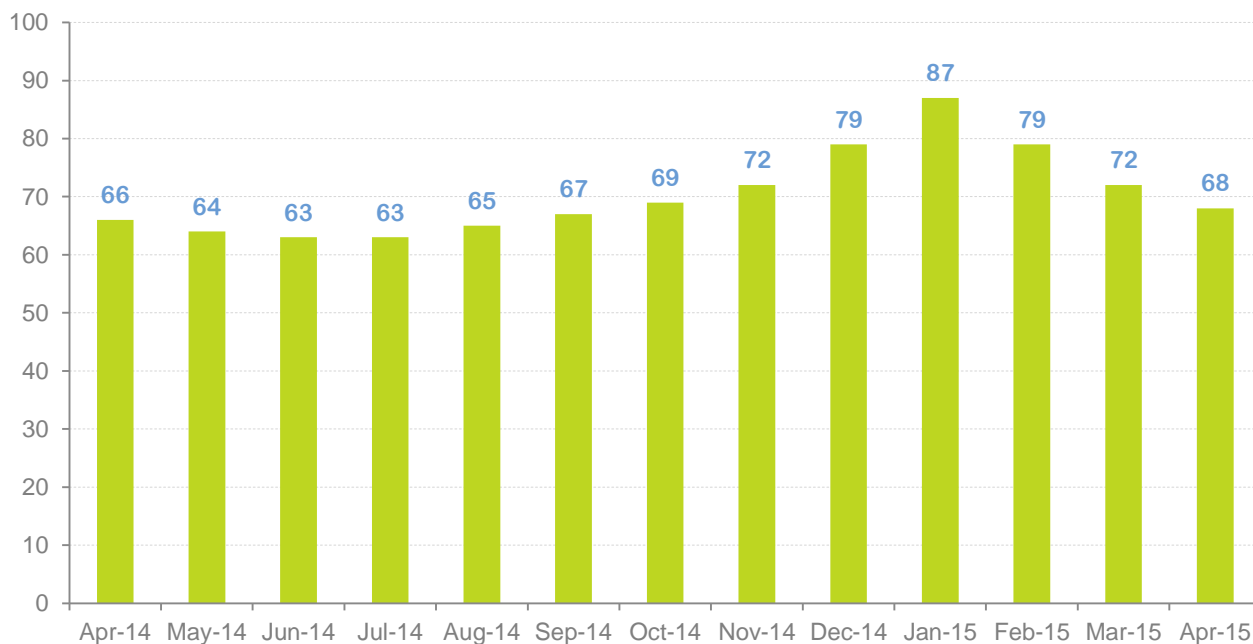




Average properties for sale per estate agent



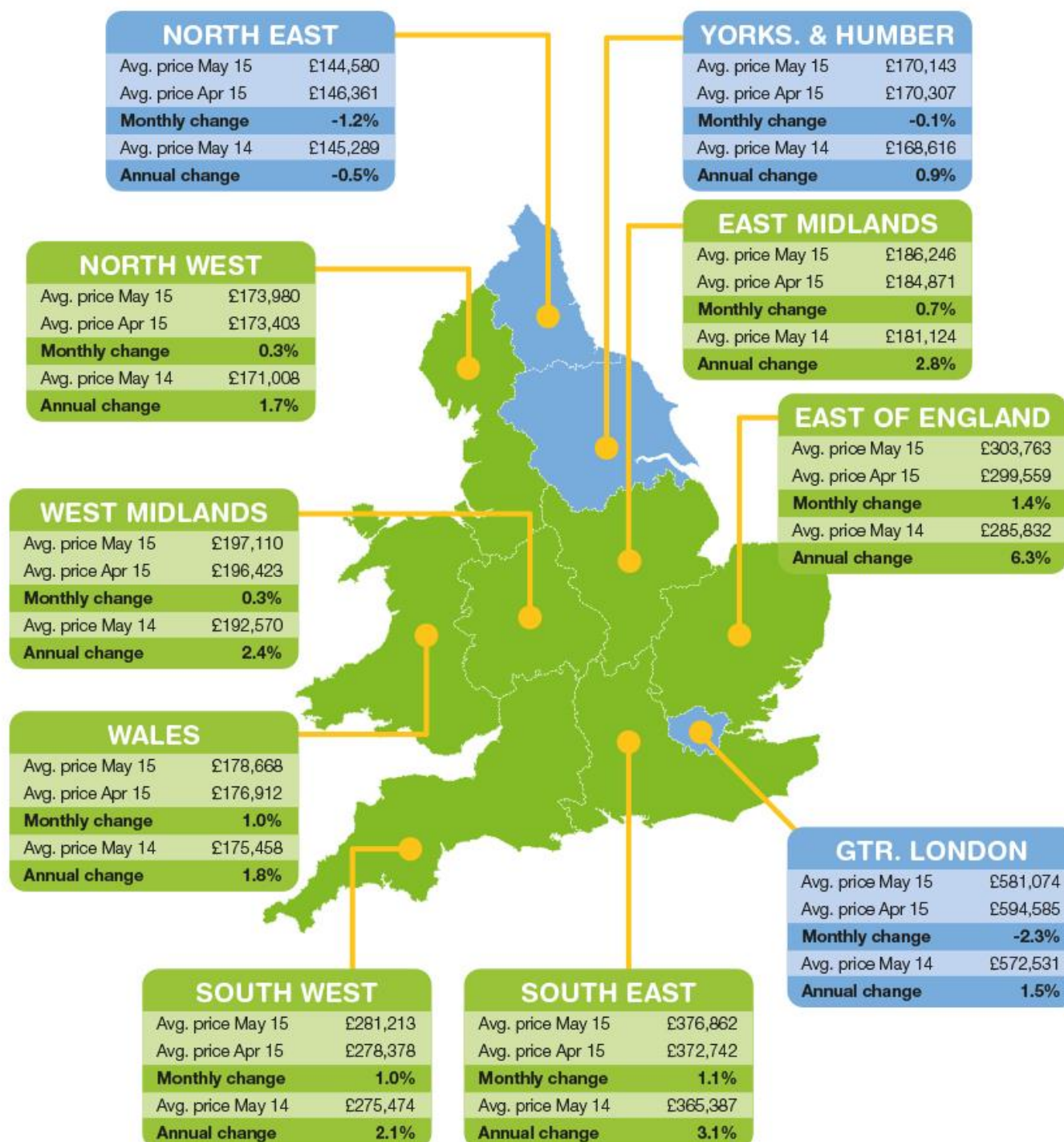
Average 'time to sell' (no. of days) - National





Regions of England and Wales

■ Increase from previous month
 ■ Decrease from previous month





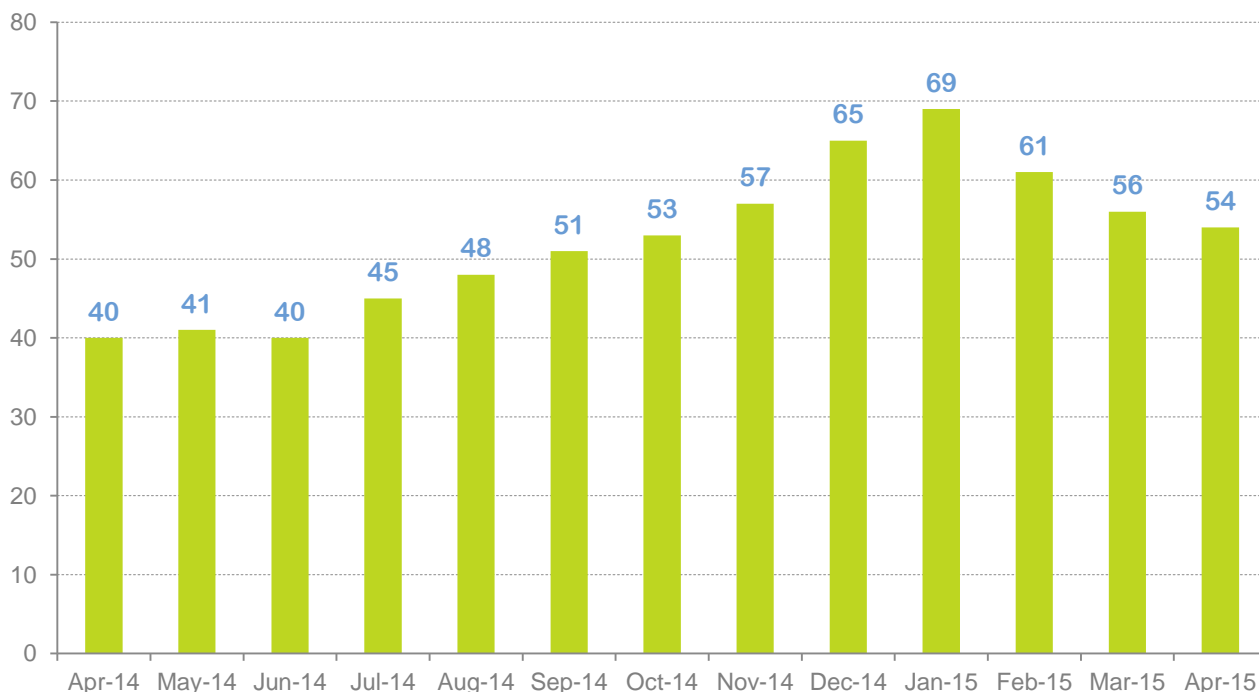
London's best performers: May 2015

| Borough | Avg. price May 2015 | Avg. price Apr 2015 | Monthly change | Avg. price May 2014 | Annual change |
|-----------|---------------------|---------------------|----------------|---------------------|---------------|
| Camden | £1,103,710 | £1,022,989 | 7.9% | £1,153,687 | -4.3% |
| Haringey | £601,526 | £561,762 | 7.1% | £590,830 | 1.8% |
| Harrow | £515,216 | £482,553 | 6.8% | £461,673 | 11.6% |
| Redbridge | £403,993 | £379,523 | 6.4% | £366,843 | 10.1% |
| Islington | £756,985 | £734,646 | 3.0% | £692,875 | 9.3% |

London's worst performers: May 2015

| Borough | Avg. price May 2015 | Avg. price Apr 2015 | Monthly change | Avg. price May 2014 | Annual change |
|------------------------|---------------------|---------------------|----------------|---------------------|---------------|
| Kensington and Chelsea | £1,981,363 | £2,575,095 | -23.1% | £2,408,151 | -17.7% |
| Southwark | £615,613 | £650,686 | -5.4% | £562,300 | 9.5% |
| Kingston upon Thames | £576,318 | £601,081 | -4.1% | £537,647 | 7.2% |
| Newham | £340,171 | £351,190 | -3.1% | £298,585 | 13.9% |
| Merton | £583,108 | £599,070 | -2.7% | £612,266 | -4.8% |

Average 'time to sell' (days) - London





London boroughs

| Borough | Avg. price May 2015 | Avg. price Apr 2015 | Monthly change | Avg. price May 2014 | Annual change |
|------------------------|---------------------|---------------------|----------------|---------------------|---------------|
| Kensington and Chelsea | £1,981,363 | £2,575,095 | -23.1% | £2,408,151 | -17.7% |
| City of Westminster | £1,919,918 | £1,941,099 | -1.1% | £1,779,399 | 7.9% |
| Camden | £1,103,710 | £1,022,989 | 7.9% | £1,153,687 | -4.3% |
| Hammersmith and Fulham | £996,675 | £1,018,396 | -2.1% | £1,010,039 | -1.3% |
| Richmond upon Thames | £815,144 | £805,644 | 1.2% | £836,021 | -2.5% |
| Wandsworth | £767,331 | £761,901 | 0.7% | £821,656 | -6.6% |
| Islington | £756,985 | £734,646 | 3.0% | £692,875 | 9.3% |
| Barnet | £647,905 | £644,795 | 0.5% | £647,995 | 0.0% |
| Hackney | £630,321 | £613,110 | 2.8% | £604,915 | 4.2% |
| Tower Hamlets | £620,868 | £618,236 | 0.4% | £509,790 | 21.8% |
| Southwark | £615,613 | £650,686 | -5.4% | £562,300 | 9.5% |
| Lambeth | £604,076 | £619,153 | -2.4% | £612,508 | -1.4% |
| Ealing | £603,721 | £606,879 | -0.5% | £584,882 | 3.2% |
| Haringey | £601,526 | £561,762 | 7.1% | £590,830 | 1.8% |
| Merton | £583,108 | £599,070 | -2.7% | £612,266 | -4.8% |
| Kingston upon Thames | £576,318 | £601,081 | -4.1% | £537,647 | 7.2% |
| Brent | £568,761 | £574,108 | -0.9% | £552,798 | 2.9% |
| Hounslow | £518,478 | £503,711 | 2.9% | £499,278 | 3.8% |
| Harrow | £515,216 | £482,553 | 6.8% | £461,673 | 11.6% |
| Bromley | £490,080 | £490,982 | -0.2% | £461,853 | 6.1% |
| Hillingdon | £435,562 | £430,462 | 1.2% | £373,063 | 16.8% |
| Lewisham | £429,325 | £419,524 | 2.3% | £395,840 | 8.5% |
| Enfield | £420,272 | £419,450 | 0.2% | £408,091 | 3.0% |
| Waltham Forest | £405,792 | £397,817 | 2.0% | £365,960 | 10.9% |
| Greenwich | £405,329 | £399,997 | 1.3% | £376,616 | 7.6% |
| Redbridge | £403,993 | £379,523 | 6.4% | £366,843 | 10.1% |
| Sutton | £389,872 | £380,443 | 2.5% | £365,535 | 6.7% |
| Croydon | £372,772 | £367,692 | 1.4% | £332,630 | 12.1% |
| Newham | £340,171 | £351,190 | -3.1% | £298,585 | 13.9% |
| Havering | £335,007 | £336,254 | -0.4% | £303,745 | 10.3% |
| Bexley | £317,698 | £309,579 | 2.6% | £283,642 | 12.0% |
| Barking and Dagenham | £250,977 | £245,731 | 2.1% | £224,118 | 12.0% |



Editors' notes

About the Index:

The Rightmove House Price Index methodology has been refined as of January 2015. The Index now uses new mapping technology to define regions at a postcode rather than postcode district or area level, and the mix adjustment has been updated to reflect the current proportion of stock by property type in each area, to provide even more accurate data. All regional breakdowns are now reported in line with ONS regions. For the purpose of historical comparisons, the historical figures have been restated based on the new methodology.

The Index can now include further 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. 95% of properties are sold via an agent, whilst 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 in the housing market.

Rightmove measured 124,058 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 12th April 2015 to 9th May 2015 and advertised on Rightmove.co.uk. This month 6,383 properties have been excluded due to being anomalies.

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 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. The Rightmove.co.uk site attracts over 90 million visits from home movers each month who view in excess of one billion pages (Rightmove data, October 2014).