



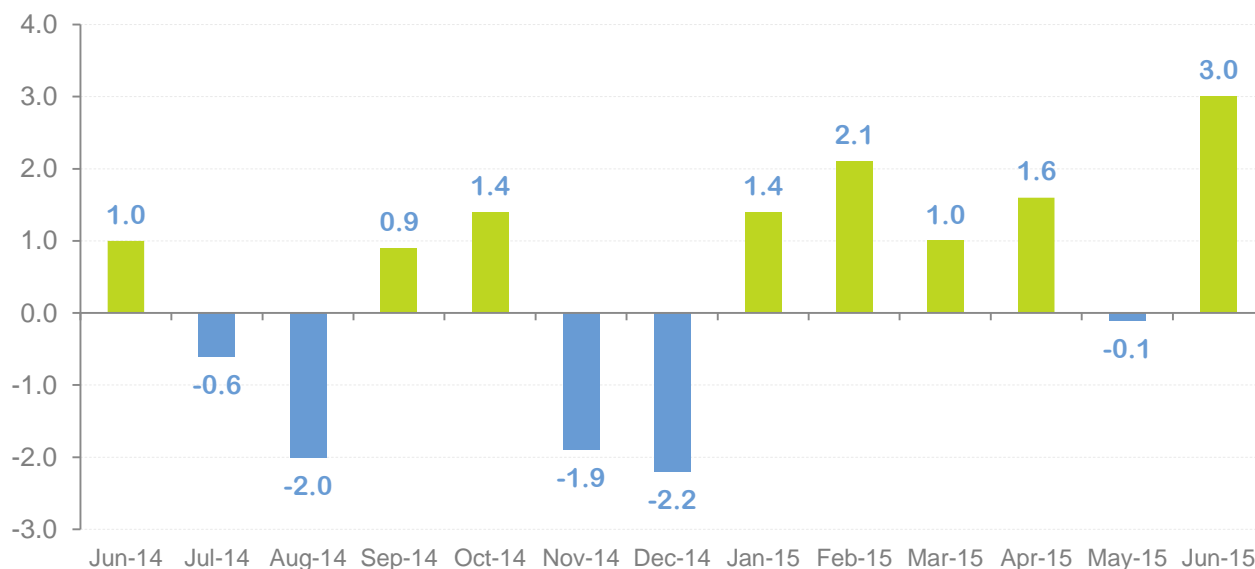
Under embargo for 00:01 hours: Monday, 15th June 2015

Prices surge to new record as buyers act but sellers hold back

- Price of property coming to market rebounds to all-time high as majority-government surprise leads to biggest ever rise in month of June, up 3.0% (+£8,460) to £294,351
- Six out of ten regions set new record price highs as supply/demand imbalance continues to heads north
- Election certainty boosts buyer activity but anticipated rise in new seller numbers fails to materialise:
 - Higher demand with busiest ever May on Rightmove website – 115 million visits, equal to every adult in the UK visiting twice in the month
 - Tighter supply with number of properties coming to market down 8.5% on same period a year ago, though £2m plus properties buck this trend with 86% month-on-month leap in new listings
 - High demand and low supply highlight urgency for delivery of more new-build homes

National average asking prices				
Month	Avg. asking price	Monthly change	Annual change	Index
June 2015	£294,351	+3.0%	+4.5%	242.3
May 2015	£285,891	-0.1%	+2.5%	235.4
National average asking prices by market sector (excluding Inner London)				
Sector	June 2015	May 2015	Monthly change	Annual change
First-time buyers	£175,628	£174,276	+0.8%	+6.2%
Second-steppers	£242,380	£237,828	+1.9%	+4.2%
Top of the ladder	£543,065	£516,457	+5.2%	+2.9%

% monthly change in average asking prices





Overview

The unexpected political certainty has helped to fuel a post-election price surge, with new seller asking prices rising by an average of nearly £8,500 (+3.0%) compared to the previous month. The average price of property coming to market now stands at a new record high of £294,351, boosted by a near-instantaneous uplift in buyer demand and an unanticipated post-election drop in fresh property supply.

Miles Shipside, Rightmove director and housing market analyst comments: *"Some buyers had been holding back in the weeks before the election, leading to some sellers suffering an unseasonal price standstill in the late spring. In particular, sentiment and prices got hit in the mooted Mansion Tax price brackets. Now the unexpected election outcome has caused a strong rebound, prompting an upturn in buyer demand and helping new seller asking prices to hit their highest ever levels."*

"Agents report that the election surprise has given a boost to market sentiment, driven by more certainty about future economic and taxation policies. While would-be buyers have been able to respond quickly to these events, many potential sellers have so far failed to come to market. This has pushed up some of the asking prices of those properties that have been marketed, meaning that buyers are faced with paying a new average record price high for the more limited choice available. It could be said that this is the price of political certainty."

Record Price Highs

The previous asking price record was £286,133 set in April of this year, £8,218 below this month's record. Pre-election jitters contributed to a small fall of 0.1% in Rightmove's May index, which has made the size of the rebound in June appear somewhat more dramatic. However, while June's 3% rise is partly catching up on lost ground from last month's fall, it is also a reflection of strong housing demand not being matched by suitable supply in many parts of the country.

Evidence of this is that six out of ten regions have set new record price highs this month as the supply/demand imbalance and consequent upwards price pressure continue to head further north. As well as the four southern regions, both the East Midlands and West Midlands reached all-time price highs this month. London has seen the strongest monthly price performance, up by 5.7%, aided by the higher-priced boroughs seeing more top-end owners willing to come to market now that the threat of the Mansion Tax has been removed. Indeed much of this month's national average asking price rise is due to a strong increase at the upper end of the market.

Shipside observes: *"While much of the price momentum has emanated from the south where the supply/demand imbalance is more acute, the strength of demand for the right property is resulting in a record price wave rolling further north, with the Midlands also at new highs. Sentiment and momentum seem to be flowing up the housing ladder too, as early year activity at the bottom and middle is now filtering through towards the top."*

Higher demand and tighter supply

While the political certainty has given a further boost to buyer activity, the anticipated rise in new seller numbers to help satisfy this demand and temper house price inflation has failed to materialise. Rightmove had its busiest ever May, with 115 million visits to the website, exceeding May 2014 by 22%. This is equivalent to every adult in the UK visiting Rightmove twice during the month. In addition the busiest ever single day for visits was recorded on Tuesday 19th May, as home-hunters took less than two weeks after the election to get back into their searching stride.

Unfortunately this increase in demand has been met with a tightening in new supply, with the number of properties coming to market down 8.5% on the same period a year ago. Indeed there has been a 3.9% month-on-month fall in new listings, meaning that fewer properties have come to market after the election than before it.



Shipside notes: *"The aftermath of the previous general election in May 2010 saw a 17% surge in fresh stock, and a similar increase would have been a welcome—albeit temporary—relief for the under-supplied housing market, as well as for choice-starved buyers. Instead supply has tightened further, underlining the effects of the historic lack of new build. The top end £2m plus market sector has bucked the supply shortage with an 86% leap in new-to-market properties in the 30 days after the election compared to the previous 30 days. That will be of no comfort or use to the mass-market which needs more choice in the right locations at more affordable prices."*

"It all seems set up for an active second-half housing market in 2015 barring any external shocks to the economy. However, it remains to be seen whether stretched buyer affordability can reach sellers' post-poll pricing. The new government and other stakeholders now need to urgently deliver more new-build homes, to stop asking prices being pushed up further as demand continues to outstrip supply of suitable homes in many areas."

Agents' Views

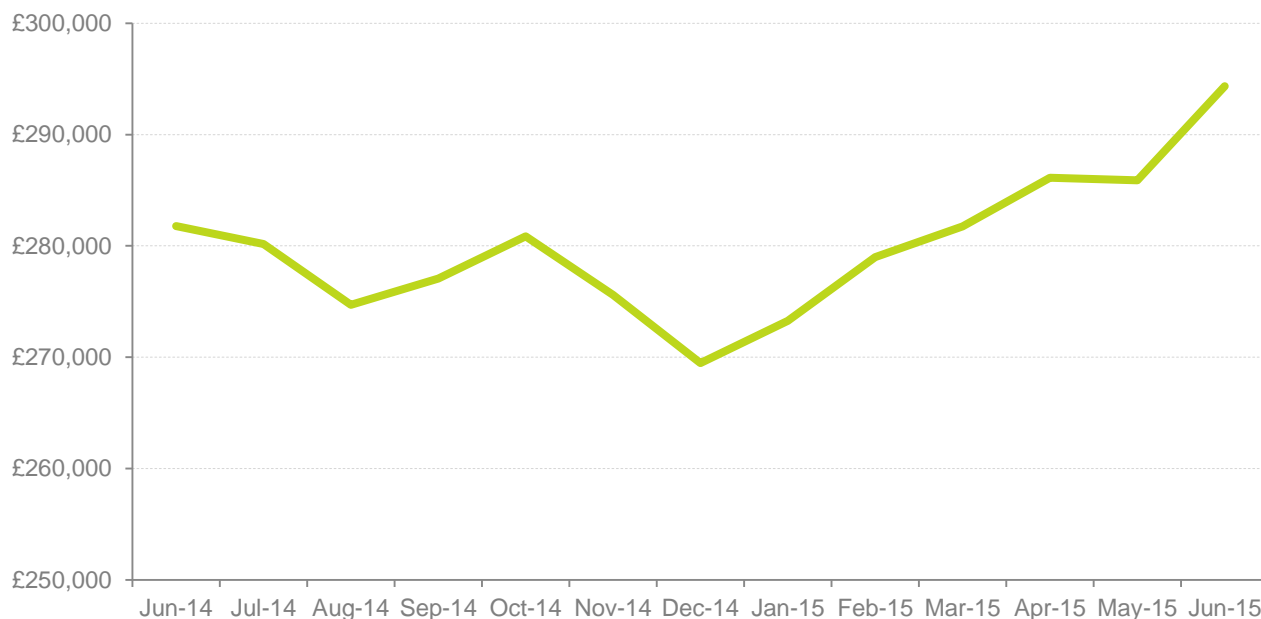
Peter Woodthorpe, Director of Readings in Leicester, said: *"While we've had even more prospective buyers come into the market after the election we haven't seen an increase on the supply side. The demand has been strong from people looking for all types of property, from flats to large detached houses, and it's not just in the sought after locations. Over the past year prices in the area have increased by around 10%, so it's not surprising to us that this month sees a new asking price record in the East Midlands."*

Alex Bourne, Director at Hanover West End, said: *"We were holding a few instructions back before the election, one example being a £10,500,000 house in Knightsbridge that we marketed the day after the election and agreed a sale on within a week of instruction. We also went live with a number of other properties over the £2m price range straight after the election and noticed a change in the appetite of buyers at that level. We received enquiries from much more committed buyers and have generated several offers over the £2m mark since the election. There is still a difference between sellers' expectations and the price buyers are willing to pay, but sellers are becoming more realistic with the price they are willing to accept despite listing at record prices per square foot. We've agreed a number of sales between £5 and £15 million, significantly less than the asking price. I believe the lull before the election motivated the sellers and simply the thought of what a mansion tax might do to the market has created a situation where they are willing to deal at a more realistic price."*

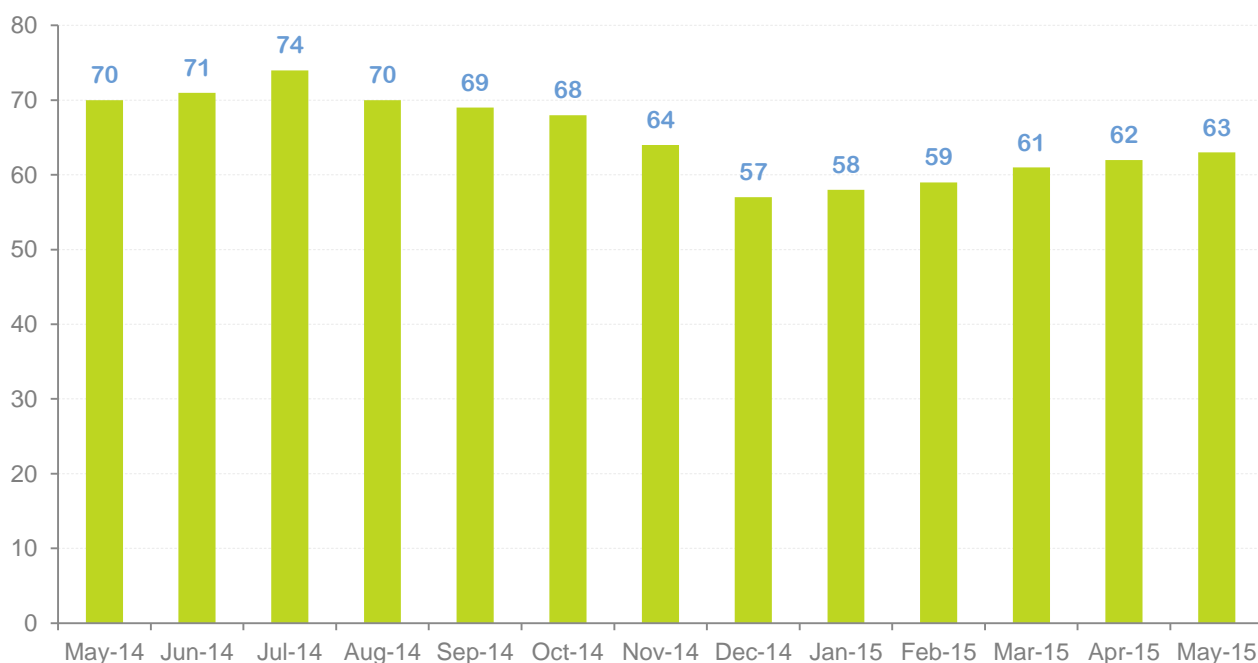
Lulu Egerton, Partner at Strutt & Parker in Chelsea, said: *"The market in Kensington & Chelsea has been in a healthy place since the election, when beforehand it was more of a sick dog. There are more properties coming to the market and viewing levels are up because there is more for buyers to choose from. There is no doubt that the Conservative win was a shock for everyone, and in the run up to the election, I think many of our potential buyers had stopped factoring property into their investment five year plan. So the surprise result certainly discombobulated the market and I think a lot of people are still taking stock in the aftermath. There is certainly a lot more energy, appetite and confidence out there. Transaction levels have risen slightly. One property that we had on for three months before the beginning of May, which had seen little traction, has now been agreed over the asking price with several bidders involved. The market does however remain price sensitive. I think we are gearing up for a very busy autumn when we will see a particularly rapid trading environment, and prices will start to rise again."*



Monthly asking price trend

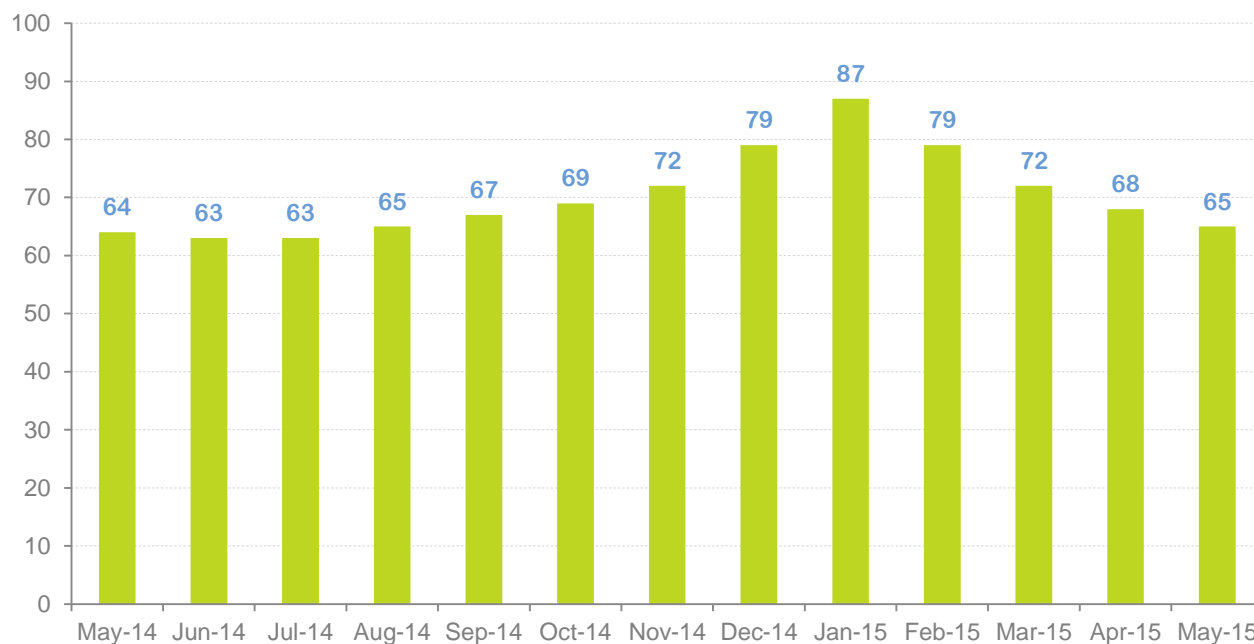


Average properties for sale per estate agent





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





Regions of England and Wales



Increase from previous month



Decrease from previous month

NORTH EAST

Avg. price June 15	£144,210
Avg. price May 15	£144,580
Monthly change	-0.3%
Avg. price June 14	£144,592
Annual change	-0.3%

YORKS. & HUMBER

Avg. price June 15	£173,844
Avg. price May 15	£170,143
Monthly change	2.2%
Avg. price June 14	£167,898
Annual change	3.5%

NORTH WEST

Avg. price June 15	£176,067
Avg. price May 15	£173,980
Monthly change	1.2%
Avg. price June 14	£172,235
Annual change	2.2%

EAST MIDLANDS

Avg. price June 15	£188,962
Avg. price May 15	£186,246
Monthly change	1.5%
Avg. price June 14	£182,675
Annual change	3.4%

WEST MIDLANDS

Avg. price June 15	£201,223
Avg. price May 15	£197,110
Monthly change	2.1%
Avg. price June 14	£195,957
Annual change	2.7%

EAST OF ENGLAND

Avg. price June 15	£309,407
Avg. price May 15	£303,763
Monthly change	1.9%
Avg. price June 14	£289,345
Annual change	6.9%

WALES

Avg. price June 15	£174,680
Avg. price May 15	£178,668
Monthly change	-2.2%
Avg. price June 14	£177,183
Annual change	-1.4%

GTR. LONDON

Avg. price June 15	£613,922
Avg. price May 15	£581,074
Monthly change	5.7%
Avg. price June 14	£580,439
Annual change	5.8%

SOUTH WEST

Avg. price June 15	£287,776
Avg. price May 15	£281,213
Monthly change	2.3%
Avg. price June 14	£278,793
Annual change	3.2%

SOUTH EAST

Avg. price June 15	£388,617
Avg. price May 15	£376,862
Monthly change	3.1%
Avg. price June 14	£366,915
Annual change	5.9%



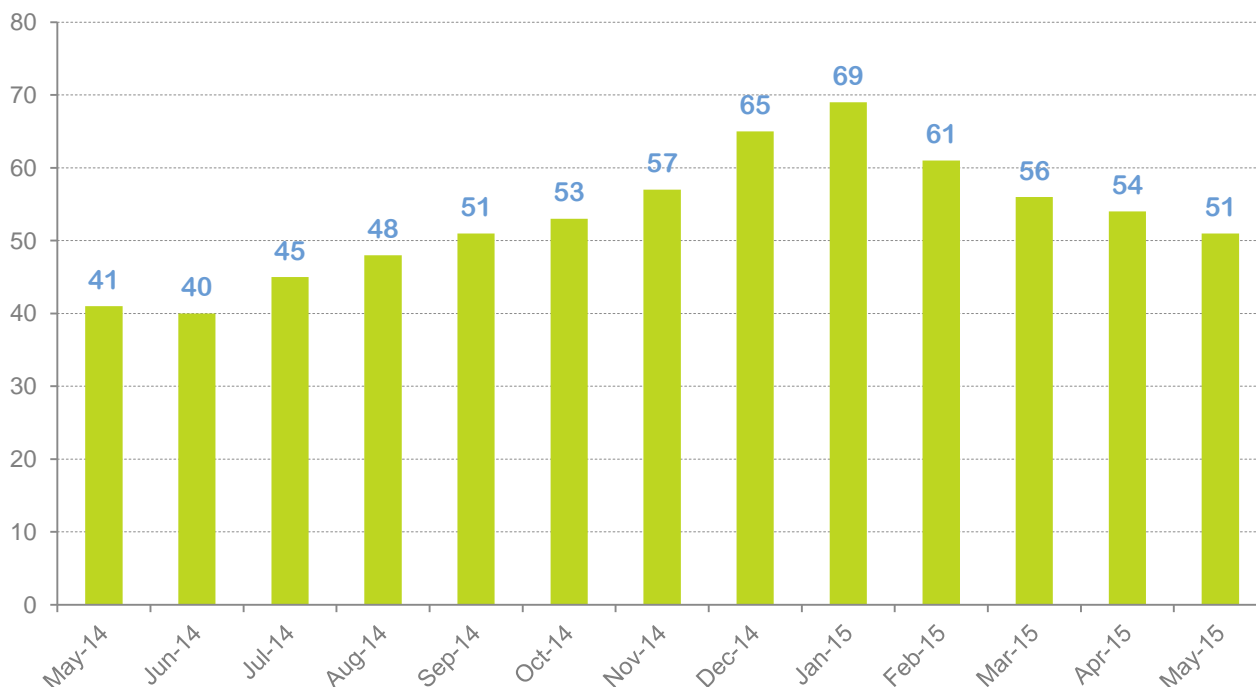
London's best performers: June 2015

Borough	Avg. price June 2015	Avg. price May 2015	Monthly change	Avg. price June 2014	Annual change
Kensington And Chelsea	£2,467,876	£1,981,363	24.6%	£2,348,628	5.1%
Merton	£675,051	£583,108	15.8%	£616,662	9.5%
Brent	£618,596	£568,761	8.8%	£578,622	6.9%
Newham	£369,248	£340,171	8.5%	£311,996	18.4%
Richmond Upon Thames	£882,867	£815,144	8.3%	£861,834	2.4%

London's worst performers: June 2015

Borough	Avg. price June 2015	Avg. price May 2015	Monthly change	Avg. price June 2014	Annual change
Tower Hamlets	£574,865	£620,868	-7.4%	£507,455	13.3%
Hackney	£601,327	£630,321	-4.6%	£578,439	4.0%
Southwark	£599,080	£615,613	-2.7%	£572,901	4.6%
Greenwich	£396,542	£405,329	-2.2%	£391,915	1.2%
Islington	£742,057	£756,985	-2.0%	£704,490	5.3%

Average 'time to sell' (days) - London





London boroughs

Borough	Avg. price June 2015	Avg. price May 2015	Monthly change	Avg. price June 2014	Annual change
Kensington And Chelsea	£2,467,876	£1,981,363	24.6%	£2,348,628	5.1%
City Of Westminster	£2,036,645	£1,919,918	6.1%	£1,896,615	7.4%
Camden	£1,191,409	£1,103,710	7.9%	£1,109,049	7.4%
Hammersmith And Fulham	£1,056,971	£996,675	6.0%	£1,029,633	2.7%
Richmond Upon Thames	£882,867	£815,144	8.3%	£861,834	2.4%
Wandsworth	£810,585	£767,331	5.6%	£770,865	5.2%
Islington	£742,057	£756,985	-2.0%	£704,490	5.3%
Merton	£675,051	£583,108	15.8%	£616,662	9.5%
Barnet	£663,247	£647,905	2.4%	£651,618	1.8%
Ealing	£636,803	£603,721	5.5%	£589,031	8.1%
Brent	£618,596	£568,761	8.8%	£578,622	6.9%
Lambeth	£613,621	£604,076	1.6%	£645,624	-5.0%
Haringey	£607,601	£601,526	1.0%	£613,801	-1.0%
Hackney	£601,327	£630,321	-4.6%	£578,439	4.0%
Kingston Upon Thames	£599,525	£576,318	4.0%	£567,076	5.7%
Southwark	£599,080	£615,613	-2.7%	£572,901	4.6%
Tower Hamlets	£574,865	£620,868	-7.4%	£507,455	13.3%
Hounslow	£519,419	£518,478	0.2%	£499,760	3.9%
Harrow	£509,644	£515,216	-1.1%	£471,309	8.1%
Bromley	£503,686	£490,080	2.8%	£472,781	6.5%
Hillingdon	£431,187	£435,562	-1.0%	£378,230	14.0%
Enfield	£426,459	£420,272	1.5%	£386,158	10.4%
Lewisham	£424,602	£429,325	-1.1%	£403,482	5.2%
Redbridge	£410,942	£403,993	1.7%	£373,067	10.2%
Waltham Forest	£407,004	£405,792	0.3%	£376,053	8.2%
Greenwich	£396,542	£405,329	-2.2%	£391,915	1.2%
Sutton	£387,174	£389,872	-0.7%	£362,488	6.8%
Croydon	£371,500	£372,772	-0.3%	£334,549	11.0%
Newham	£369,248	£340,171	8.5%	£311,996	18.4%
Havering	£347,652	£335,007	3.8%	£317,306	9.6%
Bexley	£322,237	£317,698	1.4%	£287,344	12.1%
Barking And Dagenham	£252,400	£250,977	0.6%	£228,469	10.5%



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 119,186 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 10th May 2015 to 6th June 2015 and advertised on Rightmove.co.uk. This month 6,217 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).