

Rightmove House Price Index

The largest monthly sample of
residential property prices

August 2019
National edition

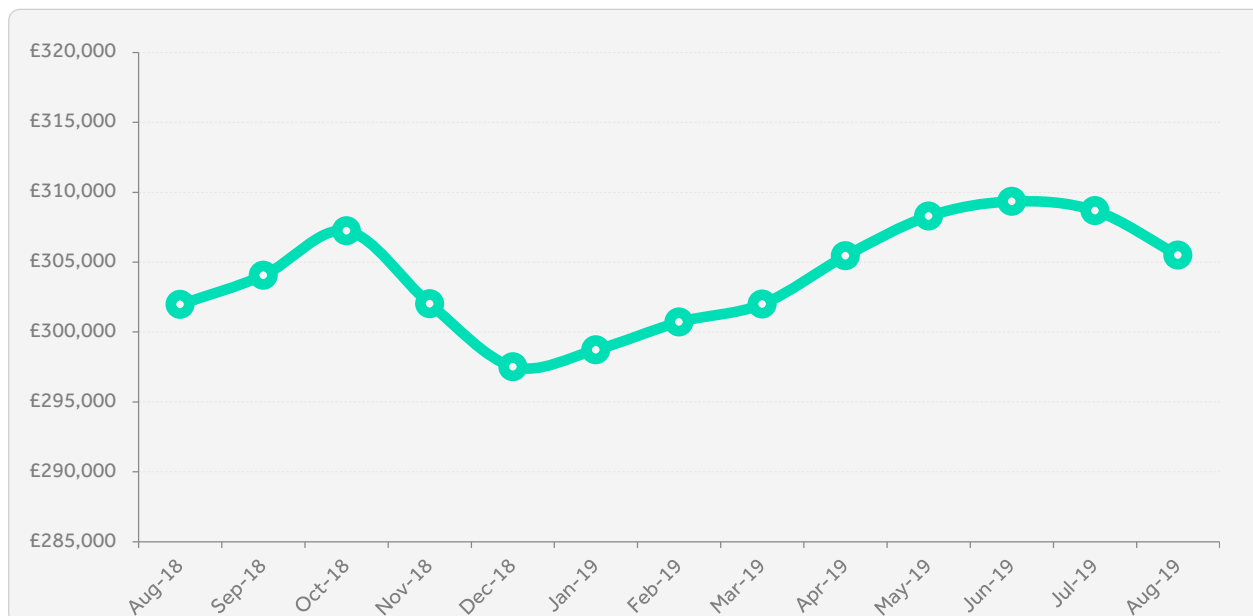


Pre-Brexit buying spree with sales agreed up by 6.1%

- Seasonal monthly fall in price of property coming to market, down 1.0% (-£3,192), a better performance than usual in August, pushing the annual rate of increase to 1.2%
- Buyers spurred into action by improved affordability and opportunity of securing a deal prior to Brexit deadline
- Highest number of sales agreed at this time of year since the same period in 2015, up by 6.1% on 2018, helping to make up for the slower start to the year
- All regions see a year-on-year increase in sales agreed, with North East, East of England, and Yorkshire & the Humber leading the country with rises of over 10%
- Log-jam in the legal process, with the backlog of properties sold subject to contract but awaiting completion highest for five years

| National average asking prices | | | | |
|--|-------------------|----------------|----------------|---------------|
| Month | Avg. asking price | Monthly change | Annual change | Index |
| August 2019 | £305,500 | -1.0% | 1.2% | 236.2 |
| July 2019 | £308,692 | -0.2% | -0.2% | 238.7 |
| National average asking prices by market sector (excluding Inner London) | | | | |
| Sector | August 2019 | July 2019 | Monthly change | Annual change |
| First-time buyers | £191,009 | £191,368 | -0.2% | 0.8% |
| Second-steppers | £276,109 | £278,308 | -0.8% | 1.0% |
| Top of the ladder | £539,504 | £547,719 | -1.5% | 1.4% |

Monthly asking price trend



Rightmove measured 130,435 asking prices this month, circa 90% of the UK market. The properties were put on sale by estate agents from 7th July 2019 to 10th August 2019 and advertised on Rightmove.co.uk.

Overview

The average price of property coming to market falls by 1.0% (-£3,192) this month. This continues the usual pattern of decreases in the month of August, as new-to-the-market sellers at this time of year tend to have a more pressing need to sell, and price more cheaply to attract holiday-distracted buyers. However, buyers seem much more focused on securing a property this year in contrast to recent summers, with the highest number of sales agreed at this time of year for four years.

Miles Shippide, Rightmove director and housing market analyst comments: *"Surprisingly there seems to be a bit of a summer buying spree, despite it normally being a quieter time of year. For some reason more buyers have cottoned on to the fact that it can be a good time of year to buy, with less competition from other buyers, and sellers typically more willing to accept a lower price. Whilst another approaching Brexit deadline is now nothing new for prospective buyers, this one may seem more definite, and therefore one to beat, with the Government regarding this one as 'do or die'. While the end of October Brexit outcome remains uncertain, more buyers are now going for the certainty of doing a deal, with some having perhaps hesitated earlier in the year."*

The number of sales being agreed is up by 6.1% compared to the same month a year ago, helping to make up for the slower start to the year. All regions have seen an increase in volumes year-on-year, with three having increases above 10%. The uplift in sales activity is biased towards the east coast, with the North East up by 13.7%, East of England by 12.7% and Yorkshire & the Humber by 10.1%. Two of these regions are the cheapest in England, but parts of the East of England are higher-priced London commuter belt, although still cheaper than the neighbouring South East region.

Shippide adds: *"More prospective movers are taking the plunge, getting stuck into deals with sellers more willing to lower their price expectations, and lenders wanting to lend and offering low rates. There's only so long that buyers and sellers can delay the familial, financial and emotional forces driving the need to move, and with the average time between agreeing a sale and moving in being more than three months, we're now entering the last chance saloon for those who want to have finished their move before the end of the year. We often see an autumn activity bounce, but perhaps this year's political activities have brought that forward into a summer surge as buyers have gone bolder and earlier than usual. This increased activity has led to new seller asking prices falling by only 1.0% in the month, compared with the 2.3% fall of the same time last year, which has driven the annual rate of increase to 1.2%, the highest since September 2018."*

One of the challenges that buyers face after having agreed a purchase is the delay in turning that agreement to move into the binding reality of legal completion and actually moving in. The number of properties that are sold subject to contract and stuck in the legal process log-jam is at its highest level since June 2014.

Shippide notes: *"It's an anxious time for all involved once a sale has been agreed subject to contract, and that includes the estate agent whose livelihood depends on the sales going through rather than falling through. A major factor that might help these moves to actually happen is that it seems more buyers and sellers are convinced it's a good time financially to do a deal, plus wanting the certainty of getting the deal signed and sealed because of the next looming Brexit deadline."*

Miles Shippide, Rightmove director and housing market analyst says: *"There seems to be a bit of a summer bargain-hunt spree, despite it normally being a quieter time of year. For some reason more buyers have cottoned on to the fact that it can be a good time of year to buy, with less competition from other buyers, and sellers typically more willing to accept a lower price."*



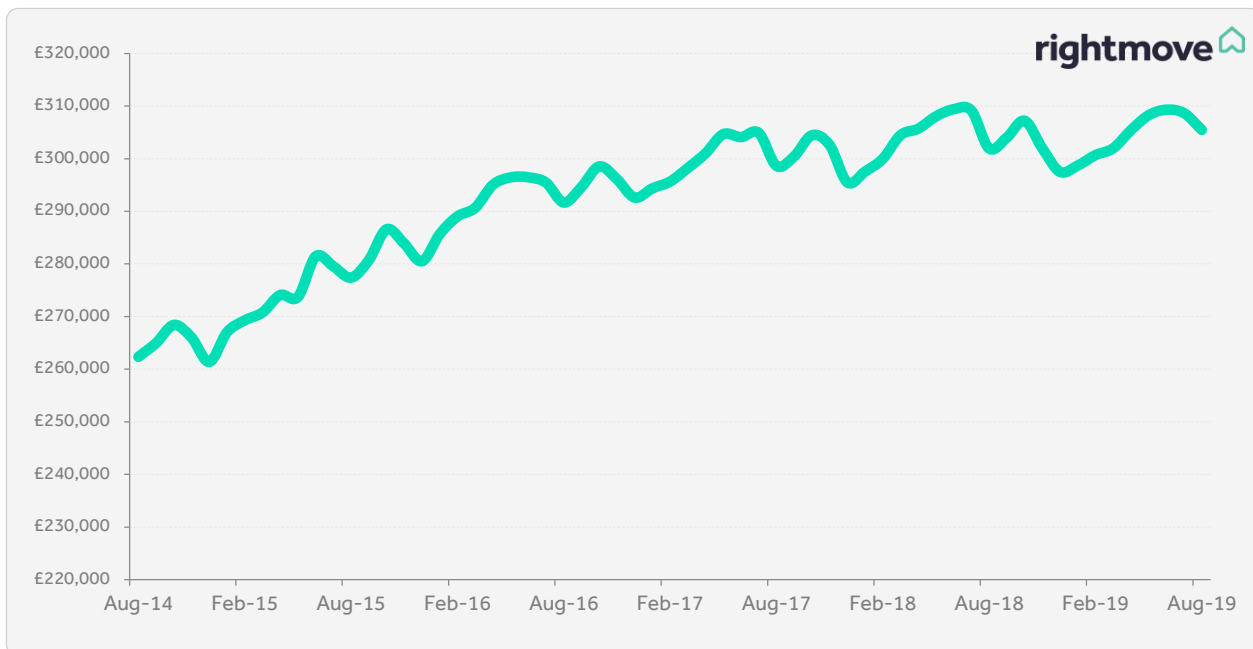
Agents' views

Ian Marriott, director at FHP Living in the East Midlands, comments: *"I think the impending Brexit deadline that is looming over us could well be having an impact on activity in the market. People were more cautious at this stage last year than this year, so we're seeing that people are getting on with their lives and pushing through with moves ahead of the October deadline. People have become frustrated; all sectors of the market are buoyant and particularly our top-of-the-ladder sector, which are £1 million properties and above, is very healthy. We expect there might be an influx of properties coming to market after everything has settled down with Brexit, but right now, there are less buyers and fewer properties on the market, but the buyers who are in the market are viewing and motivated and getting on with things – they're doers. These people aren't just viewing on a whim, because there isn't as much of a selection."*

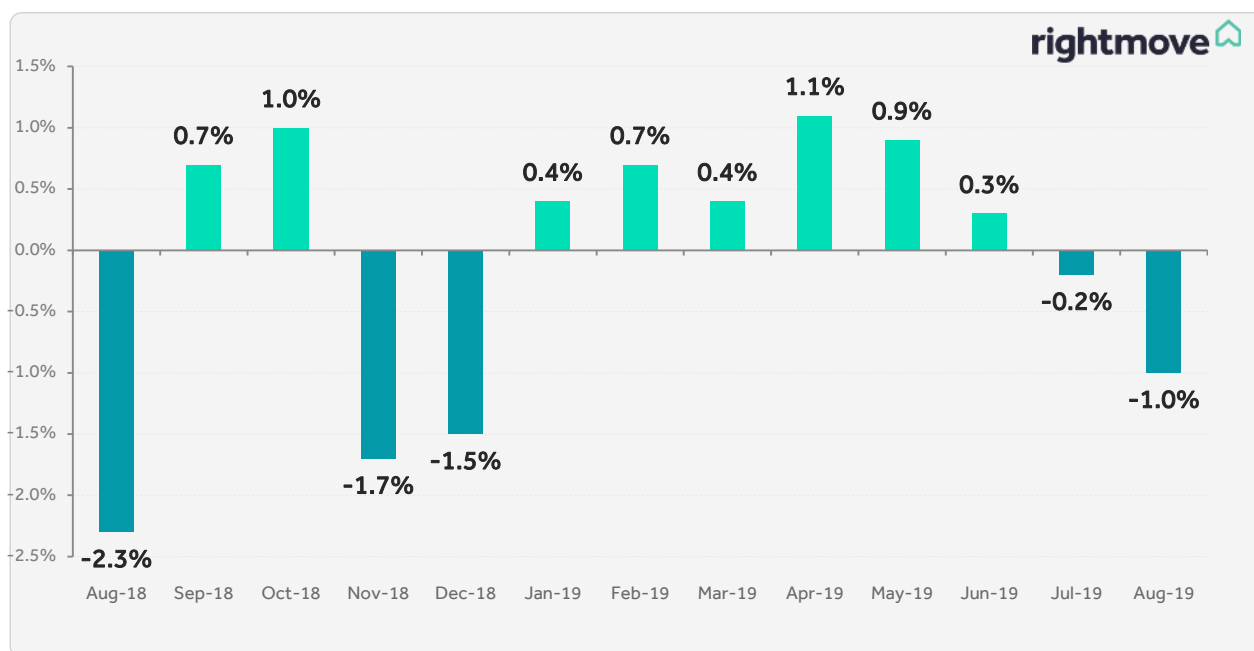
Glynis Frew, CEO of Hunters, added: *"There is little doubt that the market continues to face its inevitable challenges, yet the results also appear to reflect a heightened sense of urgency in some respects. That's especially the case when you consider that August has historically been a bit of a quieter time for the housing market. Many vendors at this moment in time seem happy to demand slightly lower asking prices if it means they can get the deal out the door as quickly as possible in light of the ongoing Brexit uncertainty, with buyers correspondingly capitalising on the newfound affordability that creates. The 'wait and see approach' doesn't seem to be as attractive as it once was and the more confident buyers are well suited to this change. It will be interesting to see how the market responds in the next couple of months once it has adjusted to the new Prime Minister and political chatter surrounding all things Brexit."*

Asking price trends

Five year asking price trend

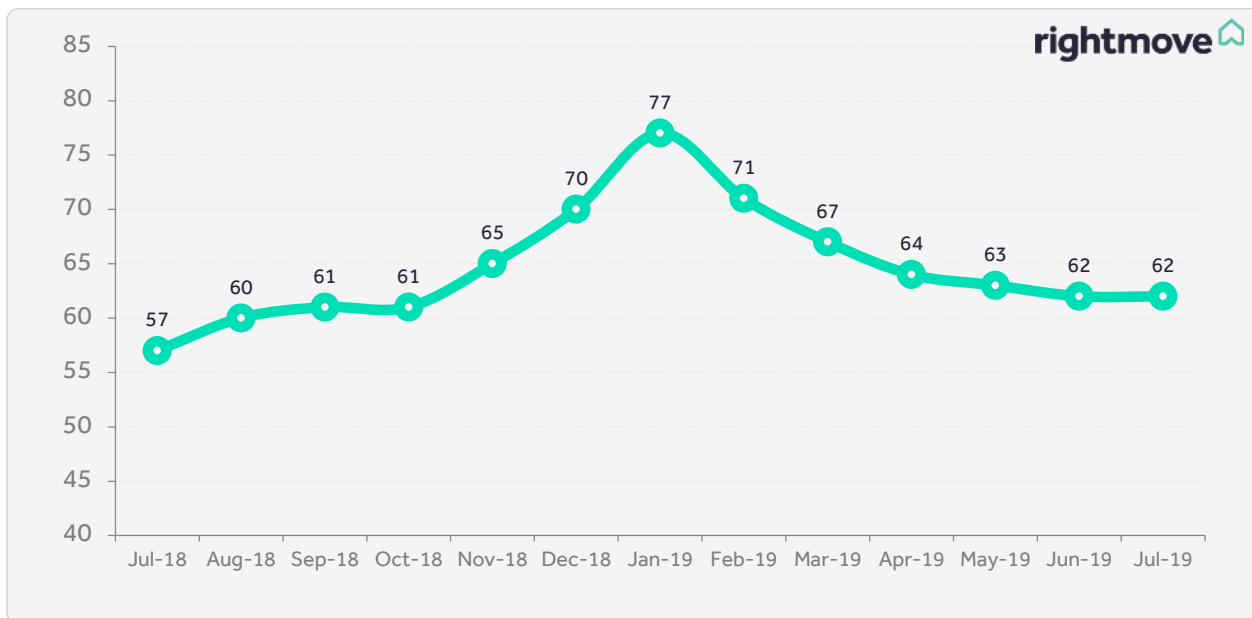


% monthly change in average asking prices

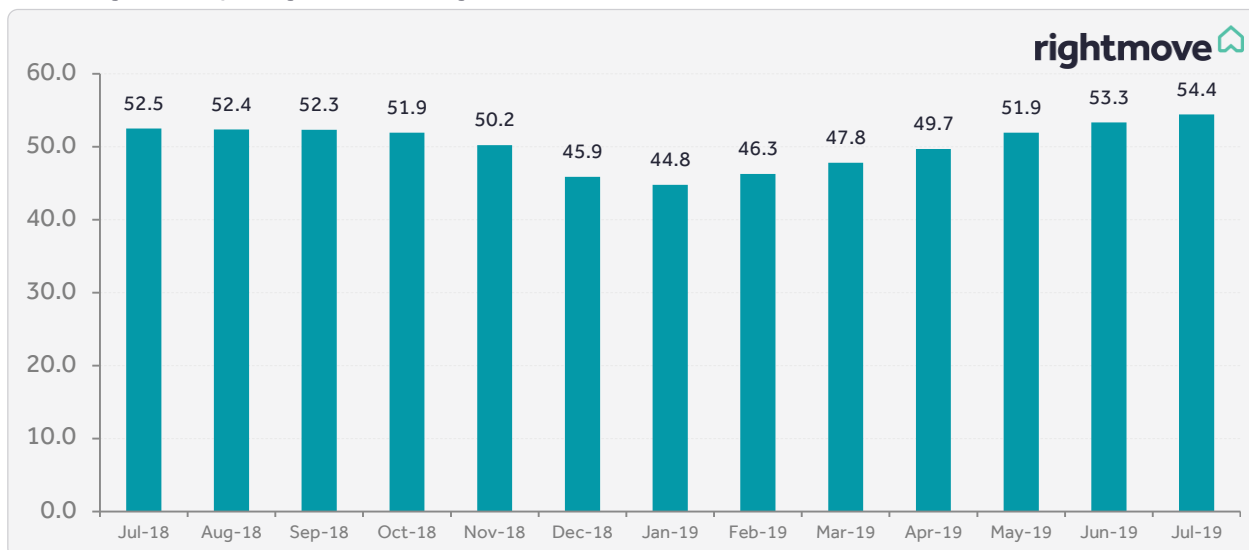


Average time to sell and stock

Average 'time to secure a buyer' (no. of days) - National



Average stock per agent (including Under Offer/Sold STC)



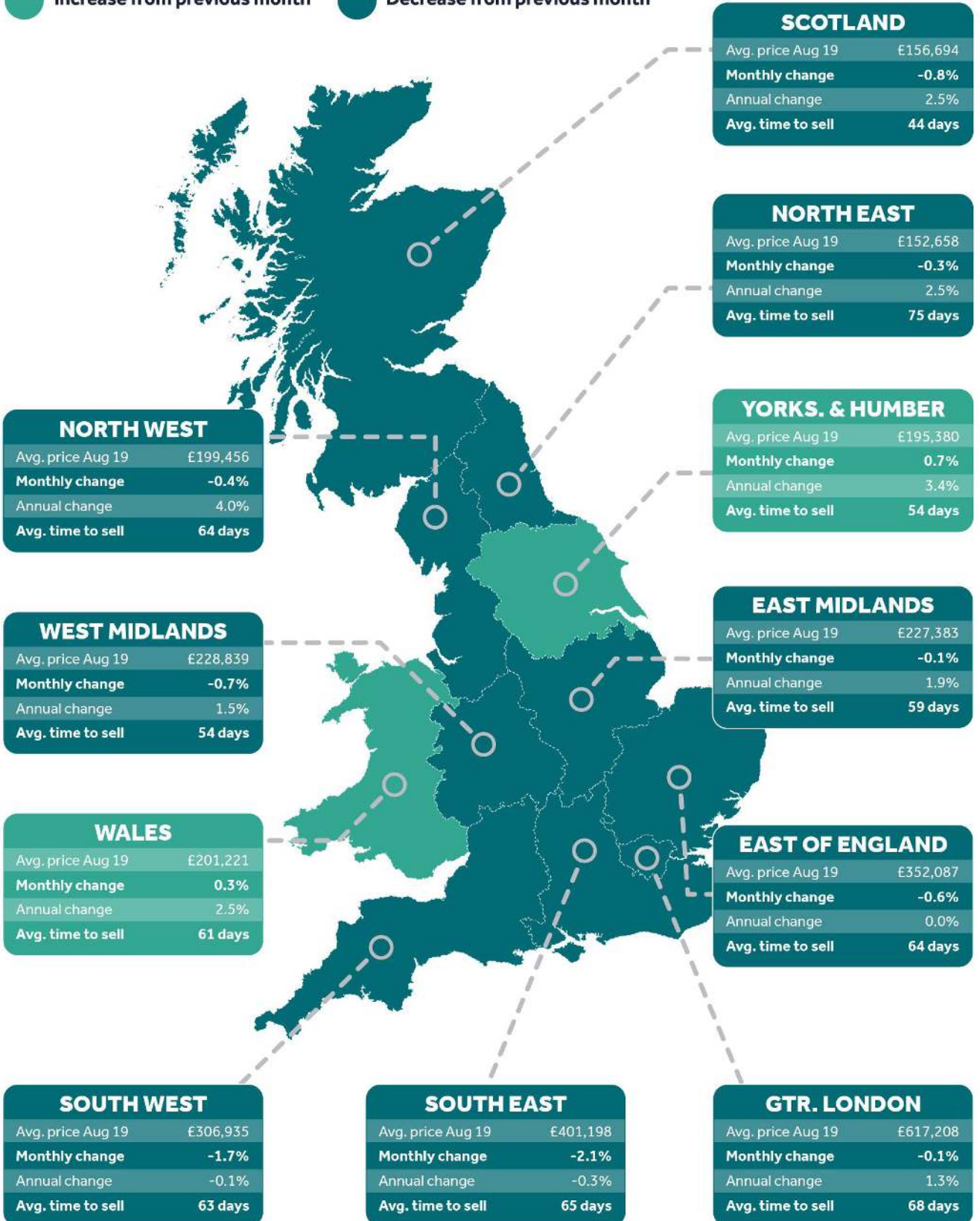
Regional trends



Increase from previous month

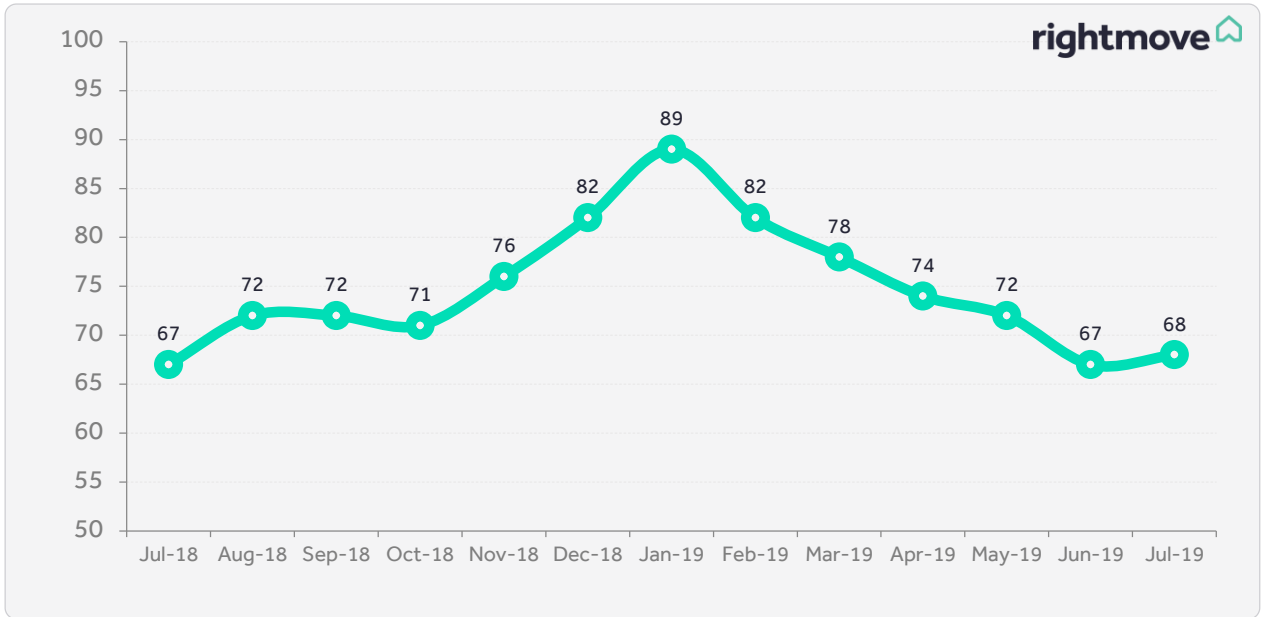


Decrease from previous month



London trends

Average 'time to secure a buyer' (no. of days) - London



London trends

Borough data is based on a three-month rolling average and can be used as an indicator of overall price trends in each borough over time. It is not directly comparable with the overall London monthly figures.

| Borough | Avg. price August 2019 | Monthly change | Annual change |
|------------------------|------------------------|----------------|---------------|
| Southwark | £649,041 | 0.8% | 2.0% |
| Newham | £419,129 | 0.6% | 1.6% |
| Bromley | £537,454 | 0.0% | 1.3% |
| Kingston upon Thames | £620,598 | -1.9% | 1.3% |
| Greenwich | £448,787 | 0.8% | 0.9% |
| Hackney | £654,803 | 2.0% | 0.9% |
| Waltham Forest | £489,068 | 0.0% | 0.6% |
| Brent | £584,007 | -0.7% | 0.5% |
| Haringey | £613,921 | 0.9% | 0.3% |
| Hammersmith and Fulham | £906,377 | -1.0% | 0.2% |
| Hounslow | £544,094 | 0.7% | 0.2% |
| Barking and Dagenham | £317,251 | 0.0% | 0.0% |
| Havering | £407,782 | 0.6% | -0.1% |
| Lewisham | £472,060 | -0.3% | -0.2% |
| Ealing | £547,937 | -0.1% | -0.3% |
| Wandsworth | £798,132 | -0.4% | -0.4% |
| Richmond upon Thames | £822,209 | -1.6% | -0.5% |
| Islington | £741,337 | -0.3% | -0.5% |
| Harrow | £557,980 | -0.2% | -0.6% |
| Croydon | £435,669 | 0.1% | -0.8% |
| Redbridge | £456,093 | 0.4% | -1.0% |
| Bexley | £404,801 | -1.0% | -1.3% |
| Enfield | £456,002 | -0.7% | -1.6% |
| Kensington and Chelsea | £1,633,652 | -0.5% | -1.7% |
| Lambeth | £638,313 | 1.0% | -1.7% |
| Camden | £982,008 | -1.2% | -2.0% |
| Barnet | £634,470 | -0.6% | -2.4% |
| Sutton | £463,846 | -1.5% | -2.6% |
| Westminster | £1,402,254 | -2.0% | -2.9% |
| Hillingdon | £477,658 | -2.3% | -3.3% |
| Tower Hamlets | £566,845 | 1.3% | -5.2% |
| Merton | £596,646 | -2.6% | -7.2% |

Editor's notes

About the Index:

The Rightmove House Price Index methodology was updated in January 2018. The report now includes data for Scotland and a number of measures have been refined. The stock per agent figure now calculates the average based on the number of properties an agent has on Rightmove each day across the month, rather than the average of the total number of properties each agent advertised in the month. London asking prices are now broken down into travel zones. For the purpose of historical comparisons, the historical figures have been restated based on the new methodology.

The Index includes asking price 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. 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.

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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 circa 90% of all properties for sale and at any time displays a stock of over one million properties to buy or rent. The Rightmove.co.uk site attracts nearly 141 million visits from home movers each month with time on site averaging 1.1 billion minutes per month (Rightmove data, July 2019).