

Rightmove House Price Index

The largest monthly sample of
residential property prices

August 2019
London edition

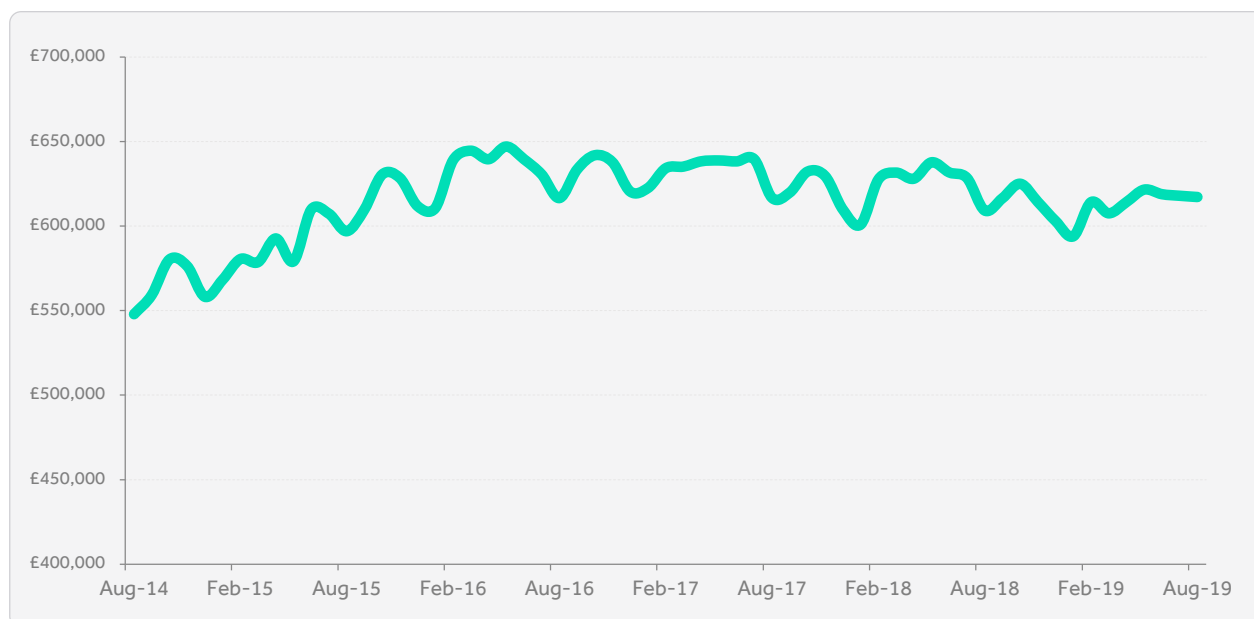


First year-on-year price growth in London for two years

- Three reasons to be cheerful for those looking for signs of a London market recovery:
 - The price of property coming to market in the capital sees its first annual rise since August 2017, with new seller asking prices now 1.3% higher than a year ago
 - There are usually significant seasonal price falls in August so this month's fall of just 0.1%, the smallest monthly decrease at this time of year since 2006, is a sign of an improving market and has pushed the annual rate of change back into positive territory
 - Recovering London also sees number of sales agreed for the month up by 5.2% on the same period a year ago

London average asking prices				
Area	August 2019	July 2019	Monthly change	Annual change
Greater London	£617,208	£617,941	-0.1%	1.3%
Inner London	£761,724	£762,449	-0.1%	2.0%
Outer London	£514,328	£514,808	-0.1%	0.4%
Average asking prices by market sector				
Sector	August 2019	July 2019	Monthly change	Annual change
First-time buyers	£479,211	£477,178	0.4%	0.4%
Second-steppers	£683,439	£701,235	-2.5%	0.7%
Top of the ladder	£1,422,964	£1,364,225	4.3%	6.9%

Five year London asking price trend



Rightmove measured 130,435 asking prices nationally 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

London's tentative and long-drawn-out recovery process sees three positive markers this month. The first point to note is that the price of property coming to market in the capital sees its first annual rise since August 2017, with new seller asking prices now 1.3% higher than a year ago.

Miles Shippside, Rightmove director and housing market analyst comments: *"Some potential buyers have sat back and watched the price of property coming to the market in the capital falling year-on-year for the last couple of years, giving many of them little incentive to do anything but sit on the sidelines. It's always hard to spot the bottom of a market, especially in a massive place like London with its myriad of local markets. However, new seller asking prices are now 1.3% higher than at this time last year, and if that trend continues, buyers might decide to stop sitting it out before prices rise further. That could happen if we have more certainty on our Brexit outcome, and this annual price rise may be an indicator of more market activity to come."*

The second point to note is that Rightmove has recorded a month-on-month fall of just 0.1% in new seller asking prices, the lowest at this time of year since August 2006. This contrasts with the 3.1% monthly fall last August and so has pushed London back to a positive year-on-year rise, highlighting an improving market in the capital.

Shippside adds: *"We nearly always see quite big falls in new seller asking prices in the month of August, but this year they have only dropped by a fraction at just 0.1% down. 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. The improved picture for prices is partly due to the shortage of supply caused by a severe lack of new sellers coming to market, down 10.5% on the same period a year ago, helping to underpin prices with buyers facing a much more limited choice."*

The third point that gives us reason to be cheerful, if you are looking for a London recovery, is that the number of sales agreed for the month is up by 5.2% on the same period a year ago.

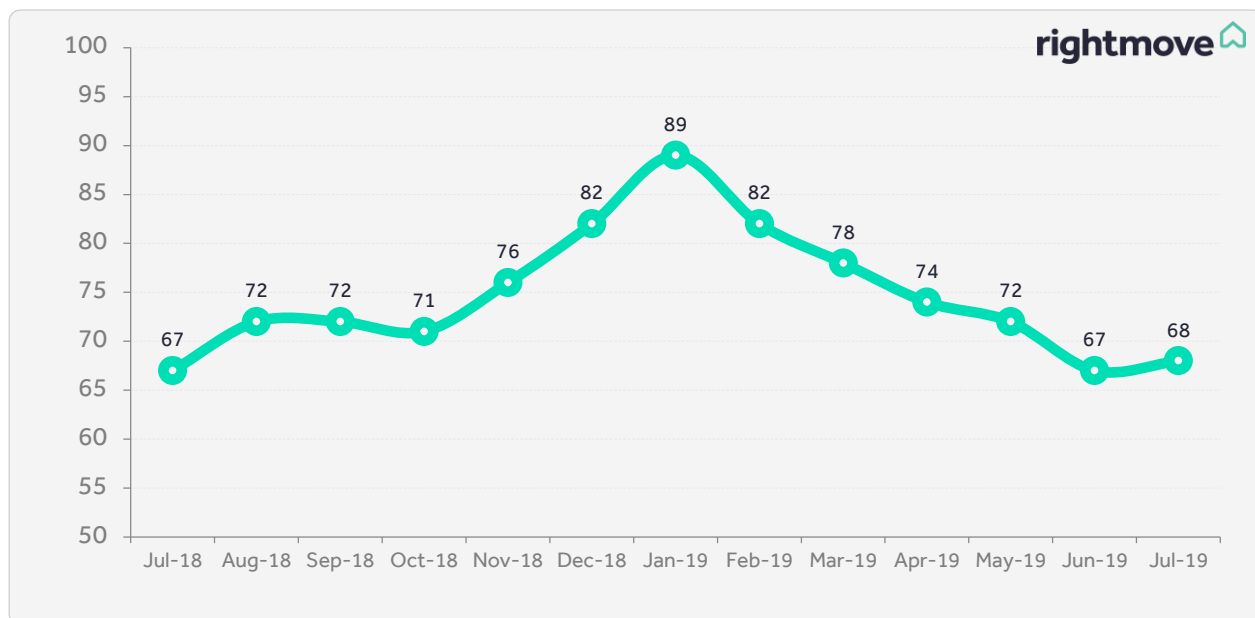
Shippside notes: *"After a year of waiting, we finally have a month where the number of sales agreed has been higher than in the corresponding month from the previous year. Furthermore, the 5.2% rise is also the largest annual percentage increase seen at this time of year since July 2017. There will no doubt be more twists and turns to come for those closely monitoring the London recovery saga, but these are three strong reasons to be cheerful."*

Agent's view

Chris Osmond, Sales Director at London-based JOHNS&CO, comments: *"We've registered more buyers in the first seven months of the year than we registered in total in 2018, suggesting that there's plenty of people out there at the inquisitive stage of their property hunt. It's not surprising; it's been three years since the vote and Brexit fatigue has kicked in. After all, life goes on and you can only put plans on hold for so long. We've also seen the number of vendors wanting to cash-in on long-held investments increase and there are plenty of canny investors on the periphery looking for good deals, so overall we expect the summer season surge to linger on into autumn."*

London trends

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



Transport for London zones	Avg. price August 2019	Avg. price July 2019	Monthly change	Avg. price August 2018	Annual change
Zone 1	£1,286,214	£1,330,401	-3.3%	£1,266,350	1.6%
Zone 2	£740,446	£737,599	0.4%	£727,615	1.8%
Zone 3	£592,776	£581,092	2.0%	£576,709	2.8%
Zone 4	£484,010	£482,375	0.3%	£483,484	0.1%
Zone 5	£477,493	£473,990	0.7%	£476,047	0.3%
Zone 6	£480,401	£496,975	-3.3%	£488,820	-1.7%

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).