

Rightmove House Price Index

The largest monthly sample of
residential property prices

September 2019
London edition

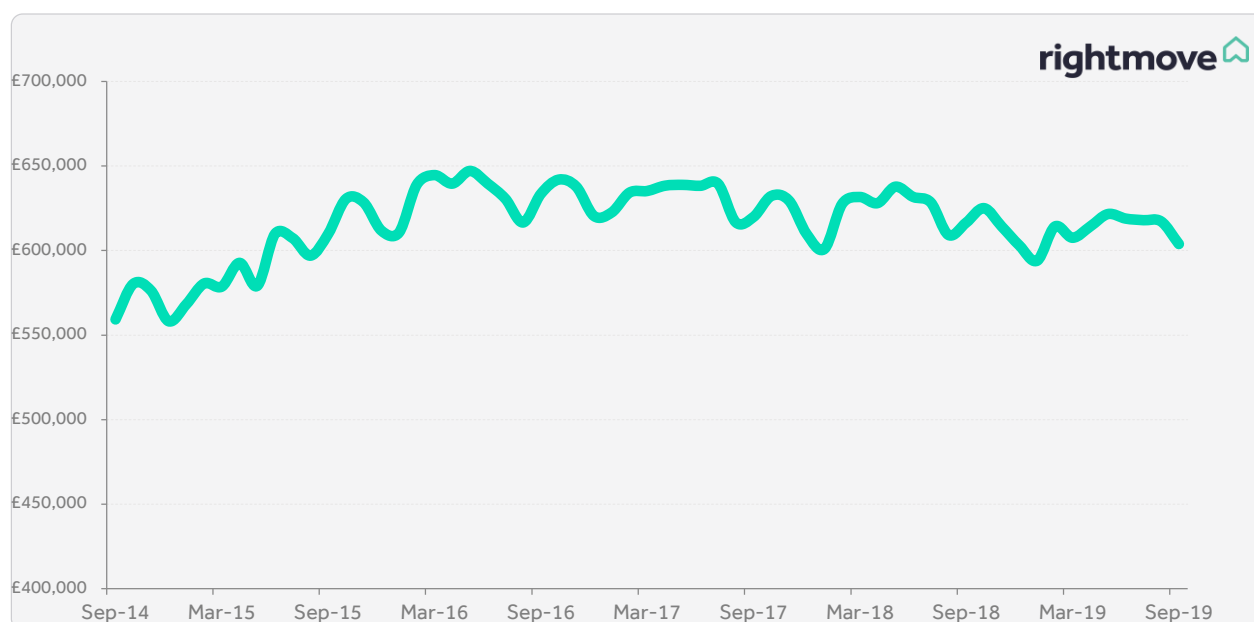


Lower prices help speed up time to secure a buyer

- The price of property coming to market falls by 2.2% (-£13,353) in London this month, the first fall at this time of year since September 2010
- Whilst all market sectors have seen price falls, the main driver is the 6.4% drop in the “top of the ladder” sector (five-bed properties and above, as well as four-bed detached houses)
- With over 20% fewer properties coming to market in all sectors – as owners await a Brexit outcome and market recovery – the monthly figures are prone to volatility
- Despite the fall in prices and market activity, the average time taken to find a buyer has decreased from 72 days at this time last year to 69 days now, suggesting that lower prices and improved affordability are helping some properties to sell more quickly

London average asking prices				
Area	September 2019	August 2019	Monthly change	Annual change
Greater London	£603,855	£617,208	-2.2%	-2.1%
Inner London	£739,541	£761,724	-2.9%	-2.2%
Outer London	£507,162	£514,328	-1.4%	-1.8%
Average asking prices by market sector				
Sector	September 2019	August 2019	Monthly change	Annual change
First-time buyers	£475,578	£479,211	-0.8%	-0.9%
Second-steppers	£667,744	£683,439	-0.8%	-2.4%
Top of the ladder	£1,332,123	£1,422,964	-6.4%	-2.6%

Five year London asking price trend



Rightmove measured 97,208 asking prices nationally this month, circa 95% of the UK market. The properties were put on sale by estate agents from 11th August 2019 to 7th September 2019 and advertised on Rightmove.co.uk.

Overview

The price of property coming to market falls by 2.2% (-£13,353) in London this month, the first fall at this time of year since September 2010. Cheaper prices are helping to reduce the overall average time taken to secure a buyer, falling from 72 days at this time last year to 69 days now. The last time that we saw a year-on-year fall in the average time to secure a buyer for property in London was in June 2016, the month of the Brexit referendum. However, the “top of the ladder” sector is bucking this improving trend, with an increase from 87 days to 90 days, indicating that market conditions are still challenging for these high-end sellers. The lack of property coming to market leads to smaller sample sizes, which in turn can cause higher levels of monthly volatility in market sectors where there were already fewer properties. We are seeing that this month in the “top of the ladder” sector, which is showing a 6.4% price drop.

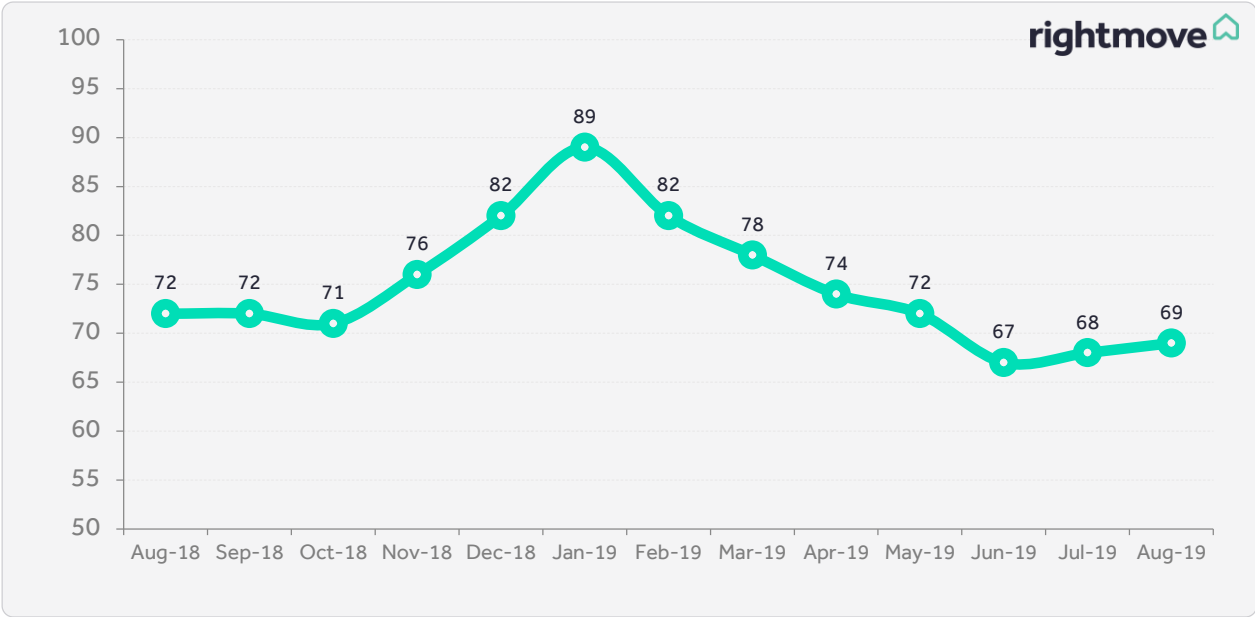
Miles Shippside, Rightmove director and housing market analyst comments: *“There are over 20% fewer properties coming to market in all market sectors compared to a year ago, including the “top of the ladder” sector where numbers were already relatively low. Owners seem to be holding back awaiting either a more certain Brexit outcome or a market recovery – and perhaps both? This shows that the top-end sector is still struggling most, with an annual decrease of 2.6% compared to London’s overall fall of 2.1%. The high average price and smaller numbers mean that the monthly figures are prone to volatility, with the annual rate being a better long-term indicator of market trends.”*

We have reported on the twists and turns of the London market over the past few years, and noted that they are likely to continue despite some signs of the market bottoming out. There has been an improvement in the time taken to secure a buyer, but another marked slowdown in average asking prices in London, likely as a result of Brexit’s own twists and turns.

Shippside adds: *“Many have got used to living in the jaws of uncertainty since the referendum over three years ago, and have been getting on with their lives and housing moves. However, as we approach yet another Brexit deadline, there are signs that the increasing gnashing of teeth is causing some to hesitate. Those who are planning to buy or trade up this autumn and can keep their nerve whilst others hesitate may find that they are in a stronger negotiating position to get a favourable deal.”*

London trends

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



Transport for London zones	Avg. price September 2019	Avg. price August 2019	Monthly change	Avg. price September 2018	Annual change
Zone 1	£1,274,888	£1,286,214	-0.9%	£1,298,070	-1.8%
Zone 2	£714,356	£740,446	-3.5%	£736,622	-3.0%
Zone 3	£579,841	£592,776	-2.2%	£586,915	-1.2%
Zone 4	£470,997	£484,010	-2.7%	£486,695	-3.2%
Zone 5	£471,016	£477,493	-1.4%	£474,554	-0.7%
Zone 6	£489,354	£480,401	1.9%	£487,350	0.4%

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 September 2019	Monthly change	Annual change
Southwark	£654,779	0.9%	3.9%
Newham	£418,290	-0.2%	2.1%
Hammersmith and Fulham	£896,356	-1.1%	1.8%
Kensington and Chelsea	£1,605,483	-1.7%	1.1%
Bromley	£535,404	-0.4%	1.0%
Greenwich	£447,785	-0.2%	0.9%
Waltham Forest	£491,935	0.6%	0.7%
Hackney	£652,833	-0.3%	0.6%
Lewisham	£465,459	-1.4%	0.4%
Havering	£408,335	0.1%	0.0%
Ealing	£548,162	0.0%	0.0%
Sutton	£468,474	1.0%	0.0%
Brent	£572,198	-2.0%	-0.2%
Barking and Dagenham	£316,691	-0.2%	-0.3%
Redbridge	£457,571	0.3%	-0.4%
Haringey	£604,330	-1.6%	-0.4%
Croydon	£436,400	0.2%	-0.4%
Harrow	£551,984	-1.1%	-0.6%
Islington	£749,230	1.1%	-0.6%
Hillingdon	£483,484	1.2%	-0.6%
Wandsworth	£789,143	-1.1%	-1.0%
Bexley	£406,302	0.4%	-1.4%
Hounslow	£532,796	-2.1%	-1.4%
Barnet	£628,542	-0.9%	-1.7%
Tower Hamlets	£570,707	0.7%	-1.7%
Kingston upon Thames	£605,330	-2.5%	-2.0%
Enfield	£453,251	-0.6%	-2.4%
Richmond upon Thames	£808,833	-1.6%	-2.8%
Lambeth	£632,716	-0.9%	-2.8%
Westminster	£1,394,268	-0.6%	-4.1%
Camden	£942,126	-4.1%	-4.9%
Merton	£605,020	1.4%	-5.7%

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 95% 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 95% 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 over 141 million visits from home movers each month with time on site averaging nearly 1.1 billion minutes per month (Rightmove data, July 2019).