

Rightmove House Price Index

The largest monthly sample of
residential property prices

October 2019
London edition

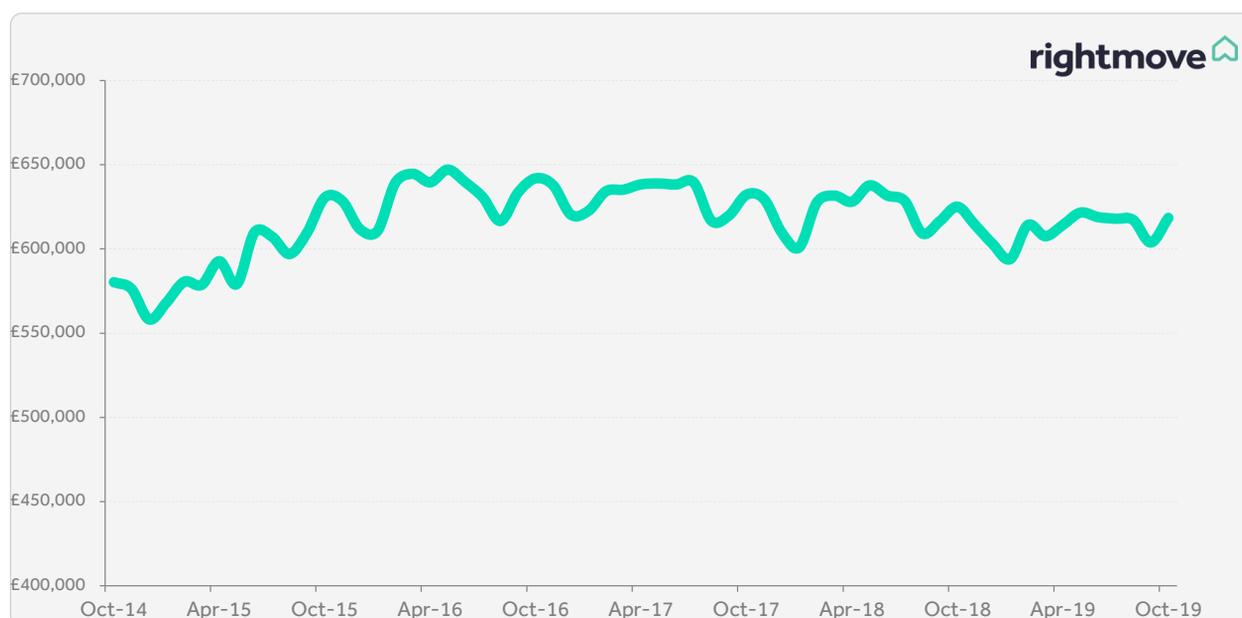


London sees prices recover from last month's fall

- Price of newly listed property rises by 2.4% (+£14,577) this month, offsetting the 2.2% fall last month, giving an encouraging total rise of 0.2% (+£1,223) since August
- Main drivers for London's tentative recovery are scarcity of properties coming to market, larger price rises closer to centre of London, and more properties selling:
 - 29.2% fewer new sellers than same period a year ago, deterred from trying to sell by continuing year-on-year price falls and short-term Brexit uncertainty
 - Price of property coming to market in the central TfL Zone 1 up 0.6% since October 2018, the only zone in positive territory for the year
 - Number of sales agreed up 0.8% on this time last year

Area	October 2019	September 2019	Monthly change	Annual change
Greater London	£618,432	£603,855	2.4%	-1.1%
Inner London	£764,101	£739,541	3.3%	-1.3%
Outer London	£514,494	£507,162	1.4%	-0.8%
Average asking prices by market sector				
Sector	October 2019	September 2019	Monthly change	Annual change
First-time buyers	£480,240	£475,578	1.0%	-1.1%
Second-steppers	£691,071	£677,744	2.0%	-0.1%
Top of the ladder	£1,397,932	£1,332,123	4.9%	-1.6%

Five year London asking price trend



Rightmove measured 122,696 asking prices nationally this month, circa 95% of the UK market. The properties were put on sale by estate agents from 8th September 2019 to 12th October 2019 and advertised on Rightmove.co.uk.

Overview

The price of property coming to market in London rises by 2.4% (+£14,577) this month, more than offsetting a 2.2% fall in September. There appear to be three main drivers for this tentative recovery in the capital. Firstly, the increasing scarcity of properties coming to market. Secondly, a stronger recovery in prices closer to the centre of London. And last but not least, a small but encouraging 0.8% year-on-year increase in the number of sales being agreed.

Miles Shippside, Rightmove director and housing market analyst comments: *"London has spent a few years in the price doldrums, but the scarcity of properties coming to market is now helping to underpin prices, and the number of sales agreed is higher than in the same period a year ago. There has been a long period of price re-adjustment, and as each month passes the chances get better that the market will return to positive territory. This month's figures coincide with what is normally a busier autumn period, though with continuing Brexit uncertainty there is still no certainty of a sustained price pick-up."*

The unknowns surrounding the political outlook, and possible negative employment effects in some of the capital's core industries, are causing some would-be sellers to hesitate in coming to market. This has been a common theme in recent months, along with month-to-month price volatility, which has been exacerbated by smaller sample sizes, especially in the higher price brackets.

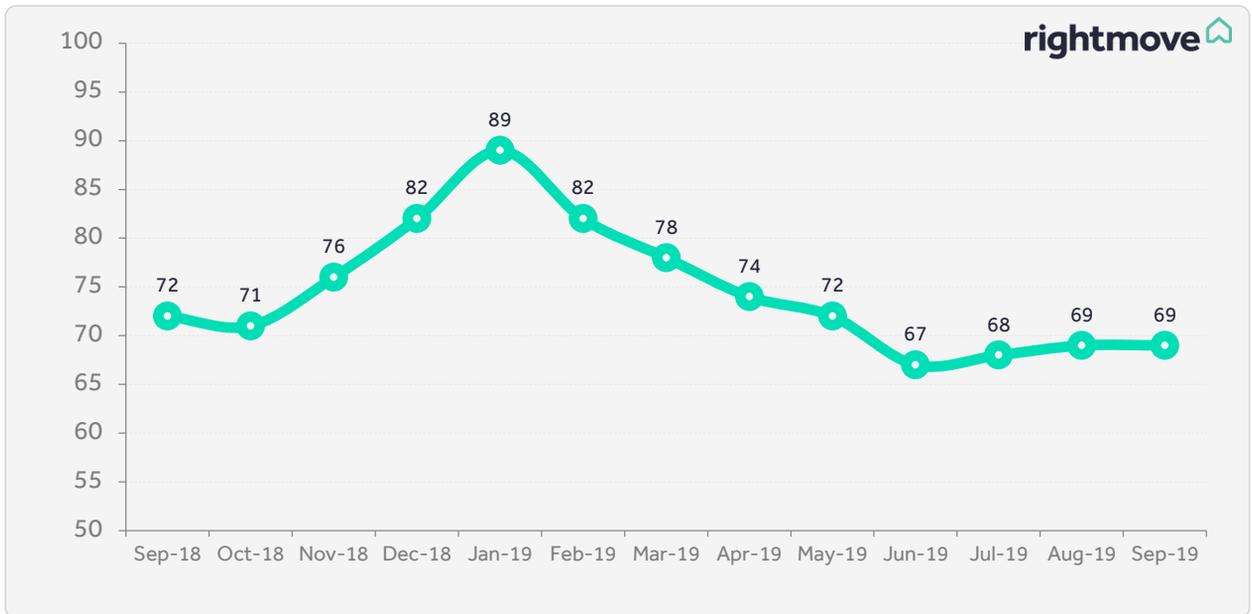
Shippside adds: *"Compared to the same period a year ago, nearly 30% fewer properties have come to market. This is the worst year-on-year decline in any month since August 2009." However, the sellers who are coming to market seem to be serious about selling, with the result that the number of sales being agreed has increased slightly on the same period last year."*

Agent's view

Marc von Grundherr, director of lettings and estate agent, Benham and Reeves, said: *"No fireworks and no explosions across the current property landscape, and while the market is more subdued than usual, this is of course going to be the case ahead of our supposed EU exit at the end of the month. This uncertainty has evidently caused many sellers to hesitate and sit tight however, a healthy level of sales are still transacting, and this is proof that the UK property market is yet to disappear down the Brexit abyss. With only the serious home buyer and seller deciding to enter the fray, we're seeing less tyre kickers and as a result, a reduction in the number of sales falling through, which is another positive to take from the current climate."*

London trends

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



Transport for London zones	Avg. price	Avg. price	Monthly change	Avg. price	Annual change
	October 2019	September 2019		October 2018	
Zone 1	£1,356,878	£1,274,888	6.4%	£1,348,421	0.6%
Zone 2	£730,639	£714,356	2.3%	£748,012	-2.3%
Zone 3	£593,311	£579,841	2.3%	£594,675	-0.2%
Zone 4	£477,091	£470,997	1.3%	£484,840	-1.6%
Zone 5	£474,928	£471,016	0.8%	£475,754	-0.2%
Zone 6	£486,586	£489,354	-0.6%	£498,865	-2.5%

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 October 2019	Monthly change	Annual change
Kensington and Chelsea	£1,620,076	1.0%	2.4%
Southwark	£654,261	-0.1%	2.4%
Ealing	£552,129	0.7%	1.7%
Sutton	£469,315	0.2%	1.6%
Greenwich	£443,927	-0.9%	1.3%
Hackney	£645,115	-1.2%	1.1%
Haringey	£612,098	1.3%	0.8%
Waltham Forest	£487,807	-0.8%	0.7%
Barking and Dagenham	£317,307	0.2%	0.5%
Newham	£414,918	-0.8%	0.3%
Lewisham	£461,716	-0.8%	0.2%
Merton	£629,738	4.1%	0.1%
Havering	£408,954	0.2%	-0.1%
Islington	£756,695	1.0%	-0.2%
Bromley	£529,565	-1.1%	-0.3%
Redbridge	£458,670	0.2%	-0.4%
Bexley	£409,774	0.9%	-0.5%
Tower Hamlets	£570,793	0.0%	-0.6%
Brent	£567,732	-0.8%	-0.9%
Croydon	£435,049	-0.3%	-0.9%
Richmond upon Thames	£815,717	0.9%	-1.0%
Barnet	£636,508	1.3%	-1.3%
Hammersmith and Fulham	£911,827	1.7%	-1.3%
Harrow	£548,396	-0.6%	-1.5%
Hillingdon	£479,348	-0.9%	-1.7%
Hounslow	£530,318	-0.5%	-1.8%
Enfield	£448,962	-0.9%	-2.3%
Camden	£952,328	1.1%	-2.4%
Lambeth	£623,939	-1.4%	-2.7%
Wandsworth	£772,771	-2.1%	-3.4%
Westminster	£1,383,165	-0.8%	-3.6%
Kingston upon Thames	£587,915	-2.9%	-4.7%

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