

Rightmove House Price Index

The largest monthly sample of
residential property prices

December 2019
London edition

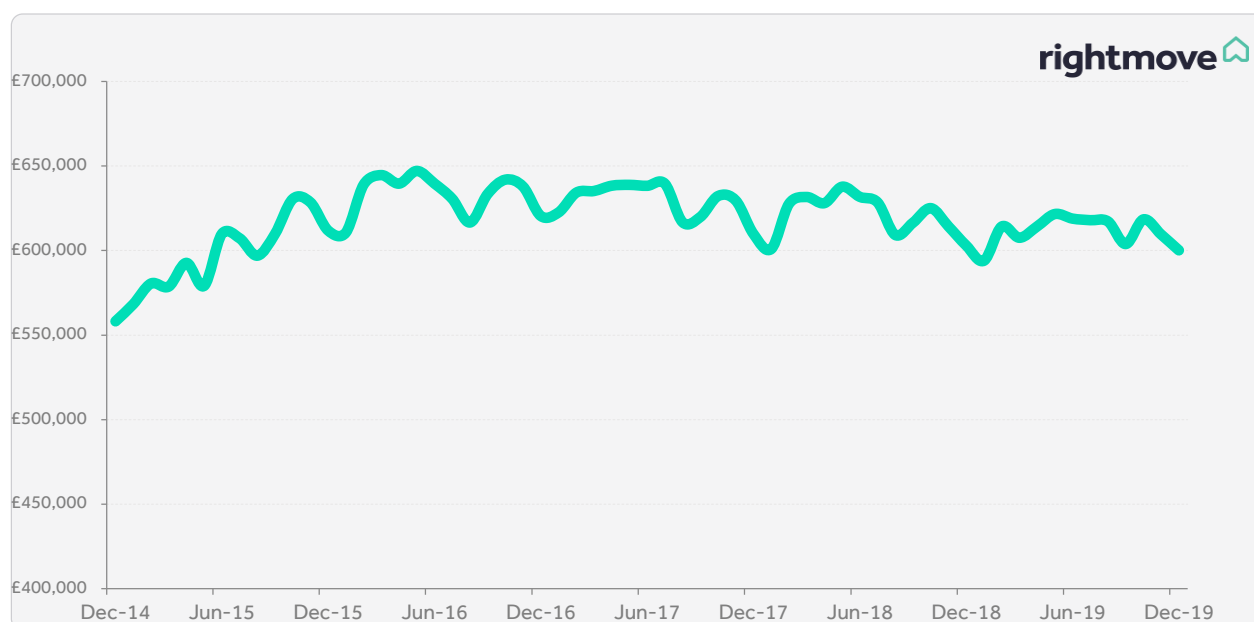


London property recovers with modest 1% price rise forecast for 2020

- London market appears to have bottomed out in the second half of this year, and Rightmove now forecasts the price of property coming to market in Greater London will see an annual rise in 2020 for the first time since 2016, albeit only a modest 1%
- 2019 annual rate finishes up with a 0.5% fall, the second best figure in the last 15 months, indicating year-on-year price recovery momentum in spite of usual monthly volatility
- Signs of recovery in sales agreed numbers up by 1% in the second half of 2019 so far compared to the same period in 2018, plus time to sell 3.9% quicker than prior year
- Price recovery aided by a concerning lack of new sellers, down 21% in the second half of 2019 so far compared to 2018

| Area | December 2019 | November 2019 | Monthly change | Annual change |
|--|---------------|---------------|----------------|---------------|
| Greater London | £600,145 | £609,506 | -1.5% | -0.5% |
| Inner London | £738,025 | £755,250 | -2.3% | -2.5% |
| Outer London | £501,020 | £503,932 | -0.6% | 1.7% |
| Average asking prices by market sector | | | | |
| Sector | December 2019 | November 2019 | Monthly change | Annual change |
| First-time buyers | £480,559 | £481,801 | -0.3% | 1.1% |
| Second-steppers | £676,794 | £688,003 | -1.6% | -1.6% |
| Top of the ladder | £1,356,879 | £1,322,963 | 2.6% | 3.6% |

Five year London asking price trend



Rightmove measured 68,152 asking prices nationally this month, circa 95% of the UK market. The properties were put on sale by estate agents from 10th November 2019 to 7th December 2019 and advertised on Rightmove.co.uk.

Overview

The London market appears to have bottomed out in the second half of this year, and Rightmove now forecasts that the price of property coming to market in Greater London will see an annual rise in 2020 for the first time since 2016, albeit only a modest 1%. With the 2019 annual rate finishing up with a marginal 0.5% fall, there are signs of an improving trend. Other indicators also show a recovery in buyer numbers and time to sell.

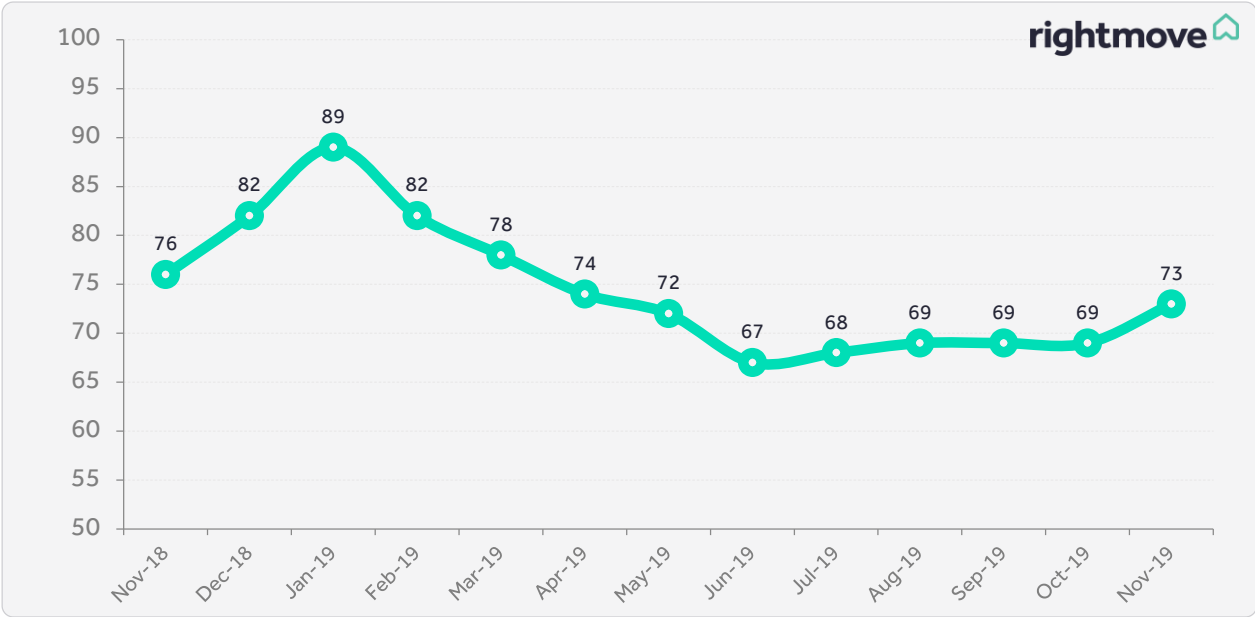
Miles Shippside, Rightmove director and housing market analyst comments: *"With the clear majority in the election, there is now more political certainty which creates a window of opportunity for the release of some pent-up demand in the spring, and for some limited upwards price momentum. London's challenging market is not just around Brexit however, with punitive taxes and large price rises leading to stretched affordability also being major drags over the past few years. While the monthly figures continue to show the usual volatility, as the year ends the 0.5% annual fall is the second lowest drop in the last 15 months indicating some price recovery momentum."*

The price recovery is aided by a concerning lack of new sellers, down 21% in the second half of 2019 so far compared to 2018. This lack of choice for potential buyers also holds back transaction volumes, though despite this large drop in property coming to market there are signs of a recovery in the number of sales agreed. This is up by 1% in 2019 to date compared to the same period in 2018.

Shippside adds: *"While sales volumes are still well below the boom years, they are finally recovering in spite of the dearth of property coming to market. Maybe prices bottoming out will be a spur for more owners to put their properties up for sale, and there is the additional advantage of time to sell being a bit quicker than this time last year, with the reduction of a modest but encouraging 3.9% in the average time to find a buyer."*

London trends

Average 'time to sell' (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 December 2019 | Monthly change | Annual change |
|------------------------|-----------------------------|----------------|---------------|
| Tower Hamlets | £591,345 | -0.2% | 1.9% |
| Barnet | £638,500 | 0.9% | 1.3% |
| Merton | £622,298 | -0.1% | 1.3% |
| Sutton | £461,098 | -1.4% | 1.3% |
| Bexley | £409,960 | -0.3% | 1.2% |
| Hounslow | £523,627 | -0.5% | 1.2% |
| Barking and Dagenham | £315,518 | 0.3% | 0.9% |
| Lambeth | £627,984 | 2.5% | 0.8% |
| Islington | £754,372 | 0.5% | 0.5% |
| Hackney | £622,668 | -1.4% | 0.3% |
| Waltham Forest | £479,265 | -1.4% | 0.3% |
| Southwark | £648,429 | -1.7% | 0.2% |
| Havering | £406,811 | -0.7% | 0.0% |
| Lewisham | £458,030 | 0.6% | -0.1% |
| Ealing | £545,541 | 0.2% | -0.1% |
| Greenwich | £433,363 | -0.4% | -0.2% |
| Bromley | £534,129 | -0.1% | -0.5% |
| Croydon | £427,384 | -0.5% | -0.7% |
| Harrow | £545,773 | -0.8% | -0.9% |
| Redbridge | £451,667 | -1.3% | -1.1% |
| Newham | £411,173 | -0.4% | -1.1% |
| Haringey | £587,673 | -0.7% | -1.8% |
| Richmond upon Thames | £807,390 | 0.6% | -2.2% |
| Westminster | £1,421,352 | 0.6% | -2.4% |
| Hillingdon | £479,907 | -1.6% | -2.6% |
| Camden | £983,639 | 2.3% | -2.7% |
| Kingston upon Thames | £584,967 | 1.0% | -2.9% |
| Enfield | £442,957 | 0.4% | -2.9% |
| Wandsworth | £758,267 | 0.0% | -3.0% |
| Kensington and Chelsea | £1,559,818 | -0.7% | -3.3% |
| Hammersmith and Fulham | £914,660 | -0.7% | -3.6% |
| Brent | £552,496 | -0.1% | -4.2% |

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 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).