

# Rightmove House Price Index

The largest monthly sample of  
residential property prices

January 2020  
London edition



## London recovery continues, boosted by post-election bounce

- 2.1% (+£12,320) surge in the price of property coming to market, the largest monthly rise we have ever recorded at this time of year in Greater London
- Increased optimism also releasing pent-up demand as home-movers judge the election result gives a window of stability
  - 19% leap in number of sales agreed compared to same period a year ago, suggesting an active spring market
  - We expect that more properties will come to market this year as seller confidence is now buoyed by increasing prices – annual rate of price increase up to 3.1%, the highest since September 2016
  - We expect more sellers to take advantage of this window of opportunity and that the number of properties listed for sale will increase compared with 2019

### London average asking prices

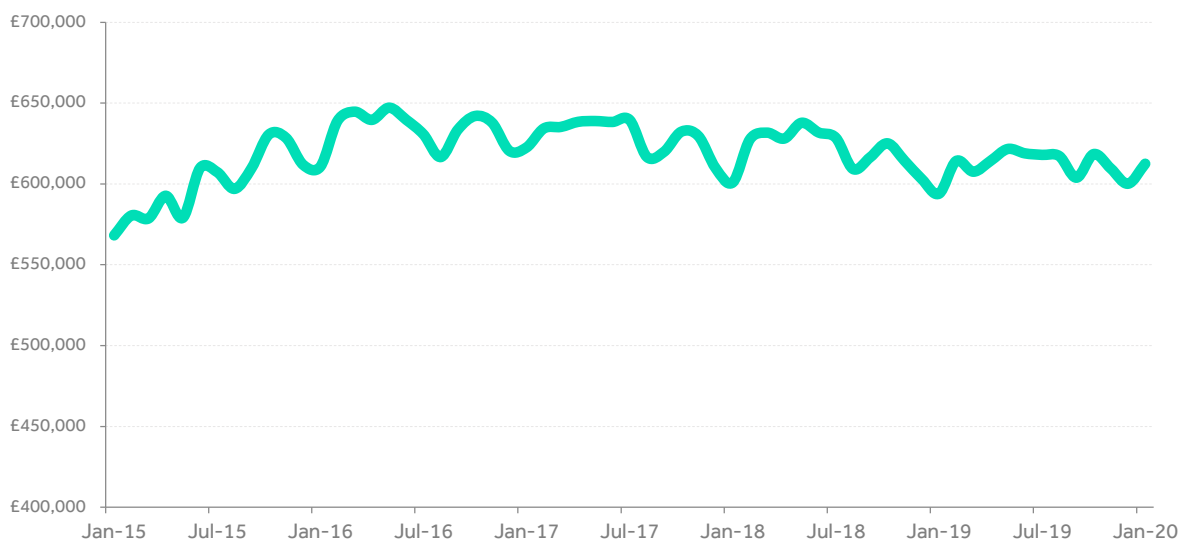
Area	January 2020	December 2019	Monthly change	Annual change
Greater London	£612,465	£600,145	2.1%	3.1%
Inner London	£756,662	£738,025	2.5%	4.6%
Outer London	£508,052	£501,020	1.4%	1.7%

### London average asking prices by market sector

Sector	January 2020	December 2019	Monthly change	Annual change
First-time buyers	£481,542	£480,559	0.2%	2.1%
Second-steppers	£691,387	£676,794	2.2%	3.0%
Top of the ladder	£1,418,181	£1,356,879	4.5%	7.1%

### Five year London asking price trend

rightmove 



Rightmove measured 64,629 asking prices this month, circa 95% of the UK market. The properties were put on sale by estate agents from 8<sup>th</sup> December 2019 to 11<sup>th</sup> January 2020 and advertised on Rightmove.co.uk.

## Overview

There has been a 2.1% (+£12,320) monthly surge in the average price of property coming to market in the capital. These properties were marketed between the 8<sup>th</sup> December and the 11<sup>th</sup> January, so most of them came to market after the 12<sup>th</sup> December election. Given that this is the largest monthly rise we have ever recorded at this time of year, it would appear that many of these new sellers are feeling a surge of optimism. Buyers are also optimistic, with a 19% increase in the number of sales agreed compared to the same period a year ago.

Miles Shipside, Rightmove director and housing market analyst comments: *"We have been seeing signs of recovery in the London market since the middle of last year, and these statistics seem to indicate a further boost, with many buyers and sellers feeling that the election result gives a window of stability. The housing market dislikes uncertainty, and the unsettled political outlook over the last three and a half years since the EU referendum caused some potential home-movers to hesitate. There now seems to be a release of this pent-up demand, which suggests we are in store for an active spring market, with more properties being listed by new sellers than we have seen in recent years. The early bird buyers are on it and some have snapped up a property already, with the number of sales agreed up by 19% on this time last year."*

This month's 2.1% rise in new seller asking prices is the largest that Rightmove has recorded at this time of year in London since we started our House Price Index in 2002. The previous highest January rise was the 2.0% recorded in January 2008. This has helped to push the annual rate of increase to 3.1%, the highest level in more than three years.

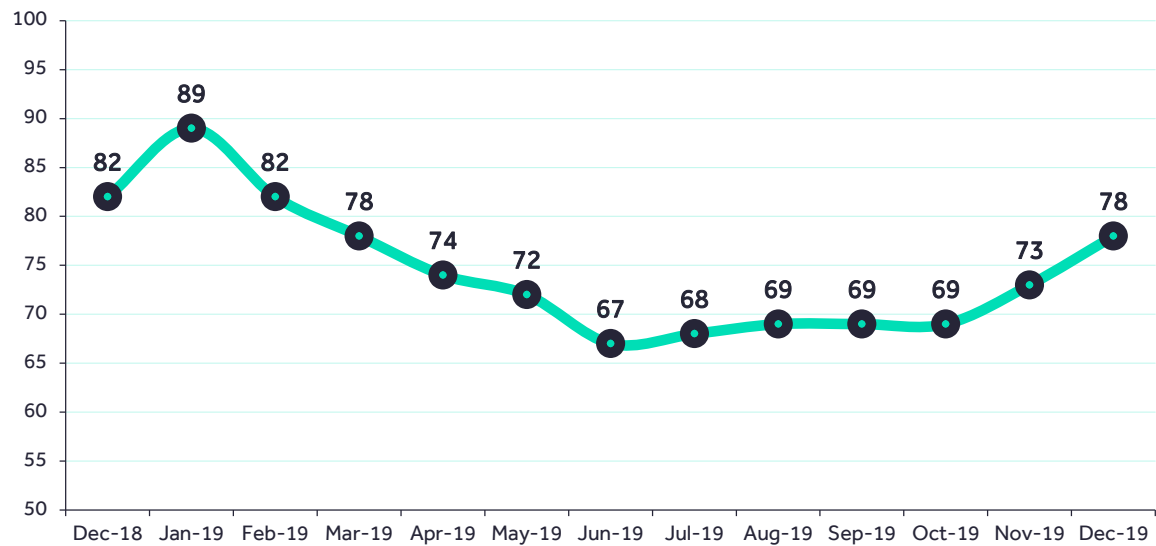
Shipside notes: *"This is the biggest new-year price surge that we have ever recorded. However it is still a price-sensitive market, with stretched buyer affordability, so sellers should be careful not to get carried away with their pricing and miss out on this window of increased activity. One factor behind the upwards price pressure has been the shortage of property coming to market, with 2019 numbers down by 19% on 2018 and some would-be sellers postponing their moves until they judge the outlook to be more certain. This month sees new seller numbers still down on the prior year, but by a less dramatic 10%. While there may well be more twists and turns to come in the Brexit saga, with London prices now rising again and not enough properties to satisfy this buyer demand, there is an opportunity for sellers to get their property on the market for a spring move. For those who can afford to move and have been putting it off, now would appear to be a good time for them to get a view from a local estate agent on their property's value, and a mortgage quote for the great fixed-rate deals that are currently available."*

## Agent's view

Marc von Grundherr, a director at Benham & Reeves in London, said: *"We have absolutely seen a post-election bounce, quite substantially actually. Things usually quieten down before Christmas, but we had three times the number of offers in the last two weeks of December than the first two weeks. People have been waiting for stability, and the moment it arrived, confidence in the market has increased significantly. There has been a dramatic Boris bounce, so to speak, with real optimism among buyers still getting good value. But it's also not a bad time for sellers as stock levels are still relatively low."*

# 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 January 2020	Monthly change	Annual change
Hounslow	£531,759	1.6%	4.0%
Tower Hamlets	£598,751	1.3%	3.8%
Barnet	£622,784	-2.5%	2.9%
Islington	£754,755	0.1%	2.7%
Lambeth	£628,249	0.0%	2.7%
Sutton	£460,274	-0.2%	2.3%
Newham	£414,064	0.7%	1.3%
Southwark	£632,388	-2.5%	1.2%
Waltham Forest	£480,643	0.3%	1.2%
Barking and Dagenham	£312,010	-1.1%	0.7%
Harrow	£548,571	0.5%	0.6%
Hackney	£622,468	0.0%	0.4%
Lewisham	£458,302	0.1%	0.4%
Havering	£405,981	-0.2%	0.3%
Croydon	£423,341	-0.9%	0.2%
Bromley	£533,716	-0.1%	0.1%
Westminster	£1,447,028	1.8%	0.1%
Redbridge	£448,553	-0.7%	0.0%
Hammersmith and Fulham	£910,063	-0.5%	0.0%
Bexley	£402,823	-1.7%	-0.1%
Greenwich	£431,318	-0.5%	-0.2%
Kingston upon Thames	£595,469	1.8%	-0.2%
Wandsworth	£757,972	0.0%	-0.5%
Brent	£557,527	0.9%	-0.8%
Ealing	£540,036	-1.0%	-0.8%
Haringey	£576,675	-1.9%	-1.5%
Hillingdon	£479,485	-0.1%	-1.8%
Enfield	£443,516	0.1%	-2.1%
Merton	£600,482	-3.5%	-2.5%
Kensington and Chelsea	£1,502,349	-3.7%	-4.3%
Richmond upon Thames	£788,004	-2.4%	-4.5%
Camden	£968,276	-1.6%	-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).