

Rightmove House Price Index

The largest monthly sample of
residential property prices

March 2020
National edition

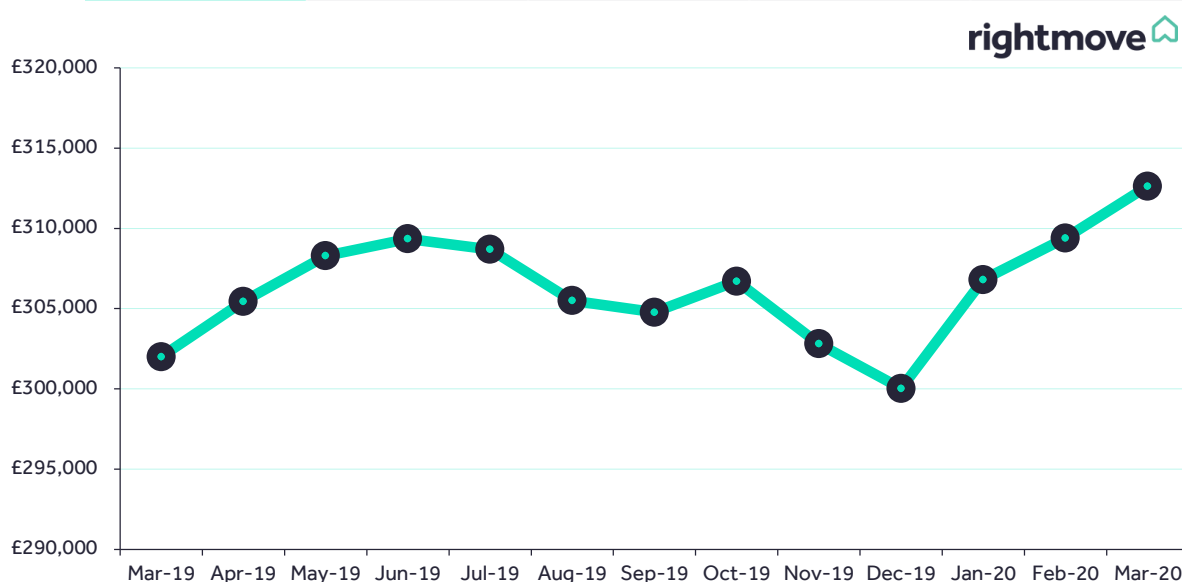


Sales surge pushes new-to-market prices to record high

- Average new seller asking prices hit record high of £312,625, pushing annual price growth to 3.5%
- Record prices fuelled by strong buyer demand and lack of supply compared to the same period a year ago:
 - Number of sales agreed up by 17.8%, to the highest at this time of year since 2016
 - Properties selling an average of 6% faster nationally, and 18% more quickly in London
 - Disparity between supply and demand as new seller numbers rise by just 1.2%
 - Rightmove recorded five busiest days ever in February
- Hard to predict how post-election boost will be affected by unknown impact of coronavirus

National average asking prices				
Month	Avg. asking price	Monthly change	Annual change	Index
March 2020	£312,625	1.0%	3.5%	241.7
February 2020	£309,399	0.8%	2.9%	239.2

National average asking prices by market sector (excluding Inner London)				
Sector	March 2020	February 2020	Monthly change	Annual change
First-time buyers	£195,463	£193,768	0.9%	3.1%
Second-steppers	£280,818	£278,724	0.8%	2.7%
Top of the ladder	£549,081	£539,861	1.7%	3.2%



Rightmove measured 111,464 asking prices this month, circa 95% of the UK market. The properties were put on sale by estate agents from 9th February 2020 to 7th March 2020 and advertised on Rightmove.co.uk.

Overview

The average asking price of property coming to market has hit a new all-time high, beating the previous record set in June 2018 by some £3,186. This month's 1.0% (+£3,226) monthly rise has pushed the average up to £312,625, up by 3.5% compared to a year ago. This is the highest annual rate of price growth since December 2016. The key metrics so far all point to a much more active market than last year, fuelling upwards price pressure.

Miles Shippside, Rightmove director and housing market analyst comments: *"The average asking prices of over 110,000 properties that have come to market this month are at a record high as we enter the traditionally busy spring moving season. As a result, we are measuring the highest annual rate of increase since December 2016. Many more properties are being bought, and bought more quickly than at this time last year. This is further fuelling the existing shortage of property available for sale, driving up prices to a new record high."*

Properties are selling an average of 6% faster nationally compared to this time last year, with the average time to sell now 67.0 days, down from 71.4 days a year ago. The improvement in the time taken to find a buyer is most marked in London, which is 18% faster (15 days quicker) than 12 months ago. Nationally the number of sales agreed is up by 17.8% year-on-year, which is at the highest level for this time of year since 2016. This strong demand has not been matched by new supply with new seller numbers rising by just 1.2%.

Shippside adds: *"New supply to the market has failed to keep anything close to the pace of demand. Purchasers in a position to buy have been snapping up what's currently on the market, rather than waiting for the usual post-Easter flurry of fresh supply. There are marginally more owners putting their properties on the market compared to this time last year, but it is usual for sellers to want to wait for another month or two until there are more leaves on the trees to soften the starkness of their photographs and harden up their pricing prospects."*

It is hard to predict how this post-election boost in market activity will be affected by the unknown impact of the Covid-19 coronavirus. Last week's Budget mainly focused on this issue rather than on housing and major stamp duty reforms. Whilst any savings in stamp duty would have been welcomed by purchasers, Rightmove's latest statistics indicate that the market fundamentals remain broadly sound. The new 2% stamp duty surcharge for non-UK residents may eventually temper the current recovery in some sectors of the London market from April 2021, though it will also provide a negotiating advantage to UK buyers. The Bank of England's unexpected interest rate cut to 0.25% may also help to support the housing market if it feeds through into lower mortgage interest rates.

Shippside notes: *"The market has been waiting for several years for a window of certainty, and 2020 seemed set to be the year when many would look to make a move and satisfy their pent-up housing needs. However, the current fast pace of the housing market could now be temporarily affected by the spread of the Covid-19 coronavirus. We expect that housing market statistics, like other economic indicators, could be prone to volatility over the spring and summer. However the market fundamentals are still very sound, hence the current surge in activity, which has included Rightmove's five busiest days ever. There have been no signs so far of a drop in buyer activity or interest in the housing market."*

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Agents' views

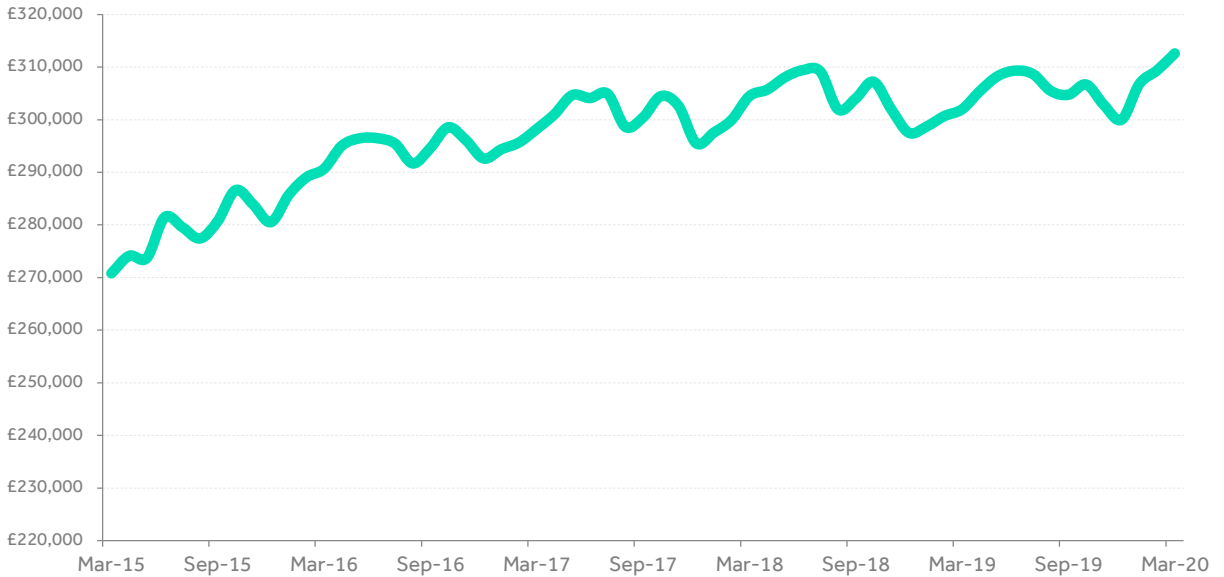
Nick Leeming, chairman of Jackson-Stops, said: *"In line with the rest of the industry many of our branches registered a 'Boris Bounce', with our network reporting a 10% increase in the number of new applicants registering on the year to January. This renewed confidence has encouraged sellers to push for slightly higher guide prices than they would have six months ago – in turn marginally increasing local asking prices. While nationally stock remains limited, our branches saw a 26% uplift in new instructions in January compared to the same month a year ago, and we expect this to continue as we approach the busy spring market. Those looking to move soon should start speaking to their local agent now with a view to launching while competition remains fairly low and borrowing costs are back down to the lowest level in history following the Bank of England's cut to interest rates. As an industry, we are yet to see the impact of Covid-19 on the market, however if fewer people opt to holiday abroad over summer, we could perhaps see an increase in activity in this traditionally slower period."*

Glynis Frew, CEO of Hunters, said: *"The election dust has settled but buyers and sellers haven't taken their foot off the gas, with sales picking up both in terms of speed and volume. It's a nationwide trend but is especially clear in the capital, where the new-found confidence has understandably been felt most profoundly. There's still a bit of work to be done to address the supply and demand imbalance."*

Asking price trends

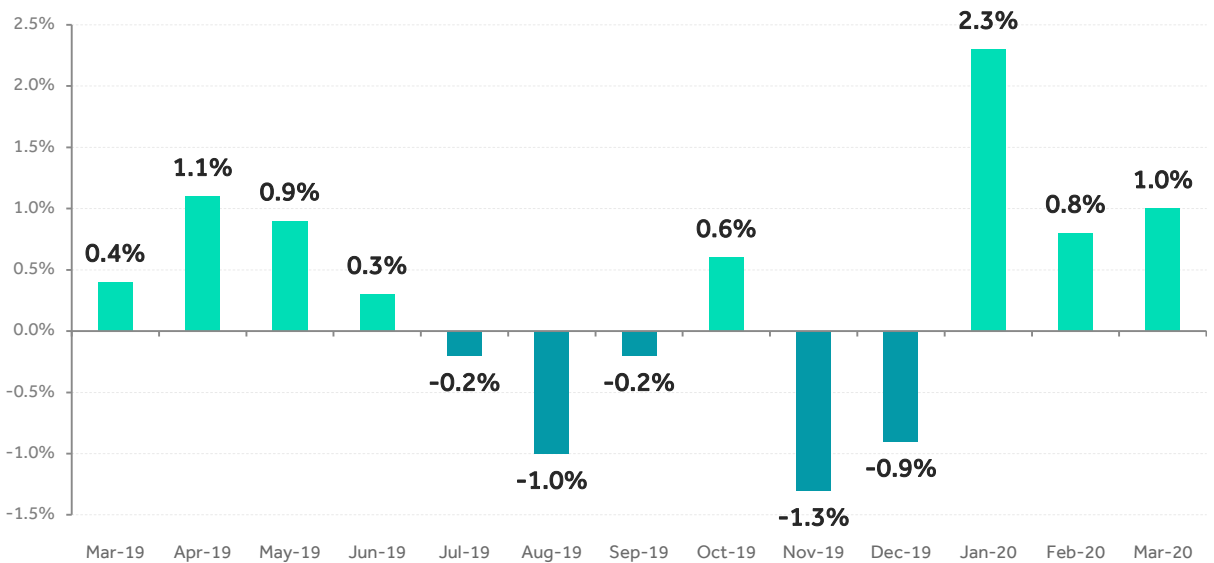
Five year asking price trend

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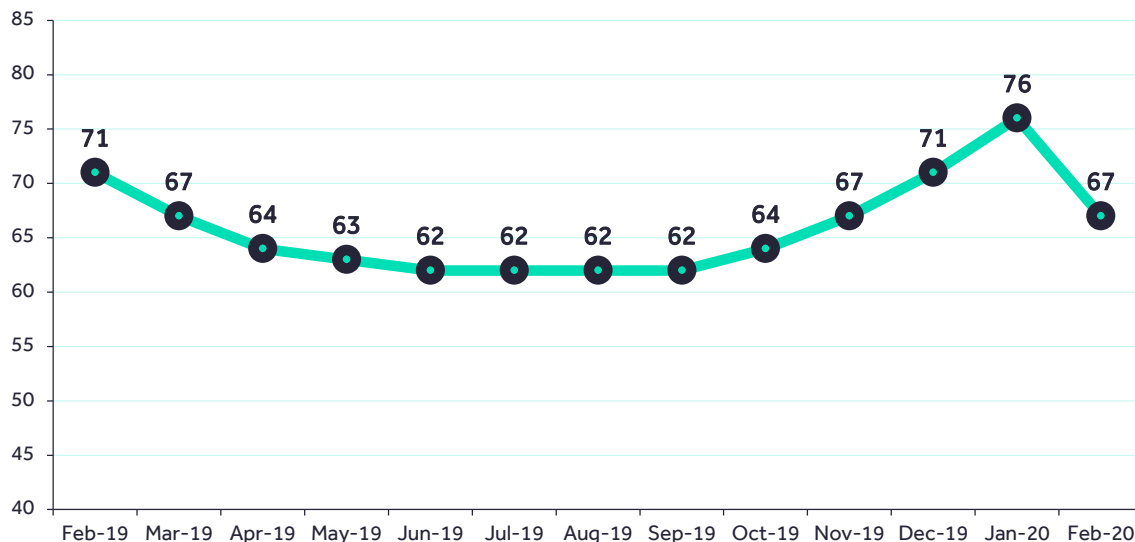
% monthly change in average asking prices

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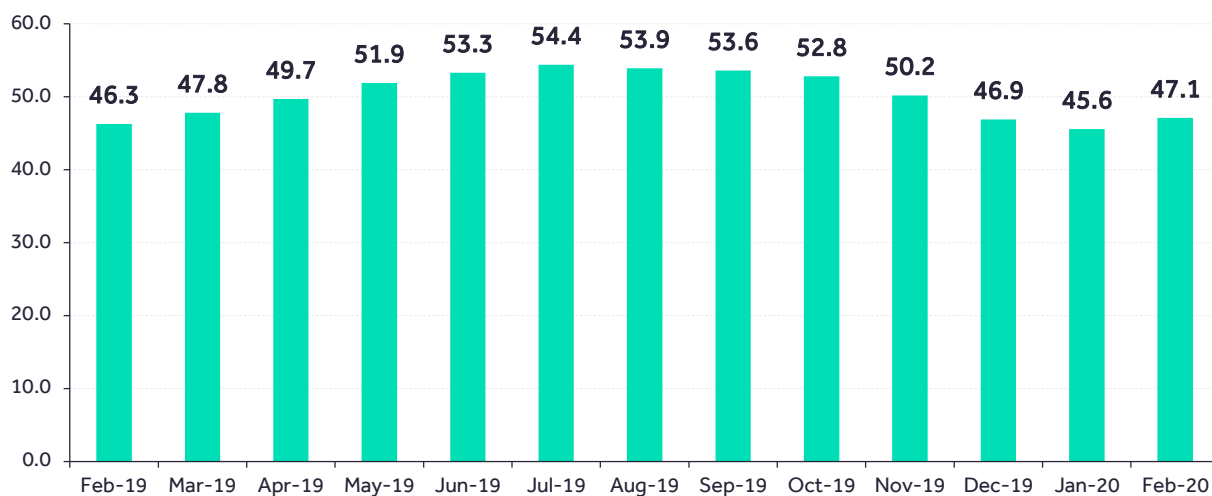


Average time to sell and stock

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

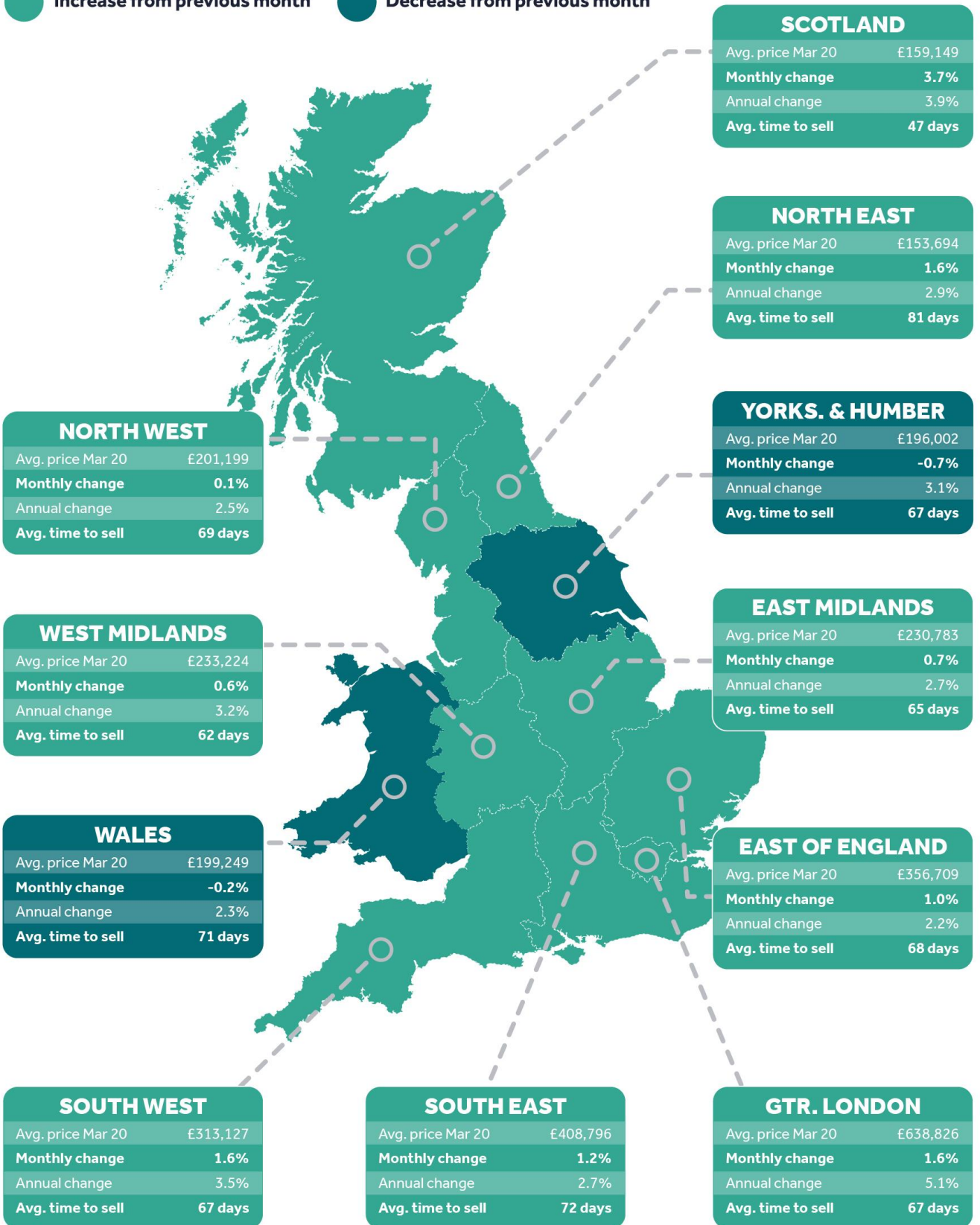


Average stock per agent (including Under Offer/Sold STC)



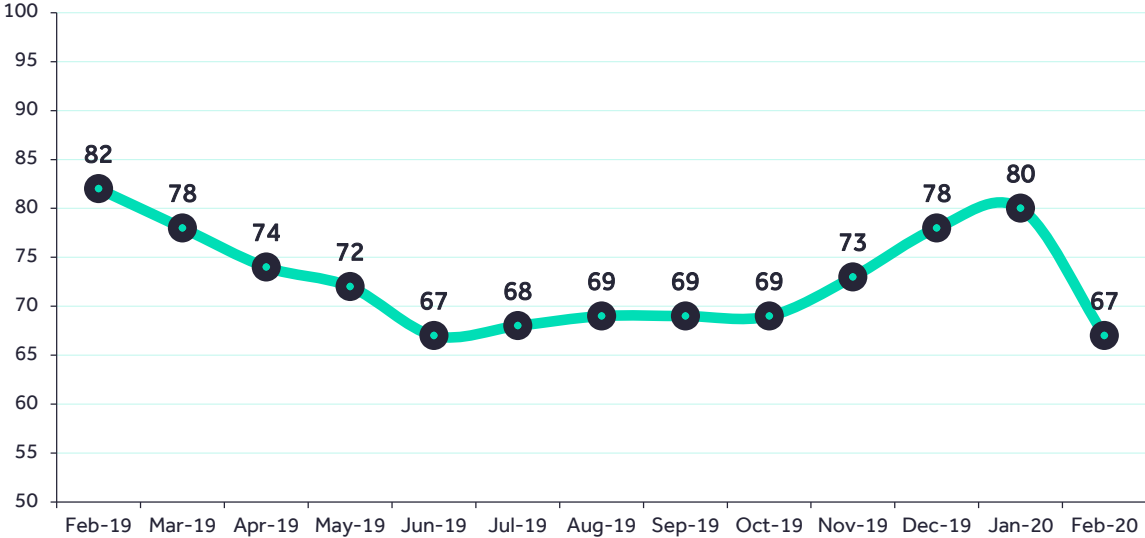
Regional trends

● Increase from previous month
 ● Decrease from previous month



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 March 2020	Monthly change	Annual change
Lambeth	£656,625	1.3%	8.6%
Kensington and Chelsea	£1,611,065	2.8%	6.8%
Sutton	£479,220	1.7%	6.3%
Westminster	£1,497,296	2.2%	5.8%
Waltham Forest	£501,849	2.1%	5.6%
Tower Hamlets	£583,148	0.2%	5.2%
Camden	£1,029,110	0.5%	4.5%
Islington	£777,917	3.9%	4.2%
Lewisham	£475,625	2.0%	4.0%
Newham	£419,269	0.9%	4.0%
Brent	£584,956	1.2%	3.8%
Kingston upon Thames	£631,123	0.8%	3.6%
Haringey	£623,640	3.6%	3.6%
Greenwich	£451,789	1.7%	3.6%
Richmond upon Thames	£846,097	3.0%	3.5%
Bromley	£539,952	1.8%	2.8%
Harrow	£558,255	1.3%	2.8%
Ealing	£563,522	3.0%	2.6%
Hounslow	£555,150	4.1%	2.4%
Hammersmith and Fulham	£936,107	1.9%	2.1%
Southwark	£641,891	3.2%	2.0%
Bexley	£408,678	1.1%	1.6%
Barnet	£637,019	1.7%	1.4%
Barking and Dagenham	£314,209	0.0%	1.3%
Hillingdon	£483,309	2.4%	0.8%
Redbridge	£454,363	1.0%	0.7%
Hackney	£633,167	1.3%	0.5%
Merton	£627,853	1.0%	0.4%
Croydon	£427,248	1.0%	0.3%
Enfield	£450,255	0.0%	0.2%
Wandsworth	£797,854	1.4%	0.0%
Havering	£409,956	2.1%	-0.9%

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).