

# Rightmove House Price Index

The largest monthly sample of  
residential property prices

February 2020  
National edition

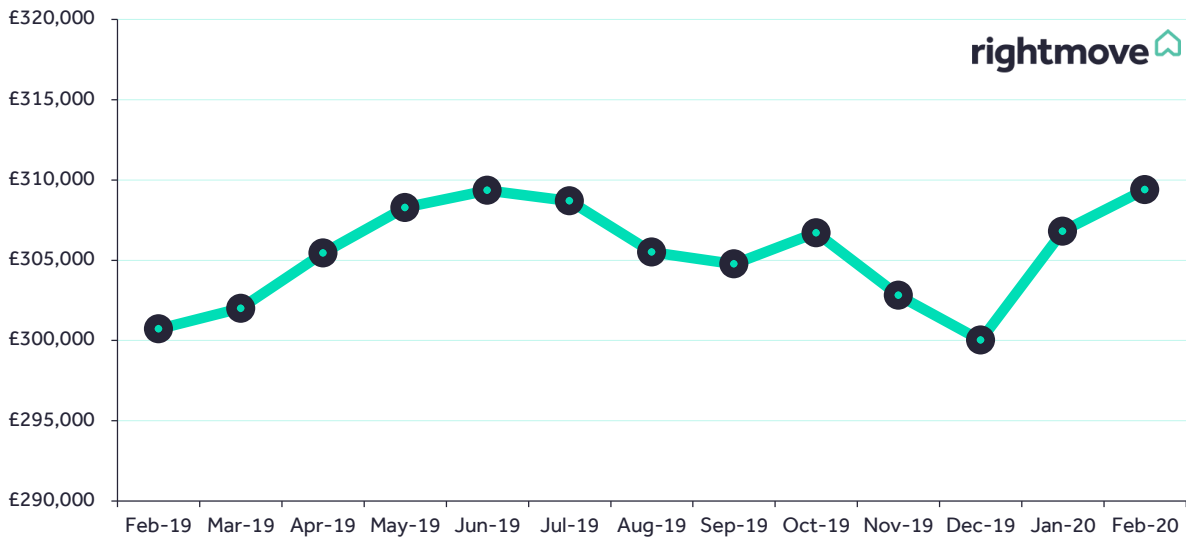


## Buyer boom sets scene for new price records this spring

- The price of property coming to market rises by 0.8% (+£2,589) this month, just £40 short of a new all-time high as momentum builds ahead of the spring market
- Boom in buyer activity outstrips rise in number of new sellers, building upwards price pressure:
  - Rightmove monthly traffic up by 7.2% on prior year to new record of over 152 million visits in January, indicating strong pent-up housing demand
  - Demand already feeding through into number of sales agreed, up by 12.3% year-on-year nationally and 26.4% in London
  - New seller numbers fail to keep pace though finally starting to recover, up by 2.1% this month compared to the same period last year, which is the first year-on-year rise for 13 months

National average asking prices				
Month	Avg. asking price	Monthly change	Annual change	Index
February 2020	£309,399	0.8%	2.9%	239.2
January 2020	£306,810	2.3%	2.7%	237.2

National average asking prices by market sector (excluding Inner London)				
Sector	February 2020	January 2020	Monthly change	Annual change
First-time buyers	£193,768	£193,103	0.3%	2.3%
Second-steppers	£278,724	£275,947	1.0%	2.5%
Top of the ladder	£539,861	£538,221	0.3%	3.5%



Rightmove measured 108,107 asking prices this month, circa 95% of the UK market. The properties were put on sale by estate agents from 12<sup>th</sup> January 2020 to 8<sup>th</sup> February 2020 and advertised on Rightmove.co.uk. 2,361 properties were excluded as outliers.

## Overview

Market momentum continues to build ahead of the spring moving season, indicating that there is likely to be a series of new price records in the coming months. The average price of property coming to market rises by 0.8% (+£2,589) this month, just £40 short of a new all-time high. Upwards price pressure is being driven by a post-election release of pent-up housing demand, and while there is a long-awaited and welcome recovery in the number of new sellers coming to market, this is being out-stripped by a surge in demand from buyers.

Miles Shippside, Rightmove director and housing market analyst comments: *“There is a boom in buyer activity outstripping the rise in the number of new sellers, which we expect to lead to a series of new price records starting next month. The average price of newly-marketed property is just £40 below its all-time high from June 2018, with the typically busy spring market still to come. This means that spring buyers are likely to be faced with the highest average asking prices ever seen in Britain. Buyers who had been hesitating and waiting for the greater political certainty following the election outcome may be paying a higher price, but they can now jump into the spring market with renewed confidence. After three and a half years of Brexit uncertainty, dither, and delay, many now seem to have the 2020 vision that this is the year to satisfy their pent-up housing needs.”*

Rightmove monthly traffic is up by 7.2% on the prior year to a new record of over 152 million visits in January, indicating strong pent-up housing demand. Momentum is still growing, with traffic in the first week of February up by 9.2% on the same week in 2019. Importantly, this increased interest in property is already feeding through into the number of sales agreed, which is up by 12.3% compared to the same period a year ago. London, an important barometer of the health of the national housing market, has sales agreed numbers up by 26.4% on 12 months ago, which was admittedly a time when buyer activity was at a low ebb. Nationally, new seller numbers are failing to keep pace with the jump in sales activity, although they are finally starting to rise, with over 110,000 properties coming to market in this reporting period (12<sup>th</sup> January to 8<sup>th</sup> February inclusive), up by 2.1% compared to the same period last year. This is the first time that we have seen a year-on-year rise in new supply for 13 months.

Shippside adds: *“It’s the first time for over a year that we have seen any sign of a return of seller confidence, albeit lagging behind the surge in numbers of early-bird buyers. Owners coming to market this spring face the best selling prospects for several years, with good demand for the right properties at the right prices. However, sellers should be careful not to get carried away with their pricing, as this is still a price-sensitive market with stretched buyer affordability. Those who over-price risk missing out on the window of increased activity that could run at least until we approach the next Brexit deadline at the end of the year. Now could be an excellent time to get on the market and sell, seizing the opportunity of achieving a quick sale at a decent price.”*

For home-movers funding their move with a mortgage, there are some of the lowest fixed rates ever available. Many lenders have access to cheap wholesale money and the combination of this liquidity and increased competition to lend means they are offering some very tempting fixed-rate deals to help buyers to get onto or trade up on the housing ladder.

Shippside notes: *“The fundamentals are sound, with lenders keen to lend at low fixed rates, real wages rising, and record high employment. The bounce in our statistics seems to show that many buyers and sellers see the election result as giving a window of stability, so if you’ve been holding back on account of Brexit, 2020 could well be your year to move.”*

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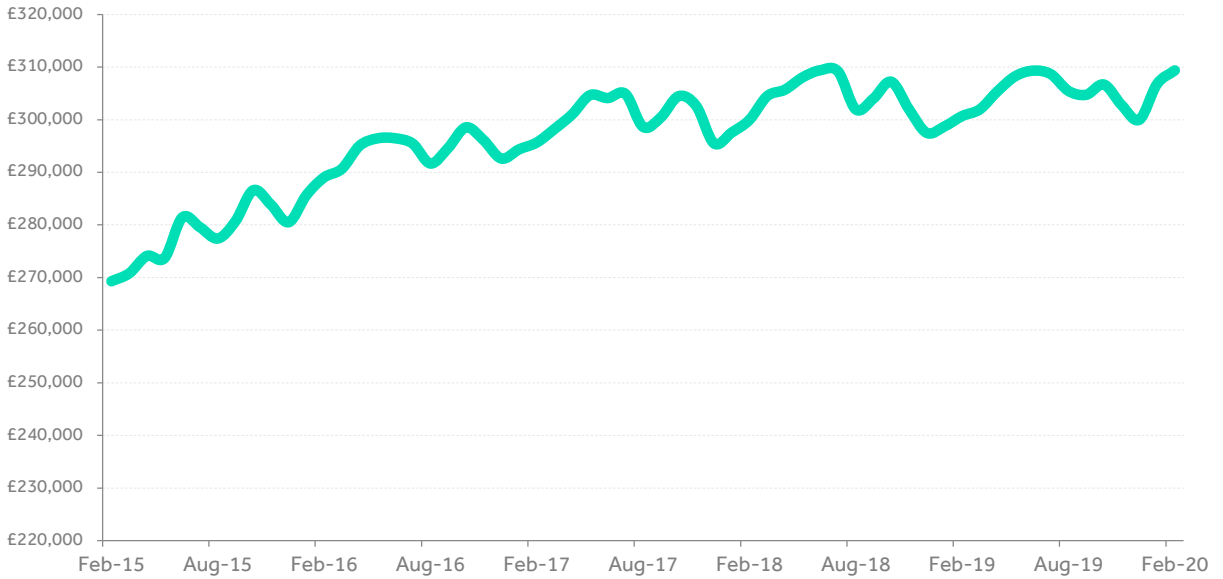
## Agents' views

Lucian Cook, head of Savills residential research, said: *"Since the election we've certainly seen a significant uptick in new buyer demand in the prime market which creates a real opportunity for sellers while stock for sale remains relatively low. Increased confidence is translating into increased activity, both in the prime market and across the wider market as a whole. It is clear that the market remains largely dictated by sentiment. Our own agents are reporting that the vast majority of buyers remain unwilling to increase their budgets. Accordingly, our advice remains that sellers need to remain pragmatic on price, particularly given some of the uncertainty around an impending budget, the first of the new Government."*

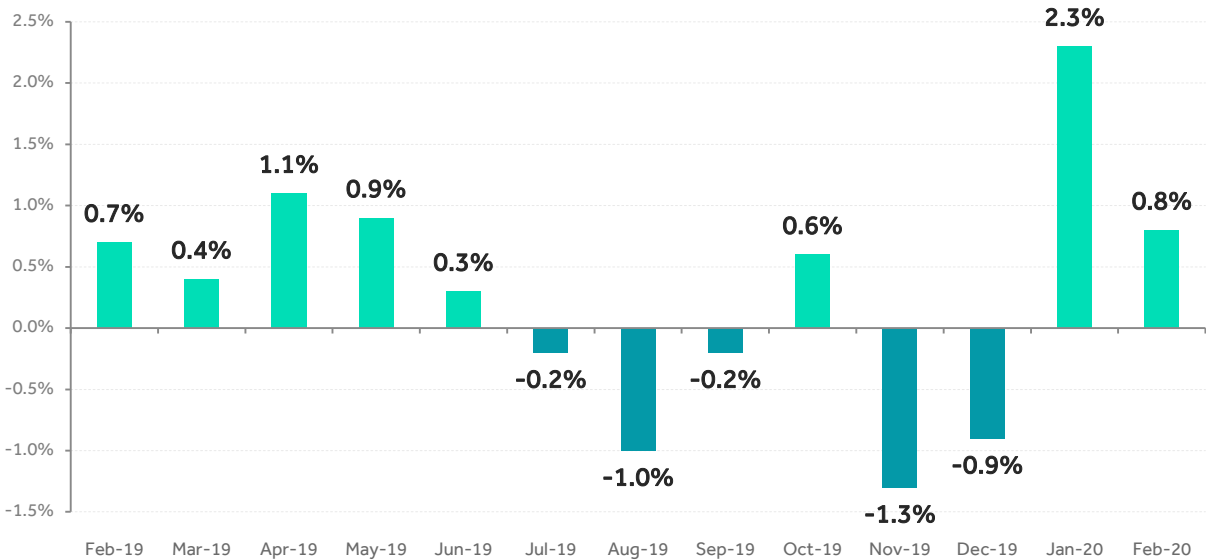
Edward Heaton, founder and managing partner of Heaton & Partners, added: *"It's great to see vitality in the market once again after a year dogged by election worries and low growth. The hype of a 'Boris Bounce' – which was building for some time - immediately reinvigorated many of our clients purchasing plans. In an uncertain world, certainty suddenly seemed to have been restored. I would expect any house price rises we've seen in January to flatten by the latter part of the year, as attention will inevitably turn to 'Deal or No Deal'. Trade negotiations will unavoidably affect market confidence – both in attracting foreign investors and housebuilders who rely on European materials."*

# Asking price trends

Five year asking price trend

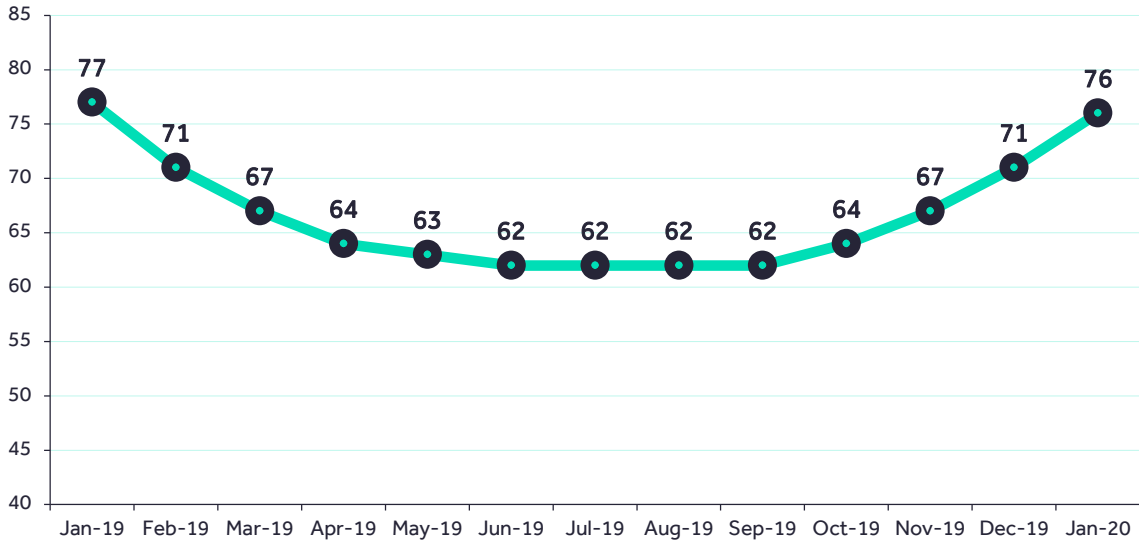


% monthly change in average asking prices

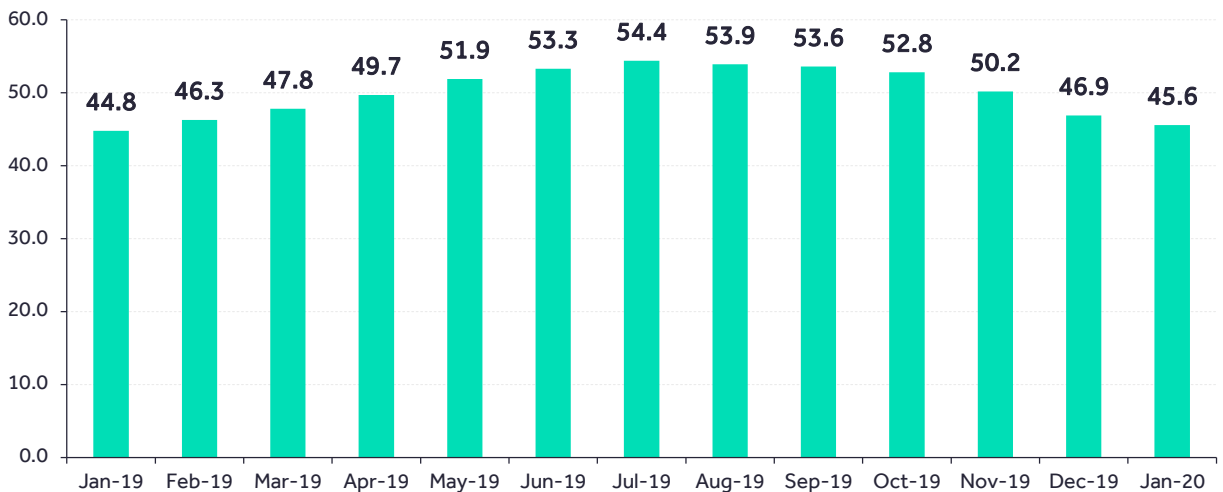


# Average time to sell and stock

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

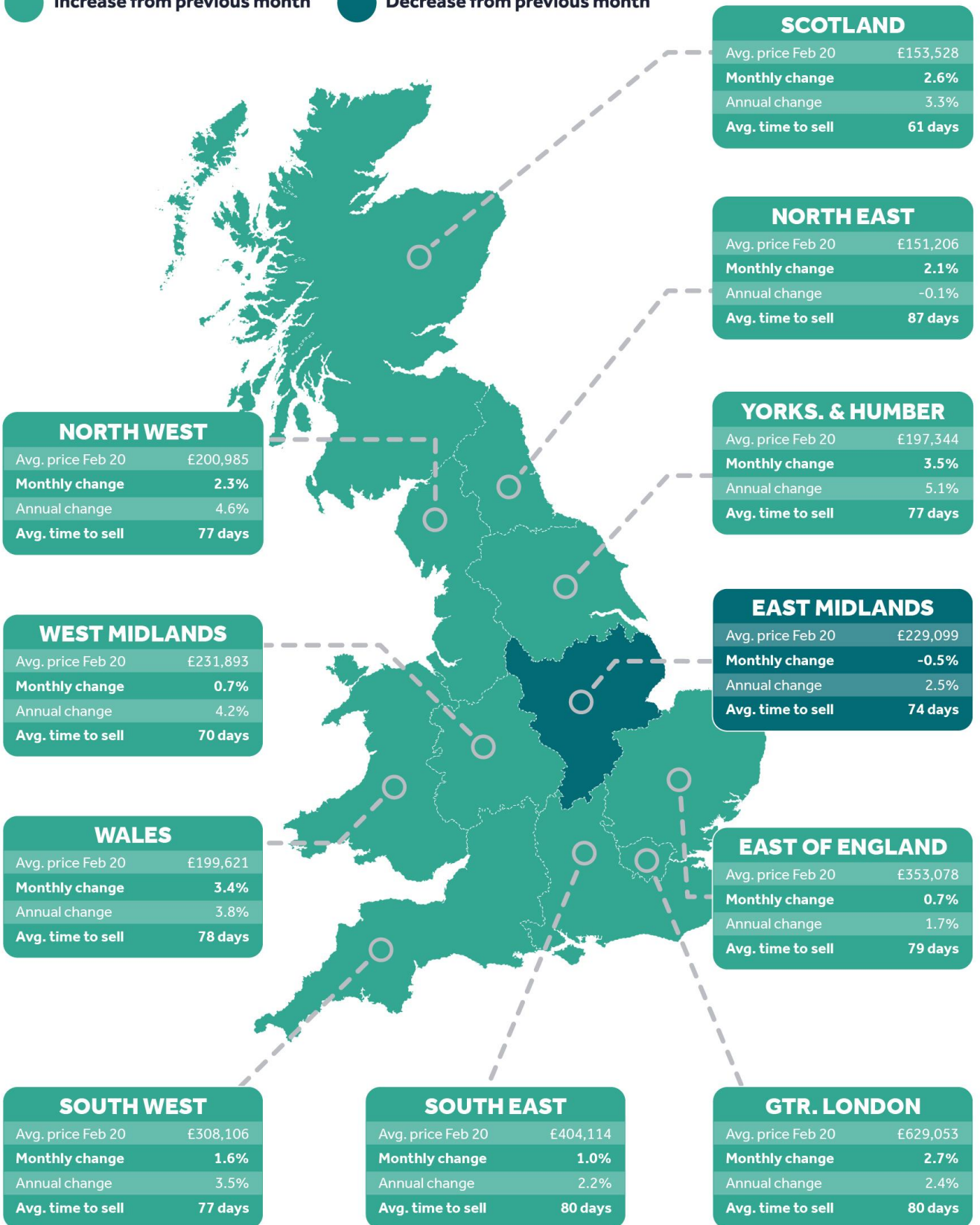


Average stock per agent (including Under Offer/Sold STC)



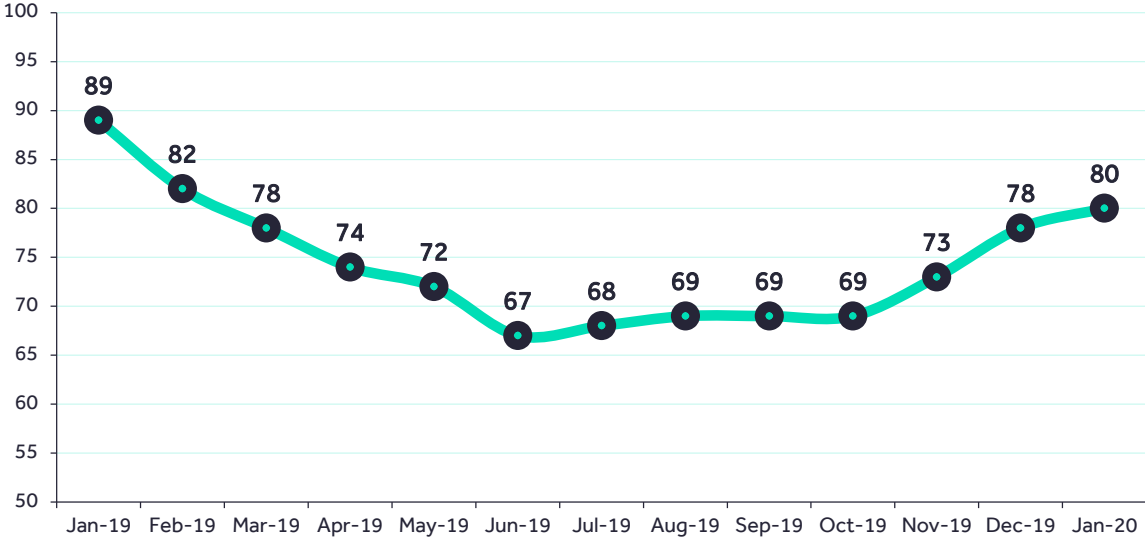
# Regional trends

● 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 February 2020	Monthly change	Annual change
Lambeth	£647,908	3.1%	7.7%
Sutton	£471,204	2.4%	7.1%
Kingston upon Thames	£625,836	5.1%	4.6%
Merton	£621,493	3.5%	4.6%
Waltham Forest	£491,444	2.2%	3.4%
Brent	£578,060	3.7%	3.2%
Greenwich	£444,307	3.0%	3.1%
Hounslow	£533,288	0.3%	3.0%
Kensington and Chelsea	£1,566,579	4.3%	3.0%
Hammersmith and Fulham	£918,839	1.0%	3.0%
Tower Hamlets	£581,988	-2.8%	3.0%
Ealing	£547,151	1.3%	2.4%
Barking and Dagenham	£314,155	0.7%	2.2%
Barnet	£626,113	0.5%	2.2%
Lewisham	£466,351	1.8%	2.1%
Newham	£415,350	0.3%	1.9%
Harrow	£550,928	0.4%	1.9%
Richmond upon Thames	£821,117	4.2%	1.9%
Hackney	£625,264	0.4%	1.6%
Bromley	£530,487	-0.6%	1.2%
Haringey	£602,076	4.4%	1.1%
Camden	£1,023,489	5.7%	0.9%
Bexley	£404,239	0.4%	0.4%
Islington	£748,575	-0.8%	0.3%
Southwark	£622,249	-1.6%	0.2%
Enfield	£450,392	1.6%	0.1%
Croydon	£422,947	-0.1%	0.0%
Redbridge	£449,740	0.3%	-0.2%
Westminster	£1,465,108	1.2%	-1.1%
Hillingdon	£471,760	-1.6%	-1.7%
Wandsworth	£786,625	3.8%	-1.9%
Havering	£401,493	-1.1%	-3.1%

# 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).