

House Price Index

The largest monthly sample of residential property prices

Activity surge by new buyers, despite slim chance of beating tax deadline

- Average price of property coming to market falls by 0.9% (-£2,887) this month, with some new sellers still hoping to tempt buyers and squeeze in a sale before the stamp duty holiday ends
- New buyers unlikely to beat the deadline as average time to complete a purchase is now over four months
- **Logjam update:** mammoth 613,000 sold subject to contract properties still awaiting legal completion, with Rightmove projecting around 100,000 will face an unexpected tax bill as they miss the 31st March cut-off
- Nevertheless, visits to Rightmove are up by 33%, the number of buyers contacting agents is up by 12% and the number of sales agreed is up by 9% for January so far compared to the prior year
- Despite temporary market closures in 2020, people's housing needs meant the number of sales agreed was up by 10% for the whole year versus 2019
- More agents are now offering online viewings to help people find their next home safely, with home-hunters encouraged to shortlist properties before choosing which ones to go and see in person

National average asking price

Month	Avg. asking price	Monthly change	Annual change	Index
January 2021	£317,058	-0.9%	+3.3%	245.1
December 2020	£319,945	-0.6%	+6.6%	247.4

National average asking price by market sector (excluding inner London)

Sector	January 2021	December 2020	Monthly change	Annual change
First time buyers	£200,578	£201,037	-0.2%	+3.9%
Second-steppers	£288,752	£290,517	-0.6%	+4.6%
Top of the ladder	£562,543	£561,660	+0.2%	+4.5%

Rightmove measured 66,432 asking prices this month nationally, circa 95% of the UK market. The properties were put on sale by estate agents from 6th December 2020 to 9th January 2021 and advertised on Rightmove.co.uk.

Housing market activity in the first few weeks of January often sets the tone for the whole year, though the 2021 outlook is somewhat muddled by the challenges of the pandemic and by the 31st March stamp duty holiday deadline. However, two main things stand out. Firstly, sellers who have come to the market in the period covered by this report are continuing to price very competitively, with some perhaps still hoping to find a buyer and complete before the tax-saving cut-off, though the odds are now against them. Newly marketed property asking prices are down by an average of 0.9% (-£2,887) on the month. Secondly, buyer activity has continued to exceed the same period a year ago, even though 2020 also had a very active start, being buoyed by the post-election 'Boris bounce'.

That 'Boris bounce' came to an abrupt end with the first lockdown in March and the temporary closure of the housing market, but was followed by a far stronger resurgence as people reassessed their housing needs and priorities following their experience of lockdown. With another long lockdown upon us, there are early signs that we are surpassing 2020's new-year surge in activity, with the number of prospective buyers contacting agents between 2nd and 12th January up by 12% and sales agreed numbers up by 9% on the comparable period last year. Visits to Rightmove have continued to increase since the start of January, and are up by 33% on the same period in 2020.

Tim Bannister, Rightmove's Director of Property Data comments: *"As we enter the new year and a new lockdown, the housing market remains open but is focused on the imminent end of the stamp duty holiday and on the challenges of the pandemic. These major influences on mover behaviour are clouding the 2021 outlook, but Rightmove's early January market-leading indicators of buyer demand and the number of actual sales being agreed are looking robust, showing that there are many compelling reasons other than the stamp duty savings to make buyers enter the market in 2021. Both metrics are up substantially on the same eleven days of January a year ago, which itself was a brisk start to the year due to buyers reacting favourably to the certainty of a majority government. That certainty at the beginning of 2020 was replaced by nearly a year of pandemic uncertainty, though the major difference between the first lockdown and this one is that the housing market is open. Movers' changed housing priorities due to the lockdown can therefore be more readily satisfied, though obviously estate agents will be carefully following government safety protocols, with more offering online viewings to help buyers to make shortlists and to cut down on the number of physical viewings that are taking place."*

The latest Rightmove analysis shows that it is now taking 126 days from the time an offer is accepted until legal completion, just over four months. This means that new buyers in the market should not be factoring in any stamp duty savings, unless they are first-time buyers, who will still be mainly exempt after the March deadline has passed. Of those already in the sales agreed pipeline, now at 613,000 in our latest count, Rightmove's analysis projects that around 100,000 will miss out on their stamp duty saving. Seller flexibility to re-negotiate will be key to preventing some sales from falling through for this group. However, it should also be remembered that the surge in buyer demand after the first lockdown in 2020 was initially driven by movers' changed housing needs, and thus started a couple of months before the July introduction of the stamp duty holidays. The combination of the two resulted in an amazing recovery in 2020 activity despite the pandemic, with the number of sales agreed up by 10% compared to the whole of 2019.

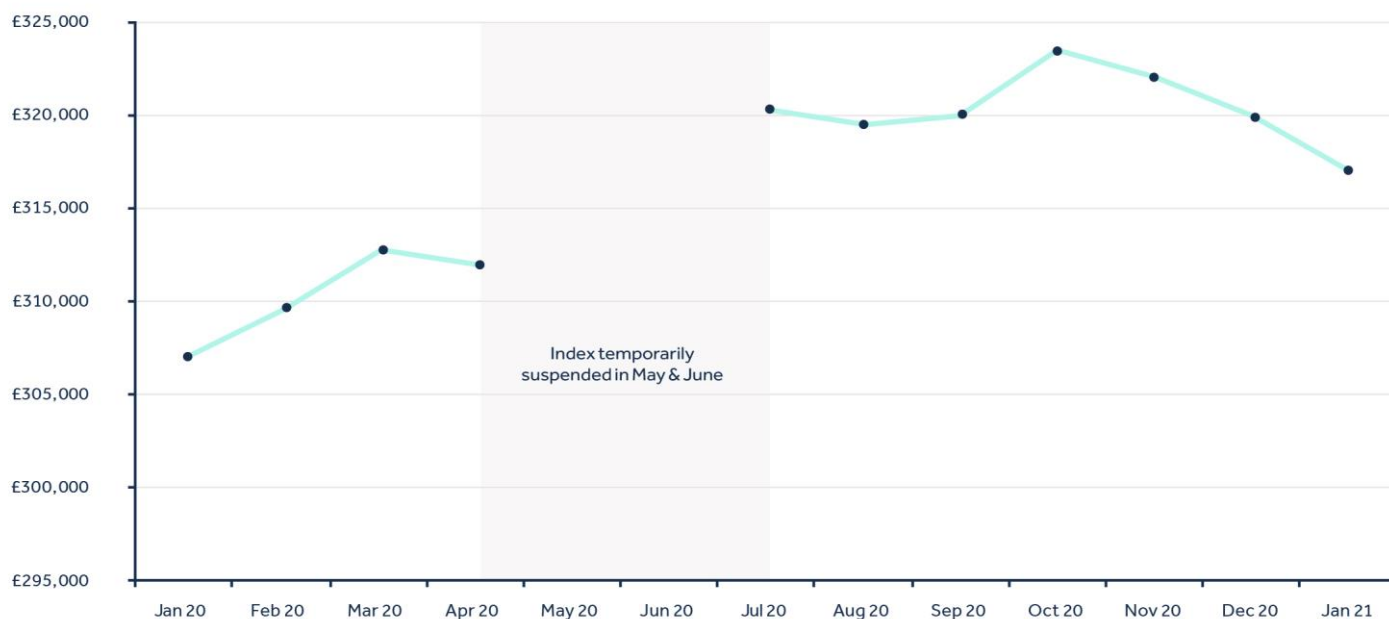
Bannister adds: *"While the tax savings were an added incentive, movers' desire for more inside and outside space seems to be continuing, and this new lockdown could be a spur to act in 2021 for those who can and who did not do so in 2020. However, there are still a huge number of sales agreed in 2020 that are stuck in the processing logjam and awaiting legal completion, with many hoping to beat the impending tax deadline. For those who fail to do so, there may be difficulties if they have factored the tax savings into their budget calculations. The challenge of processing so many transactions in less than three months is made even tougher by the new lockdown restrictions, Covid-19 sickness and homeschooling further reducing capacity in conveyancing, legal searches and mortgage lending."*

Agents' Views

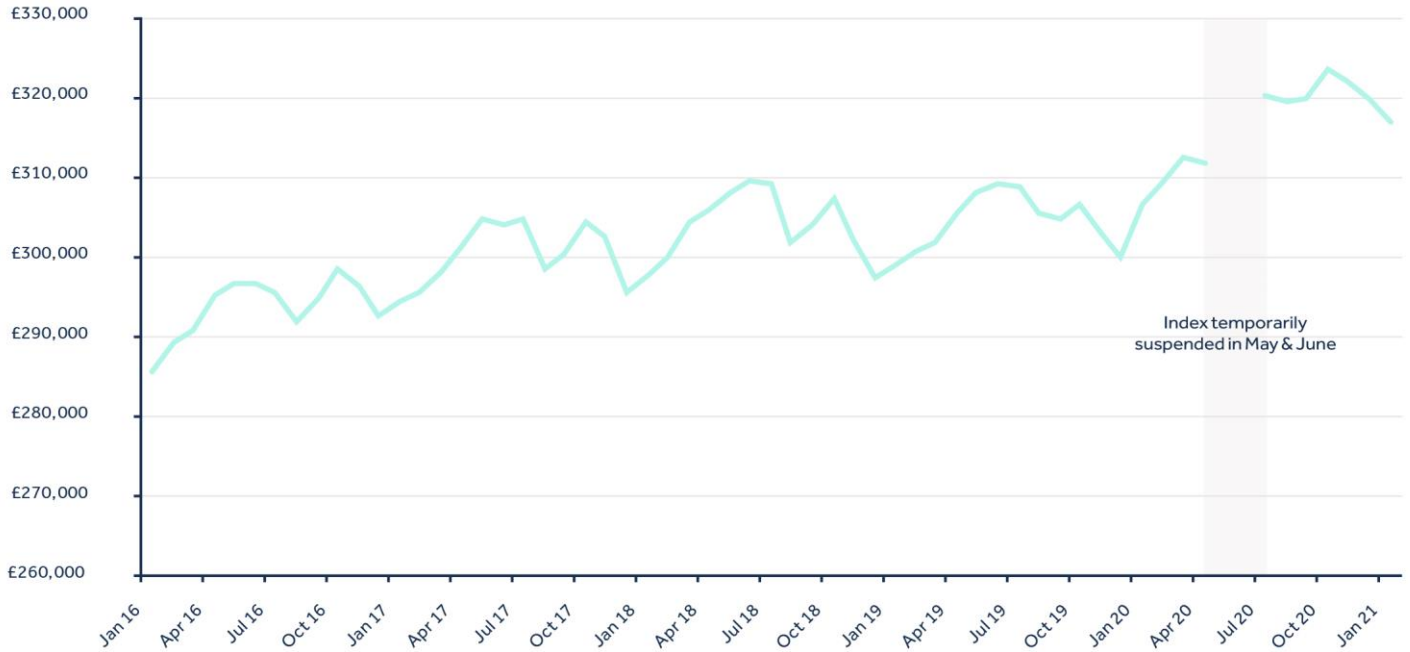
Matthew Smith, Sales and Lettings Director at Thornley Groves in Manchester, said: *"The Manchester suburbs, places such as Sale and Altrincham, are absolutely flying. People are looking for more outside space, and there's much more activity at the higher end of the market – i.e. properties being sold at £500,000 and over – compared to 12 or 18 months ago. Many people have outgrown their homes, and with more people now working from home, and undertaking home-schooling, it has really focused their attention on getting their properties ready to sell. Many home-movers are financially motivated, so the stamp duty holiday has definitely been a sweetener to kick people into action. Savings of up to £15,000 aren't to be sniffed at, but I don't think the high levels of activity we're currently seeing are exclusively due to the tax holiday. It's simply given people the impetus to be alert to moving home, which in turn has led to more demand."*

Managing Partner Sue Macey of Lodestone Property in Bruton, Wells and Shaftesbury, said: *"Our Shaftesbury and Bruton offices sit in the heart of the rural south west, and as Rightmove's latest data shows our region is one of the few areas where asking prices have continued to climb over the past month due to the demand from buyers. In 2020 nearly half of our properties for sale went for asking price or above and as we move into the new year demand is continuing to outstrip supply as people look to set up a new life in the country. For months now we've been offering prospective buyers the chance to view properties online, including live video tours hosted by our vendors. It's a great way for interested buyers to ask questions and look at the property as if they were walking around in person and it's proven to be a big hit."*

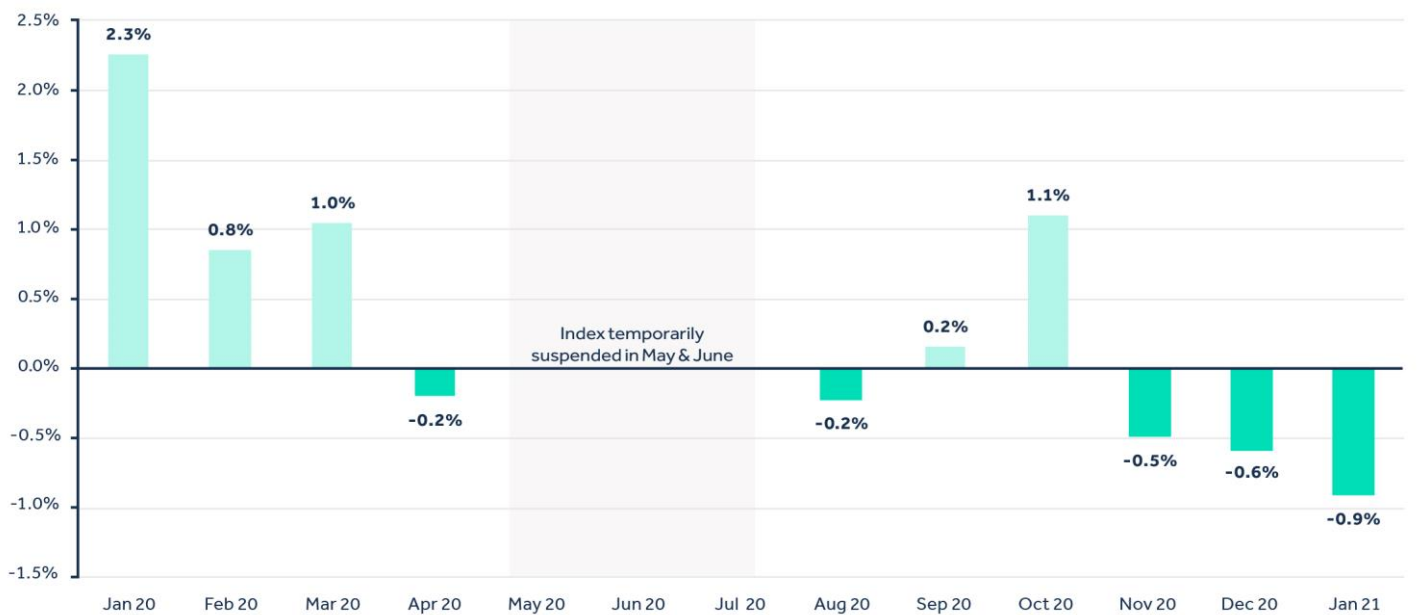
Average asking price trend



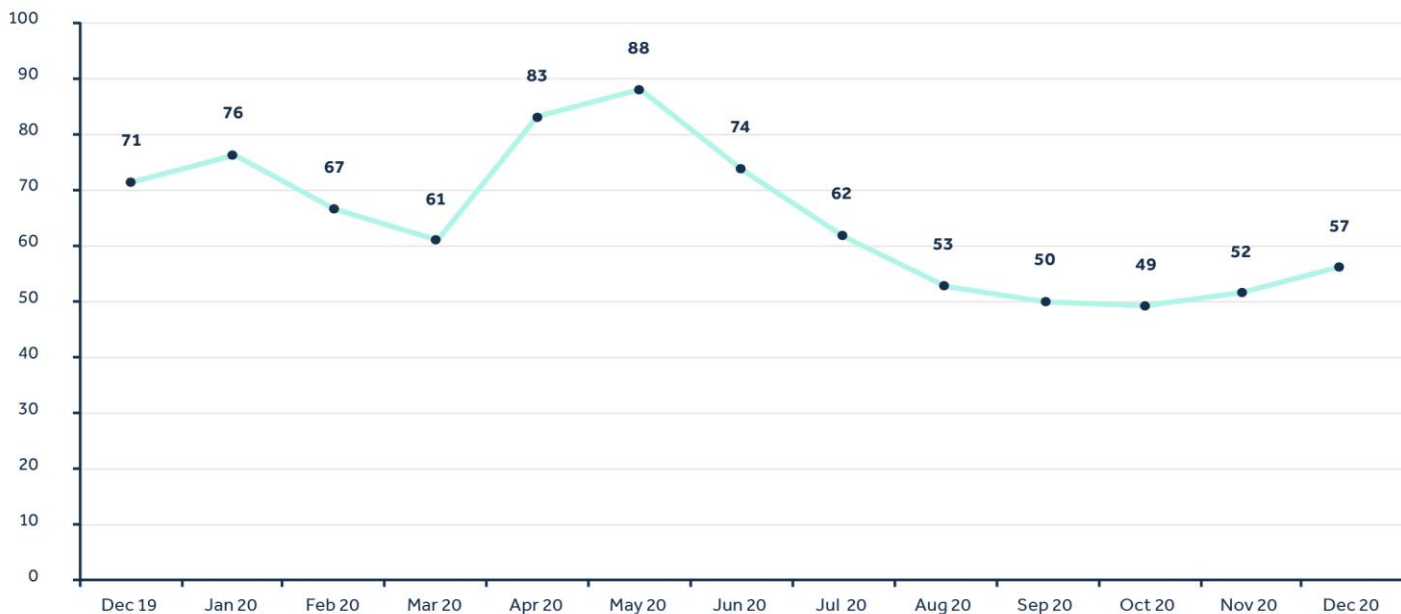
Five year asking price trend



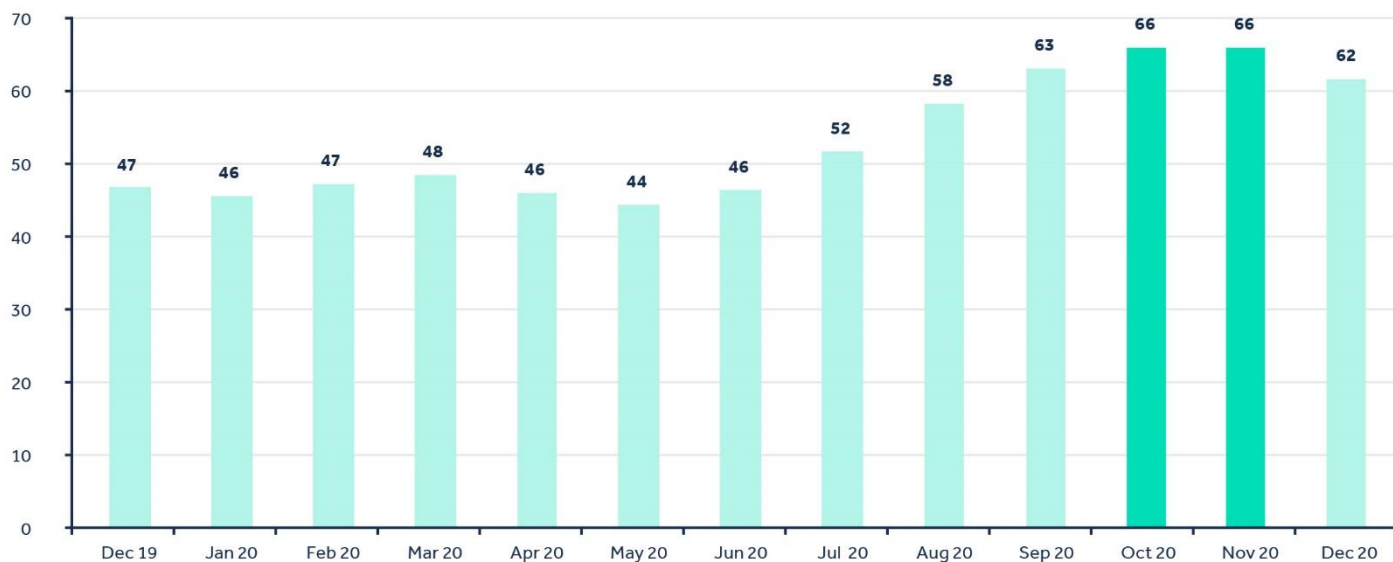
% monthly change in average asking prices



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

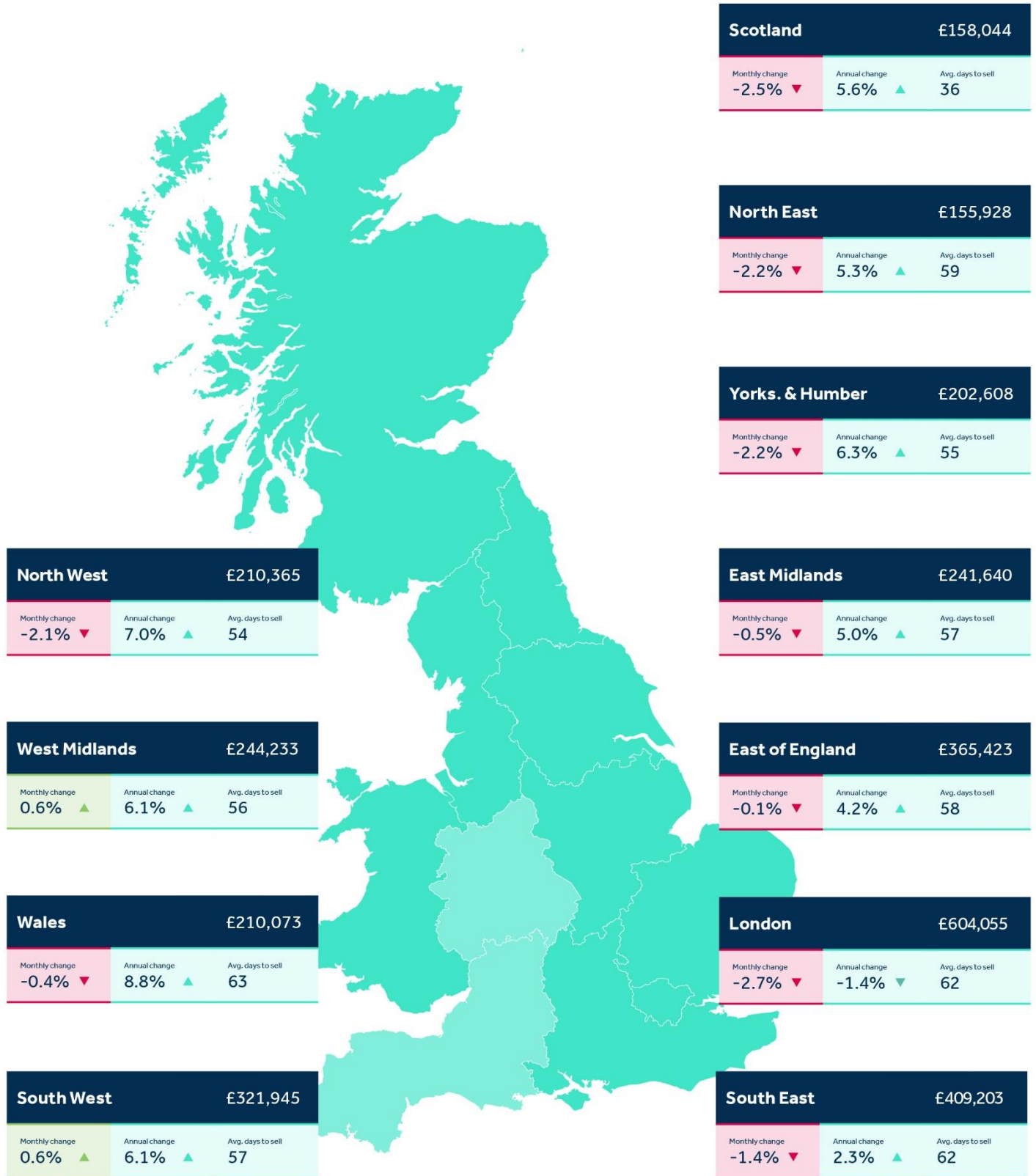


Average stock per agent (including Under Offer/Sold STC)

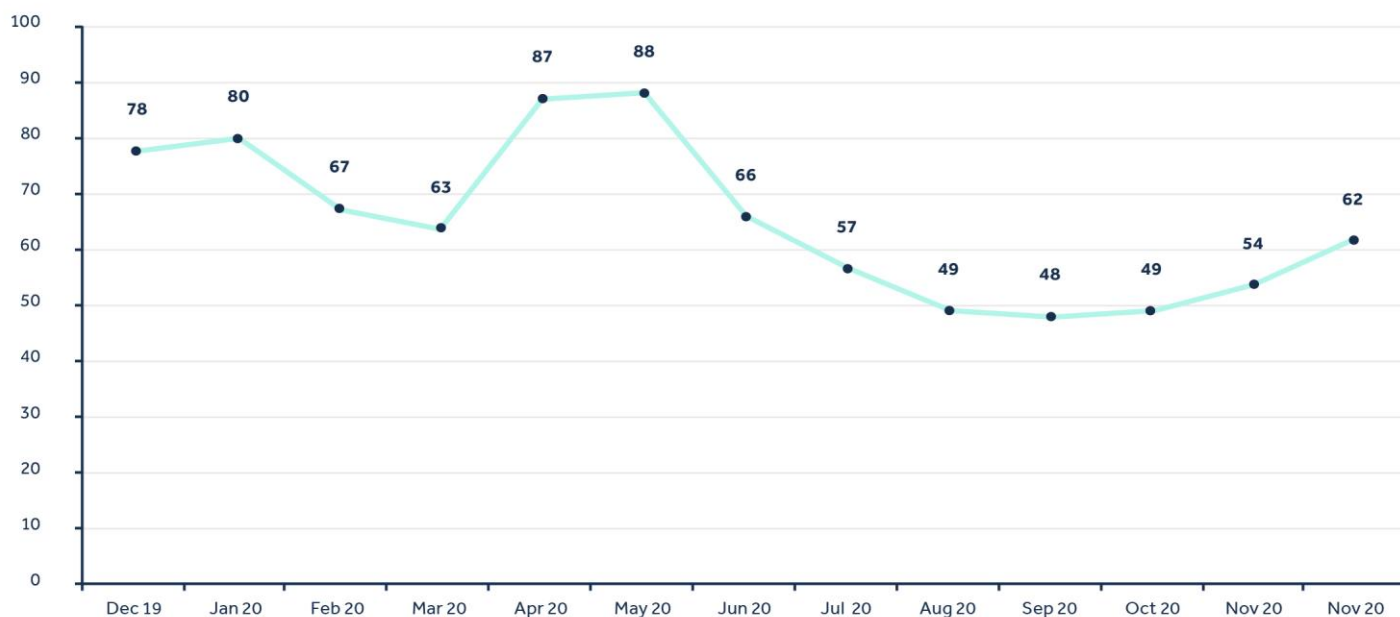


House Price Index

● Increase from previous month ● Decrease from previous month



Average time to secure a buyer (no. days) London



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 Jan 2021	Monthly change	Annual change
Haringey	£636,319	-2.1%	10.3%
Bexley	£433,659	0.5%	7.7%
Richmond upon Thames	£846,164	-0.7%	7.4%
Kingston upon Thames	£637,482	1.0%	7.1%
Greenwich	£459,298	-1.5%	6.5%
Merton	£635,378	-1.4%	5.8%
Croydon	£447,898	-0.7%	5.8%
Waltham Forest	£507,700	0.0%	5.6%
Sutton	£486,180	-0.4%	5.6%
Barking and Dagenham	£328,830	-0.7%	5.4%
Redbridge	£471,716	-0.1%	5.2%
Lewisham	£481,178	-2.2%	5.0%
Hackney	£651,034	-0.6%	4.6%
Ealing	£564,185	-1.4%	4.5%
Enfield	£461,721	-0.6%	4.1%
Brent	£580,248	-1.2%	4.1%
Havering	£422,091	-0.8%	4.0%
Harrow	£568,657	-1.4%	3.7%
Hillingdon	£496,686	-1.0%	3.6%
Newham	£424,688	-0.2%	2.6%
Kensington and Chelsea	£1,540,284	-0.2%	2.5%
Wandsworth	£776,940	-1.9%	2.5%
Barnet	£637,787	-0.8%	2.4%
Bromley	£545,282	-1.7%	2.2%
Hounslow	£533,752	-1.9%	0.4%
Lambeth	£630,206	-1.9%	0.3%
Camden	£968,275	-1.3%	0.0%
Southwark	£615,444	-1.2%	-2.7%
Islington	£730,523	-2.0%	-3.2%
Hammersmith and Fulham	£879,498	-2.7%	-3.4%
Tower Hamlets	£565,163	0.2%	-5.6%
Westminster	£1,363,803	-4.6%	-5.8%

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.

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).