

# House Price Index

The largest monthly sample of residential property prices

## New price record as Wales and the north lead the way and London stands still

- New records continue to be set as the average price of property coming to market this month jumps by 1.8% (+£5,767), to a third of a million pounds (£333,564)
- Average London house prices are 2.9 times higher than prices in the northern areas of Great Britain, and although still large this is the smallest ratio recorded by Rightmove since 2013
- While London prices have stood still (+0.2%) since the first lockdown, areas further north have seen double-digit increases, due to the shortfall in supply that suits people's changed needs and lives:
  - Wales leads the way at +13.0%, followed by North West (+11.1%), and Yorkshire & the Humber (+10.5%)
  - The north sees greater imbalance between demand and supply than London, with people more likely to move locally and some more able to afford to upsize

### National average asking price

Month	Avg. asking price	Monthly change	Change vs March 2020	Index
May 2021	£333,564	+1.8%	+6.7%	257.9
April 2021	£327,797	+2.1%	+4.9%	253.4

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

Sector	May 2021	April 2021	Monthly change	Change vs March 2020
First time buyers	£205,925	£203,564	+1.2%	+5.4%
Second-steppers	£303,000	£299,956	+1.0%	+7.9%
Top of the ladder	£608,443	£590,293	+3.1%	+10.8%

Rightmove measured 110,045 asking prices this month nationally, circa 95% of the UK market. The properties were put on sale by estate agents from 11<sup>th</sup> April to 8<sup>th</sup> May 2021 and advertised on Rightmove.co.uk.

This month sees a new national record for the price of property coming to market, hitting an average of a third of a million pounds (£333,564). That is 1.8% (+£5,767) above the previous all-time high recorded a month ago. While the level of new properties coming up for sale is at a similar level to the long-term average, demand continues to massively exceed supply, especially in northern regions. In previous market upturns London has generally led the way, but the capital's rate of price increase since pre-lockdown March 2020 is now at a virtual standstill (+0.2%) compared to double digit price growth in areas further north.

**Tim Bannister, Rightmove's Director of Property Data comments:** *"Last year's unexpected mini-boom is rolling on into 2021, with new price and market activity records again defying many predictions. Buyer affordability is increasingly stretched, but there's obviously some elasticity left to stretch a bit more as many buyers are squeezing their way into higher price bands. This high demand, with both willingness and ability to pay more, has pushed the average price of property coming to market to a new all-time high of a third of a million pounds. In another twist, it is the regions of Britain further north that are leading the way, with some degree of catching up between average prices in London and the north. While the gap remains very large, with average prices in London still 2.9 times higher than those in the north, this ratio is now at its smallest since 2013. The pandemic has given a greater focus on the home, and in 2020 we saw a surge in southern coastal and rural areas. So far 2021 is proving to be the year of the northern mover, not only satisfying their pent-up housing needs, but in doing so also narrowing some of the huge price gap with London."*

Prospective buyers are now faced with record prices for newly marketed properties in all regions and countries of Great Britain except London, with three areas seeing average rises of over 10% in the closest available year-on-year comparison. Our year-on-year comparisons compare March 2020 to May 2021, as the property market was suspended for most of April and May last year. Wales is growing the fastest at +13.0%, followed by North West (+11.1%), and Yorkshire & the Humber (+10.5%). The average increase for all regions outside of the South of England is 9.7% (+£19,497). In contrast London lags behind at +0.2% (+£1,547), though it must be stressed that within the capital there are widely varying local markets and market sectors, with some rising in price and others static or falling.

This strong market appears to have enough momentum to shrug off the imminent end of the stamp duty holidays in England and Wales. Buyer demand has soared throughout Great Britain (+52% in April 2021 versus April 2019), with similarly strong levels in London (+48%). But it is the north that is seeing the greater imbalance between demand and supply and this is one of the main factors driving prices to new records in all regions except the capital. This supply shortage is particularly marked for typical family homes with three bedrooms or more, with available stock for sale on agents' books in April down by an average of 50% on the same period in 2019. In contrast properties with two bedrooms or fewer have availability down by 24%.

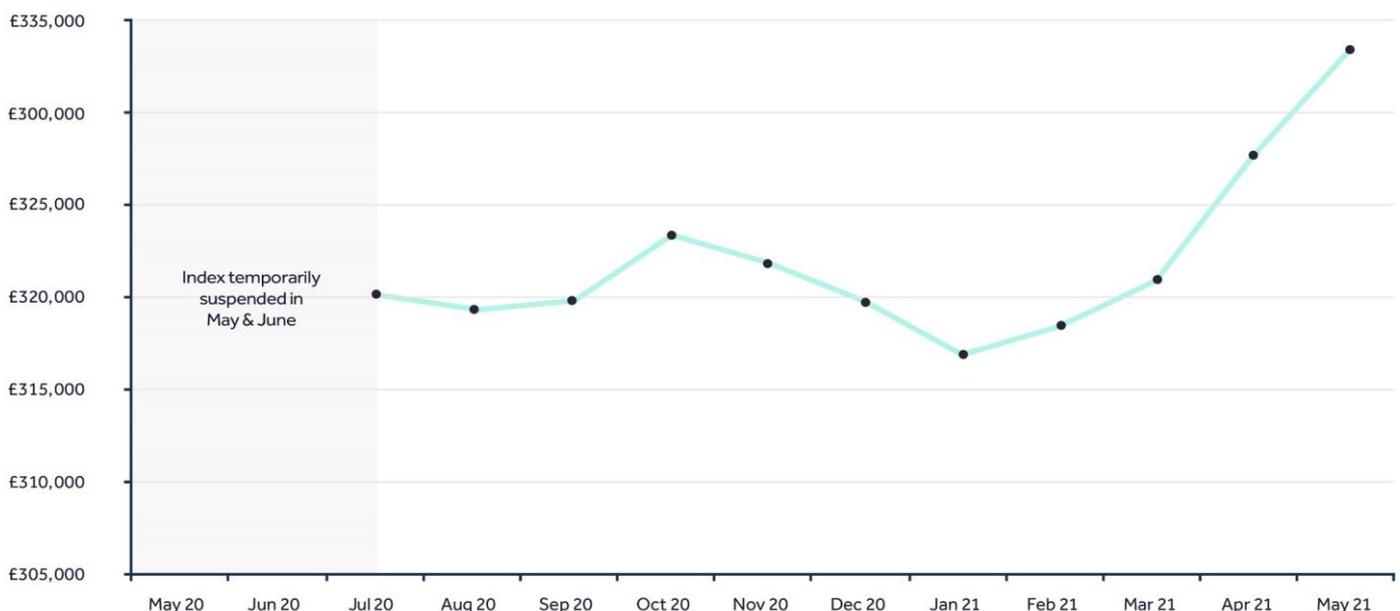
**Bannister adds:** *"There appears to be more headroom in buyers' budgets among those looking to upsize. Family homes with three bedrooms or more are like gold dust in many areas of the country, especially in parts of the north. For example, compared to the same period in 2019 agents in the North East have 59% less available stock for sale in the "second-stepper" sector made up predominantly of three bedroom homes, while Scotland is 65% down in the "top of the ladder" four bedroom or more sector. In contrast London's available stock is down 20% and 24% respectively in these sectors, so while supply is still limited it is more closely matched to demand. Another important factor driving the higher demand and quicker average time to sell in the north is that more of their sellers are intending to buy and stay local, whereas many Londoners are looking to move out. Rightmove research among those intending to sell in the next 12 months shows that an average of 84% in the north are looking to move locally, compared to only 52% in London. The pandemic has changed many aspects of what people want from their homes, and the pricing pendulum is swinging away from London towards the north."*

## Agents' Views

Mark Manning, Managing Director of Yorkshire-based Manning Stainton, said: "Across our region we're seeing a continued surge in the volume of new buyers entering the market. Of particular note is the vast number of those buyers arriving from other destinations around the country, particularly the south. This surge in buyer activity combined with a relative shortage of new properties coming to market has had the inevitable effect of creating a significant surge in prices with buyers clamouring to get their hands on most listings that hit the market. We can see little sign of this abating and would predict that even with the end of the present stamp duty incentive that prices will continue to rise through the rest of this year and likely beyond."

Becky Munday, Managing Director at Munday's Estate Agents in London, says: "It's no surprise that the north has seen the biggest gains. It is by and large a market which has long-held the biggest opportunity for growth and still represents great value. People are now prepared to go even further in their race for space, with many more no longer chained to traditional commuter barriers or southern cities. In London we're seeing immediate knock-on effects of a working-from-home culture take hold, coupled with the vanishing act of most international buyers who have partly supported and underpinned the capital's economy. That will take time to recover from, but a slight correction in prices for a city that has previously seen incredibly high values achieved is not all bad. It has created genuine opportunity for domestic buyers to upsize or choose an area or home which suits their needs better, with local families affording the space they need rather than needing to leave the roots they've put down in London town. Most buyers we see in London are local, with properties selling within a few weeks and often attracting multiple bids; in the past week we've had three 'best and final' scenarios. House price growth in London might be slow and steady, but transactions remain buoyant. Buyer demand shows no sign of abating and may well increase once international travel resumes and the overseas market can return. I have never seen a sellers' market quite like it. The window of opportunity for sellers may be closing soon, however, as a wave of newly vaccinated homeowners - who feel more confident about listing their homes now the virus is under control - is set to join the house moving frenzy and level up the playing field."

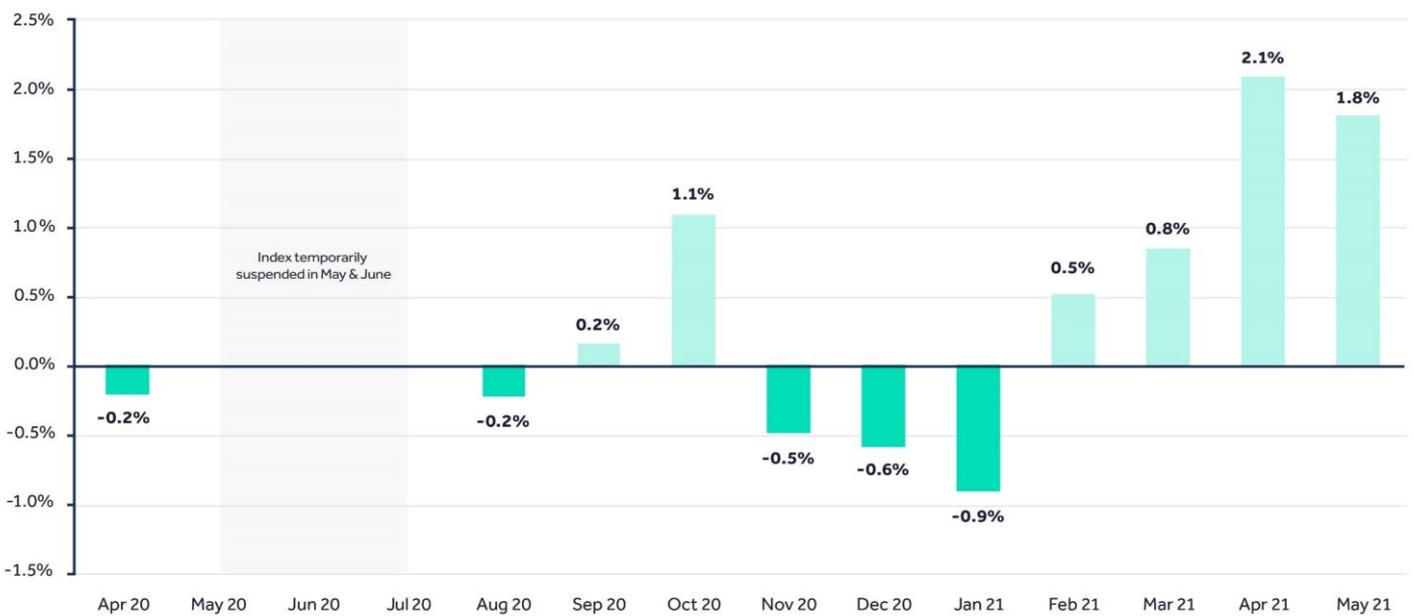
## Average asking price trend



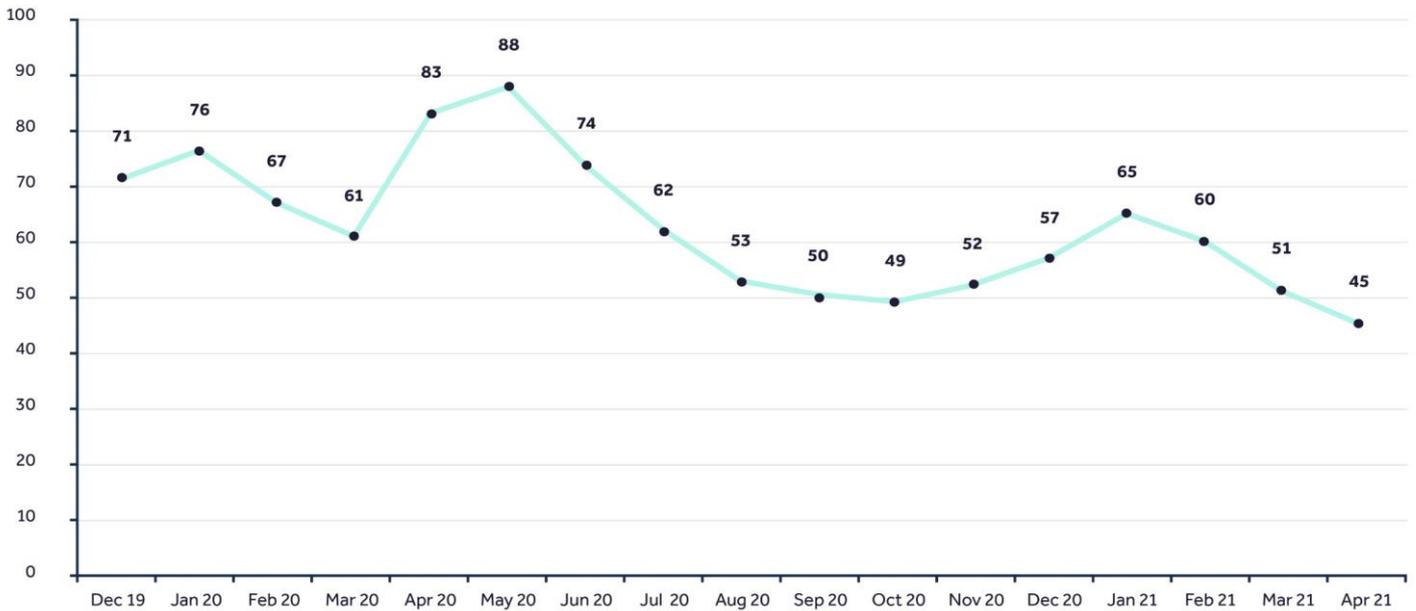
## Five year asking price trend



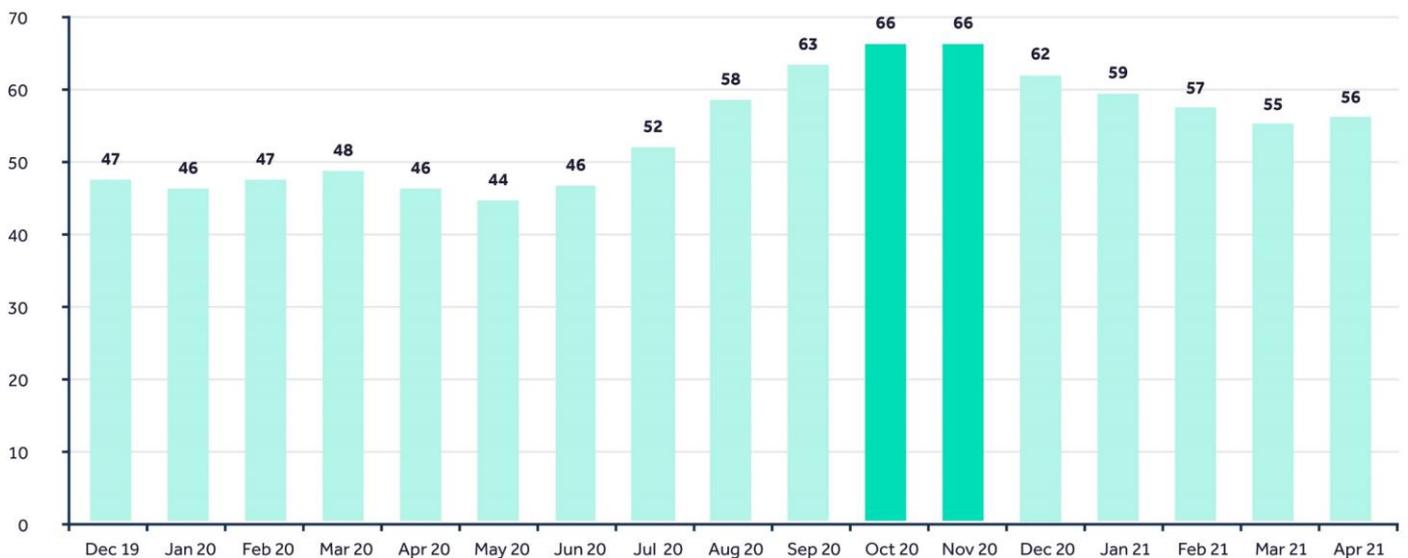
## % monthly change in average asking prices



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

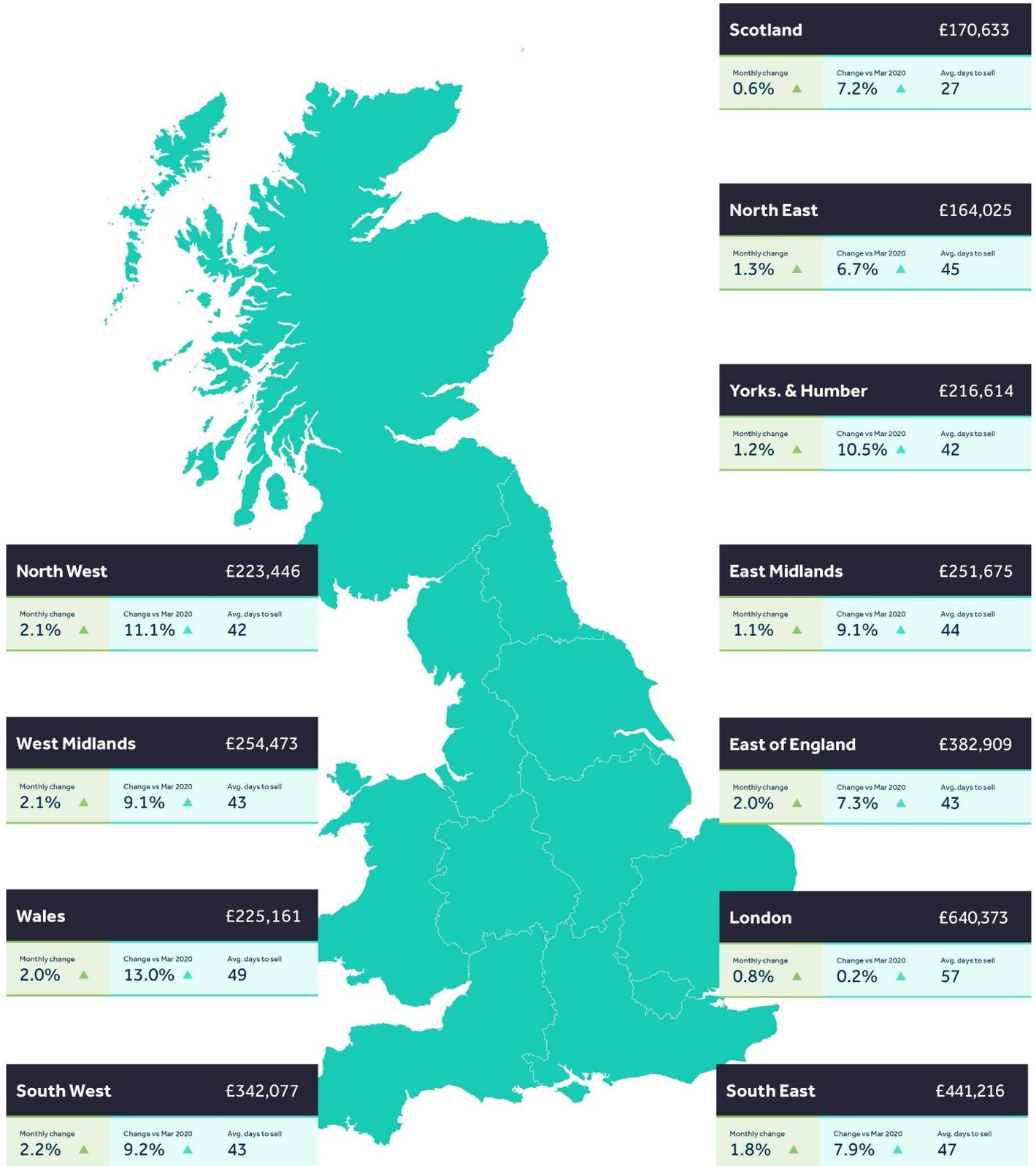


## Average stock per agent (including Under Offer/Sold STC)

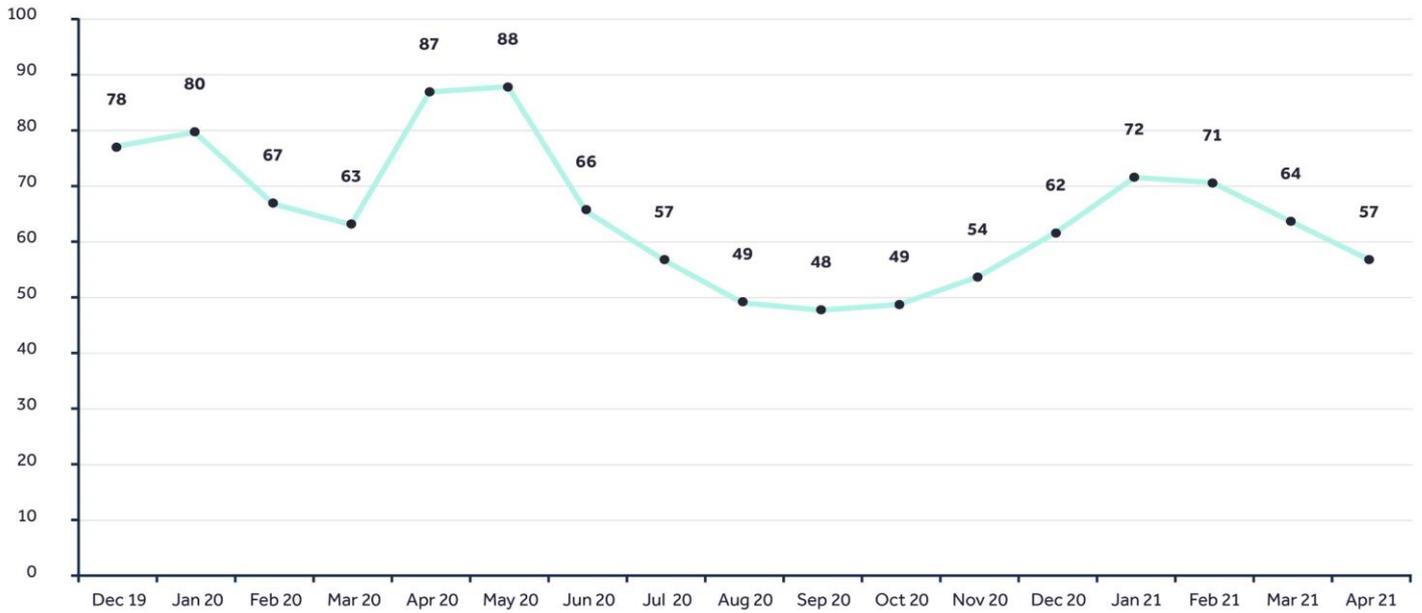


# House Price Index

● Increase from previous month    ● Decrease from previous month



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



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## 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.

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## 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).