

# House Price Index

The largest monthly sample of residential property prices

## New Year resolution sellers gearing up for 2022 as closer to normal market beckons

- The price of property coming to market sees its usual December dip, down by 0.7% (-£2,234) this month
- Following a hectic last eighteen months, Rightmove predicts a closer to normal market during 2022:
  - While fully available stock for sale has hit a new record low this month, valuation requests from home-owners are 19% up on this time a year ago, suggesting more people will be making a New Year resolution to move
  - Strong buyer demand is carrying forward into 2022, with November showing buyer numbers 41% up on election-subdued 2019, and still 3% up on booming 2020
- With two months of data yet to be reported, 2021 has already seen the highest level of completed home sales since 2007, and Rightmove expects 1.5 million for the full year:
  - Seven out of 10 properties advertised on Rightmove are currently marked as sold subject to contract, compared to just two out of ten back in 2012, underpinning our prediction of a further 5% price rise in 2022
- Better balance of supply and demand will suit more hesitant movers who may have held back from this year's frenzied market

### National average asking price

Month	Avg. asking price	Monthly change	Annual change	Index
December 2021	£340,167	-0.7%	+6.3%	263.0
November 2021	£342,401	-0.6%	+6.3%	264.7

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

Sector	December 2021	November 2021	Monthly change	Annual change
First time buyers	£211,163	£211,364	-0.1%	+5.0%
Second-steppers	£314,189	£314,247	0.0%	+8.1%
Top of the ladder	£613,695	£624,597	-1.7%	+9.3%

Rightmove measured 67,754 asking prices this month nationally, circa 95% of the UK market. The properties were put on sale by estate agents from 7<sup>th</sup> November to 4<sup>th</sup> December 2021 and advertised on Rightmove.co.uk.

As an exceptionally busy 2021 draws to a close, Rightmove expects a closer to normal though still busy market in 2022. One sign of a return to traditional norms is the continuation of the seasonal fall in the price of property coming to market, down by 0.7% (-£2,234) on the month, compared to a 0.6% fall this time a year ago. While we forecast prices to rise by another 5% in 2022, some of the edge will be taken off sellers' pricing power by increasingly stretched buyer affordability, and more buyer choice boosted by previously hesitant sellers now gearing up for a New Year move. This would be particularly timely, as fully available stock for sale has hit a new record low again this month. Promisingly, requests from home-owners to estate agents to have their home valued are 19% up on this time a year ago, indicating that much-needed buyer choice will be coming to market in the new year.

**Tim Bannister, Rightmove's Director of Property Data, comments:** *"The kind of frenzied market we've seen in the last 18 months happens only a few times in most home-owners' buying and selling lifetimes, exacerbated by the even rarer event of a global pandemic pushing homes higher up most people's priorities. While the pandemic is still having an ever-changing impact on society as we head into the new year, we expect a housing market moving closer to normal during the course of 2022. A return to a less frenetic market due to more choice, and forecast slightly higher interest rates, will suit many movers who have held back during the last 18 hectic months. With a jump in the number of owners requesting valuations from agents with a view to marketing their homes, it looks like many of this group are now gearing up to make it a new year resolution to move, so more buyer choice could now be on the cards. A rise in interest rates is likely next year, and whilst a rise is often regarded as unhelpful to the market, a slowing of the fast pace of sales, and associated pace of price rises, will help the return to more normality that will suit many movers. Buyer demand and market momentum remain strong going into 2022, with November showing buyer numbers 41% up on the election-subdued 2019, and still 3% up on booming 2020."*

Available stock of property for sale has hit the lowest level per estate agency branch ever recorded by Rightmove. Having been an average of 28 at this time a year ago, it has now halved to just 14. Owners who come to market in the next few months and are judged by prospective buyers to be asking an affordable price, will therefore find their chances of a successful sale very high. That will put those sellers looking to buy again in a very powerful position to secure their next purchase, where they could well be in competition with several other potential buyers. Being a 'power buyer', who has sold subject to contract or can buy without selling, has increasingly become a requirement this year, and this will still be the case in 2022. Proving your access to funds, including a mortgage agreement in principle, is also becoming a must-have, not only to get higher up the buyer pecking order, but also to speed up the process.

A remarkable sign of the frenetic market as 2021 draws to a close is that seven out of ten properties advertised on Rightmove are currently marked as sold subject to contract, a number that has never been higher. In contrast this compares to just two out of ten in the post-credit-crunch recovery period in 2012. With two months of data yet to be reported, 2021 has already seen the highest level of completed home sales since 2007, and we forecast that the total for the year will be an exceptional 1.5 million. The average for the more 'normal' years from 2014 to 2019 was circa 1.2 million. This highlights ongoing, as well as satisfied demand, and underpins our prediction of a further 5% price rise in 2022 despite the heady rises already seen in the last 18 months.

**Bannister says:** *"Agents report that some previously hesitant sellers look to be lining up to launch soon, taking advantage of the traditional Rightmove Boxing Day bounce in buyer demand, as attention quickly turns from picking over turkey leftovers to picking suitable properties. Others will look to follow another traditional pattern and come to market early in the New Year, allowing plenty of time for them to find a buyer and help the under-pressure legal process which is handling massive volumes. Those who have been working out their finances as part of getting sale-ready will obviously hope to achieve the highest possible price. However, despite high demand, buyers will have limits to what they can afford or are prepared to pay. In addition, with the availability of stock so low, any property that sticks around stands out like a sore thumb and goes stale pretty quickly. Re-igniting interest in a property that possible buyers have been ignoring as stale and over-priced often takes some bigger price reductions to below what could have been a successful initial asking price. Good local estate agents will have evidence for justifying the right asking price in your local area, as whilst it's good to get ahead of the rest as a New Year resolution seller, setting too high an asking price may mean that your resolution to move in 2022 is broken."*

## Agents' Views

**Guy Robinson, Head of Residential Agency at Strutt & Parker said:** *"The residential market made a significant recovery in the last 12-months with high levels of demand bolstered by attractive mortgage rates, while a rebound in the economy gave buyers and sellers confidence to trade up or down the housing ladder. Following the highest house price growth in seven years, the outlook remains positive for 2022. Buyer demand continues to be robust and applicant numbers are still significantly higher per property than any time since 2006.*

*"Within London, activity cooled slightly as autumn arrived, following a high level of transactions in the prime central London market in the first half of the year. However, we expect the market to rebound over the next 12 months if international travel can resume as anticipated, releasing pent-up demand into the market. Outside London, every region has outperformed during 2021, in terms of numbers of transactions, with coastal villages and the Cotswolds major hotspots, and the £500k to £700k price range the fastest moving market. Looking to next year, the likes of Norfolk, Herefordshire, and somewhat less-traditional locations could be the biggest winners as buyers increase their confidence in moving away from London."*

**Oliver James, Partner at James Dean Estate Agents in Mid-Wales, said:** *"We have had a fantastic year, selling more properties than ever before. We have noticed a real increase in demand, particularly for properties in a semi-rural location with gardens and views. Covid has changed people's lifestyle choices, and working from home becoming more common enables people to get out of the cities. However, Wi-Fi speed is therefore becoming even more important which can be problematic for rural properties. New instructions have been lower than usual, so this combined with high demand has meant several buyers wanting the same property. This has resulted in properties selling for more than the asking price. It's therefore a great time to be a seller, however low levels of stock have also meant some sellers getting out bid or even priced out of the market when looking for their onward purchase.*

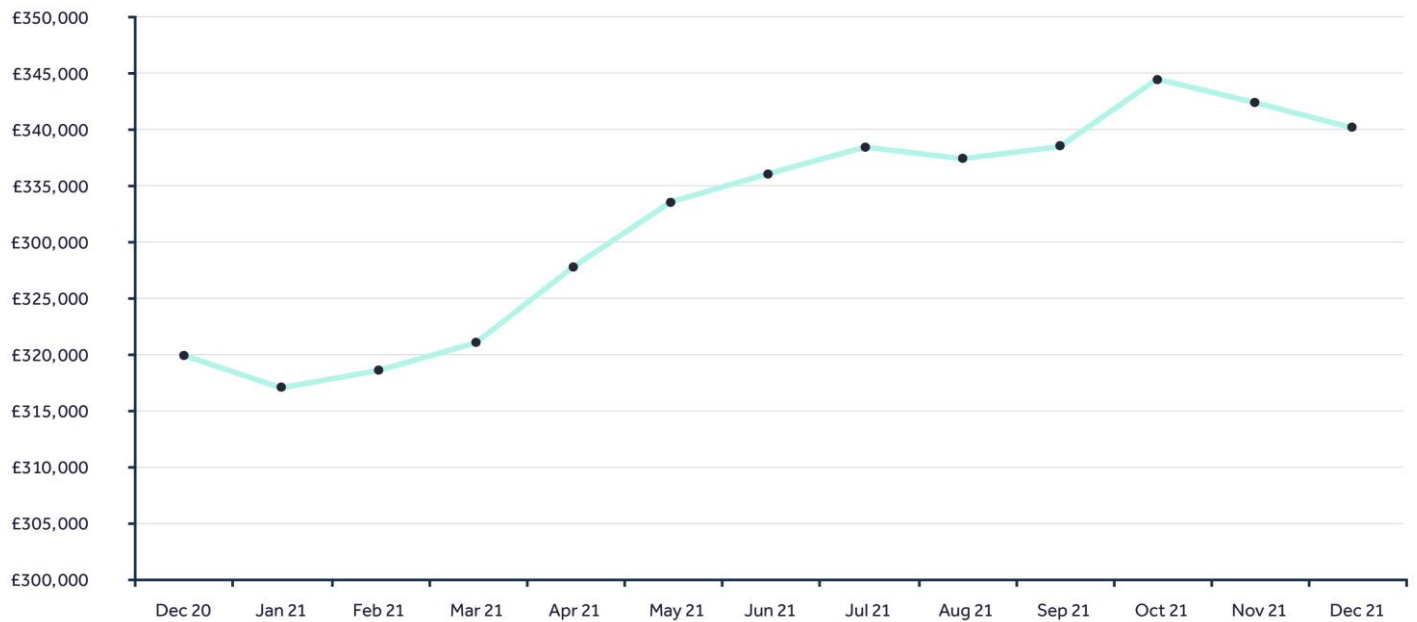
*"Next year, we expect the market to continue to be strong, however the main concern is stock levels. We need more new instructions. Lots of vendors say, 'I want to sell, but I haven't seen anything come on which I like'. In this competitive market, it's important for sellers to put their own home on the market before looking for their next purchase, as this puts them in the best position when a property they like does come to market.*

**Guy Gittins, CEO of Chestertons, said:** *"Despite the pandemic, we have seen record-setting market performances this year with high numbers of house hunters looking for larger properties with outdoor space. This demand has stayed at high levels in Q4 of this year when we would normally expect a seasonal market slowdown and, with plenty of unsatisfied buyer demand, we predict the market to remain buoyant into at least the first quarter of 2022. As demand continues to exceed supply, we are foreseeing a strong sellers' market and further price rises. Already, we have seen a 30% drop in sellers willing to lower their asking prices."*

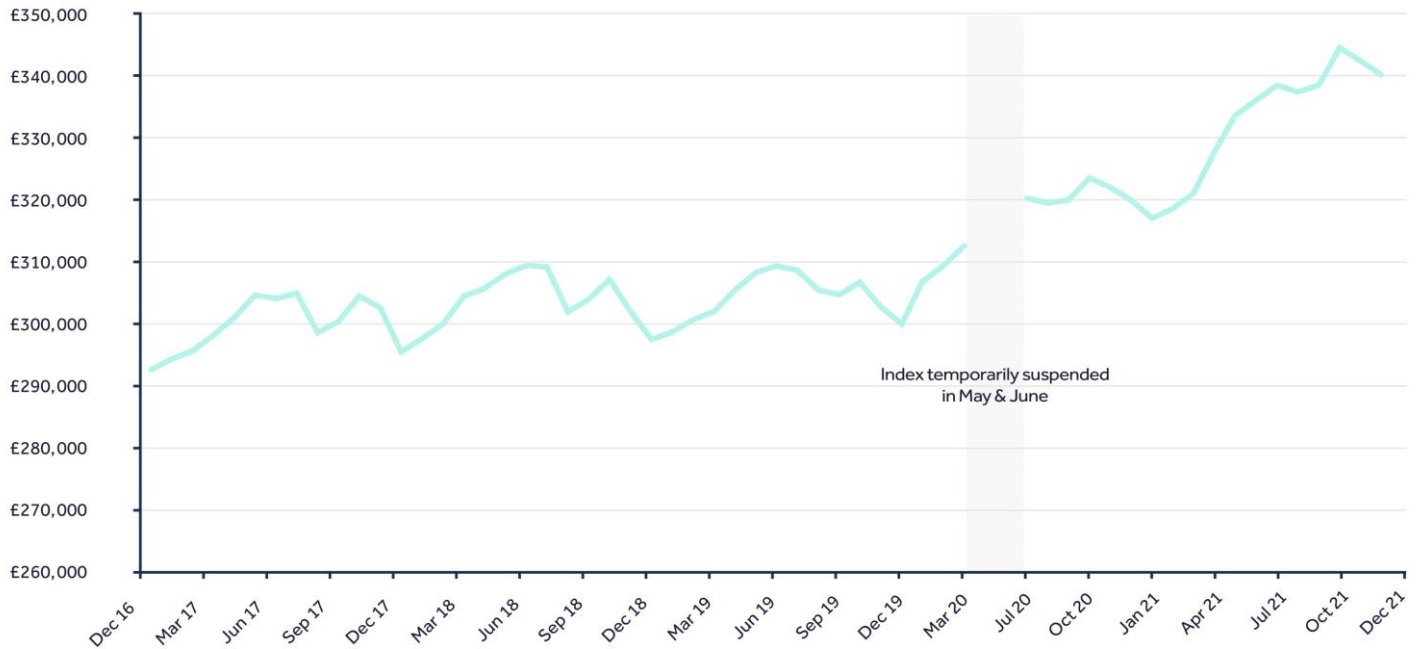
**Marc von Grundherr, Director of Benham and Reeves, said:** *"In a year that remained largely overshadowed by Covid uncertainty, we saw a consistently resilient property market continue to post extremely strong levels of house price growth. This was driven by the continued affordability of borrowing with interest rates remaining around record lows. A push for bigger homes also helped boost house prices and the stamp duty holiday spurred a relentless tide of buyers keen to make a saving.*

*"Next year, we believe that the market will remain robust and that even the threat of an interest rates increase is unlikely to topple the positive price trends seen in 2021. Of course, the meteoric rates of growth seen this year are likely to slow, with a three per cent uplift across the UK the least we can expect come the end of 2022."*

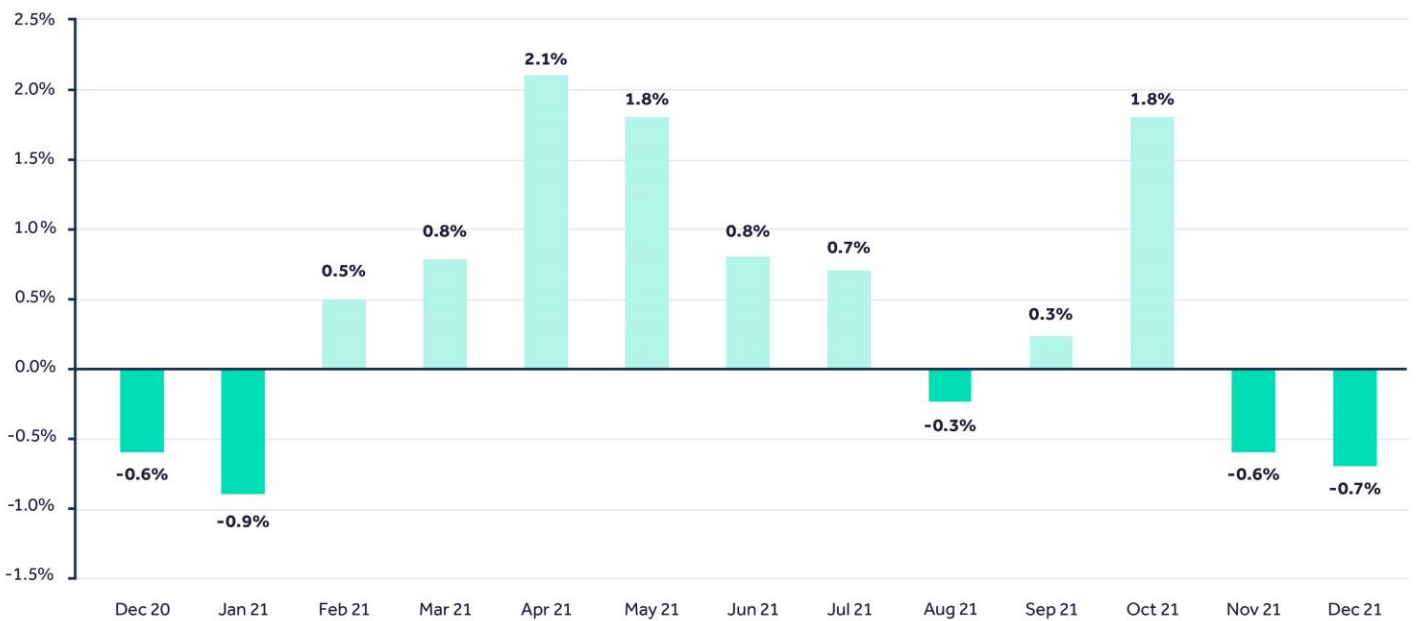
## Average asking price trend



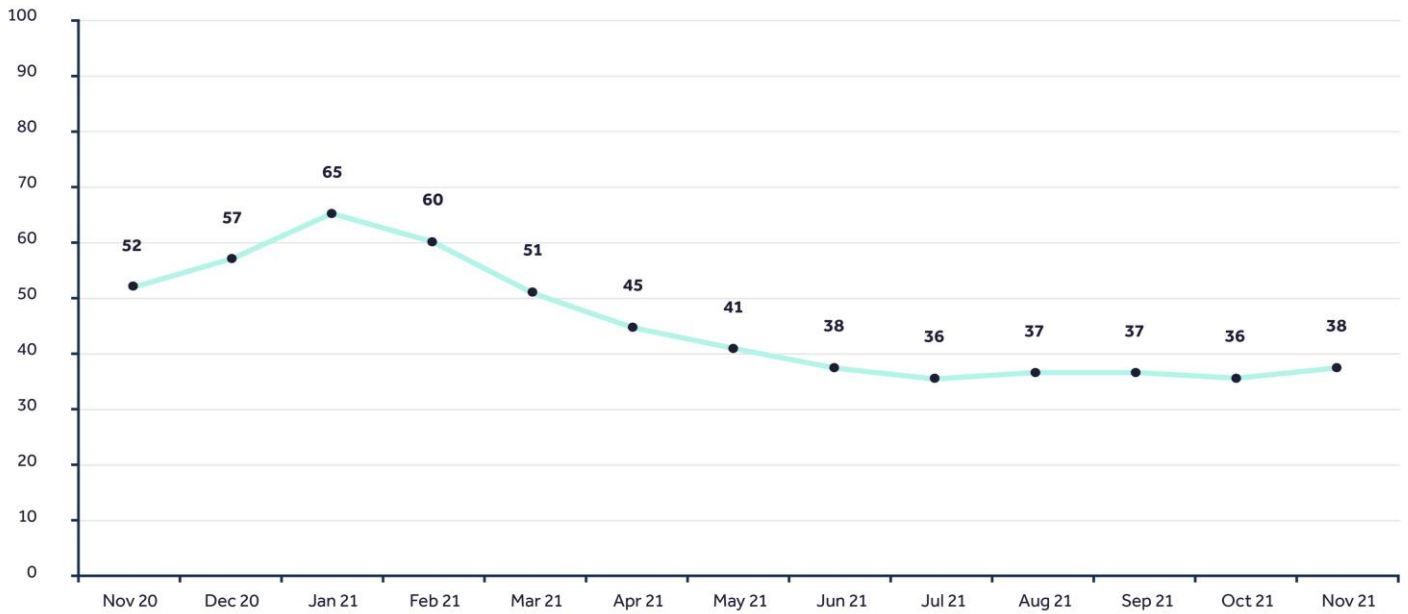
## Five year asking price trend



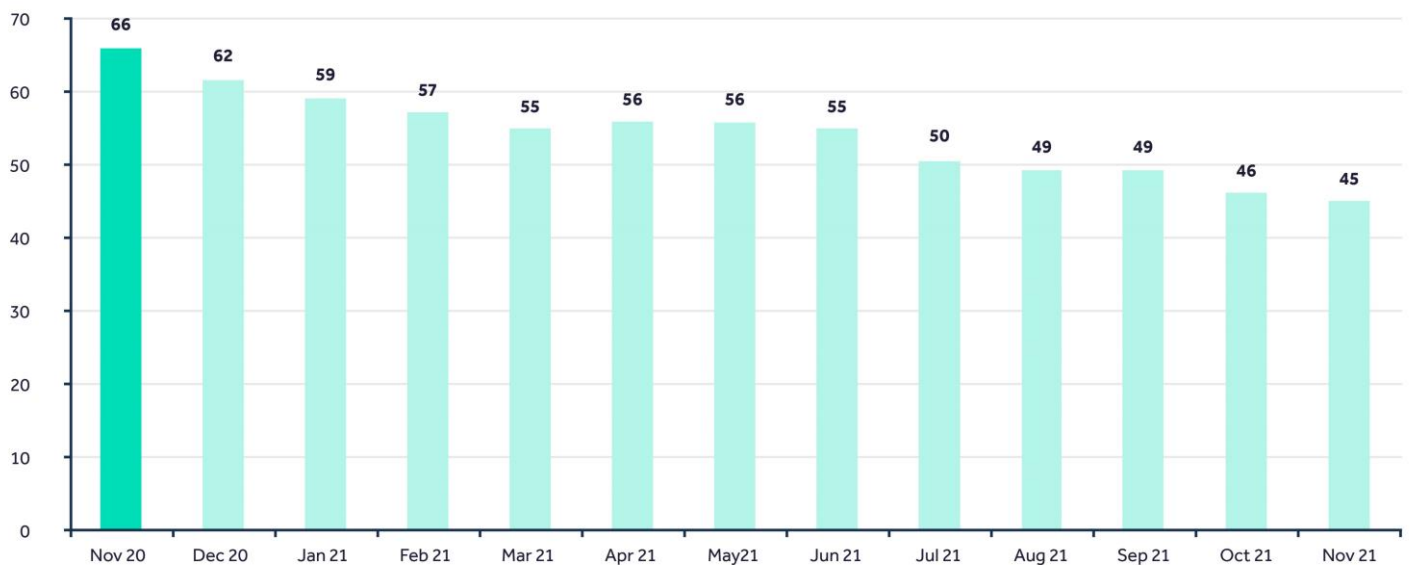
## % monthly change in average asking prices



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

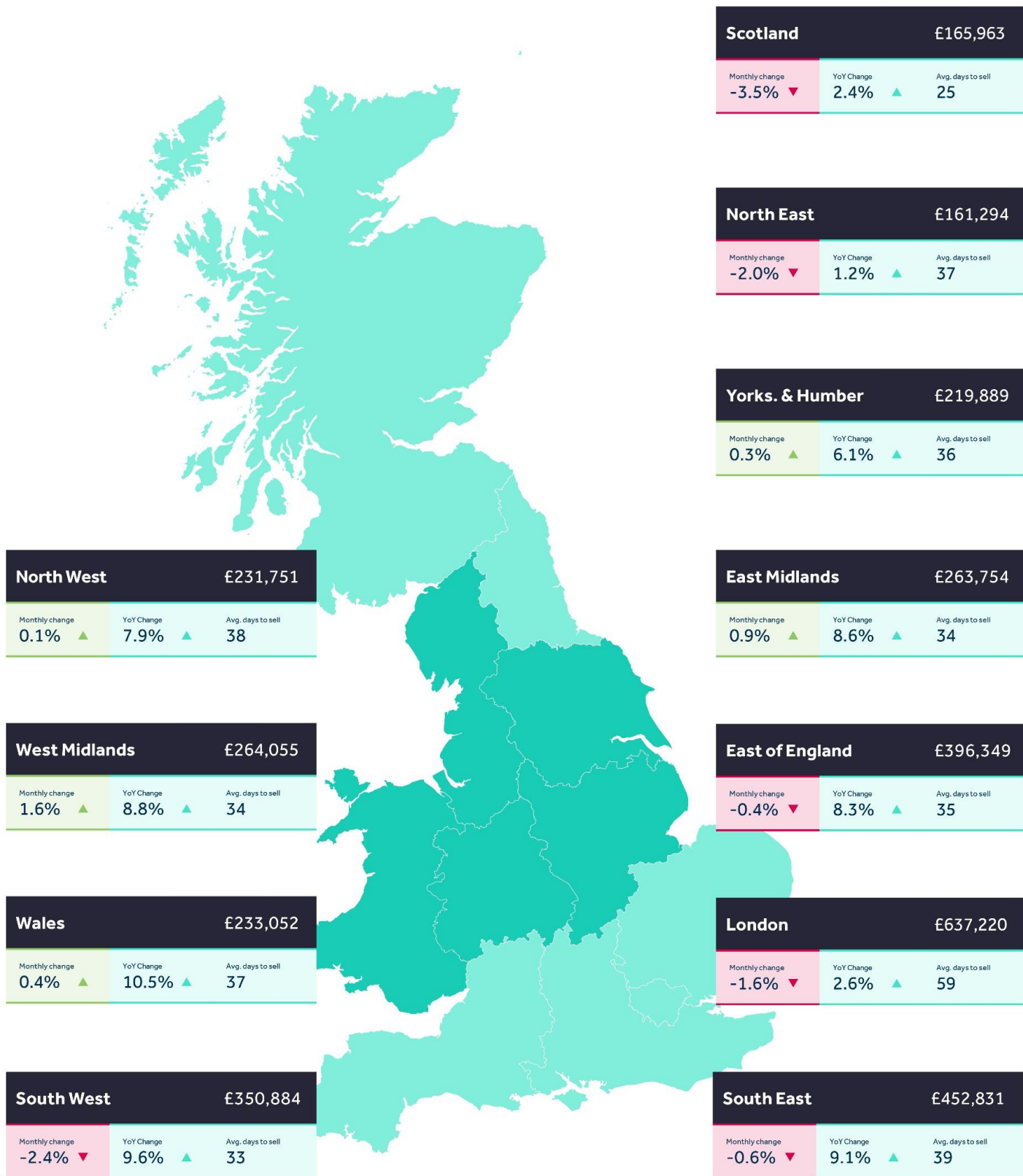


## Average stock per agent (including Under Offer/Sold STC)

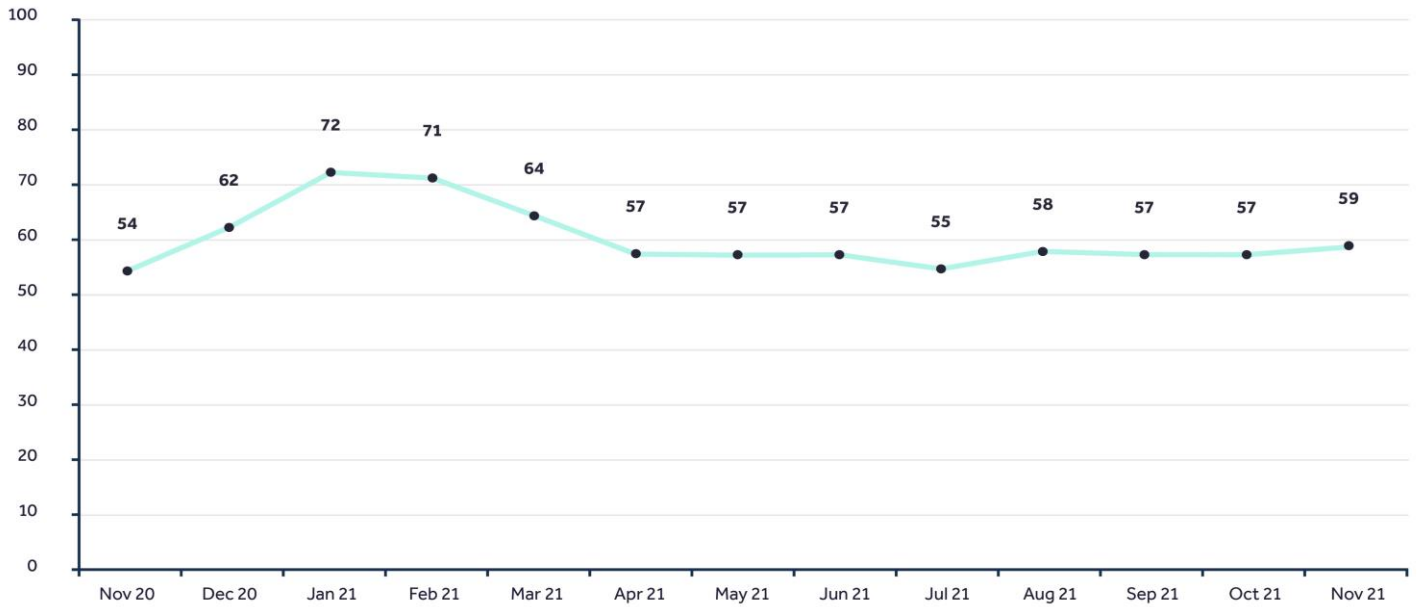


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● Increase from previous month    ● Decrease from previous month



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





# Asking price 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 Dec 2021	Monthly change	Annual change
Merton	£701,356	2.2%	8.8%
Bromley	£597,876	0.3%	7.7%
Barking and Dagenham	£352,879	0.8%	6.5%
Kingston upon Thames	£672,070	0.4%	6.5%
Lambeth	£681,934	1.1%	6.2%
Bexley	£455,751	0.3%	5.6%
Havering	£449,064	-0.3%	5.6%
Kensington and Chelsea	£1,629,654	2.8%	5.5%
Hounslow	£573,930	1.2%	5.5%
Newham	£447,994	2.0%	5.3%
Croydon	£473,148	0.0%	4.9%
Brent	£615,820	-0.8%	4.8%
Harrow	£600,938	1.1%	4.2%
Redbridge	£489,280	0.7%	3.6%
Enfield	£479,683	-0.3%	3.3%
Richmond upon Thames	£879,452	-2.1%	3.2%
Greenwich	£480,485	-0.8%	3.0%
Barnet	£661,781	-0.3%	2.9%
Hillingdon	£515,919	0.0%	2.8%
Westminster	£1,461,866	1.3%	2.3%
Waltham Forest	£518,322	-0.5%	2.1%
Sutton	£496,755	-1.5%	1.7%
Wandsworth	£795,427	-2.5%	0.5%
Lewisham	£493,796	-0.4%	0.4%
Haringey	£645,255	0.9%	-0.7%
Ealing	£568,121	1.0%	-0.7%
Hammersmith and Fulham	£897,359	-1.8%	-0.7%
Southwark	£618,170	0.4%	-0.7%
Tower Hamlets	£557,330	-1.8%	-1.2%
Islington	£734,377	0.0%	-1.4%
Camden	£963,177	1.3%	-1.9%
Hackney	£634,508	-1.5%	-3.1%

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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).