

House Price Index

The largest monthly sample of residential property prices and housing market activity

+0.8%

Monthly asking price change, just below 20-year norm

+3.0%

Annual price growth

+6%

Increase in buyer demand versus same period in 2019

Cautious recovery continues but larger-home sales lag behind

- The average price of property coming to market rises by 0.8% (+£2,906) this month, mainly due to a 1.2% jump in the largest homes sector (top-of-the-ladder):
 - Annual asking price growth eases to +3.0%, with new seller asking prices now £5,800 below October's peak as market cautiously moves towards pre-pandemic activity levels despite economic turbulence
- Typical first-time buyer type properties (two-bedrooms and fewer) lead the recovery as we enter spring market:
 - Average newly marketed prices for this type of home are now just £500 lower than their record last year
 - Sales agreed in this sector are unexpectedly recovering fastest, and in the last two weeks are just 4% behind the same period in the more normal market of 2019, though 18% behind the exceptional 2022
- However, larger home sales are lagging behind as sales agreed in the last two weeks in the top-of-the-ladder sector are 10% behind the same period in 2019, and 13% behind in the second-stepper sector
- Average mortgage rates have fallen back from their peak last year, with average rates for a 15% deposit five-year fixed mortgage now 4.65%, edging down from last month's 4.75%, and October's 5.89%, though this compares to 2.48% in March 2022

National average asking price

| Month | Avg. asking price | Monthly change | Annual change | Index |
|---------------|-------------------|----------------|---------------|-------|
| March 2023 | £365,357 | +0.8% | +3.0% | 282.5 |
| February 2023 | £362,452 | +0.0% | +3.9% | 280.2 |

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

| Sector | March 2023 | February 2023 | Monthly change | Annual change |
|-------------------|------------|---------------|----------------|---------------|
| First time buyers | £224,453 | £223,249 | +0.5% | +2.9% |
| Second-steppers | £337,119 | £335,691 | +0.4% | +3.2% |
| Top of the ladder | £658,702 | £650,755 | +1.2% | +1.8% |

Rightmove measured 100,406 asking prices this month nationally, circa 95% of the UK market. The properties were put on sale by estate agents from 12th February 2023 to 11th March 2023 and advertised on Rightmove.co.uk.

Overview

The average price of property coming to the market rises by 0.8% (+2,906) this month to £365,357. This is below the average monthly rise of 1.0% seen in March over the last 20 years, reflecting a higher degree of pricing caution by many new sellers than is usually seen at this time of year. The exception to this caution is a 1.2% monthly price jump in the larger home top-of-the-ladder sector, in contrast to more modest 0.4% and 0.5% respective rises in the first-time buyer and second-stepper sectors. Overall, new seller asking prices are now £5,800 below October 2022's peak, with annual price growth continuing to ease and now at +3.0%. The data continues to point to a market on a much more stable footing than many anticipated and cautiously transitioning towards the activity levels of the more normal market of 2019.



The beginning of the spring season sees stability and confidence continuing to return to the market as it recovers from the turbulence at the end of 2022. The pace of the market reached an unsustainable level in the last two years, and was on track to slow to a more normal level, though the speed of this slowdown to more normality was accelerated by the reaction to September's mini-Budget. While higher mortgage rates and economic headwinds raise challenges, many potential home movers who were effectively side-lined in the frenetic bidding wars of the last two years will find that a slower-paced market gives them time to plan and secure their next move as we enter the traditionally busy spring-buying season.

Tim Bannister Rightmove's Director of Property Science



Typical first-time buyer type properties (two-bedrooms and fewer) are leading a cautious recovery, with sales agreed in this sector improving fastest. In the last two weeks, agreed sales are just 4% behind the same period in the more normal market of 2019. However, to put this into context they are 18% behind last year's exceptional level. The result of this increased buyer activity means that average asking prices for first-time buyer type properties are now remarkably just £500 lower than their peak last year. Given the rising cost of living and increased cost of taking out a mortgage, it is likely that many in this group are getting some support from family or have been able to avoid record rents and saved up a larger deposit by living with parents for longer.

By contrast and highlighting the current hyper-local and market sector differences, sales agreed in the last two weeks in the more discretionary top-of-the-ladder and second-stepper homes sectors are 10% and 13% behind the same period in 2019 respectively. However, while the modest 0.4% rise in average second-stepper asking prices reflects this more muted level of activity, the 1.2% rise in the most expensive property sector appears to be over-optimistic given the slower recovery in sales agreed numbers, and some sellers in this sector may need to temper their price expectations in order to attract more buyer interest and secure a sale. One contributing factor to larger home sales lagging is a reduction in pandemic-driven lifestyle changes. The proportion of buyers enquiring to make a move over 50km away from where they live is now 15%, the same level as 2019 and below its pandemic peak of 18%.

Mortgage rates have fallen back from their peak last year, with average rates for a 15% deposit five-year fixed mortgage now 4.65%, edging down from last month's 4.75%, and October's 5.89%, though this compares to 2.48% this time last year. Accompanying the budget announcement, the OBR statement that inflation is likely to reduce more quickly than previously forecast to 2.9% by the end of 2023 is positive news and the Bank of England may temper rate rises and reduce them more quickly than previously anticipated. However, market conditions are changeable, and we will need to see how the mortgage market reacts in the coming weeks.



Lagging sales agreed in the larger homes sectors are likely to be caused by a combination of factors including fewer pandemic-driven moves to bigger homes, a more cautious approach to trading up due to the cost of living, and even perhaps concern over the running costs of a larger home. Meanwhile sales in the first-time buyer sector are likely being helped by some deposit assistance from family. The differing performance of smaller and larger homes highlights the multi-speed, hyper-local market. Sellers looking to take advantage of traditionally strong buyer interest during the spring moving season should seek the expertise of a local estate agent, who will have their finger on the pulse and be best placed to advise on their local market.

Tim Bannister Rightmove's Director of Property Science



Agent's views



While the London market hasn't performed as strongly as the rest of the UK during the pandemic market boom, momentum is building and while asking prices are still a little off the pace for this time of year, we've seen a strong and consistent level of buyer demand so far in 2023.

This is down to the reversal of the pandemic inspired exodus of London buyers looking beyond the capital for larger, more affordable homes. This reversal has been driven by a return to normality, both socially and within the workplace, with many buyers now keen to return to the convenience that London living provides. Of course, while the current economic picture is far better than many predicted, the high cost of homeownership along with the increased cost of borrowing, is still having an influence on where this interest is currently being focused."

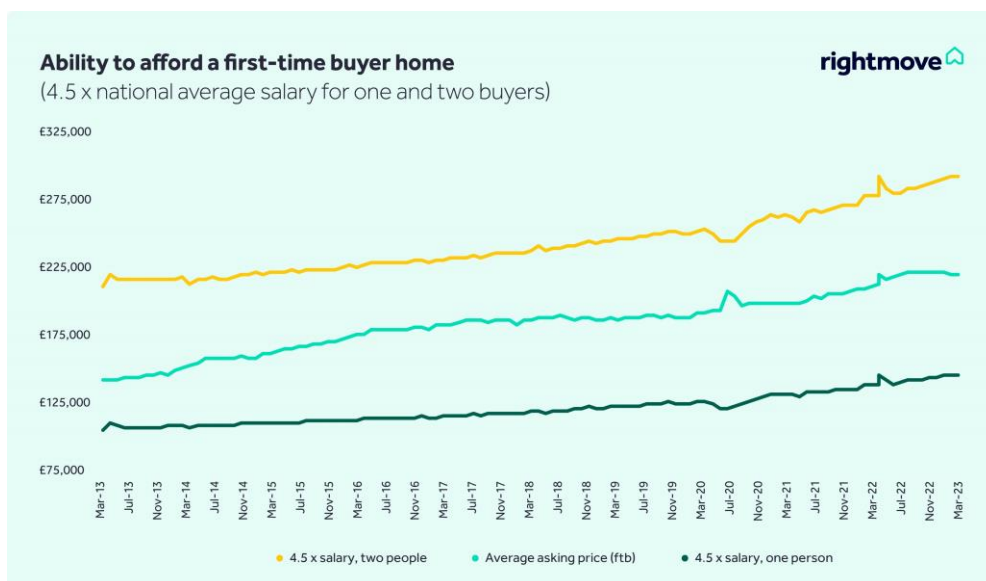
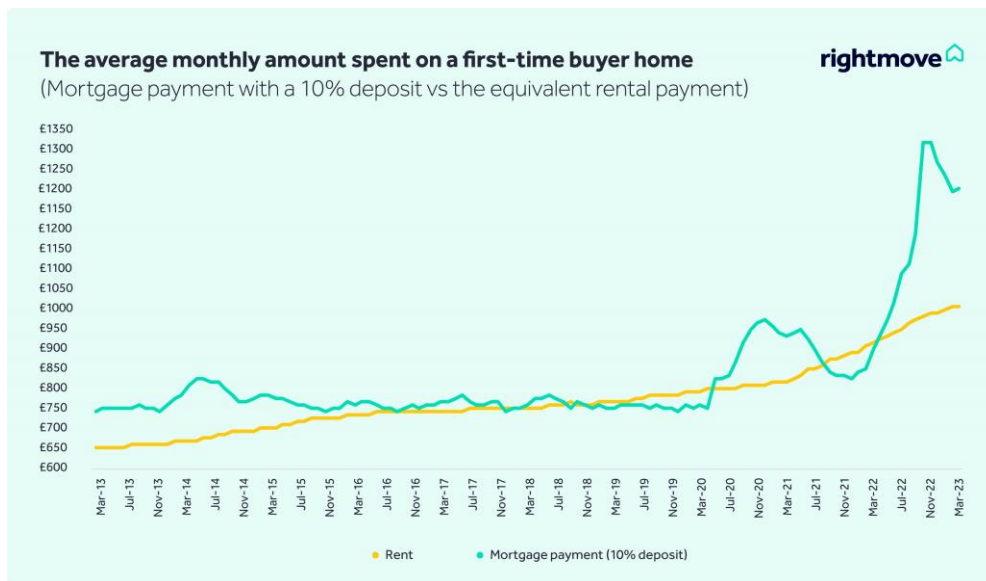
Marc von Grundherr, Director of Benham and Reeves in London



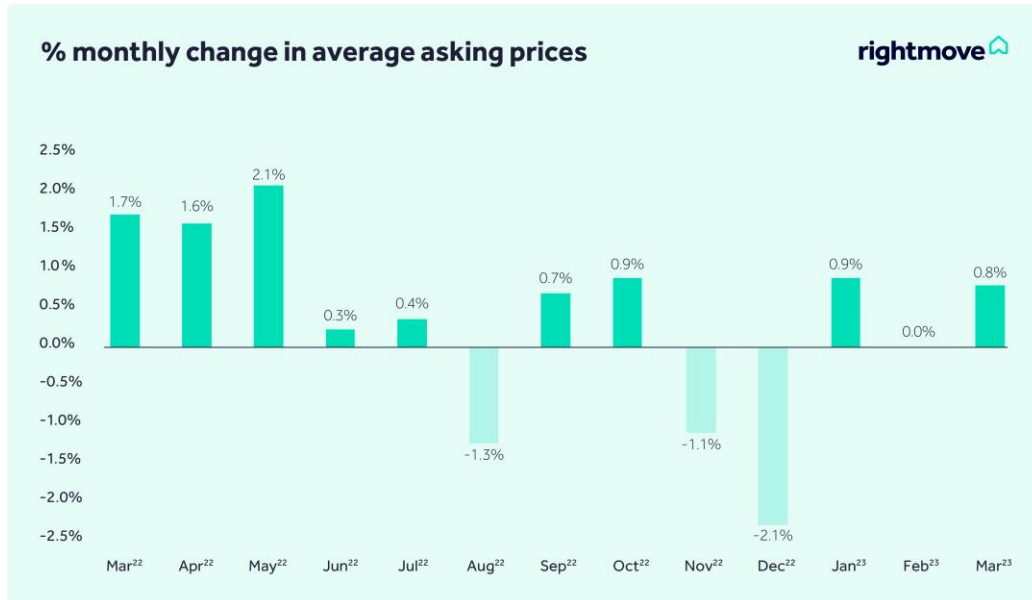
Affordability trends

The first-time buyer monthly mortgage payment is based on Bank of England data of the averages for 90% LTV two-year fixed mortgages from lenders, and the average asking price of a typical first-time buyer home (two bedrooms or fewer) using the Rightmove House Price Index. The equivalent monthly rent is calculated using the same property types (two bedrooms or fewer).

The affordability to buy a first home is based on the Average Weekly Earnings (AWE) dataset from ONS multiplied by 4.5 to get the typical maximum that a person can borrow from a lender. The average asking price of a typical first-time buyer home is taken from the Rightmove House Price Index.



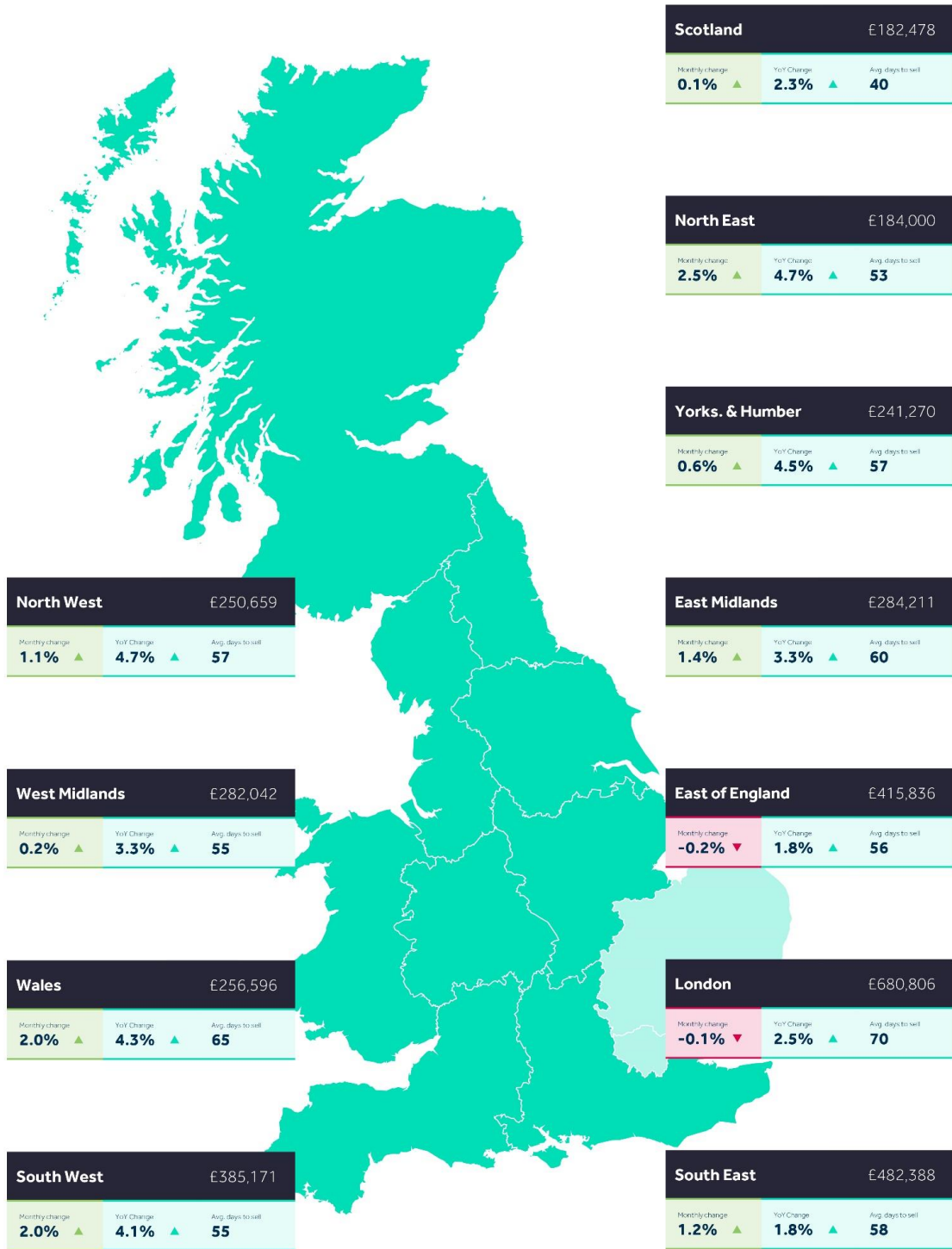
Price & activity trends





Regional trends

● Increase from previous month
 ● Decrease from previous month



London boroughs

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 23 | Monthly change | Annual change |
|------------------------|---------------------|----------------|---------------|
| Camden | £1,121,609 | -3.3% | 13.4% |
| Barnet | £711,845 | 0.7% | 6.8% |
| Islington | £803,089 | 0.0% | 5.4% |
| Sutton | £548,650 | 0.7% | 4.4% |
| Newham | £466,491 | 3.0% | 4.1% |
| Hounslow | £593,153 | -0.5% | 4.1% |
| Lambeth | £675,253 | 2.2% | 4.0% |
| Bexley | £481,518 | 0.2% | 3.9% |
| Wandsworth | £852,936 | 1.2% | 3.7% |
| Westminster | £1,457,872 | 4.3% | 3.6% |
| Tower Hamlets | £593,845 | 0.5% | 3.5% |
| Harrow | £624,943 | 1.8% | 3.2% |
| Haringey | £675,701 | 0.7% | 3.0% |
| Enfield | £504,084 | -0.5% | 3.0% |
| Southwark | £669,461 | 0.9% | 2.9% |
| Merton | £715,325 | 2.8% | 2.8% |
| Hackney | £684,604 | 0.6% | 2.7% |
| Waltham Forest | £553,799 | 0.1% | 2.7% |
| Redbridge | £515,950 | 1.2% | 2.6% |
| Havering | £478,277 | 0.4% | 2.5% |
| Lewisham | £517,194 | 1.5% | 2.3% |
| Hillingdon | £554,150 | -0.9% | 2.0% |
| Barking and Dagenham | £370,289 | -0.3% | 1.8% |
| Brent | £615,951 | 0.8% | 1.7% |
| Croydon | £487,926 | 0.6% | 1.4% |
| Bromley | £619,052 | 0.0% | 1.3% |
| Kingston upon Thames | £690,312 | -0.2% | 1.0% |
| Ealing | £604,346 | 0.1% | 1.0% |
| Greenwich | £481,703 | 1.1% | 0.6% |
| Hammersmith and Fulham | £956,976 | -2.0% | 0.5% |
| Richmond upon Thames | £898,968 | 0.5% | -0.7% |
| Kensington and Chelsea | £1,672,224 | 1.5% | -1.8% |

About the Index

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. The Rightmove House Price Index methodology was last updated and restated in January 2018.

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 providing real-time data, the Rightmove Index has established itself as a reliable indicator of current and future trends in the housing market.

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.

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 attracted 2.3 billion visits in 2022 with time on site totalling 16.3 billion (Rightmove data, 2022).

Average mortgage rates to be credited to Rightmove. The data compares the average for 1 - 14 March 2023 with the average for February 2023, October 2022 and March 2022. The data is provided by specialist mortgage technology provider Podium Solutions. The data covers 95% of mortgage lending, to exclude specialist lenders. All rates are based on products with a circa £999 fee. If you would like further data on different LTVs or fixed terms, please contact us.