

House Price Index

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

+0.5%

Monthly price rise, the lowest at this time of year since 2008

-0.8%

Annual price change continues to trend downwards

+8%

Number of buyers enquiring to each available property still higher than 2019

Lowest October asking price increase since 2008

- Average new seller asking prices increase by 0.5% (+£1,950) this month to £368,231, the smallest average asking price increase at this time of year since 2008, and well below the historic norm in October of 1.4%
- The number of sales agreed are 17% below this time last year, as those sellers who are struggling to adjust their price expectations to match current activity levels are finding that their homes are being left on the shelf
- Buyers are still active for the right property at the right price, but agents advise that sellers need to capture attention with a competitive price from the first day of marketing, as starting too high and reducing later damages the chances of a sale:
 - The number of buyers enquiring to each available home for sale is 8% higher than the more normal market of 2019
 - Importance of immediate buyer interest: if a property receives its first buyer enquiry on the first day of marketing rather than after two weeks, then Rightmove data shows that it is 60% more likely to find a buyer
 - The proportion of homes that are finding a buyer has dropped from eight in every ten at the height of the frenzy, to a more subdued sales rate of six in every ten, making pricing competitively more critical to really stand out
- Average fixed mortgage rates have now fallen for 11 consecutive weeks, with the average two-year fixed rate now below 6% for the first time since June, and the average five-year fixed rate dropping from 6.08% 11 weeks ago to the current 5.43%

National average asking price

Month	Avg. asking price	Monthly change	Annual change	Index
October 2023	£368,231	+0.5%	-0.8%	284.7
September 2023	£366,281	+0.4%	-0.4%	283.2

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

Sector	October 2023	September 2023	Monthly change	Annual change
First time buyers	£224,263	£225,244	-0.4%	-0.2%
Second-steppers	£337,445	£338,300	-0.3%	-0.7%
Top of the ladder	£674,168	£666,129	+1.2%	-1.5%

Rightmove measured 98,397 asking prices this month nationally, circa 95% of the UK market. The properties were put on sale by estate agents from 10th September – 7th October 2023 and advertised on Rightmove.co.uk.

Overview

New seller asking prices rise by 0.5% (+£1,950) this month to £368,231. Although newly advertised property prices typically rise at this time of year, this is the smallest increase in our October report since 2008, and significantly below the average increase of 1.4% seen at this time over the last 20 years. However, despite this more muted rise in average asking prices, buyer activity levels remain significantly lower than during the post-pandemic market frenzy. The number of sales being agreed is now 17% below this time last year, with the proportion of homes finding a buyer and being marked Sold Subject To Contract dropping from an average of eight in ten at the height of the frenzy, to six in ten now. Buyers are still active for the right property at the right price, but agents advise that sellers need to capture a buyer's attention with a competitive price from the first day of marketing. Rightmove analysis showing that starting too high and reducing later seriously damages the chances of a sale, though many sellers appear to be struggling to adjust their pricing tactics to help them to sell in this more challenging market.

New seller asking prices have seen a rise, as they usually do at this time of year following the summer holiday season. While this year's much more subdued rise indicates that some new sellers are gradually heeding their agents' advice to price competitively, agents report that other sellers still need to adjust their expectations on the price that they are likely to achieve in the current post-pandemic, lower-activity market, where six in ten homes are now selling rather than eight in ten. In a market that agents describe as the most price-sensitive ever, buyers are likely to be on the look-out for homes that they feel represent excellent value, and to attract one of these motivated buyers, sellers need to price right first time. If similar nearby properties for sale appear overpriced, serious sellers have an opportunity to stand out from the crowd with a more competitive price and attract immediate buyer interest that our research shows significantly increases the likelihood of finding a buyer.

Tim Bannister Rightmove's Director of Property Science

The number of buyers enquiring to each available home for sale is still 8% higher than at the same time in pre-pandemic 2019. If a property for sale receives its first buyer enquiry on the first day of marketing rather than after two weeks, then Rightmove data shows that property is 60% more likely to find a buyer and be marked Sold Subject To Contract. Agents report that creating this immediate momentum is critical, and that the most successful sellers are those who stand out as they are pricing most competitively against similar properties for sale.

Accurately priced properties succeed in finding a buyer in less than half the time that it takes those that need a reduction, and when they do find a buyer the sale is also 50% less likely to fall through. This highlights the importance for serious sellers of working with a local estate agent to get the price right first time, rather than testing a higher price and mistakenly thinking that they can just reduce later without damaging their chances of a sale.

A more stable mortgage market is providing some home-movers with more confidence about what they are likely to be able to afford, even with rates remaining well above the ultra-low levels of recent years. The average two-year fixed rate is below 6% for the first time since June, and average two-year and five-year mortgage rates are both now lower than at this time last year during the post-mini-Budget period. In the last year, the average house price to earnings ratio has also decreased by close to 10%, meaning that buyer affordability, while still stretched, has improved compared to this time last year. Meanwhile, average fixed mortgage rates continue to trend downwards and have now fallen for 11 consecutive weeks, with the average five-year fixed rate dropping from 6.08% to the current 5.43% over that period. The cheapest available rates in some Loan-To-Value (LTV) brackets are now below 5%, with rates in other LTV's edging closer to sub-5%.

Mortgage rates continue to trend in the right direction and have now dropped for 11 consecutive weeks, with buyer affordability gradually improving compared to this time a year ago. Those with a larger deposit have seen the biggest benefit from recent rate drops, with rates for those with a smaller deposit, typically those further down the housing ladder, not dropping as quickly. The mortgage market is much more stable right now compared to three months ago, giving movers a little more assurance over the rate they are likely to be offered and therefore what they are likely to be able to afford. Those looking to secure a new home for the new year should apply for a Mortgage in Principle to work out what they could afford, and listen to local estate agents about what's happening in their local housing market.

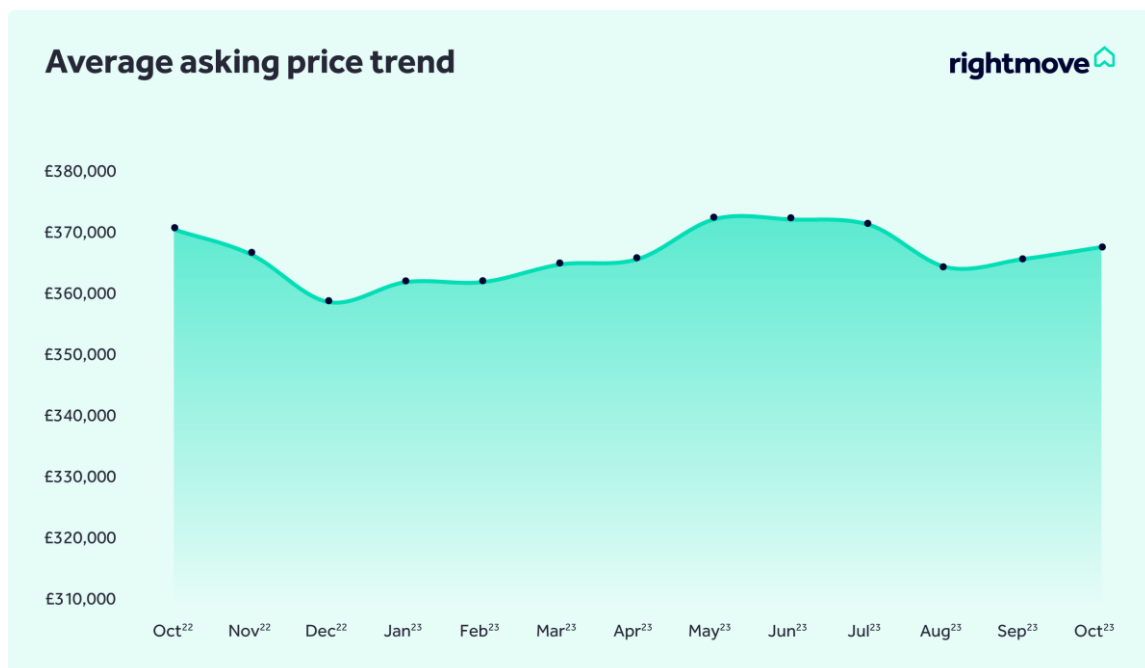
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Agents' views



Ben Hudson, Managing Director at Hudson Moody in York, said: The market is more price sensitive than it's ever been, making pricing accurately so crucial. Being too optimistic with the asking price causes a double-whammy for sellers— not only do they inevitably have to reduce the price of their home anyway, but they often put off potential buyers with too high an initial asking price and then struggle to recapture this attention when it's reduced. Sellers who price realistically or even a little modestly, often find they are met with more than one buyer who is attracted by the good-value pricing, and then suddenly they have competition to buy the property which typically results in a higher agreed price. It's been a bit of a rollercoaster market this year but certainly right now confidence is returning and we're heading back to more normal, cyclical patterns. If sellers price right, there are buyers out there for them.

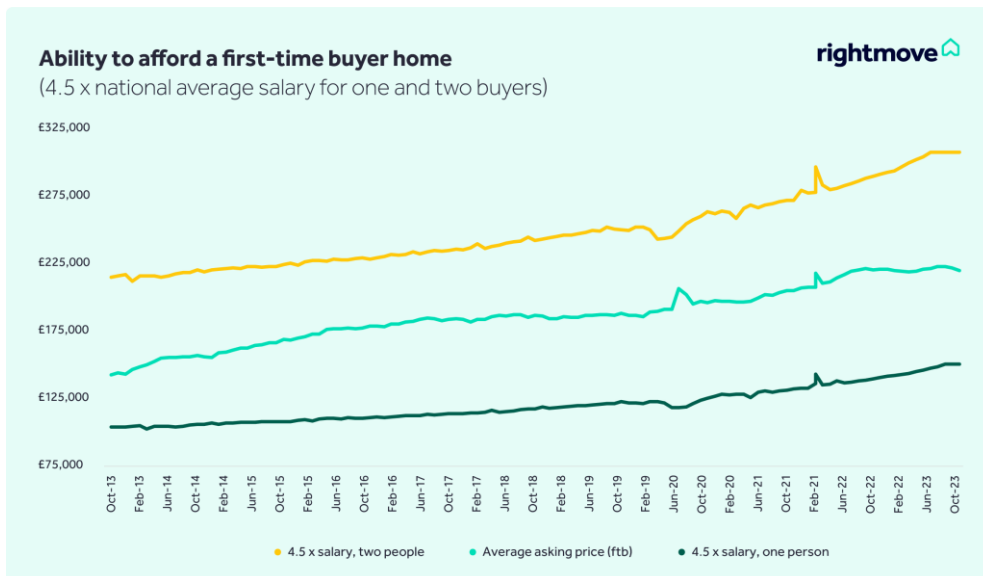
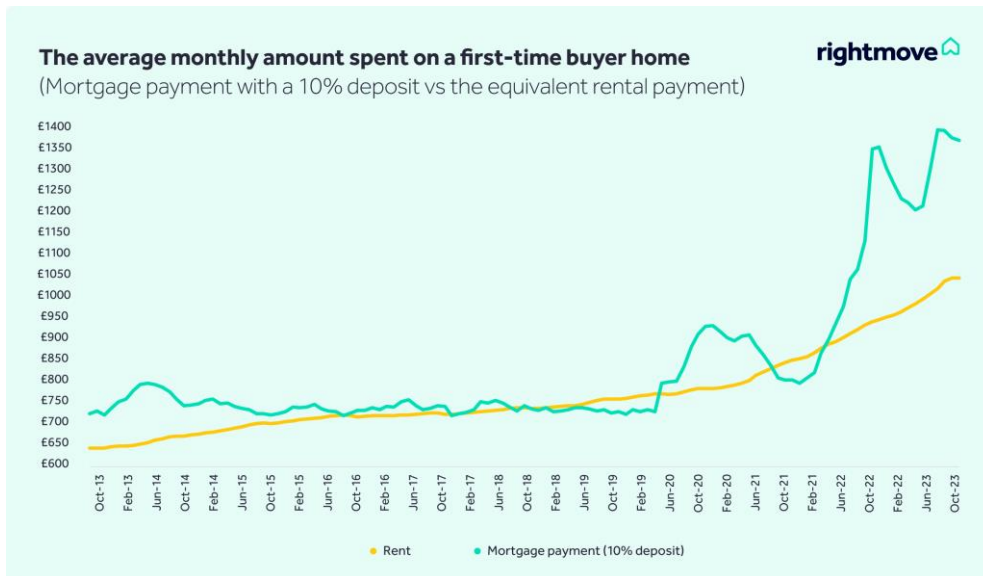
Ben Gee, Founder at Hat and Home in Berkshire said: Some buyers remain cautious and reticent to commit due to easing prices and increased borrowing costs. With a significant proportion of instructions seeing at least one reduction prior to sale, many buyers are adopting a 'wait and see' approach which is creating inertia across all price ranges. Premium stock in excellent condition or in the most sought-after locations continues to get strong interest quickly, but the mass market of homes needs to offer 'good value' whilst buyers have more property to choose from and are more price sensitive. Ambitious asking prices are exacerbating this and simply slowing down the speed of sale for sellers as they are being 'pitched' to the wrong audience until a price correction is made. Advising sellers correctly at the point of instruction to adopt a realistic approach to their marketing price will invariably get the property sold quicker at a better final price.



Affordability trends

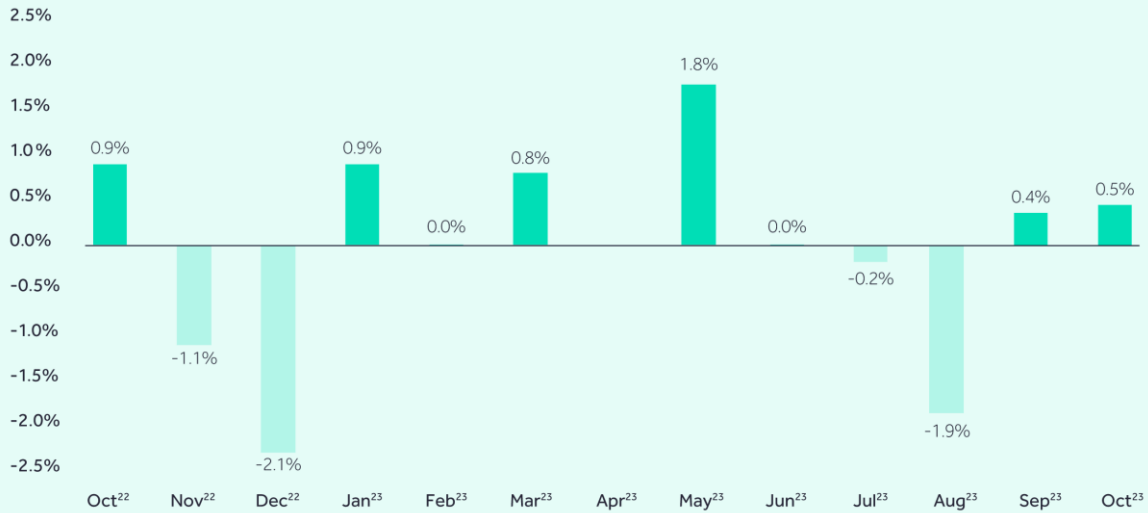
The first-time buyer monthly mortgage payment is based on Bank of England data of the averages for 90% LTV two-year fixed mortgages from lenders, and the average asking price of a typical first-time buyer home (two bedrooms or fewer) using the Rightmove House Price Index. The equivalent monthly rent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



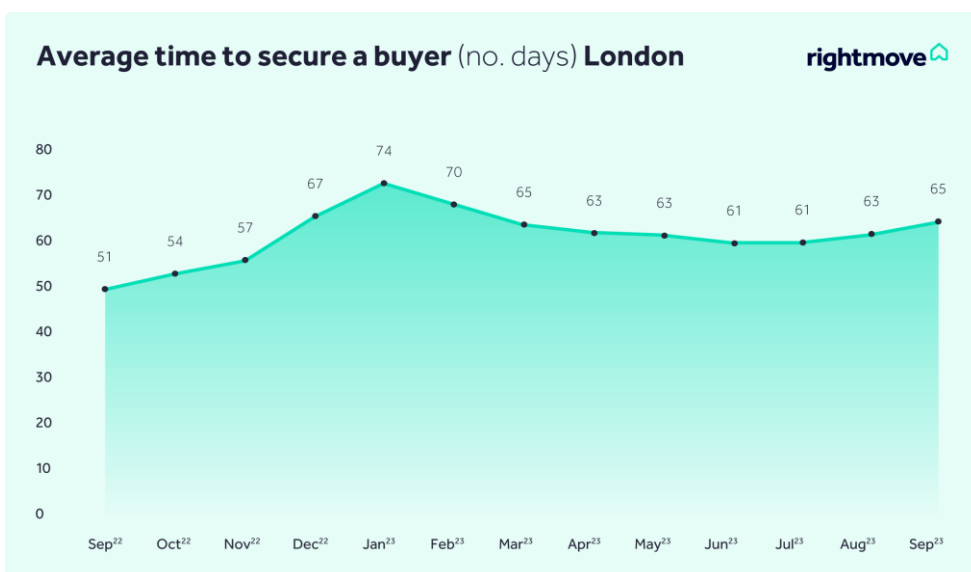
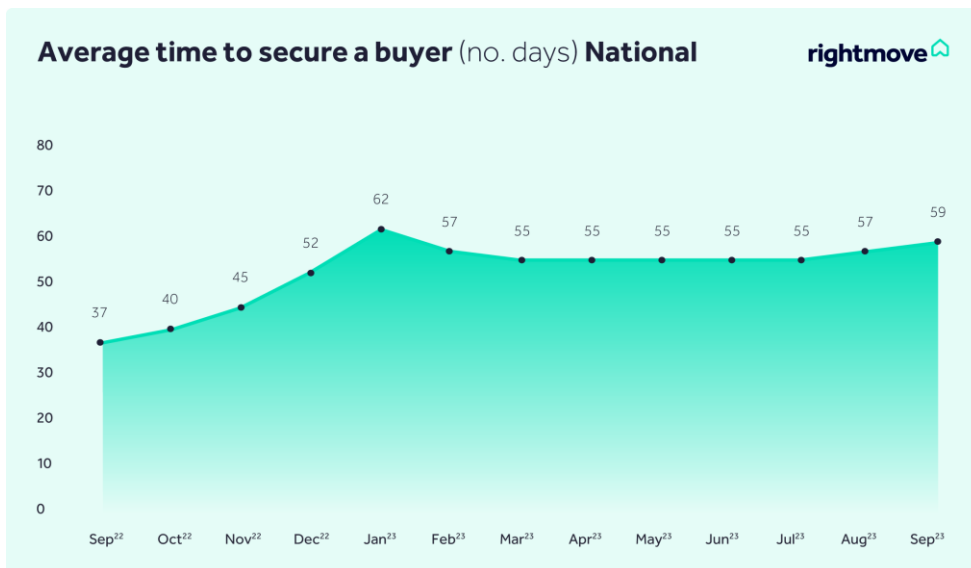
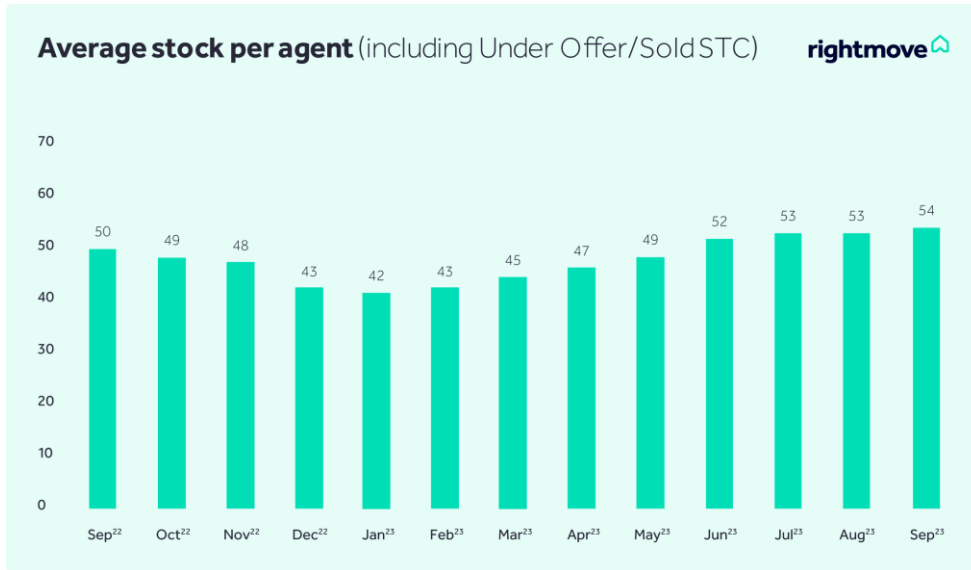
Price & activity trends

% monthly change in average asking prices



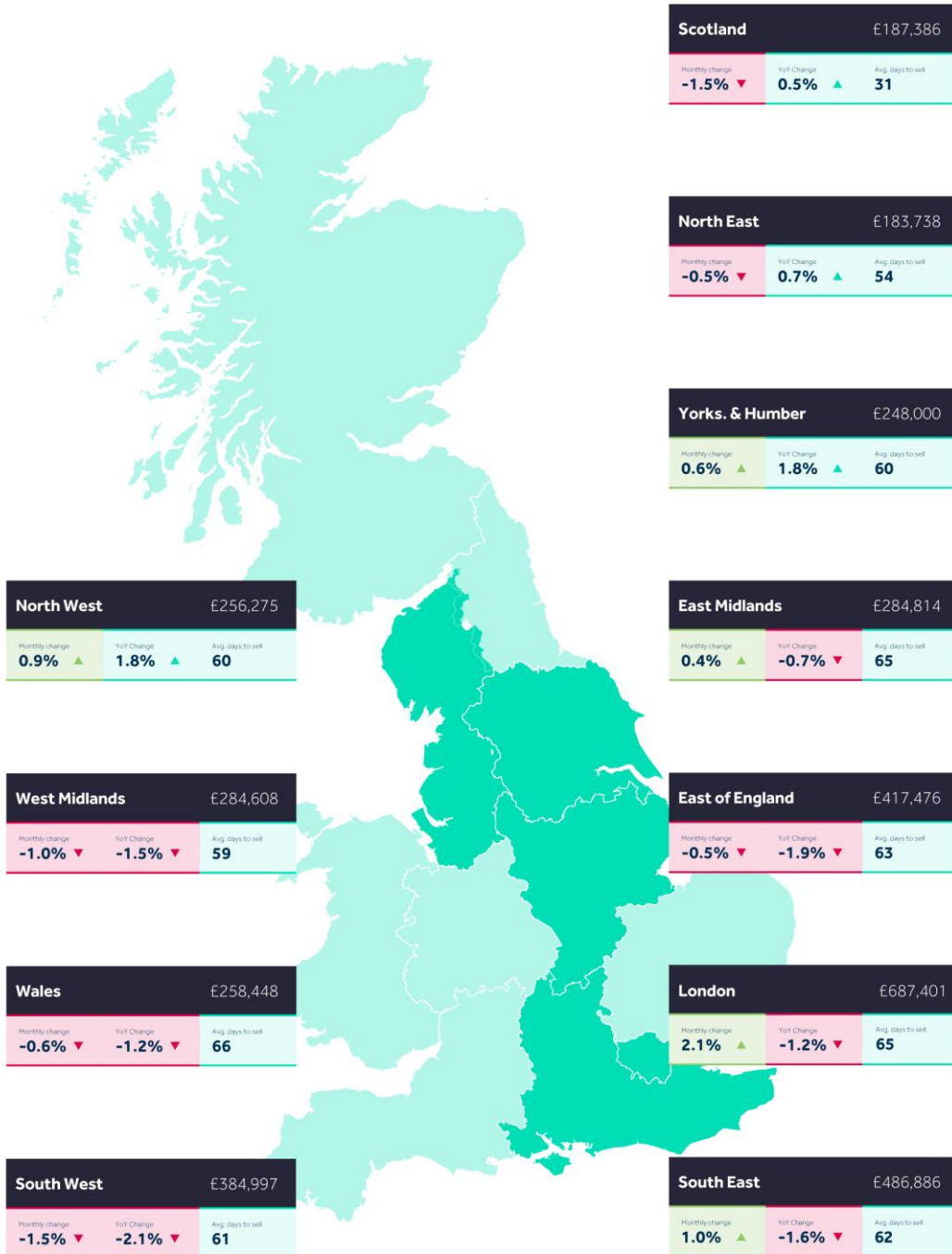
Five year asking price trend





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 Oct 23	Monthly change	Annual change
Richmond upon Thames	£946,928	1.1%	4.3%
Southwark	£672,205	1.0%	3.9%
Sutton	£549,216	1.6%	1.8%
Wandsworth	£848,474	-0.5%	1.7%
Hillingdon	£566,991	1.0%	1.4%
Hackney	£718,431	-0.6%	1.2%
Kensington and Chelsea	£1,700,336	3.1%	1.2%
Hammersmith and Fulham	£982,769	1.2%	1.0%
Haringey	£682,306	-0.2%	0.8%
Bexley	£485,461	0.2%	0.7%
Greenwich	£498,204	-0.5%	0.3%
Lambeth	£676,406	1.6%	0.3%
Tower Hamlets	£590,183	-2.3%	-0.1%
Barnet	£719,120	0.8%	-0.2%
Westminster	£1,421,977	-1.6%	-0.2%
Kingston upon Thames	£699,560	0.4%	-0.4%
Waltham Forest	£561,090	-0.2%	-0.4%
Havering	£483,637	-0.3%	-0.6%
Enfield	£502,359	-1.0%	-1.7%
Islington	£801,639	1.2%	-1.9%
Lewisham	£509,525	0.2%	-2.3%
Barking and Dagenham	£370,044	0.2%	-2.3%
Hounslow	£595,982	-1.1%	-2.4%
Ealing	£603,890	0.2%	-2.5%
Brent	£630,896	0.0%	-2.6%
Bromley	£620,699	-0.8%	-2.6%
Harrow	£623,919	-0.2%	-2.7%
Camden	£1,027,682	-2.6%	-2.7%
Redbridge	£508,160	-0.8%	-3.1%
Croydon	£480,822	-0.7%	-3.3%
Newham	£454,461	-1.2%	-3.9%
Merton	£690,280	0.0%	-6.9%

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 2.5 billion visits in 2021 with time on site totalling 18.3 billion (Rightmove data, 2021).

Average mortgage rates to be credited to Rightmove. The data is provided by specialist mortgage technology provider Podium Solutions. The data covers 95% of mortgage lending, to exclude specialist lenders. If you would like further data on different LTVs or fixed terms, please contact us.