

House Price Index

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

-1.9%

Monthly price fall, slightly higher than the usual December drop

-1.1%

Annual price change for 2023

-13%

Sales agreed in the year-to-date are just 13% behind the same period in 2022

Signs of family movers returning as market stabilises

- Average new seller asking prices drop by 1.9% (-£6,966) this month to £355,177. Prices usually fall in December due to seasonal factors, but this month's drop is bigger than the previous 20-year average of 1.5% as sellers get more competitive
- The 2023 market was more resilient than many predicted as it continued its slow transition from frenzy to more normality;
 - New seller average asking prices end the year just 1.1% below a year ago, while sales agreed for the year to date in 2023's more challenging market are only 13% lower than the same period in the more frenetic 2022
 - Prices in seven out of 11 regions are higher than a year ago. The North West leads the way, up by 1.5% compared to last year, while the South East is the worst performer at 3.7% below 2022
- There are signs that the more stable market conditions will see more family movers return, many of whom put their plans on hold due to the mini-Budget fall-out and uncertainty last year:
 - Average mortgage rates have now fallen for 19 consecutive weeks, with the average 5-year fixed mortgage rate now 5.11% compared to 6.11% in July
 - Buyer demand in the mid-market, second-stepper sector is up the most against last year's post-mini-Budget period at +9%, while overall buyer demand is up by 6% after some movers paused to wait for calmer conditions
- Rightmove predicts that new seller asking prices will drop nationally by an average of 1% in 2024, with motivated sellers still needing to price below their local competition to secure a sale, as buyer affordability remains stretched

National average asking price

Month	Avg. asking price	Monthly change	Annual change	Index
December 2023	£355,177	-1.9%	-1.1%	274.6
November 2023	£362,143	-1.7%	-1.3%	280.0

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

Sector	December 2023	November 2023	Monthly change	Annual change
First time buyers	£219,984	£223,426	-1.5%	-0.8%
Second-steppers	£328,995	£333,263	-1.3%	-0.9%
Top of the ladder	£627,445	£658,840	-4.8%	-3.2%

Rightmove measured 71,005 asking prices this month nationally, circa 95% of the UK market. The properties were put on sale by estate agents from 5th November – 2nd December 2023 and advertised on Rightmove.co.uk.

Overview

Average new seller asking prices fall by 1.9% (-£6,966) this month to £355,177. Sellers who come to market in December often have a pressing reason to sell and need to find a buyer quickly, and therefore price more attractively to capture the attention of festivity-distracted buyers. However, this is a slightly bigger December drop in newly marketed property prices than usual, with the December average over the last 20 years being -1.5%. This fall is partly driven by more new sellers looking to price below the competition now that the pendulum has swung towards a buyers' market. This month's drop means that we end the year with national average asking prices 1.1% below this time last year. Higher mortgage rates have been a key challenge for movers this year, and affordability remains stretched. However, with improved market stability as we head into 2024, there are signs of greater activity from family movers who had put their plans on hold during the fallout from the mini-Budget.



Further price falls beyond the usual seasonal trends that we'd expect at this time of year signal that some new sellers are continuing to act on the advice of agents to price competitively. We entered this year under a cloud of uncertainty, as the fallout from the Autumn mini-Budget filtered through to lower activity levels. High mortgage rates which have added to already-stretched buyer affordability have been a challenge throughout 2023 and this is likely to carry into next year. However for now, there appears to be more calm and certainty heading into 2024, and the annual fall of 1.1% in asking prices highlights the market's much-better-than-predicted resilience this year.

Tim Bannister Rightmove's Director of Property Science



The number of sales agreed in the year to date is just 13% behind the same period last year, a better-than-expected figure given that the 2022 market was much more frenetic, and three of the ten strongest months on record for buyer demand occurred in the first half of that year.

Whilst at a national level average asking prices have seen a marginal fall of 1.1% compared to last year, there is a mixed picture across Great Britain, which has thousands of hyper-local markets, highlighting the need for sellers to price in line with their local market trends. Average new seller asking prices are higher in seven out of 11 areas across Great Britain compared to a year ago, with the North West leading the way at 1.5% higher than last year, and the South East being the worst performer at 3.7% below 2022.

Average mortgage rates have now fallen for 19 consecutive weeks, with the average 5-year fixed mortgage rate now 5.11% compared to 6.11% in July. One of the trends that we therefore expect to emerge next year is a return of more family movers who now want to trade up for more space. With the mortgage market more settled and the expectation being that the Bank of England Base Rate has peaked, those looking to move up the ladder and take out a larger mortgage, many of whom put their plans on hold after the mini-budget to wait and see how this year played out, may now feel in a stronger position to act.

We're seeing early signs of more activity in the family mover market, with demand in the mid-market second-stepper sector (all three and four bed properties, excluding four bed detached houses) up by 9% versus the post-mini-Budget period of this time last year, compared with overall demand being up by 6%. However, first-time buyers will also be needed to keep the market moving and form the bottom of chains.

Sellers still need to price more aggressively than their local competition to secure a buyer, especially those with a pressing need to sell. While current trends suggests that the mortgage market will be more stable, interest rates are likely to remain elevated next year, continuing to put pressure on buyer affordability. Rightmove therefore predicts that national average asking prices will drop by an average of 1% in 2024.



With mortgage rates more settled and on a slow downward trend, potential movers who have been biding their time and waiting for calmer market conditions may decide to act in the early part of next year. Indeed, there's always a big post-Christmas upturn in Rightmove traffic, with early bird-buyers starting their search on Boxing Day. This year's upturn will be eagerly anticipated by those who are keen to sell, especially family movers who are considering having an estate agent board put up as the Christmas tree comes down. Rightmove's research and agent feedback is that the best strategy to sell in the current market is to price temptingly at the outset of marketing, rather than testing the waters with a higher price. This will hopefully avoid the need to reduce your asking price later, and capture that early-bird buyer's interest in the New Year, whilst also avoiding the stress of drawing out the selling process and risking having the for-sale board still up at Easter.

Tim Bannister Rightmove's Director of Property Science



Agent's views



2023 has been an interesting year, with very little straight forward, yet far from the negative market it might have been given the broader economy. Whilst there has been a lower transaction level than the previous few years and some adjustment in values, attractively priced property is selling. Very prime coastal property has held firm and sold well and sensible sellers who are realistic about guide prices are achieving positive results. There is less risk taking and the fluctuation of mortgage rates has made it a bumpy road for some, but as we turn towards 2024, we are hopeful that activity will continue despite a general election. Our advice to both buyers and sellers is to be realistic with expectations, it is potentially an easier market for buyers in prime areas with more choice and less pressure. Vendors; get organized, take early interest seriously and above all pitch values at an attractive level from the outset.

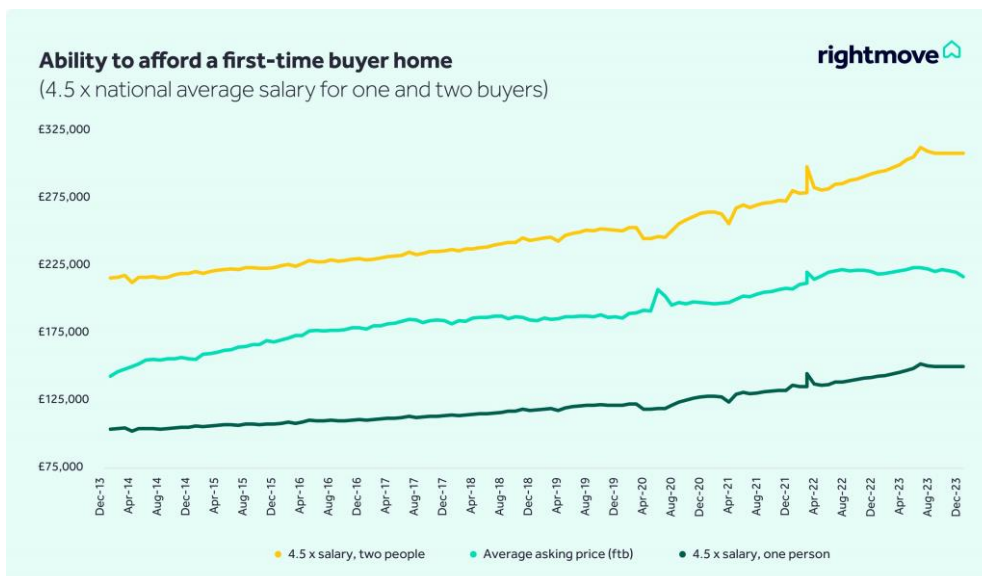
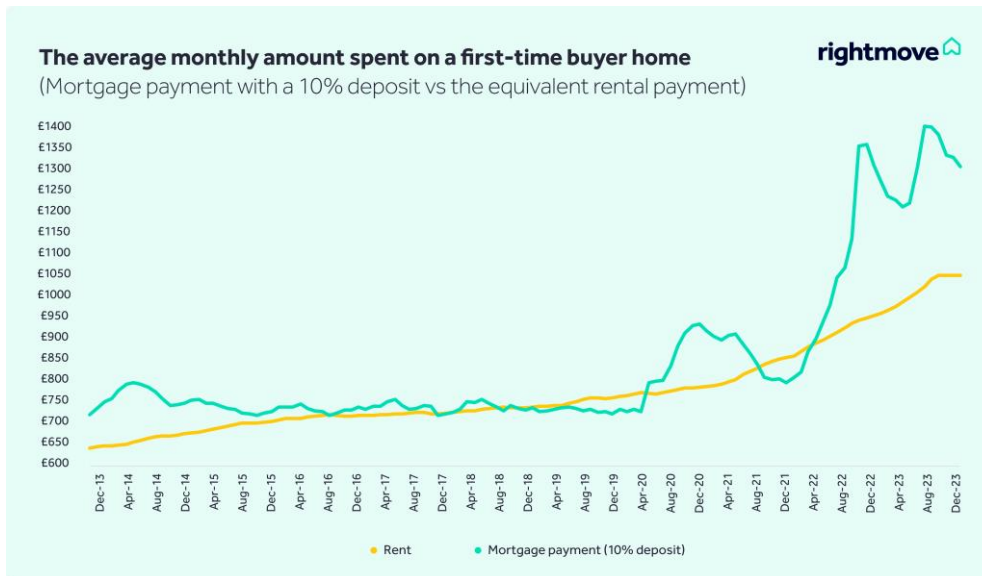
Josephine Ashby, Managing Partner of John Bray Estate Agents in Rock, Cornwall



Affordability trends

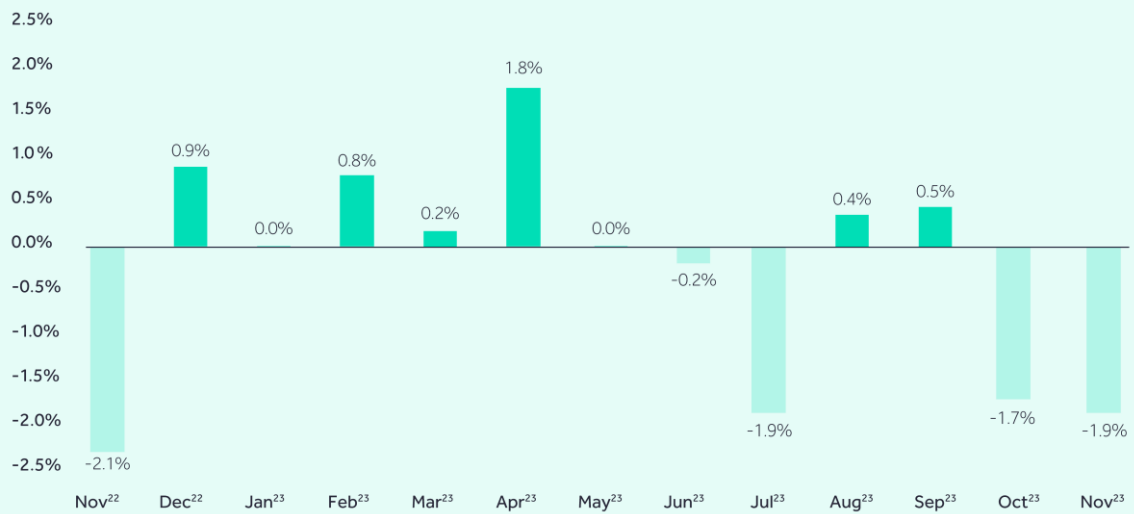
The first-time buyer monthly mortgage payment is based on Bank of England data of the averages for 90% LTV two-year fixed mortgages from lenders, and the average asking price of a typical first-time buyer home (two bedrooms or fewer) using the Rightmove House Price Index. The equivalent monthly rent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



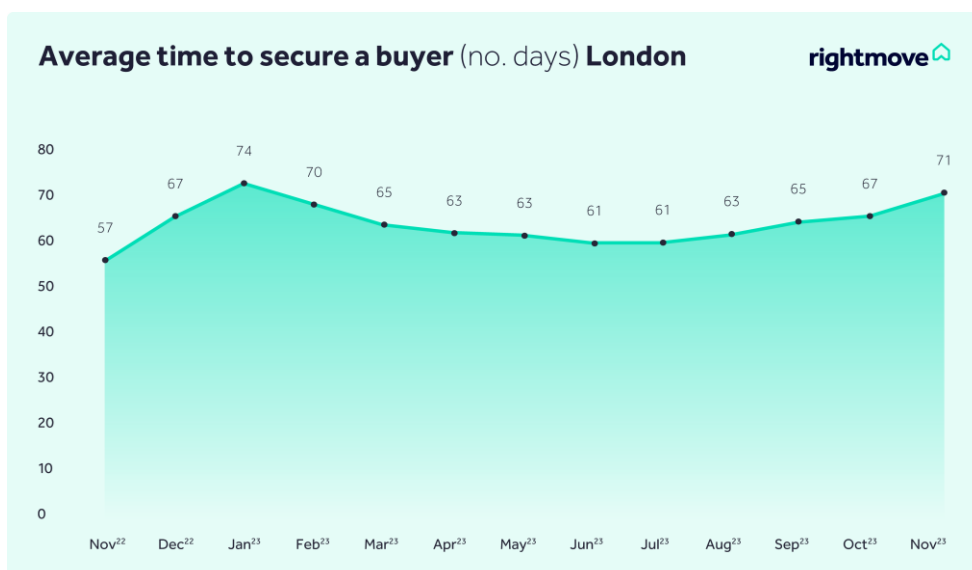
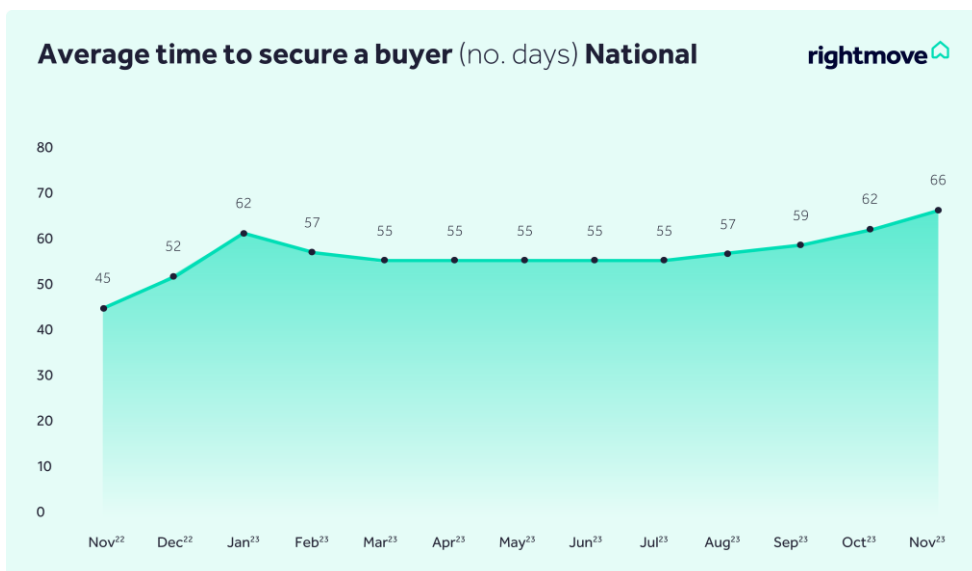
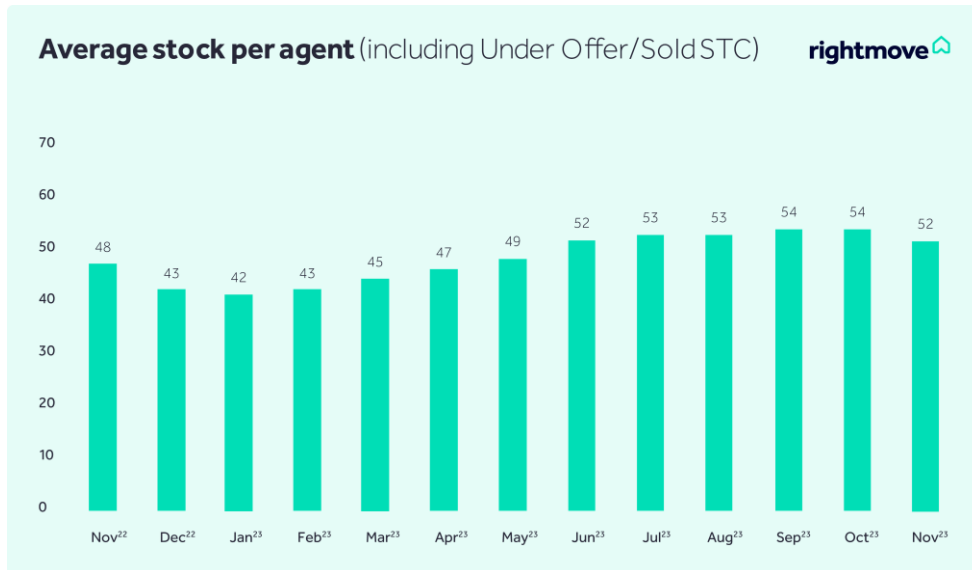
Price & activity trends

% monthly change in average asking prices



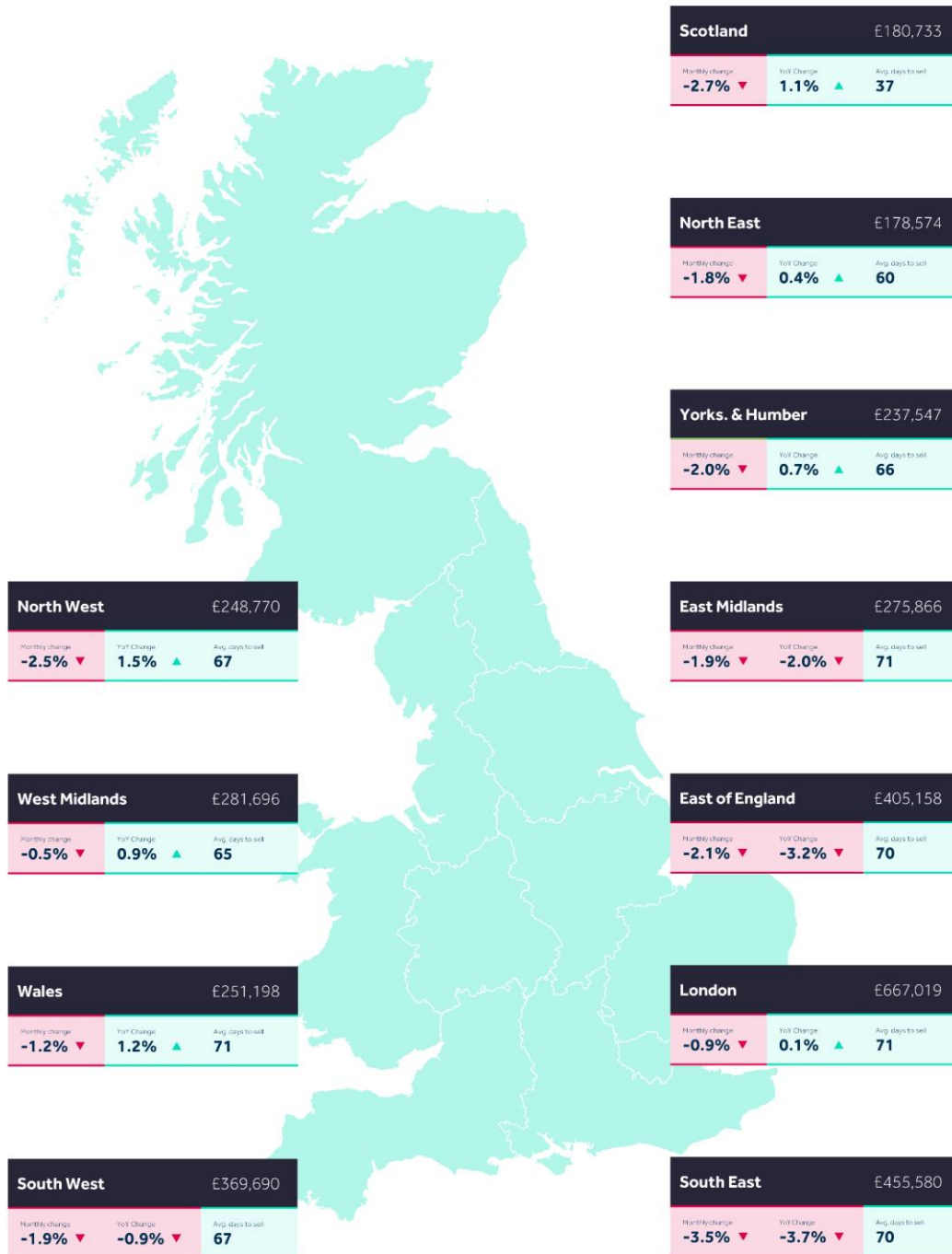
Five year asking price trend





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 Dec 23	Monthly change	Annual change
Wandsworth	£860,483	1.8%	4.4%
Westminster	£1,483,921	2.4%	3.7%
Lambeth	£691,580	1.8%	3.1%
Hammersmith and Fulham	£993,559	0.5%	2.5%
Islington	£801,266	0.8%	1.2%
Sutton	£540,740	0.3%	1.0%
Barnet	£725,356	-0.9%	0.9%
Richmond upon Thames	£942,666	-2.1%	0.7%
Kensington and Chelsea	£1,714,654	1.2%	0.5%
Greenwich	£492,423	-1.3%	0.1%
Lewisham	£518,427	-0.3%	0.1%
Haringey	£677,197	-0.3%	0.1%
Havering	£482,443	-0.3%	-0.3%
Harrow	£622,840	-0.9%	-0.9%
Hillingdon	£549,102	-3.0%	-1.7%
Bexley	£478,184	-1.3%	-1.8%
Newham	£452,670	-1.4%	-1.9%
Tower Hamlets	£578,848	-0.7%	-1.9%
Hackney	£687,116	-1.2%	-1.9%
Southwark	£648,631	-2.3%	-2.0%
Waltham Forest	£551,028	-1.0%	-2.0%
Ealing	£600,213	-0.7%	-2.5%
Barking and Dagenham	£365,364	-1.8%	-2.8%
Redbridge	£499,863	-1.0%	-2.9%
Bromley	£609,024	-1.3%	-2.9%
Kingston upon Thames	£687,810	-1.3%	-3.0%
Croydon	£475,950	-0.9%	-3.1%
Brent	£632,577	0.5%	-3.3%
Enfield	£491,436	-1.4%	-4.4%
Camden	£1,041,967	1.8%	-4.6%
Hounslow	£581,638	-2.3%	-4.7%
Merton	£694,521	0.1%	-5.8%

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 2.5 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.