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Summer slowdown and more property choice push prices down by 2.6%

- Price of property coming to market falls by 2.6% (-£16,301), though in the last six years there were larger falls of 3.1% in 2014 and 2010 at this seasonally subdued time of year
- London is the largest falling region in the country this month with the main driver being Inner London, dropping by 3.6% (-£29,188)
- Outer London suffering less from seasonal slowdown but still falls by 1.5% (-£7,566)
- 8% more properties coming to market than in August 2015 must compete for holiday-distracted buyers' attention
- Pre-existing market weakness, Brexit uncertainty, and summer slowdown combine to increase average time to sell from 46 days in May to 51 days in July

London average asking prices				
Area	August 2016	July 2016	Monthly change	Annual change
Greater London	£619,409	£635,710	-2.6%	+2.1%
Inner	£784,494	£813,682	-3.6%	-1.8%
Outer	£508,829	£516,395	-1.5%	+6.4%
Average asking prices by market sector:				
Sector	August 2016	July 2016	Monthly change	Annual change
First-time buyers	£473,352	£474,731	-0.3%	+3.9%
Second-steppers	£671,600	£668,897	+0.4%	+6.1%
Top of the ladder	£1,356,230	£1,580,366	-14.2%	-11.2%

Overview

The price of property marketed in Greater London over the last four weeks is 2.6% (-£16,301) lower than the previous month. Whilst it is usual for sellers in the capital who come to market in the summer holiday season to price more cheaply, there have only been two larger drops at this time of year since 2010. The re-adjusting Inner London market is the main driver on downwards price pressure, with a typically large seasonal fall of 3.6% (-£29,188) exacerbated by fewer sellers of high-price properties coming to market. In contrast Outer London's fall of 1.5% (-£7,566) is much more muted.

Miles Shippside, Rightmove director and housing market analyst comments: "Many prospective buyers take a summer break from home-hunting and those who are coming to market at this quieter time of year tend to price more aggressively. In addition, owners of more highly-priced properties tend to prioritise their holidays over putting their property up for sale, which gives some anomalies in average prices in the most expensive boroughs at this time of year. The average fall in new seller asking prices at this time of year has been 2.2% over the last six years, so this month's larger 2.6% fall highlights sellers and their agents realising that they have to reduce their asking prices as the market re-adjusts to a level to tempt back buyers in volume. The net effect is that London sees the biggest drop of any region in the country."



8% more properties came to market than in August 2015, and must compete for holiday-distracted buyers' attention. With buyer activity more subdued in some locations, and more property choice, the average time to sell has increased. London has had a big jump in the average number of days to sell in the last two months, up from 46 days in May to 51 days in July.

Shipside says: "Some agents in London and its commuter belt report that the summer slowdown has unfortunately come early, following on seamlessly from the fallow period during May and June caused by Brexit uncertainty. However, there were still hundreds of thousands of buyer enquiries this month, showing that many buyers recognise you can often get a better deal at this time of year if estate agents match them up with motivated sellers. There is traditionally a market rebound starting in September so by autumn we should get a clearer view of the strength of any post-referendum hangover. The latest interest rate cut making already cheap-to-borrow money even cheaper should act as an added confidence boost, and agents also report growing interest from buyers where sterling's depreciation has cut the price of London property when expressed in their currency."



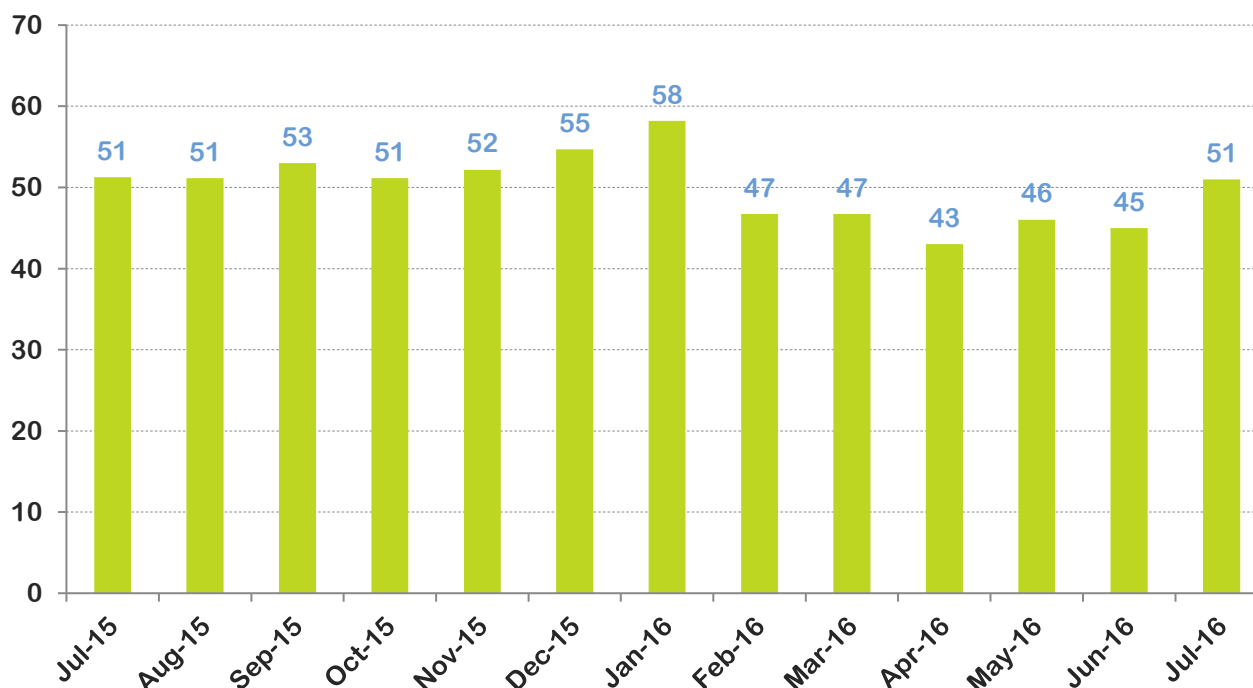
London's best performers: August 2016

Borough	Avg. price Aug 2016	Avg. price Jul 2016	Monthly change	Avg. price Aug 2015	Annual change
Enfield	£492,283	£471,210	4.5%	£432,281	13.9%
Lewisham	£471,716	£459,859	2.6%	£432,067	9.2%
Lambeth	£627,320	£614,581	2.1%	£629,626	-0.4%
Waltham Forest	£475,662	£465,682	2.1%	£416,476	14.2%
Haringey	£625,440	£613,476	2.0%	£586,997	6.5%

London's worst performers: August 2016

Borough	Avg. price Aug 2016	Avg. price Jul 2016	Monthly change	Avg. price Aug 2015	Annual change
City of Westminster	£1,629,205	£1,906,098	-14.5%	£2,146,526	-24.1%
Kensington and Chelsea	£2,010,038	£2,295,878	-12.5%	£2,147,264	-6.4%
Richmond upon Thames	£829,533	£895,183	-7.3%	£849,946	-2.4%
Brent	£608,885	£644,087	-5.5%	£639,774	-4.8%
Merton	£643,899	£678,545	-5.1%	£607,873	5.9%

Average 'time to sell' (days) - London





London boroughs

Borough	Avg. price Aug 2016	Avg. price Jul 2016	Monthly change	Avg. price Aug 2015	Annual change
Kensington and Chelsea	£2,010,038	£2,295,878	-12.5%	£2,147,264	-6.4%
City of Westminster	£1,629,205	£1,906,098	-14.5%	£2,146,526	-24.1%
Camden	£1,094,577	£1,082,224	1.1%	£1,106,312	-1.1%
Hammersmith and Fulham	£977,758	£1,017,820	-3.9%	£992,487	-1.5%
Richmond upon Thames	£829,533	£895,183	-7.3%	£849,946	-2.4%
Wandsworth	£798,069	£802,576	-0.6%	£830,025	-3.9%
Islington	£777,032	£801,165	-3.0%	£732,879	6.0%
Barnet	£679,428	£685,679	-0.9%	£717,397	-5.3%
Merton	£643,899	£678,545	-5.1%	£607,873	5.9%
Ealing	£630,867	£628,236	0.4%	£609,219	3.6%
Hackney	£630,649	£644,181	-2.1%	£627,302	0.5%
Lambeth	£627,320	£614,581	2.1%	£629,626	-0.4%
Haringey	£625,440	£613,476	2.0%	£586,997	6.5%
Southwark	£622,731	£622,580	0.0%	£580,809	7.2%
Brent	£608,885	£644,087	-5.5%	£639,774	-4.8%
Kingston upon Thames	£607,330	£629,184	-3.5%	£614,355	-1.1%
Tower Hamlets	£604,249	£597,114	1.2%	£592,850	1.9%
Harrow	£555,975	£557,357	-0.2%	£526,547	5.6%
Bromley	£531,374	£540,648	-1.7%	£495,903	7.2%
Hounslow	£516,753	£521,988	-1.0%	£497,710	3.8%
Enfield	£492,283	£471,210	4.5%	£432,281	13.9%
Waltham Forest	£475,662	£465,682	2.1%	£416,476	14.2%
Lewisham	£471,716	£459,859	2.6%	£432,067	9.2%
Hillingdon	£470,808	£473,764	-0.6%	£428,013	10.0%
Redbridge	£443,741	£456,376	-2.8%	£430,528	3.1%
Greenwich	£435,373	£443,611	-1.9%	£427,078	1.9%
Sutton	£426,467	£438,134	-2.7%	£394,956	8.0%
Croydon	£426,016	£423,105	0.7%	£379,279	12.3%
Newham	£397,182	£392,005	1.3%	£371,915	6.8%
Havering	£392,464	£394,640	-0.6%	£342,661	14.5%
Bexley	£356,263	£356,804	-0.2%	£317,893	12.1%
Barking and Dagenham	£303,357	£305,117	-0.6%	£262,292	15.7%



Editors' notes

About the Index:

The Rightmove House Price Index methodology was refined as of January 2015. The Index now uses new mapping technology to define regions at a postcode rather than postcode district or area level, and the mix adjustment has been updated to reflect the current proportion of stock by property type in each area, to provide even more accurate data. All regional breakdowns are now reported in line with ONS regions. For the purpose of historical comparisons, the historical figures have been restated based on the new methodology.

The Index can now include further 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 90% of the market, the largest and most up-to-date monthly sample of any house price indicator in the UK. 95% of properties are sold via an agent, whilst only 75% are purchased with a mortgage. 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.

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.

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 around 90% of all properties for sale and at any time displays a stock of over one million properties to buy or rent, worth around £270 billion. The Rightmove.co.uk site attracts over 90 million visits from home movers each month who view in excess of one billion pages (Rightmove data, October 2014).