



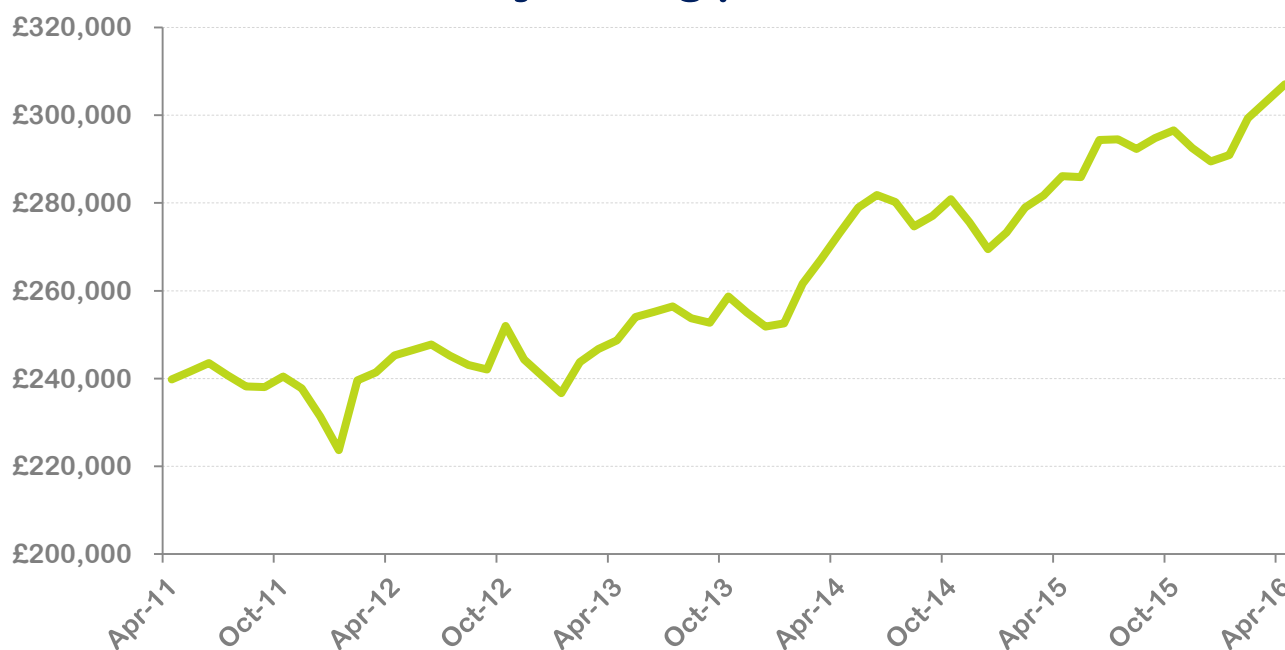
Under embargo for 00:01 hours, Monday 18th April 2016

Buy-to-let ignites chain reaction, driving prices to record high

- Average price of property coming to market up by 1.3% (+£3,843) to set a record high of £307,033
- Rush from investors to buy before April 1st helped to ignite an onward chain reaction:
 - Stamp duty deadline gave early impetus to bottom of the market and had knock-on effect of energising the higher sectors of the market
 - This month's rise is driven by second-stepper and top of the ladder sectors, while smaller properties in first-time buyer/buy-to-let sector see monthly price drop of 1.4%
- While buy-to-let momentum at the bottom of the market has now dropped away, demand remains high with record visits on Rightmove in March; will first-time buyers take this opportunity to fill the void?

| National average asking prices | | | | |
|--|-------------------|----------------|----------------|---------------|
| Month | Avg. asking price | Monthly change | Annual change | Index |
| April 2016 | £307,033 | +1.3% | +7.3% | 252.8 |
| March 2016 | £303,190 | +1.3% | +7.6% | 249.6 |
| National average asking prices by market sector (excluding Inner London) | | | | |
| Sector | April 2016 | March 2016 | Monthly change | Annual change |
| First-time buyers | £182,926 | £185,612 | -1.4% | +7.1% |
| Second-steppers | £257,871 | £256,359 | +0.6% | +8.6% |
| Top of the ladder | £546,232 | £536,262 | +1.9% | +5.1% |

Monthly asking price trend





Overview

The average price of property coming to market is at another all-time high, up by £3,843 to a new record of £307,033. The Chancellor's autumn statement and announcement of the April buy-to-let stamp duty deadline created momentum which gave early impetus to the bottom of the market. It has also had the knock-on effect of energising the higher sectors of the market. This has contributed to April's monthly rise of 1.3% being driven by growth in the second-stepper and top of the ladder sectors of the market, with the lower end of the market reporting a fall.

Miles Shipside, Rightmove director and housing market analyst comments: *"The onset of spring is traditionally when the housing market swings into full-on action, and while the early Easter this year could be credited with its very active current state, the housing market actually received a much earlier kick-start at the end of November. Chains need a buyer at the bottom to enable everyone to move, and that was boosted by investors looking to avoid the 3% levy introduced on April 1st."*

The bottom sector of the market with two bedrooms or fewer has in recent years seen high demand from both first-time buyers and buy-to-let investors, creating upwards price pressure. The further demand boost from those looking to complete before April 1st has now dissipated, resulting in a 1.4% drop this month in the average price of a property coming to market in this typical first-time-buyer/investor sector. However, the momentum it created looks to have enabled owner-occupiers of these properties to trade up. This has built an onward chain reaction of higher demand in higher price brackets as more people can move.

Upwards price pressure has moved into the typical second-stepper sector (three or four bedrooms excluding four bedroom detached properties). Prices are up by 0.6% (+£1,512) this month, and this sector compared to the others has seen the largest year-on-year percentage rise, up by 8.6% (+£20,519). The 'top of the ladder' sector (four bedroom detached and five bedrooms or more) has seen the biggest rise this month, up by 1.9% (+£9,970). Their annual rate of increase remains the lowest however, at 5.1%.

Shipside observes: *"While some felt that there would be a stampede of existing landlords selling to other landlords, these figures indicate that many of those who sold during the buy-to-let rush were actually first-time sellers looking to trade up. They used the heightened demand from investors competing fiercely with first-time buyers to springboard themselves onto the next rung of the housing ladder. After several years of being held back from moving by post-credit-crunch price doldrums, they have now benefitted from a heady combination of price growth, historically cheap interest rates, and confidence of a quick sale with purchasers working to a tight deadline. Trader-uppers have now been unleashed and this has spread demand upwards and helped to form longer chains. Interestingly there has been a stamp duty double-whammy effect pushing up prices in these higher sectors too. Earlier reforms in December 2014 reduced stamp duty for all properties priced below £937,000, especially around the previous punitive thresholds, also boosting demand and prices."*

While demand from some buy-to-let landlords has dropped away, Rightmove recorded its busiest ever month for visits to the website in March. It is likely that appetite from investors will return for the right property at the right price and yield, but in the meantime it gives first-time buyers an opportunity to fill the void with less competition from typically faster-moving cash-rich landlords.

Shipside notes: *There's a whole army of aspiring first-time buyers keen to get on the ladder and they now have a 3% price advantage over the formerly more agile legion of landlords, some of whom have retreated for the time being. First-time buyers could fill some of the gap but sellers of properties with two bedrooms or fewer need to realise that with less overall demand they need to price cheaper to match first-time buyers and highly-taxed investors."*



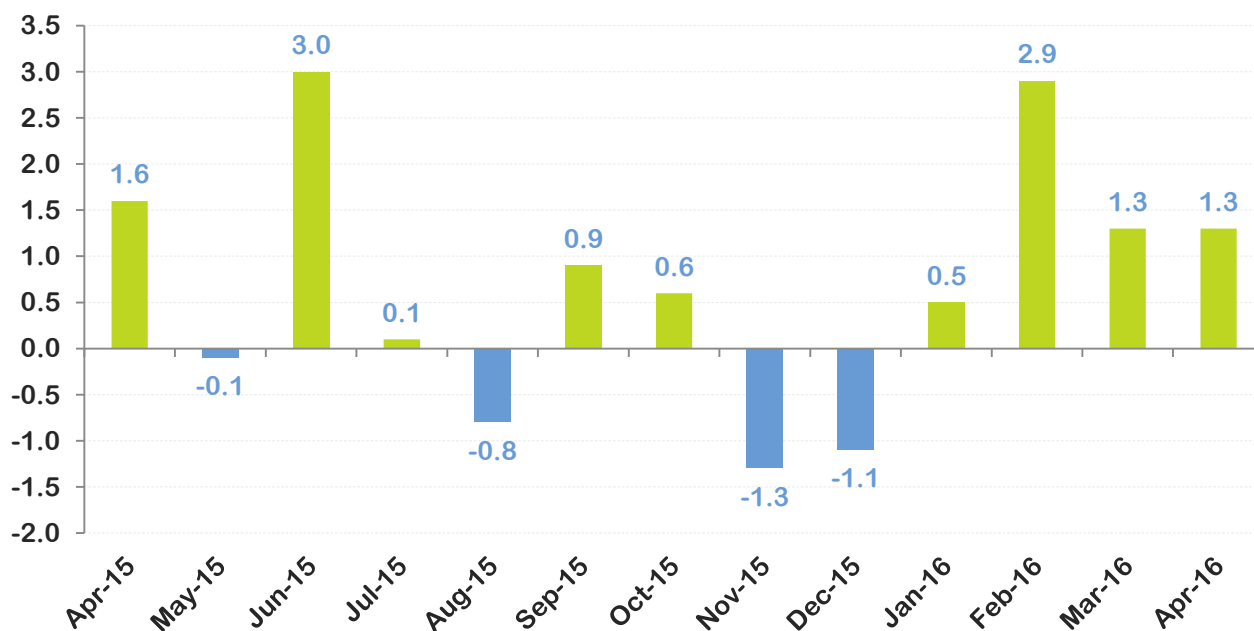
Agents' Views

Simon Woodcock, Managing Director of Robinson Michael & Jackson, said: *"We registered a record number of completions in the first quarter of 2016 and completed over 2,500 valuations. While the beginning of many chains were financed by the buy-to-let market, the demand to buy continues. We are seeing, however, landlords being replaced by first-time buyers, who now have a number of Government-backed incentives to help them get a foot on the property ladder. We are witnessing a concentration of buying activity in the Greater London suburbs (Bexley and Bromley) and in the Kent commuter belts – areas such as Dartford and Gravesend, for example – as money flows out of prime Central London and trickles out to the Home Counties. South East London continues to move into prime position in terms of desirability. While we have been achieving the asking price – and in many case much more – for clients in areas such as Sydenham, New Cross, Catford and Lewisham – we don't think price growth has peaked. There's still such a pent up demand - with movers coming across from South West and East London – that there is still a lack of supply, creating an amazing window of opportunity for potential sellers."*

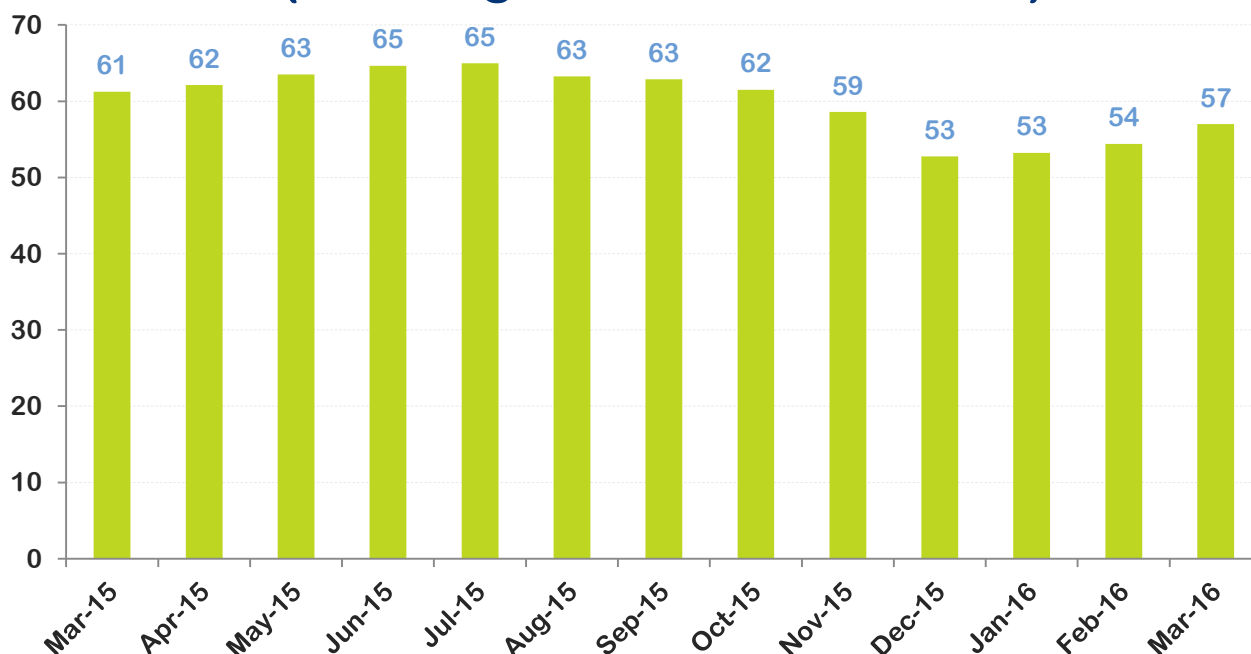
Mark Manning, Director of Manning Stainton in Leeds, Harrogate, Wetherby and Wakefield said: *"We had the highest level of exchanges since 2006 in March, and it's likely some of those happened sooner due to the tax change deadline. While instructions remain broadly on par with the first quarter of last year there is still the feeling that the shelves are pretty bare as we enter our busiest months of the year."*



% monthly change in average asking prices

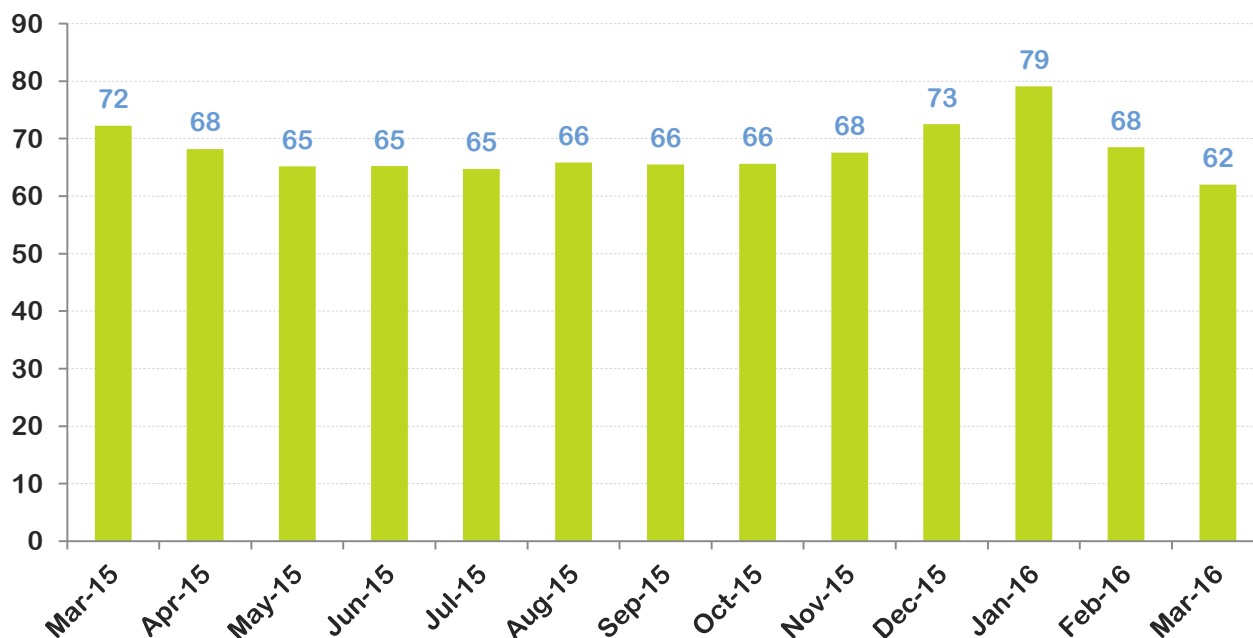


Average stock per agent (including Under Offer/Sold STC)





Average 'time to sell' (no. of days) - National





Regional trends



Increase from previous month



Decrease from previous month

NORTH EAST

| | |
|-----------------------|-------------|
| Avg. price Apr 16 | £151,459 |
| Avg. price Mar 16 | £148,484 |
| Monthly change | 2.0% |
| Avg. price Apr 15 | £146,361 |
| Annual change | 3.5% |

YORKS. & HUMBER

| | |
|-----------------------|-------------|
| Avg. price Apr 16 | £174,585 |
| Avg. price Mar 16 | £173,947 |
| Monthly change | 0.4% |
| Avg. price Apr 15 | £170,307 |
| Annual change | 2.5% |

NORTH WEST

| | |
|-----------------------|-------------|
| Avg. price Apr 16 | £179,873 |
| Avg. price Mar 16 | £177,437 |
| Monthly change | 1.4% |
| Avg. price Apr 15 | £173,403 |
| Annual change | 3.7% |

EAST MIDLANDS

| | |
|-----------------------|-------------|
| Avg. price Apr 16 | £196,665 |
| Avg. price Mar 16 | £189,819 |
| Monthly change | 3.6% |
| Avg. price Apr 15 | £184,871 |
| Annual change | 6.4% |

WEST MIDLANDS

| | |
|-----------------------|-------------|
| Avg. price Apr 16 | £205,597 |
| Avg. price Mar 16 | £204,140 |
| Monthly change | 0.7% |
| Avg. price Apr 15 | £196,423 |
| Annual change | 4.7% |

EAST OF ENGLAND

| | |
|-----------------------|--------------|
| Avg. price Apr 16 | £331,780 |
| Avg. price Mar 16 | £326,836 |
| Monthly change | 1.5% |
| Avg. price Apr 15 | £299,559 |
| Annual change | 10.8% |

WALES

| | |
|-----------------------|-------------|
| Avg. price Apr 16 | £178,975 |
| Avg. price Mar 16 | £174,046 |
| Monthly change | 2.8% |
| Avg. price Apr 15 | £176,912 |
| Annual change | 1.2% |

GTR. LONDON

| | |
|-----------------------|-------------|
| Avg. price Apr 16 | £646,200 |
| Avg. price Mar 16 | £644,045 |
| Monthly change | 0.3% |
| Avg. price Apr 15 | £594,585 |
| Annual change | 8.7% |

SOUTH WEST

| | |
|-----------------------|-------------|
| Avg. price Apr 16 | £294,835 |
| Avg. price Mar 16 | £292,251 |
| Monthly change | 0.9% |
| Avg. price Apr 15 | £278,378 |
| Annual change | 5.9% |

SOUTH EAST

| | |
|-----------------------|-------------|
| Avg. price Apr 16 | £407,686 |
| Avg. price Mar 16 | £399,680 |
| Monthly change | 2.0% |
| Avg. price Apr 15 | £372,742 |
| Annual change | 9.4% |



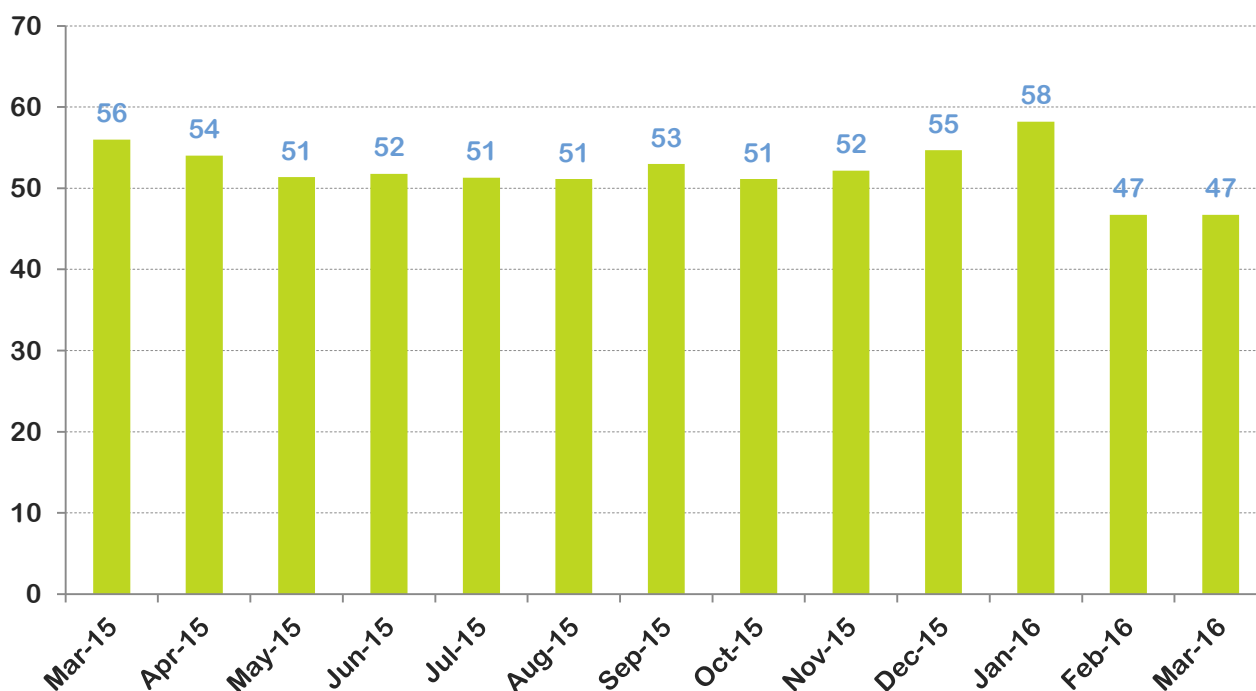
London's best performers: April 2016

| Borough | Avg. price Apr 2016 | Avg. price Mar 2016 | Monthly change | Avg. price Apr 2015 | Annual change |
|------------------------|---------------------|---------------------|----------------|---------------------|---------------|
| Greenwich | £485,697 | £447,452 | 8.5% | £399,997 | 21.4% |
| Hounslow | £583,015 | £555,016 | 5.0% | £503,711 | 15.7% |
| Enfield | £463,804 | £448,248 | 3.5% | £419,450 | 10.6% |
| Hammersmith and Fulham | £1,057,044 | £1,022,953 | 3.3% | £1,018,396 | 3.8% |
| Lambeth | £664,561 | £643,039 | 3.3% | £619,153 | 7.3% |

London's worst performers: April 2016

| Borough | Avg. price Apr 2016 | Avg. price Mar 2016 | Monthly change | Avg. price Apr 2015 | Annual change |
|------------------------|---------------------|---------------------|----------------|---------------------|---------------|
| Haringey | £604,138 | £638,723 | -5.4% | £561,762 | 7.5% |
| Kensington and Chelsea | £2,244,739 | £2,349,486 | -4.5% | £2,575,095 | -12.8% |
| Islington | £790,552 | £826,838 | -4.4% | £734,646 | 7.6% |
| Hackney | £639,876 | £662,845 | -3.5% | £613,110 | 4.4% |
| Barnet | £702,956 | £717,368 | -2.0% | £644,795 | 9.0% |

Average 'time to sell' (days) - London





London boroughs

| Borough | Avg. price Apr 2016 | Avg. price Mar 2016 | Monthly change | Avg. price Apr 2015 | Annual change |
|------------------------|---------------------|---------------------|----------------|---------------------|---------------|
| Kensington and Chelsea | £2,244,739 | £2,349,486 | -4.5% | £2,575,095 | -12.8% |
| City of Westminster | £1,880,224 | £1,906,418 | -1.4% | £1,941,099 | -3.1% |
| Camden | £1,150,149 | £1,153,883 | -0.3% | £1,022,989 | 12.4% |
| Hammersmith and Fulham | £1,057,044 | £1,022,953 | 3.3% | £1,018,396 | 3.8% |
| Richmond upon Thames | £933,761 | £923,220 | 1.1% | £805,644 | 15.9% |
| Wandsworth | £852,058 | £867,262 | -1.8% | £761,901 | 11.8% |
| Islington | £790,552 | £826,838 | -4.4% | £734,646 | 7.6% |
| Barnet | £702,956 | £717,368 | -2.0% | £644,795 | 9.0% |
| Merton | £671,176 | £676,408 | -0.8% | £599,070 | 12.0% |
| Lambeth | £664,561 | £643,039 | 3.3% | £619,153 | 7.3% |
| Southwark | £657,370 | £659,606 | -0.3% | £650,686 | 1.0% |
| Hackney | £639,876 | £662,845 | -3.5% | £613,110 | 4.4% |
| Kingston upon Thames | £637,544 | £641,468 | -0.6% | £601,081 | 6.1% |
| Brent | £631,089 | £626,662 | 0.7% | £574,108 | 9.9% |
| Ealing | £625,473 | £621,116 | 0.7% | £606,879 | 3.1% |
| Haringey | £604,138 | £638,723 | -5.4% | £561,762 | 7.5% |
| Tower Hamlets | £600,705 | £588,121 | 2.1% | £618,236 | -2.8% |
| Hounslow | £583,015 | £555,016 | 5.0% | £503,711 | 15.7% |
| Harrow | £570,481 | £561,054 | 1.7% | £482,553 | 18.2% |
| Bromley | £541,610 | £542,103 | -0.1% | £490,982 | 10.3% |
| Hillingdon | £490,183 | £478,870 | 2.4% | £430,462 | 13.9% |
| Greenwich | £485,697 | £447,452 | 8.5% | £399,997 | 21.4% |
| Lewisham | £467,182 | £454,952 | 2.7% | £419,524 | 11.4% |
| Waltham Forest | £464,824 | £460,921 | 0.8% | £397,817 | 16.8% |
| Enfield | £463,804 | £448,248 | 3.5% | £419,450 | 10.6% |
| Redbridge | £449,125 | £451,094 | -0.4% | £379,523 | 18.3% |
| Sutton | £439,576 | £434,463 | 1.2% | £380,443 | 15.5% |
| Croydon | £416,889 | £405,178 | 2.9% | £367,692 | 13.4% |
| Newham | £401,197 | £401,284 | 0.0% | £351,190 | 14.2% |
| Havering | £389,583 | £381,495 | 2.1% | £336,254 | 15.9% |
| Bexley | £356,208 | £354,223 | 0.6% | £309,579 | 15.1% |
| Barking and Dagenham | £302,347 | £297,528 | 1.6% | £245,731 | 23.0% |



Editors' notes

About the Index:

The Rightmove House Price Index methodology has been 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.

Rightmove measured 115,193 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 13th March 2016 to 9th April 2016 and advertised on Rightmove.co.uk. This month 5,903 properties have been excluded due to being anomalies.

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).