



Under embargo for 00.01 hours, Monday 21<sup>st</sup> August 2017

## Mid-country hot-spots enjoy mini-boom in annual price growth

- Holiday season casts its usual shadow with price of property coming to market falling by 0.9% (-£2,758) this month
- Climate of stretched affordability and clouded political outlook continue to chill the annual rate of increase to a national average of just +3.1%
  - Of the English counties exceeding the 3.1% average annual rise, over half are in the buoyant mid-regions of the country in contrast to only a quarter in the north and just a fifth in the south
  - Eight counties are enjoying a mini-boom, with year-on-year rises of over twice the pace of the national average, and they are all in the middle band of the country
  - Top three hottest markets: Northamptonshire (+9.1%), Derbyshire (+7.9%) and Norfolk (+7.4%)

National average asking prices				
Month	Avg. asking price	Monthly change	Annual change	Index
August 2017	£313,663	-0.9%	+3.1%	258.2
July 2017	£316,421	+0.1%	+2.8%	260.5
National average asking prices by market sector (excluding Inner London)				
Sector	August 2017	July 2017	Monthly change	Annual change
First-time buyers	£194,273	£196,450	-1.1%	+3.2%
Second-steppers	£267,203	£267,637	-0.2%	+3.8%
Top of the ladder	£552,468	£567,113	-2.6%	+2.5%

## Best performing counties for annual asking price growth

County	Avg. asking price Aug 2017	Avg. asking price July 2017	Monthly change	Avg. asking price August 2016	Annual change
Northamptonshire	£256,642	£251,105	+2.2%	£235,284	+9.1%
Derbyshire	£200,819	£199,168	+0.8%	£186,115	+7.9%
Norfolk	£260,425	£258,712	+0.7%	£242,373	+7.4%
Nottinghamshire	£185,964	£186,637	-0.4%	£173,581	+7.1%
Bedfordshire	£315,370	£310,999	+1.4%	£294,695	+7.0%
Worcestershire	£267,776	£274,764	-2.5%	£250,268	+7.0%
West Midlands	£193,182	£189,747	+1.8%	£180,669	+6.9%
Leicestershire	£232,908	£230,085	+1.2%	£217,946	+6.9%



## Overview

The price of property coming to market has fallen by 0.9% (-£2,758) this month. A price fall when the summer holiday season is in full swing is not unexpected, with both buyers and sellers having holiday distractions. Indeed, this drop is very much in line with the average for this time of year, which has been -1.2% over the seven years since 2010. The market faces some well-documented headwinds however, and this continues to be reflected in the subdued annual rate of increase of just +3.1%. In spite of the blustery outlook, there are still many price hotspots bucking the slowing trend. Rightmove research at a county level reveals that rather than a north/south divide, it is the middle band of England that is overwhelmingly out-performing the rest of the country.

Miles Shippside, Rightmove director and housing market analyst comments: *"With newly-marketed property seeing a monthly fall of 0.9% and a muted yearly rise of just 3.1%, the heat has come off much of the market. A combination of traditional summertime price blues and the chill of uncertainty in the air has cooled price growth in some parts of the country, and affordability also remains very stretched. But despite these factors, high demand and limited supply are still driving momentum, especially in the counties in the middle of the country. Here, year-on-year rises at over twice the pace of the national average are widespread, in contrast to southern and northern counties where none have approached these heady heights."*

Of the English counties that are out-performing the 3.1% national average annual rate, over half are in the mid-regions of the country. This is in contrast to only a quarter in the north and just a fifth in the south. Of all the counties in England, 22 are seeing more muted price rises of below the national average of 3.1%. Of those above the benchmark, only six are in counties that form part of the northerly regions, and a mere five in southerly regions.

Shippside advises: *"With a shortage of suitable choice in many parts of the country, buyers are becoming increasingly adept at hunting down property that fits their budget, ticks the boxes on their checklist and stirs their emotions. Properties in the counties that have seen above-average price rises over the last year are clearly meeting the needs of home-hunters at relatively affordable prices. Conversely sellers in the counties performing below par are having to ask for lower prices in order to sharpen up the appeal of their properties. Wherever sellers happen to be, they must not forget that buyer affordability has become increasingly stretched, and in this environment if you ask too much at the outset you are likely to lessen the chances of a successful sale."*

The top eight county hot-spots, with price increases more than double the national average when compared to a year ago, are all in the middle band of the country. They are Leicestershire (+6.9%), West Midlands (+6.9%), Worcestershire (+7.0%), Bedfordshire (+7.0%), Nottinghamshire (+7.1%), Norfolk (+7.4%), Derbyshire (+7.9%) and Northamptonshire (+9.1%). The best performers in the north are Merseyside (+5.6%), East Riding of Yorkshire (+5.4%) and Cheshire (+5.3%), while the south's less impressive trend-buckers are Kent (+5.0%), Somerset (+3.8%) and Bristol (+3.6%).

Shippside concludes: *"The top three price hot-spots in the country, leading the mini-boom across the middle of England, are the counties of Norfolk, Derbyshire and Northamptonshire. Norfolk in third place has a popular holiday and retirement homes market which is perhaps providing better value for those still active in this sector than parts of the south coast, plus its county town is the fast-growing Norwich. Derbyshire in second position does well in the affordability stakes, being the cheapest of the top three and third cheapest out of the top eight with average prices around £200,000. The country's top hot-spot is Northamptonshire, aided by its commutability to London and affordability compared to counties closer to the capital."*



## Agents' Views

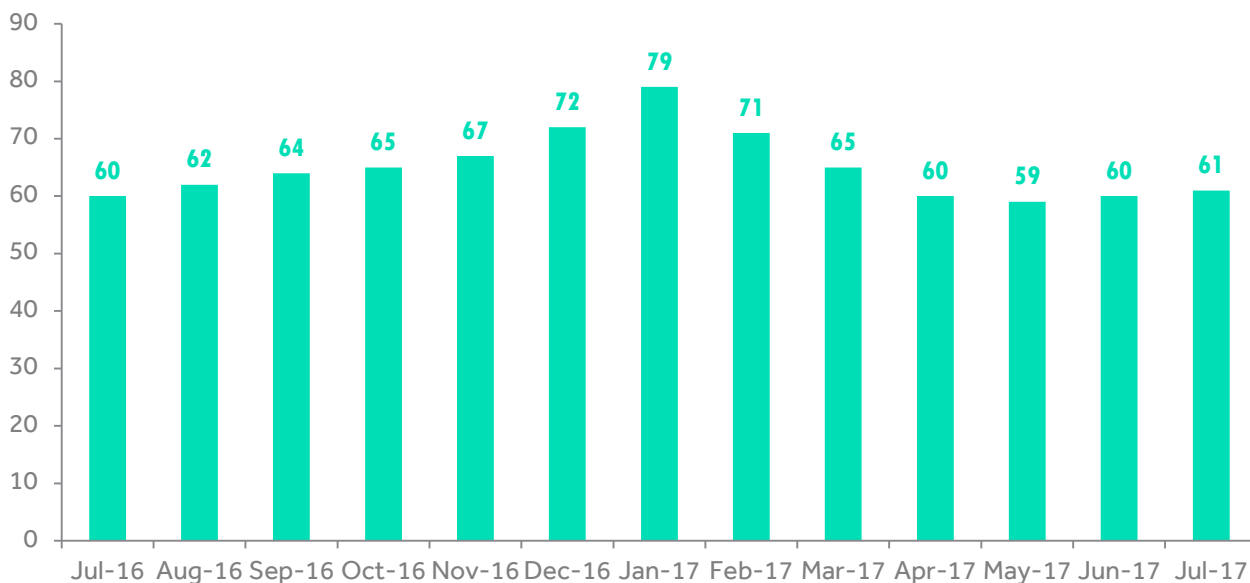
Adam Wellesley, Director of Horts Estate Agents in Northamptonshire, comments: *"The annual growth running at three times the national average in Northamptonshire is likely to be down to the close vicinity for commuters to get to London Euston, as you can now get there within 48 minutes. You can also get to Milton Keynes by train in ten minutes where prices are 20% higher than Northampton. The buy-to let market and commuter market has stayed reasonably buoyant. Investors are still managing to find a 5% return on property and up to 10% for HMOs (house of multiple occupancy)."*

Luke St Clair, Director of Knightsbridge Estate Agents in Leicestershire, comments: *"We're experiencing house price growth beyond the national average at present in the towns just outside of Leicester City Centre, where some areas are close to double digits such as LE18 (Wigston), LE2 4 & LE2 5 (Oadby). It's easy to see why due to the recent investment into schooling and the local community for leisure facilities that has taken place. It doesn't stop here, rural village locations are also benefitting where we are also seeing above average increases in South-Leicestershire."*

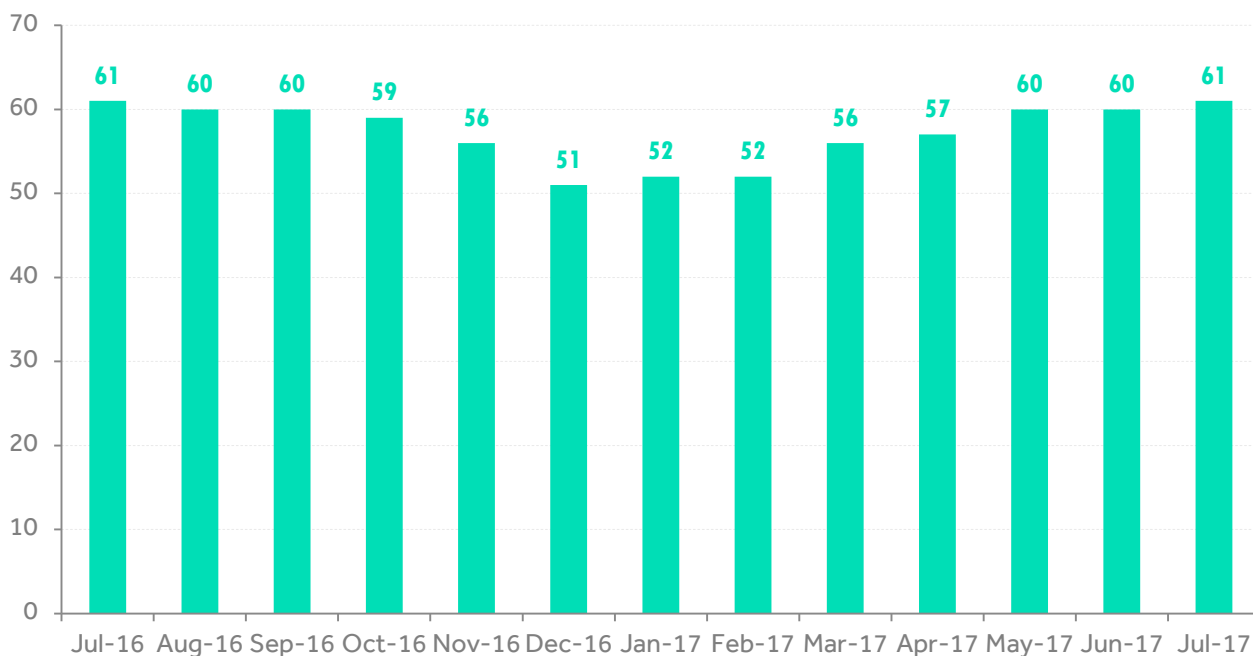
Kevin Shaw, national sales director at estate agents Leaders, comments: *"These figures, which are backed up by our own findings, clearly demonstrate the resilience of the housing market after last year's historic Brexit vote. With the London market now well beyond the reach of many buyers, we have seen a definite ripple effect to these more affordable regions, which have good transport links to either London or other large cities and towns, and which benefit from various infrastructure initiatives - such as HS2 and other transport and urban regeneration projects. Birmingham is a notable hotspot, rivalling Manchester for second city status. Most crucially, unlike London and the South East, house prices are within the reach of first-time buyers. Demand for rented property in these areas is also exceptionally high, enticing buy-to-let investors looking for inexpensive opportunities to invest. All these factors have driven demand and above average price increases over the last twelve months."*



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

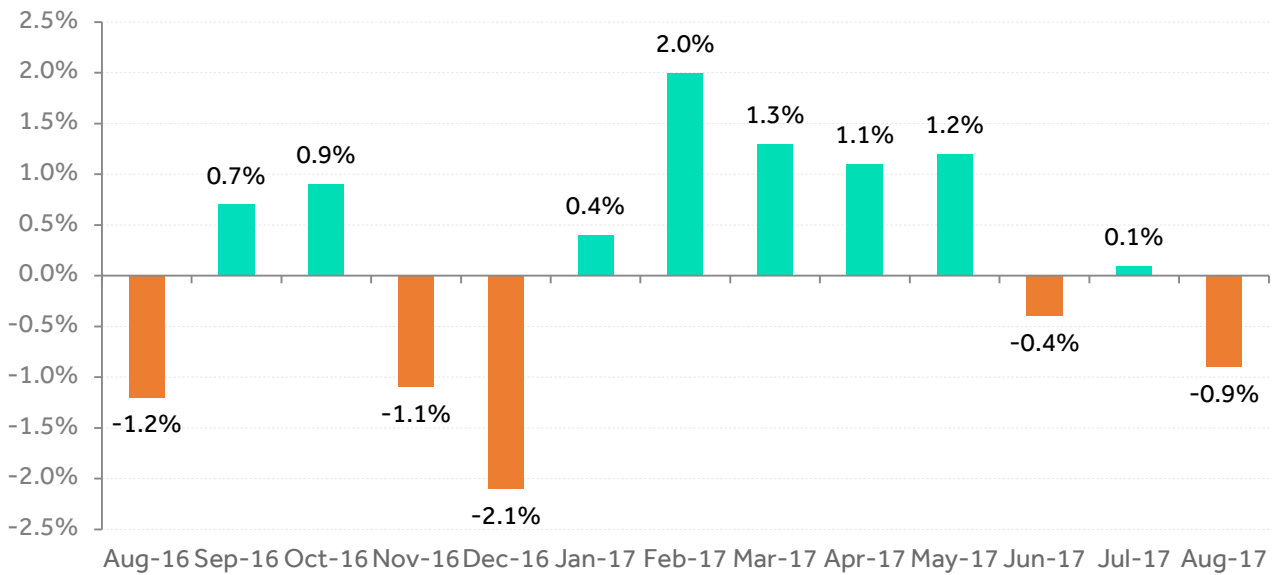


## Average stock per agent (including Under Offer/Sold STC)

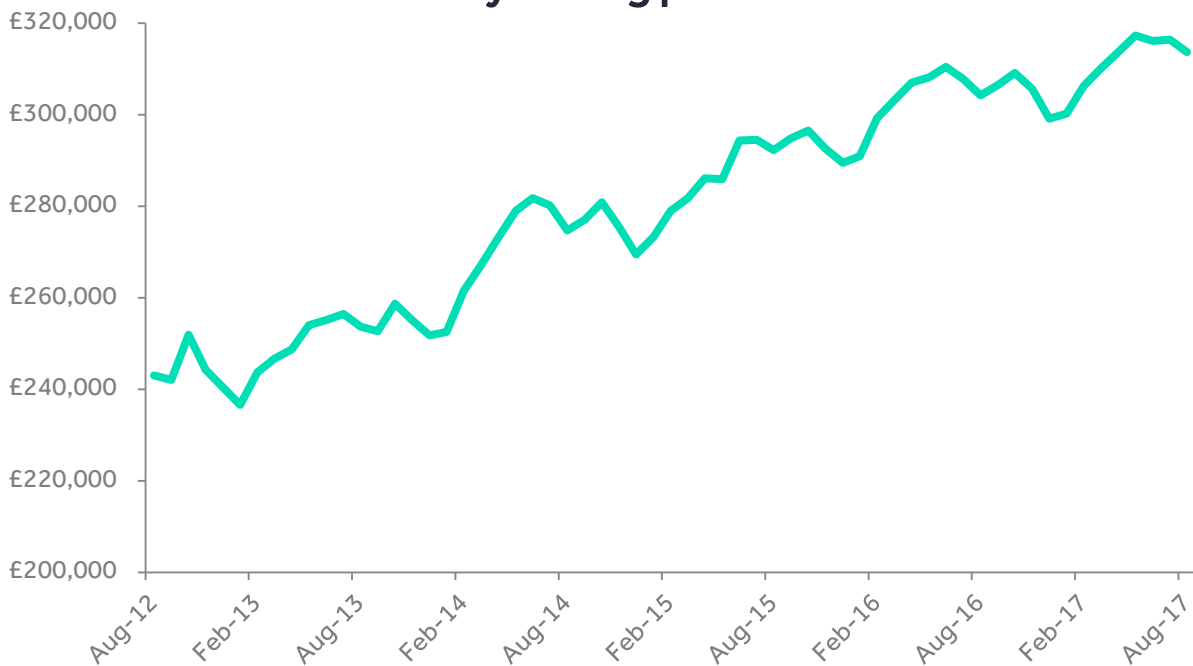




## % monthly change in average asking prices



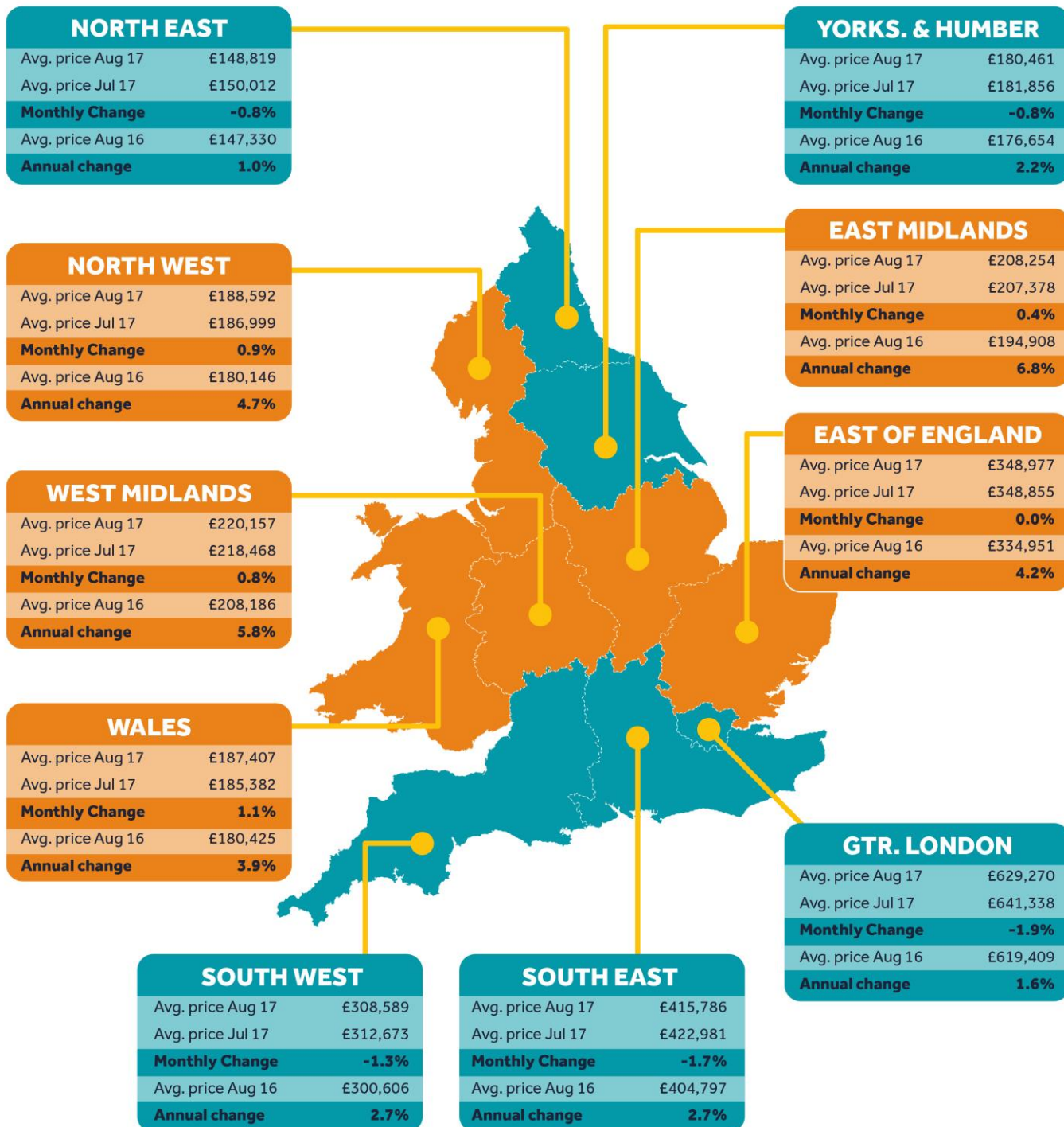
## Monthly asking price trend





## Regional trends

■ Increase from previous month    
 ■ Decrease from previous month    
 ■ No change





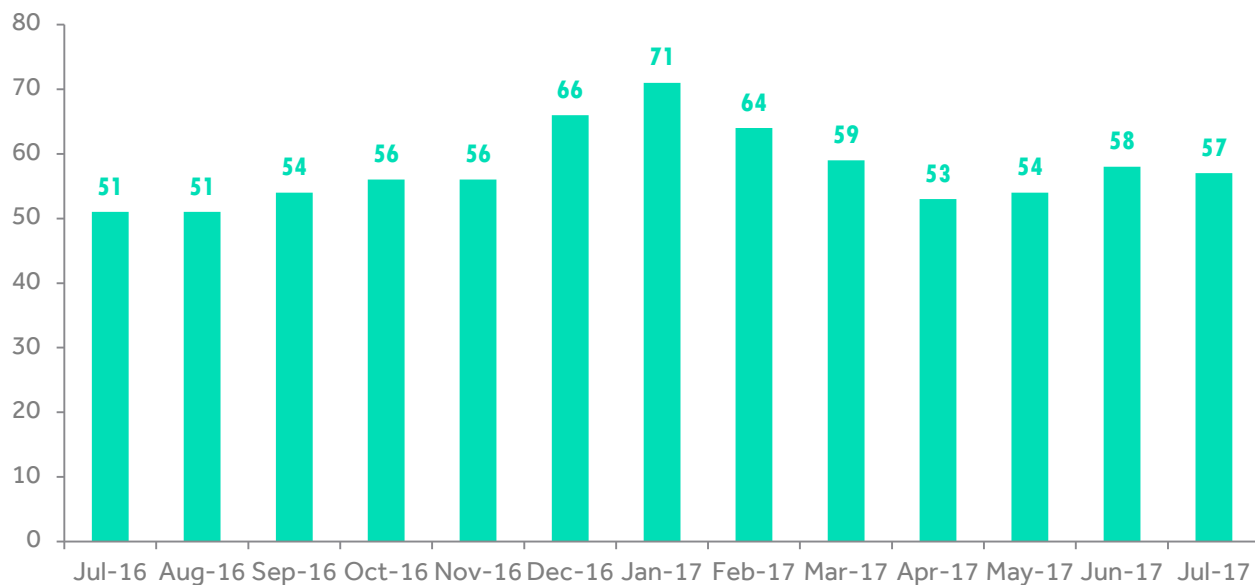
## London's best annual performers: August 2017

Borough	Avg. price Aug 2017	Avg. price Jul 2017	Monthly change	Avg. price Aug 2016	Annual change
Hackney	£686,663	£676,355	1.5%	£630,649	8.9%
City Of Westminster	£1,760,413	£1,863,632	-5.5%	£1,629,205	8.1%
Redbridge	£477,695	£474,386	0.7%	£443,741	7.7%
Kensington And Chelsea	£2,153,871	£2,215,601	-2.8%	£2,010,038	7.2%
Bexley	£376,461	£375,281	0.3%	£356,263	5.7%

## London's worst annual performers: August 2017

Borough	Avg. price Aug 2017	Avg. price Jul 2017	Monthly change	Avg. price Aug 2016	Annual change
Hammersmith And Fulham	£915,264	£970,812	-5.7%	£977,758	-6.4%
Enfield	£466,054	£486,176	-4.1%	£492,283	-5.3%
Haringey	£594,643	£629,071	-5.5%	£625,440	-4.9%
Merton	£612,668	£641,508	-4.5%	£643,899	-4.9%
Tower Hamlets	£578,331	£596,268	-3.0%	£604,249	-4.3%

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





## London boroughs

Borough	Avg. price Aug 2017	Avg. price Jul 2017	Monthly change	Avg. price Aug 2016	Annual change
Kensington And Chelsea	£2,153,871	£2,215,601	-2.8%	£2,010,038	7.2%
City Of Westminster	£1,760,413	£1,863,632	-5.5%	£1,629,205	8.1%
Camden	£1,059,925	£1,131,642	-6.3%	£1,094,577	-3.2%
Hammersmith And Fulham	£915,264	£970,812	-5.7%	£977,758	-6.4%
Richmond Upon Thames	£851,470	£867,160	-1.8%	£829,533	2.6%
Wandsworth	£790,276	£800,072	-1.2%	£798,069	-1.0%
Islington	£755,390	£758,841	-0.5%	£777,032	-2.8%
Hackney	£686,663	£676,355	1.5%	£630,649	8.9%
Barnet	£666,977	£679,513	-1.8%	£679,428	-1.8%
Lambeth	£633,105	£661,311	-4.3%	£627,320	0.9%
Brent	£630,387	£659,703	-4.4%	£608,885	3.5%
Southwark	£618,129	£653,433	-5.4%	£622,731	-0.7%
Kingston upon Thames	£614,796	£643,022	-4.4%	£607,330	1.2%
Merton	£612,668	£641,508	-4.5%	£643,899	-4.9%
Ealing	£607,404	£632,585	-4.0%	£630,867	-3.7%
Haringey	£594,643	£629,071	-5.5%	£625,440	-4.9%
Tower Hamlets	£578,331	£596,268	-3.0%	£604,249	-4.3%
Harrow	£547,003	£577,077	-5.2%	£555,975	-1.6%
Bromley	£544,969	£558,257	-2.4%	£531,374	2.6%
Hounslow	£498,549	£534,392	-6.7%	£516,753	-3.5%
Waltham Forest	£482,922	£485,118	-0.5%	£475,662	1.5%
Hillingdon	£482,668	£483,510	-0.2%	£470,808	2.5%
Redbridge	£477,695	£474,386	0.7%	£443,741	7.7%
Lewisham	£467,094	£481,077	-2.9%	£471,716	-1.0%
Enfield	£466,054	£486,176	-4.1%	£492,283	-5.3%
Greenwich	£460,048	£461,000	-0.2%	£435,373	5.7%
Sutton	£437,706	£454,023	-3.6%	£426,467	2.6%
Croydon	£429,687	£421,112	2.0%	£426,016	0.9%
Newham	£417,530	£425,319	-1.8%	£397,182	5.1%
Havering	£405,684	£391,560	3.6%	£392,464	3.4%
Bexley	£376,461	£375,281	0.3%	£356,263	5.7%
Barking And Dagenham	£312,354	£311,208	0.4%	£303,357	3.0%





## Editors' notes

### About the Index:

The Rightmove House Price Index methodology was refined in 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 131,043 asking prices this month, circa 90% of the UK market. The properties were put on sale by estate agents from 9<sup>th</sup> July 2017 to 12<sup>th</sup> August 2017 and advertised on Rightmove.co.uk. This month 6,208 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 130 million visits from home movers each month with time on site averaging over 1 billion minutes per month (Rightmove data, July 2017).