



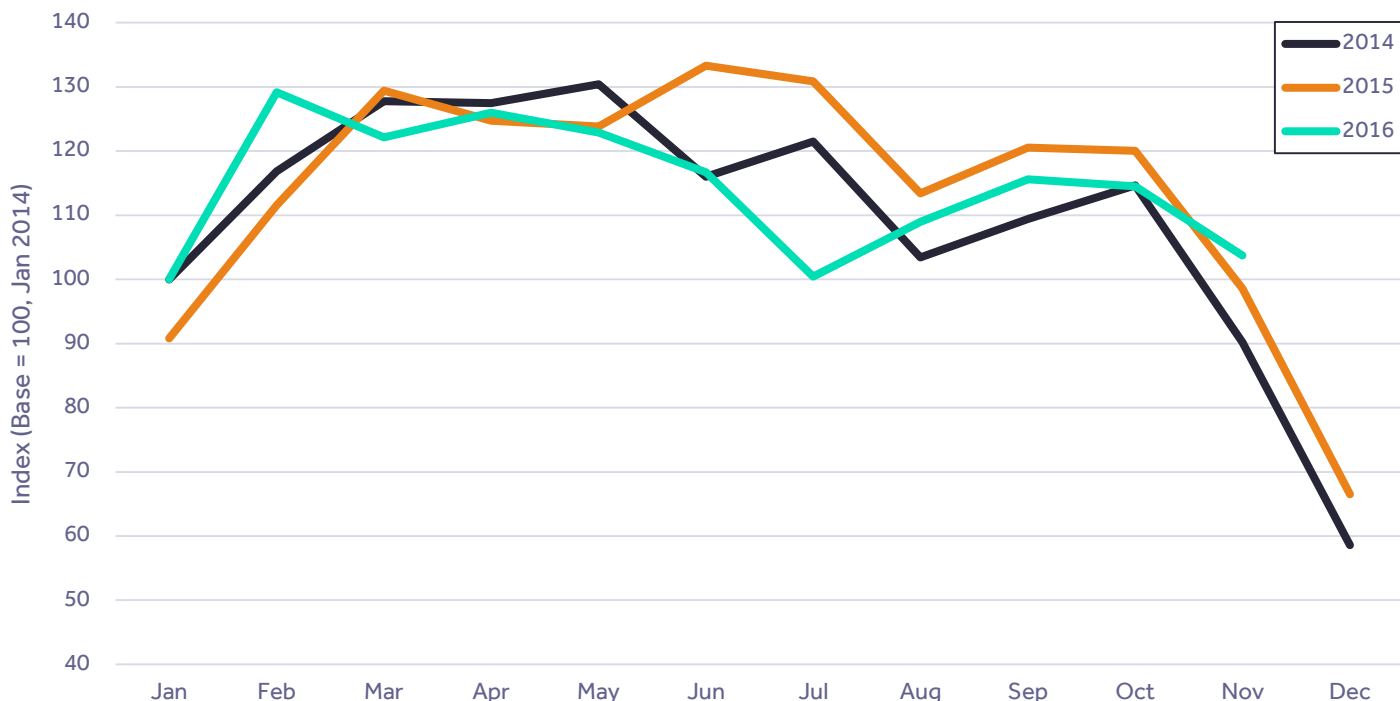
**Under embargo for 00:01 hours, Monday 12<sup>th</sup> December 2016**

## Strong November sales outweigh uncertainty as Rightmove forecasts 2% rise in 2017

- Price of property coming to market falls by 2.1% (-£6,511), exactly in line with seasonal average of last six years
- Rightmove forecasts 2% house price increase in 2017, the seventh consecutive year of rising prices:
  - Buoyant November indicates upwards price pressure going into next year, though tempered by ongoing uncertainty and increasingly stretched buyer affordability
  - Demand up in November 2016 compared to 2015: website visits up by 9%; sales agreed up 5.2% nationally and up in all regions except London
  - Supply still tight with new listing numbers up by just 2%, and available stock for sale per agent down 5%

National average asking prices				
Month	Avg. asking price	Monthly change	Annual change	Index
December 2016	£299,159	-2.1%	+3.4%	246.3
November 2016	£305,670	-1.1%	+4.5%	251.6
National average asking prices by market sector (excluding Inner London)				
Sector	December 2016	November 2016	Monthly change	Annual change
<b>First-time buyers</b>	£183,900	£192,147	-4.3%	+3.9%
<b>Second-steppers</b>	£254,388	£259,157	-1.8%	+4.9%
<b>Top of the ladder</b>	£521,993	£533,818	-2.2%	+2.8%

### Sales Agreed Volumes





## Overview

The price of property coming to market saw its usual seasonal fall this month, down by 2.1% (-£6,511). This is exactly in line with the average over the last six years, and so is not unexpected. The big surprise this month is the strength of buyer activity, with sales agreed up by 5.2% on November last year in spite of the backdrop of Brexit uncertainty.

Miles Shippside, Rightmove director and housing market analyst comments: *"For the housing market the uncertain outlook has meant a head and heart tug of war between 'stay put' and 'carry on moving'. After a pause the mass-market seems to have opted firmly for the latter in most parts of the country. As we come to the end of the year these figures showing high levels of sales agreed and dwindling numbers of homes for sale give a far greater level of reassurance about the outlook for 2017 than was previously available."*

## Rightmove 2017 forecast

Although the market has built up some momentum which we expect to continue into next year, the uncertainty plus increasingly stretched affordability will continue to weigh on house prices, so our forecast for 2017 is for modest price growth of 2% nationally. We forecast Inner London to remain weak and prices to fall by a further 5% in 2017, as its price bubble continues to deflate, whilst Outer London is predicted to record a similar increase to this year of circa 3%.

Shippside predicts: *"The price of property coming to market in 2016 is currently up by 3.4% compared to a year ago, so while a forecast rise of 2% in 2017 is a lessening of the pace, it would still be the seventh consecutive year of rising property prices. As well as prices moving out of reach for some buyers, the sword of Brexit uncertainty hangs over the market, an unknown factor that may - or may not - have damaging consequences for the economy and confidence. There was a bout of jitters with the unexpected referendum result, albeit now seemingly short-lived, but more may arrive after Article 50 is invoked. For the time being any nervousness is being over-ridden by high demand for the short supply of suitable homes for sale in the lower and middle market in many parts of the country."*

## High November demand looks set to carry through to 2017

Rightmove website visits are a lead indicator of the need for housing and desire to move, and are up 9% from 101 million in November 2015 to 110 million last month. This activity has fed through into a considerable rise in sales agreed, up by 5.2% nationally when compared with the same month last year. All regions except London are selling at higher levels than a year ago, with three regions having increases of over 10%. They are Yorkshire and the Humber at +15.4%, the North East at +13.3% and Wales at +11%. While London is down by 7%, it is a considerable improvement on the 18% decline measured in October.

Shippside observes: *"Given the immediate post-referendum state of shock in July, these sales agreed figures are quite remarkable, with nine out of ten regions ahead on last year. While not unexpected in the north of the country, it also includes all southern regions except London. Demand for mass-market housing remains undimmed, though buyers' budgets are restricted and agents report that over-priced property is being shunned. Cheap and available mortgage money is a big factor in driving demand, and continuing market buoyancy next year will depend on banks remaining willing and able to lend."*



## Supply still restricted and looks set to remain so in 2017

Supply remains tight compared to a year ago, in terms of both new-to-the-market listings and available stock for sale. Fresh supply is little changed, being only 2% above last year, failing to keep pace with and replace the 5.2% increase in sales agreed. Consequently, the number of available properties for sale per estate agency branch is down by around 5%, dropping from an average of 59 to 56.

Shipside concludes: *“Demand from first-time buyers looking to buy rather than rent will continue, fuelled by monthly mortgage repayments being cheaper than rent, and rents forecast to rise further. Second-steppers’ family needs for more space and the right school catchment areas will help that sector, especially as their ability to trade up is assisted by lenders keen to attract their quality business. The upper end of the market, where transactions are often more discretionary, will still hang back as the cost of trading up is often a big jump for less perceived gain than in cheaper sectors. What is certain is that we will not have a skewed first quarter like this year’s, which was driven by April’s buy-to-let stamp duty deadline, and that may result in transaction numbers in 2017 being slightly down on 2016.”*

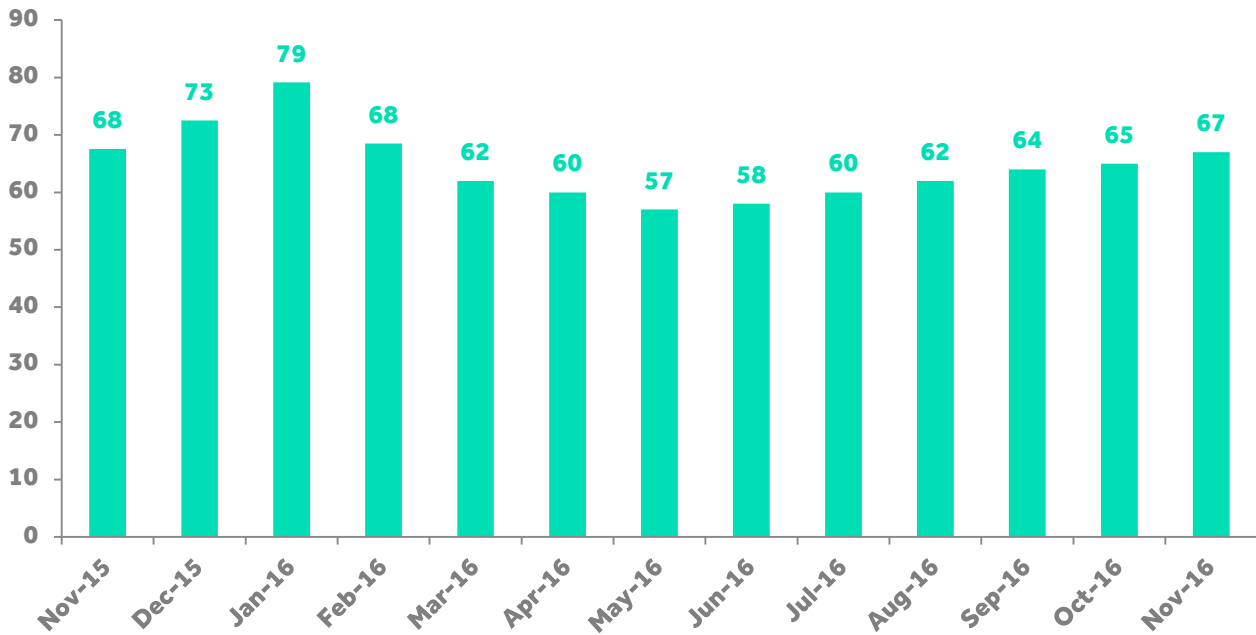
## Agents’ Views

Kevin Shaw, national sales director at Leaders (120 branches nationally), says: “We expect prices and transaction levels to remain broadly similar to 2016, but with a significant surge in activity at the start of the year. Despite the ongoing uncertainty over Brexit, people are keen to get on with their home-moving plans and the new year will be a prime opportunity to do so. With interest rates still historically low, many will take the opportunity to fix their mortgage at a very low rate, adding to stability.”

Patrick McCutcheon, Head of Residential at Dacre, Son & Hartley (20 branches in Yorkshire), says: “We’ve had a strong finish to 2016 in Yorkshire with available property stock around 80% of the January 2014 figure, yet buyer demand remains consistently strong, especially in the core family sector. This imbalance in the supply side is likely to ensure prices remain robust in the new year and strong in the face of the negativity we are likely to experience once Article 50 is invoked.”



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

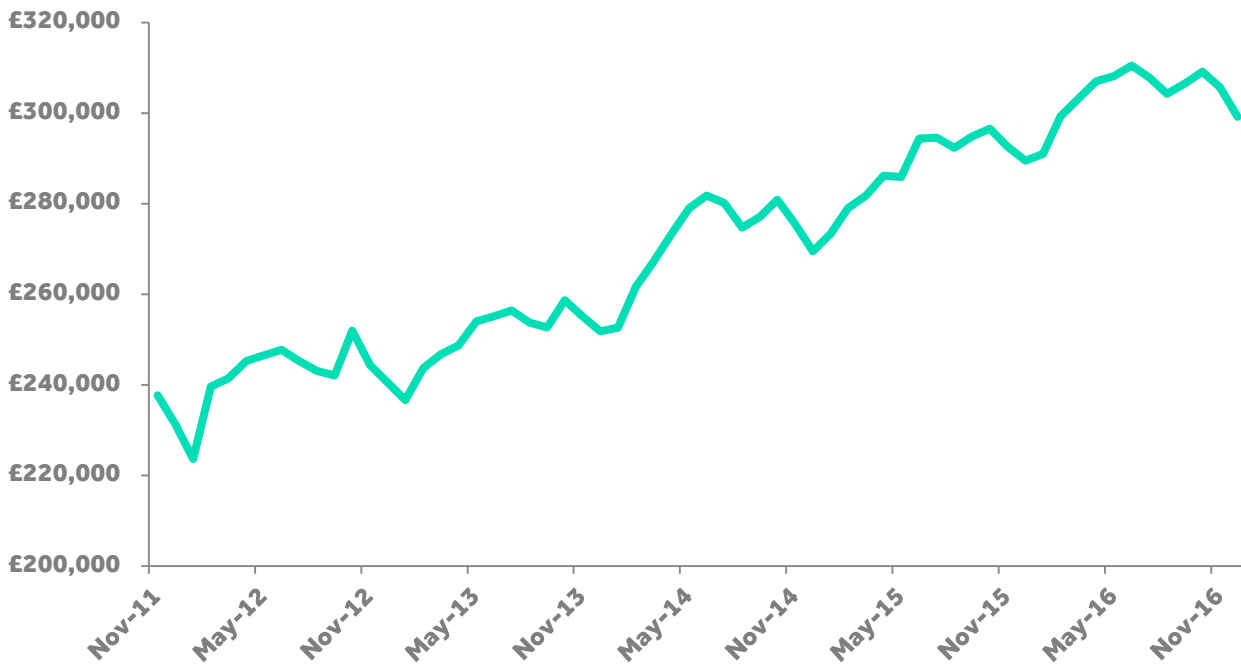


## Average stock per agent (including Under Offer/Sold STC)

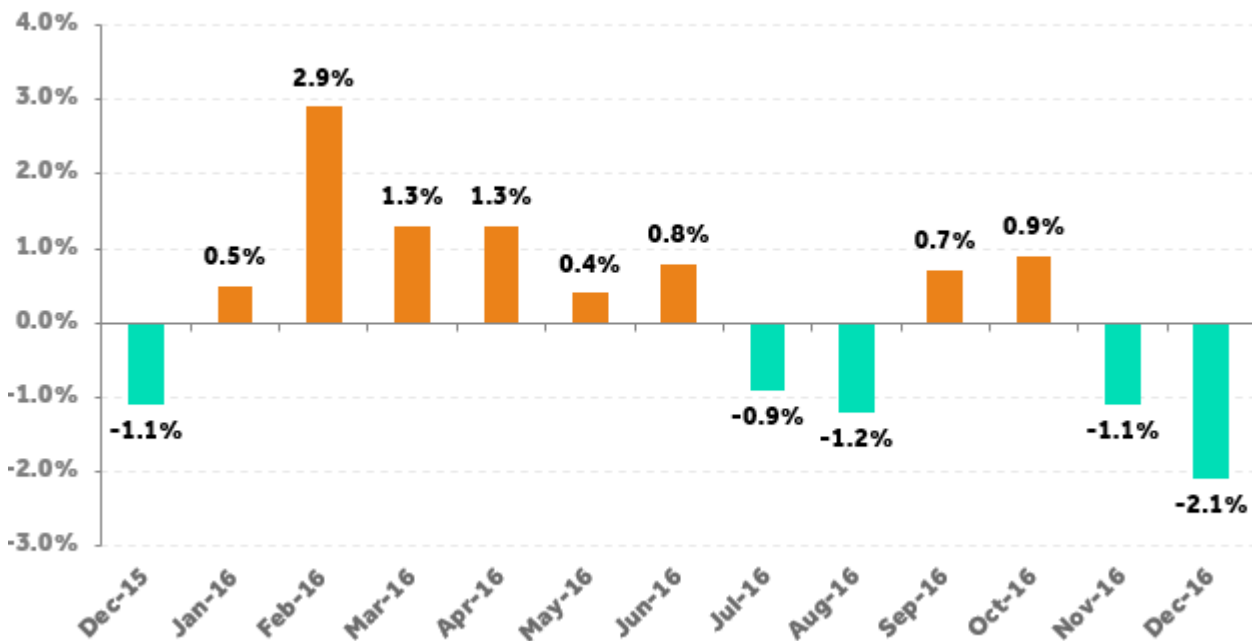




## Monthly asking price trend



## % monthly change in average asking prices

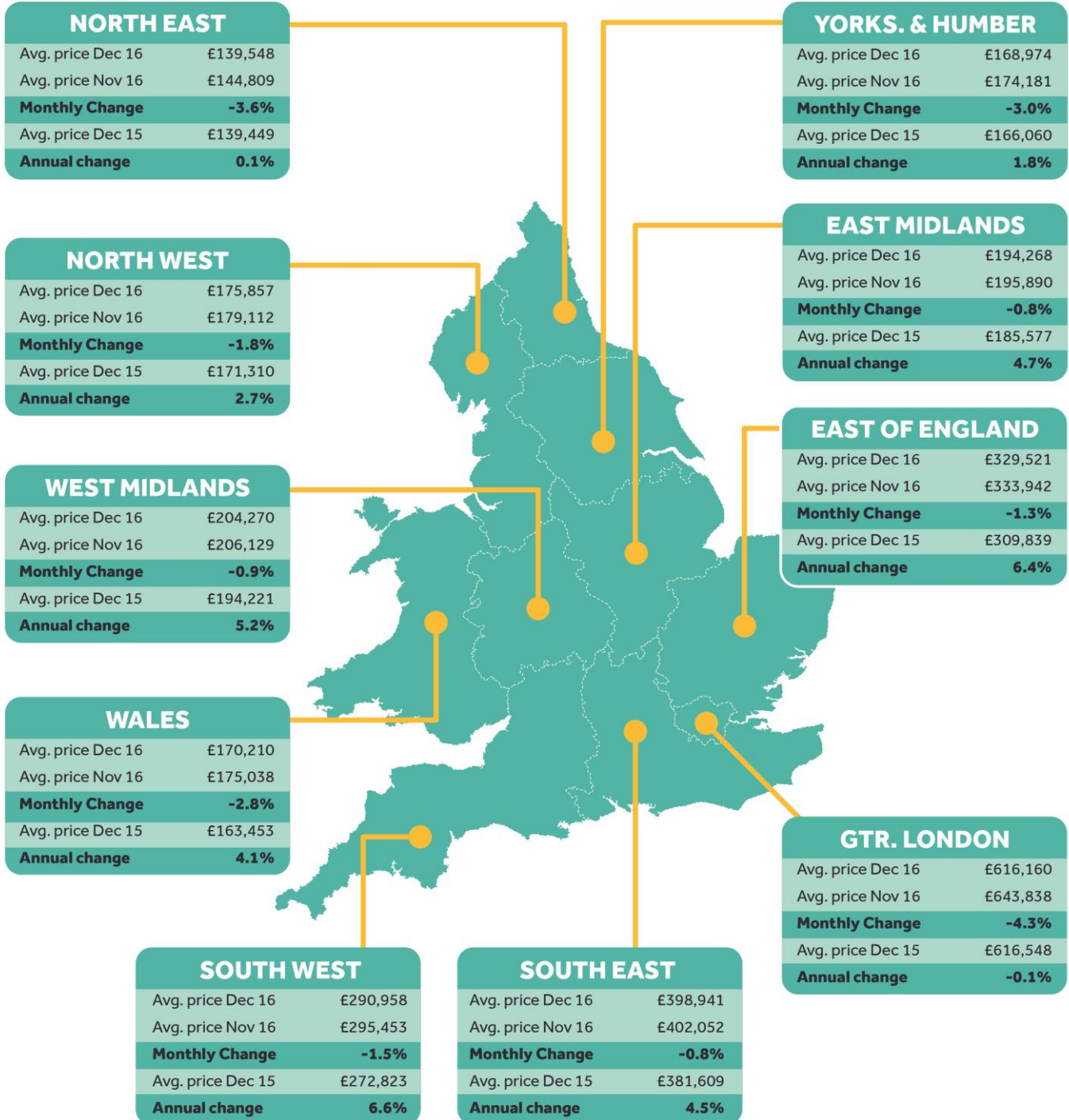






## Regional Trends

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





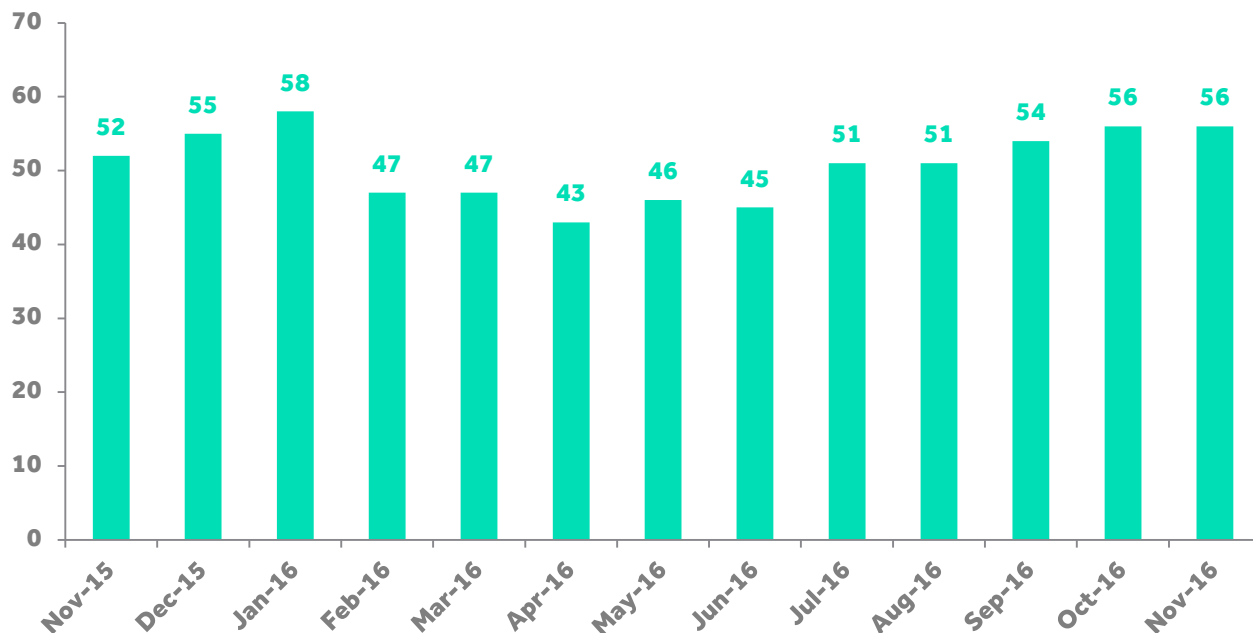
## London's best performers: December 2016

Borough	Avg. price Dec 2016	Avg. price Nov 2016	Monthly change	Avg. price Dec 2015	Annual change
Hammersmith and Fulham	£1,028,770	£1,010,439	1.8%	£1,095,788	-6.1%
Sutton	£437,480	£431,753	1.3%	£399,890	9.4%
Redbridge	£459,543	£455,509	0.9%	£445,398	3.2%
Lambeth	£677,373	£676,003	0.2%	£623,310	8.7%
Waltham Forest	£468,924	£468,765	0.0%	£431,917	8.6%

## London's worst performers: December 2016

Borough	Avg. price Dec 2016	Avg. price Nov 2016	Monthly change	Avg. price Dec 2015	Annual change
Camden	£994,411	£1,174,095	-15.3%	£1,207,626	-17.7%
Kensington and Chelsea	£2,129,846	£2,349,894	-9.4%	£2,497,560	-14.7%
Islington	£801,593	£859,175	-6.7%	£770,411	4.0%
Newham	£378,748	£405,583	-6.6%	£396,012	-4.4%
Merton	£583,271	£623,088	-6.4%	£670,771	-13.0%

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





## London boroughs

Borough	Avg. price Dec 2016	Avg. price Nov 2016	Monthly change	Avg. price Dec 2015	Annual change
Kensington and Chelsea	£2,129,846	£2,349,894	-9.4%	£2,497,560	-14.7%
City of Westminster	£1,917,079	£1,967,858	-2.6%	£1,764,956	8.6%
Hammersmith and Fulham	£1,028,770	£1,010,439	1.8%	£1,095,788	-6.1%
Camden	£994,411	£1,174,095	-15.3%	£1,207,626	-17.7%
Richmond upon Thames	£904,802	£909,598	-0.5%	£930,316	-2.7%
Islington	£801,593	£859,175	-6.7%	£770,411	4.0%
Wandsworth	£756,067	£786,596	-3.9%	£805,834	-6.2%
Barnet	£685,868	£704,213	-2.6%	£681,923	0.6%
Lambeth	£677,373	£676,003	0.2%	£623,310	8.7%
Hackney	£646,350	£649,867	-0.5%	£650,657	-0.7%
Brent	£641,503	£646,509	-0.8%	£619,434	3.6%
Southwark	£617,803	£623,915	-1.0%	£645,101	-4.2%
Tower Hamlets	£614,134	£622,614	-1.4%	£599,095	2.5%
Ealing	£606,334	£630,835	-3.9%	£628,941	-3.6%
Haringey	£601,465	£633,518	-5.1%	£605,403	-0.7%
Kingston upon Thames	£598,373	£618,582	-3.3%	£632,897	-5.5%
Merton	£583,271	£623,088	-6.4%	£670,771	-13.0%
Harrow	£548,826	£559,074	-1.8%	£549,153	-0.1%
Hounslow	£516,028	£543,117	-5.0%	£548,580	-5.9%
Bromley	£509,330	£532,190	-4.3%	£500,570	1.8%
Hillingdon	£478,104	£497,803	-4.0%	£441,482	8.3%
Enfield	£469,958	£491,777	-4.4%	£438,179	7.3%
Waltham Forest	£468,924	£468,765	0.0%	£431,917	8.6%
Lewisham	£461,086	£469,076	-1.7%	£442,528	4.2%
Redbridge	£459,543	£455,509	0.9%	£445,398	3.2%
Sutton	£437,480	£431,753	1.3%	£399,890	9.4%
Greenwich	£435,767	£453,868	-4.0%	£443,377	-1.7%
Croydon	£419,062	£424,554	-1.3%	£393,145	6.6%
Havering	£391,511	£395,660	-1.0%	£351,506	11.4%
Newham	£378,748	£405,583	-6.6%	£396,012	-4.4%
Bexley	£358,281	£358,964	-0.2%	£332,038	7.9%
Barking and Dagenham	£302,994	£303,171	-0.1%	£280,128	8.2%





## 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 80,695 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 6<sup>th</sup> November 2016 to 3<sup>rd</sup> December 2016 and advertised on Rightmove.co.uk. This month 3,815 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 110 million visits from home movers each month who view in excess of 1.5 billion pages (Rightmove data, 2015).