



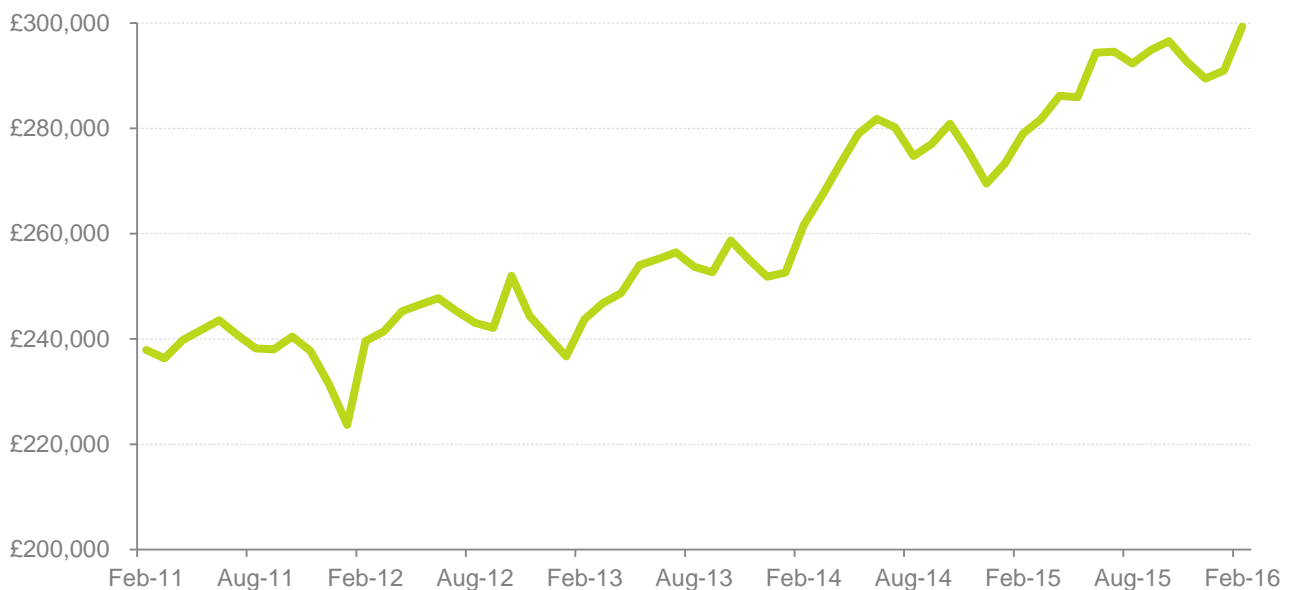
Under embargo for 00:01 hours: Monday 15th February 2016

Prices and demand at all-time highs as Year of the First-Time Buyer kicks in

- Price of property coming to market increases by a substantial 2.9% (+£8,324) this month, hitting a new record of £299,287 and surpassing the record set in October 2015 by over £2,700
- Housing demand higher than ever as Rightmove traffic hits record levels, with visits up nearly 20% year-on-year in January
- Encouraging 5% uplift in new properties coming to the market compared to same time last year resulting in the highest total number of newly-listed properties at this time of year since the 2008 credit crunch
- The Year of the First-Time Buyer: Government initiatives and low interest rate outlook now aligning with more property choice for first-time buyers, with 10% year-on-year jump in the number of two beds or fewer coming to market

National average asking prices				
Month	Avg. asking price	Monthly change	Annual change	Index
February 2016	£299,287	+2.9%	7.3%	246.4
January 2016	£290,963	+0.5%	6.5%	239.5
National average asking prices by market sector (excluding Inner London)				
Sector	February 2016	January 2016	Monthly change	Annual change
First-time buyers	£183,635	£177,261	+3.6%	9.9%
Second-steppers	£249,628	£244,468	+2.1%	7.9%
Top of the ladder	£529,854	£518,770	+2.1%	4.9%

Monthly asking price trend





Overview

The price of property coming to market has hit a new record less than two months into the new year's seasonal upturn. New seller asking prices have increased by a substantial 2.9% (+£8,324) this month, in spite of some improvement in the balance between supply and demand. There has been an encouraging 5% uplift in the number of new properties coming to the market compared to the previous year, which will help to meet some of the record demand from home-movers. New supply of typical first-time buyer homes has increased most, up by nearly 10% this month, a welcome boost alongside other initiatives for those looking to get onto the housing ladder in 2016.

Miles Shippside, Rightmove director and housing market analyst comments: *"The new year's market has hit the ground running in many locations, continuing last year's momentum and resulting in the price of property coming to the market hitting a new high. Many agents reported high numbers of sales in November and December and properties selling more quickly, so it's encouraging to see signs of replenishment of property, especially in the first-time buyer sector. However, in spite of the apparent veneer of market buoyancy, those thinking of putting their property up for sale need to avoid being too optimistic with their initial asking price, as most buyers are still understandably being very selective about their future home."*

Record prices and demand with some recovery in supply:

The previous record price high was set in October 2015 but this has now been exceeded by £2,738, pushing the average new seller asking price to £299,287. Demand for housing as measured by traffic on Rightmove and enquiries to agents is also at record levels. There were over 127 million visits to Rightmove in January, up by nearly 20% on January 2015, with phone and email enquiries to agents also at an all-time high of over 4.9 million in the month.

A continuing feature of the recovering market over the past few years has been the supply of property coming to market failing to keep pace with demand. There are now welcome signs of fresh supply increasing with the volume of new properties coming to the market is at the highest level since the credit crunch of 2008. However, it should be noted that this is patchy by region with only four regions above the 5% year-on-year average uplift, namely London, South East, South West and Yorkshire & the Humber. In the West Midlands new stock is actually down by 0.3% and Wales and the North West have seen an uplift of 1% or less, restricting fresh choice for buyers in these regions.

Shippside explains: *"While more properties are coming to market there is little anecdotal evidence of tax-shy landlords selling up. It is more likely made up of additional first-time sellers who are either hoping to bag a buy-to-let investor before the April stamp duty hike, or joining others who are deciding that 2016 is their year to trade up. Those trading up are no doubt encouraged by the stable interest rate outlook reassuringly communicated straight from the Governor's mouth."*

The Year of the First-Time Buyer

The sector seeing the highest volume of new properties coming to the market is the typical first-time buyer property with two bedrooms or fewer, up by 10% this month compared to the same month last year. 2016 could be the year of the first-time buyer encouraged by low interest rates, initiatives such as Help to Buy, and buy-to-let investors facing increasingly adverse taxes.

Shippside observes: *"For the second month running the highest increase in supply of homes coming to market is properties with two bedrooms or fewer, typically the target purchase of first-time buyers or buy-to-let investors. There is a 10% uplift in new supply compared to the same period in 2015, meaning all regions have more fresh choice in this sector than at this time last year. Regions outperforming the national average with over 10% more newly-marketed*



homes with two bedrooms or fewer are London, East, South East, South West, West Midlands, and Yorkshire & the Humber, and if this trend continues the increased competition among new sellers may help to temper price rises. More and more agents are reporting a healthy return in first-time buyer numbers, and with the cards increasingly stacked in their favour 2016 could prove to be the year of the first-time buyer.”

Agents' Views

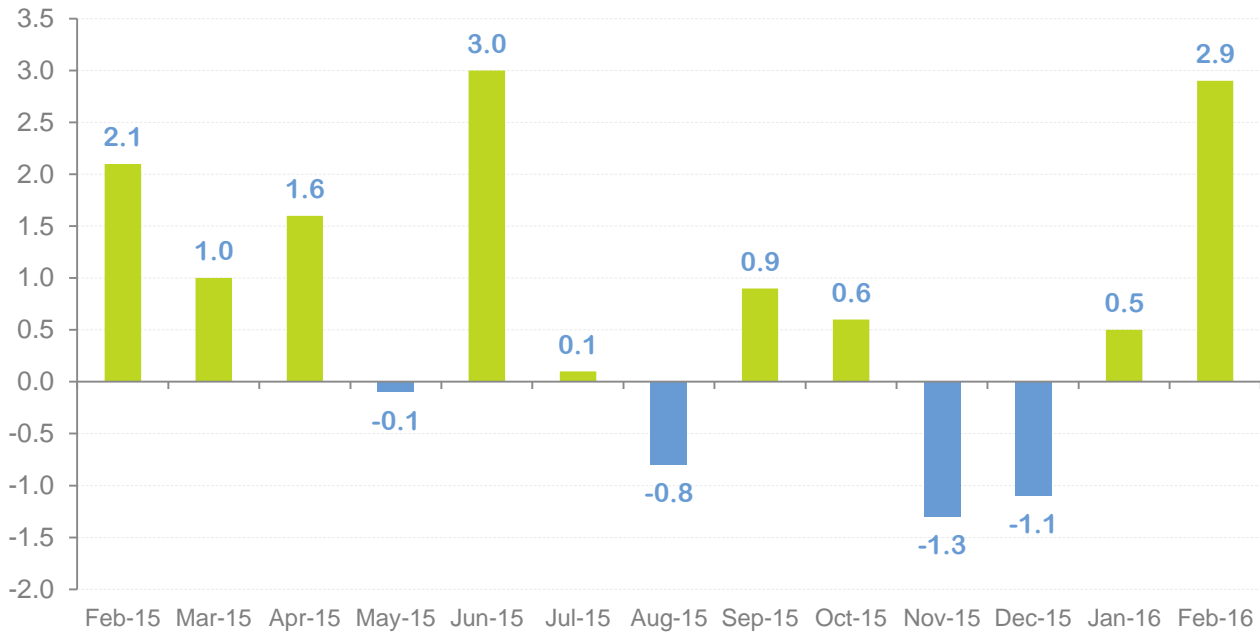
Simon Woodcock, Managing Director of Robinson Michael & Jackson in Medway said: “Sales are up 12% this January compared to January 2015, reflecting the positive sentiment in our local market. 40 of our 153 sold properties in January went to first-time buyers, and we can only see a continuing surge in the number of first-time buyers entering the market, as more entry level homes and flats are being rebuffed by landlords. Buy-to-let investors are certainly feeling the effects of the forthcoming 3% extra stamp duty charge and this means they’re now overlooking homes that they would have previously snapped up. It’s a positive side effect for first timers. Many parents are remortgaging to release equity from their own homes to pass on to their children – many of whom are struggling to save a decent deposit.”

Robert Scott-Lee, Managing Director of Chancellors in Surrey, Bucks, Oxfordshire & Berkshire says: “January has seen a huge jump in demand that has surpassed the normal seasonal increase. Undoubtedly, this is partly fuelled by investors looking to take advantage of a quick purchase before the tax change in April, and sellers looking to secure a sale to an investor who is panic buying. Sadly, our expectation is that with lender and conveyancing delays many will miss the deadline of April and this will create some disruption with sales falling through or renegotiations on price being attempted by some purchasers. Talk amongst the savvy investor is already of waiting until after April to secure purchases that have failed to meet the deadline where sellers need to sell this spring. With good lender rates on offer we still expect demand to rise even past April, but perhaps without the panic factor we have seen through January and February.”

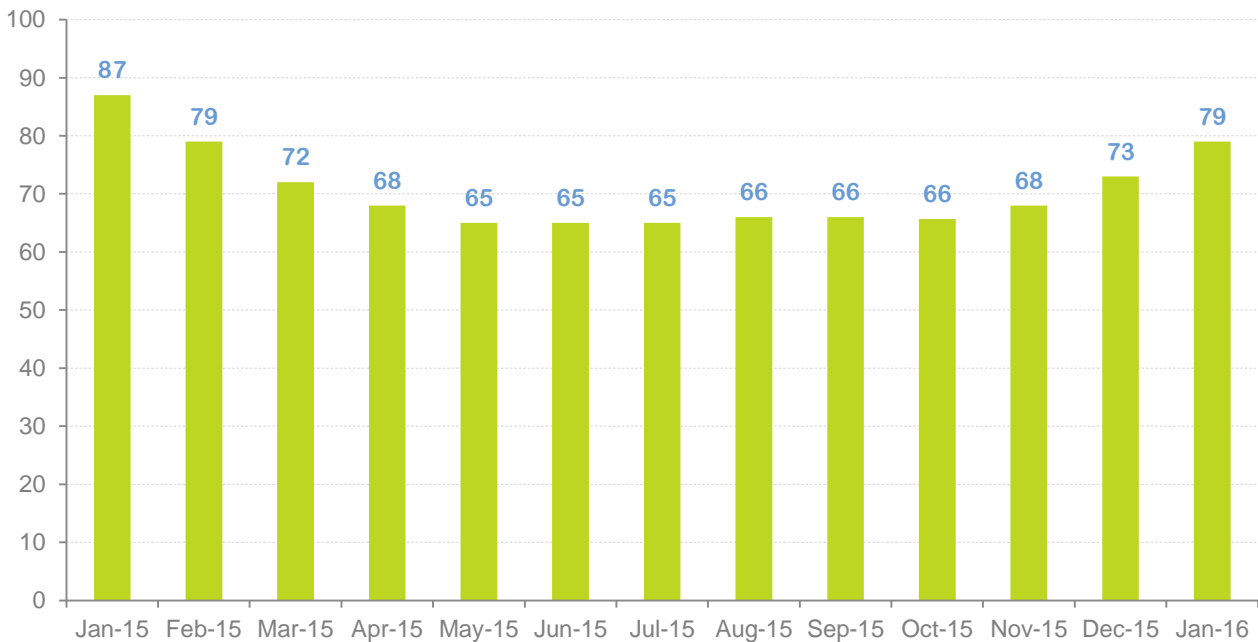
Simon Wilkinson of The Wilkinson Partnership in Leighton Buzzard says: “The January market has been far more buoyant than might have been expected, due in part to the mild weather. We have seen a sharp rise in homeowners asking for advice about selling and we are just starting to see signs of a modest increase in for sale stock. Buyers are out and about, but now with more research available, are much more savvy about prices, thus over optimistic pricing is stalling some house sales.”



% monthly change in average asking prices

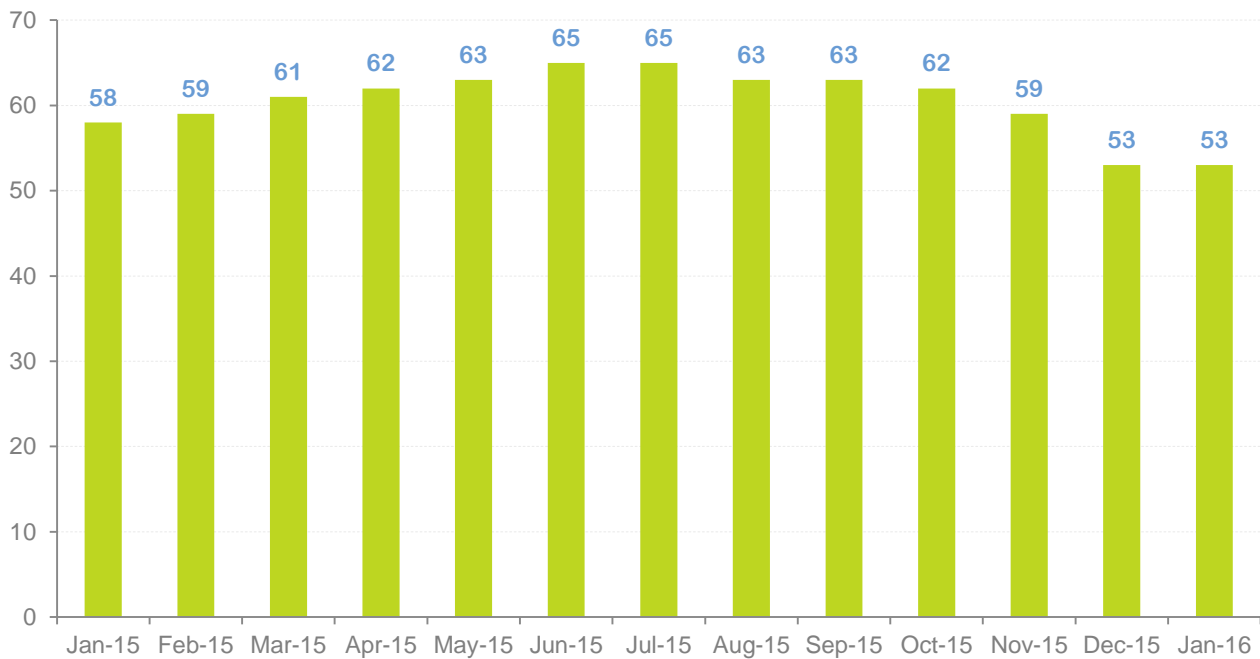


Average 'time to sell' (no. of days) - National





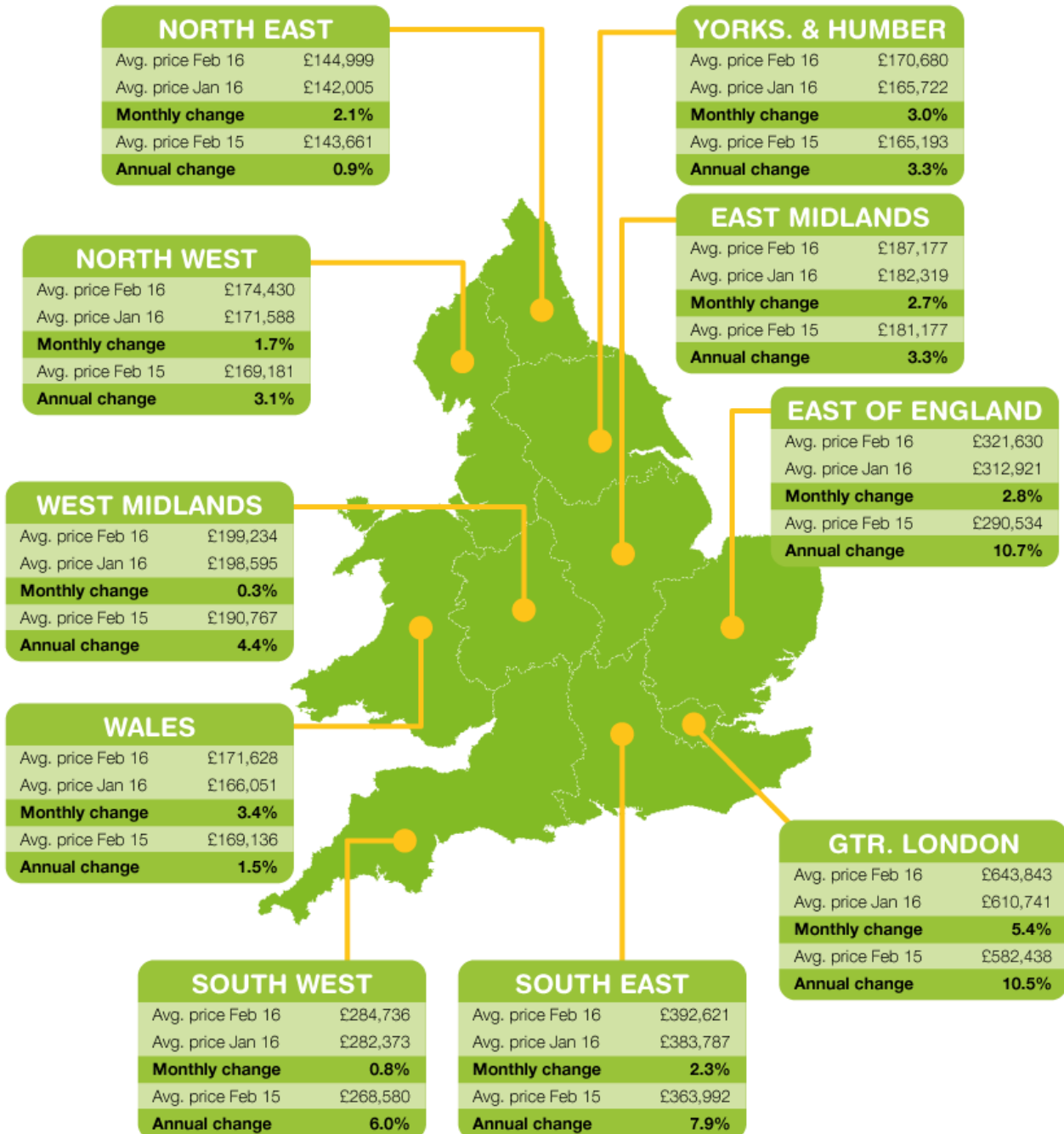
Average stock per agent (including Under Offer/Sold STC)





Regions of England and Wales

■ Increase from previous month ■ Decrease from previous month





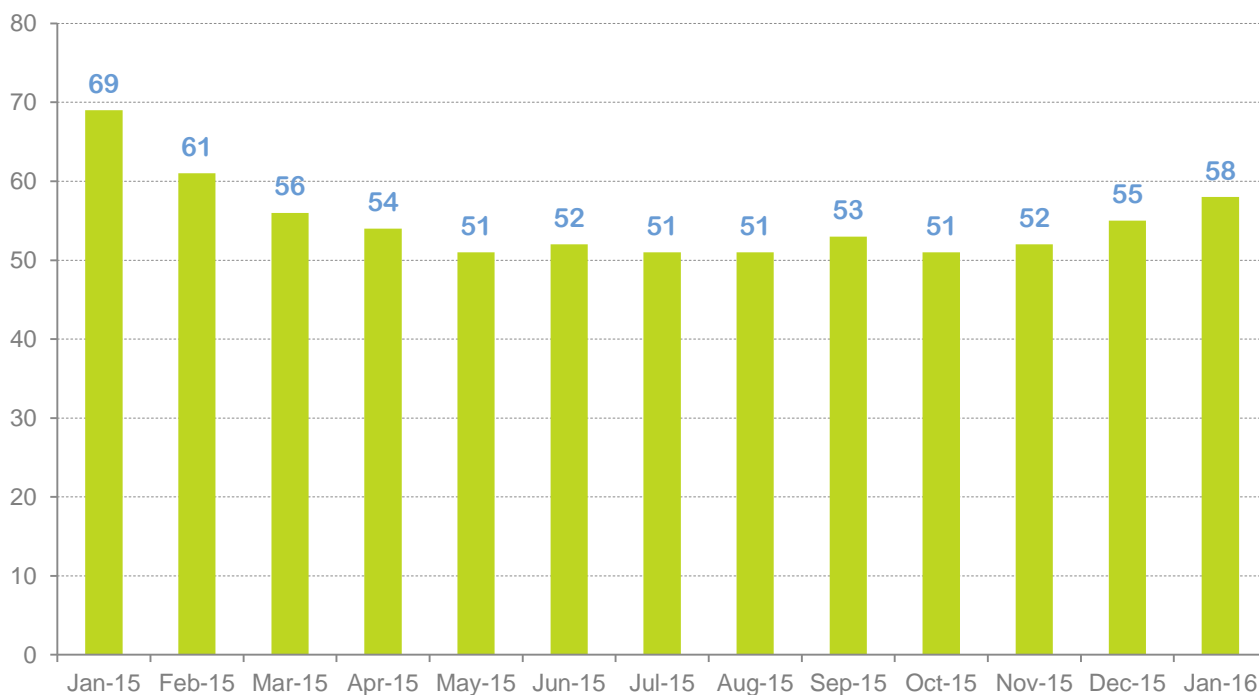
London's best performers: February 2016

Borough	Avg. price Feb 2016	Avg. price Jan 2016	Monthly change	Avg. price Feb 2015	Annual change
Merton	£704,481	£611,062	15.3%	£604,531	16.5%
Haringey	£625,016	£558,884	11.8%	£560,981	11.4%
Sutton	£442,303	£397,705	11.2%	£372,639	18.7%
Kensington and Chelsea	£2,489,126	£2,256,043	10.3%	£2,317,078	7.4%
Islington	£804,467	£734,066	9.6%	£706,453	13.9%

London's worst performers: February 2016

Borough	Avg. price Feb 2016	Avg. price Jan 2016	Monthly change	Avg. price Feb 2015	Annual change
Camden	£1,117,232	£1,338,376	-16.5%	£1,019,586	9.6%
Richmond upon Thames	£878,113	£906,934	-3.2%	£844,606	4.0%
Barnet	£689,060	£703,248	-2.0%	£707,364	-2.6%
Greenwich	£432,666	£441,021	-1.9%	£386,078	12.1%
City of Westminster	£2,015,540	£2,044,240	-1.4%	£2,118,353	-4.9%

Average 'time to sell' (days) - London





London boroughs

Borough	Avg. price Feb 2016	Avg. price Jan 2016	Monthly change	Avg. price Feb 2015	Annual change
Kensington and Chelsea	£2,489,126	£2,256,043	10.3%	£2,317,078	7.4%
City of Westminster	£2,015,540	£2,044,240	-1.4%	£2,118,353	-4.9%
Camden	£1,117,232	£1,338,376	-16.5%	£1,019,586	9.6%
Hammersmith and Fulham	£1,069,235	£1,072,983	-0.3%	£1,018,270	5.0%
Richmond upon Thames	£878,113	£906,934	-3.2%	£844,606	4.0%
Wandsworth	£846,666	£808,651	4.7%	£789,317	7.3%
Islington	£804,467	£734,066	9.6%	£706,453	13.9%
Merton	£704,481	£611,062	15.3%	£604,531	16.5%
Barnet	£689,060	£703,248	-2.0%	£707,364	-2.6%
Hackney	£666,945	£634,150	5.2%	£618,709	7.8%
Southwark	£659,096	£645,339	2.1%	£613,228	7.5%
Lambeth	£658,069	£608,077	8.2%	£590,435	11.5%
Brent	£649,889	£601,273	8.1%	£599,824	8.3%
Ealing	£632,596	£609,885	3.7%	£577,101	9.6%
Kingston upon Thames	£627,672	£633,588	-0.9%	£573,079	9.5%
Haringey	£625,016	£558,884	11.8%	£560,981	11.4%
Tower Hamlets	£578,662	£584,205	-0.9%	£563,726	2.6%
Hounslow	£563,555	£514,740	9.5%	£513,973	9.6%
Harrow	£542,901	£521,899	4.0%	£499,888	8.6%
Bromley	£532,505	£498,352	6.9%	£475,985	11.9%
Hillingdon	£478,230	£465,330	2.8%	£414,076	15.5%
Lewisham	£457,352	£453,735	0.8%	£406,577	12.5%
Enfield	£452,818	£447,192	1.3%	£403,055	12.3%
Waltham Forest	£452,689	£439,241	3.1%	£370,646	22.1%
Sutton	£442,303	£397,705	11.2%	£372,639	18.7%
Redbridge	£440,222	£432,125	1.9%	£387,811	13.5%
Greenwich	£432,666	£441,021	-1.9%	£386,078	12.1%
Croydon	£399,953	£399,068	0.2%	£360,498	10.9%
Newham	£396,582	£401,945	-1.3%	£338,643	17.1%
Havering	£371,090	£359,847	3.1%	£330,095	12.4%
Bexley	£338,097	£337,431	0.2%	£305,518	10.7%
Barking and Dagenham	£291,638	£287,364	1.5%	£236,639	23.2%



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 121,346 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 10th January 2016 to 6th February 2016 and advertised on Rightmove.co.uk. This month 5,912 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).