



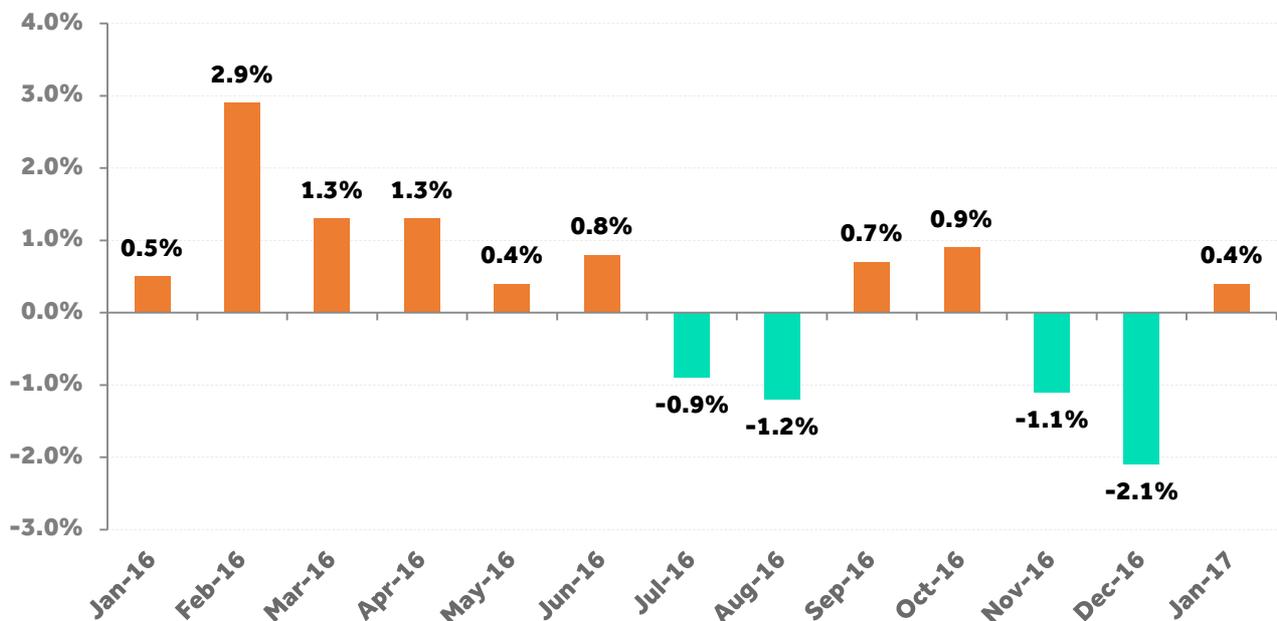
**Under embargo for 00:01 hours, Monday 16<sup>th</sup> January 2017**

## Window of opportunity for first-time buyers in new year

- Steady start to 2017 with 0.4% (+£1,086) rise in the price of property coming to market, very similar to the 0.5% rise recorded in January 2016
- Encouraging early signs of home-mover activity, with visits<sup>1</sup> to Rightmove since Boxing Day up by 5% even when compared to last year's buy-to-let surge
- Window of opportunity for first-time buyers this new year with more choice and negotiating power:
  - Available stock for sale of two beds or fewer currently up 1.9% versus previous year
  - Fewer buy-to-let investors to compete against and sellers more open to lower offers as sales agreed in this sector down 13.2% in December 2016 compared to previous year

| National average asking prices   |                   |                |                |               |
|--|-------------------|----------------|----------------|---------------|
| Month  | Avg. asking price | Monthly change | Annual change  | Index         |
| January 2017   | £300,245          | +0.4%          | +3.2%          | 247.2         |
| December 2016  | £299,159          | -2.1%          | +3.4%          | 246.3         |
| National average asking prices by market sector (excluding Inner London) |                   |                |                |               |
| Sector   | January 2017      | December 2016  | Monthly change | Annual change |
| <b>First-time buyers</b>   | £188,612          | £183,900       | +2.6%          | +6.4%         |
| <b>Second-steppers</b>   | £255,387          | £254,388       | +0.4%          | +4.5%         |
| <b>Top of the ladder</b>   | £520,840          | £521,993       | -0.2%          | +0.4%         |

## % monthly change in average asking prices





## Overview

Rightmove data for the turn of the year shows a steady start to 2017's housing market. The monthly increase in the price of property coming to market at 0.4% (+£1,086) is very similar to the 0.5% rise recorded in the same period 12 months ago. Early indicators of housing demand also appear robust, with Rightmove traffic compared to a year ago up by 5% since Boxing Day, which is traditionally when movers start to search en masse. This increase in search activity is notable given that a year ago market activity was buoyed by the November announcement that second-home stamp duty would apply from April 2016. With this year having no such dynamic there is a new year opportunity for first-time buyers to fill the void left by buy-to-let purchasers.

Miles Shippside, Rightmove director and housing market analyst comments: *"The 0.4% monthly and 3.2% year-on-year price increases are indicators of the continued market momentum from the autumn. Demand for a suitable home is such that visits to the Rightmove website are still up by 5% year-on-year, despite being compared to a period that was boosted by high demand from buy-to-let investors rushing to beat the stamp duty deadline. Year-on-year comparisons for transactions in the first quarter of 2017 should also allow for the distortion of last April's additional stamp duty tax deadline, as transactions were up 40% in the first quarter last year."*

### **New year opportunity for first-time-buyers with more choice and negotiating power:**

With markedly fewer buy-to-let purchasers than this time a year ago, the number of sales agreed in the typical first-time-buyer sector of two bedrooms and fewer was down 13.2% in December compared to the same month in 2015 (sales agreed in this sector are still up 0.8% when compared to December 2014 which was not distorted by the buy-to-let rush). As a result, available stock for sale in this sector is up 1.9% compared to last year, offering more choice for first-time buyers. This contrasts with the same period a year ago, when available stock fell by 18% as active buy-to-let purchasers reduced choice and limited buyers' ability to negotiate.

Shippside adds: *"Those planning to buy their first home in 2017 have more choice of properties and less competition from other buyers than their counterparts a year ago. It's a possible learning point for aspiring first-time buyers that a year ago buy-to-let purchasers acted more quickly and closed deals at a faster rate, appearing not to take a Christmas break. Admittedly they had the financial incentive of a deadline to motivate them, but first-time buyers still have time to act and currently have the incentive of stronger negotiating power to try and mitigate the upwards trajectory of property prices."*

A restraining force on potential first-time buyer activity is increasingly stretched affordability. Their favoured target sector of two bedrooms or fewer has seen the biggest price rises both month-on-month (+2.6%) and year-on-year (+6.4%) of any sector, partly a legacy from last spring's buy-to-let surge.

Shippside advises: *"Some sellers of first-time-buyer properties may be being over-optimistic with their pricing, giving an opportunity for budget-strapped first-time buyers to negotiate, especially if they act now while there's still more choice available."*



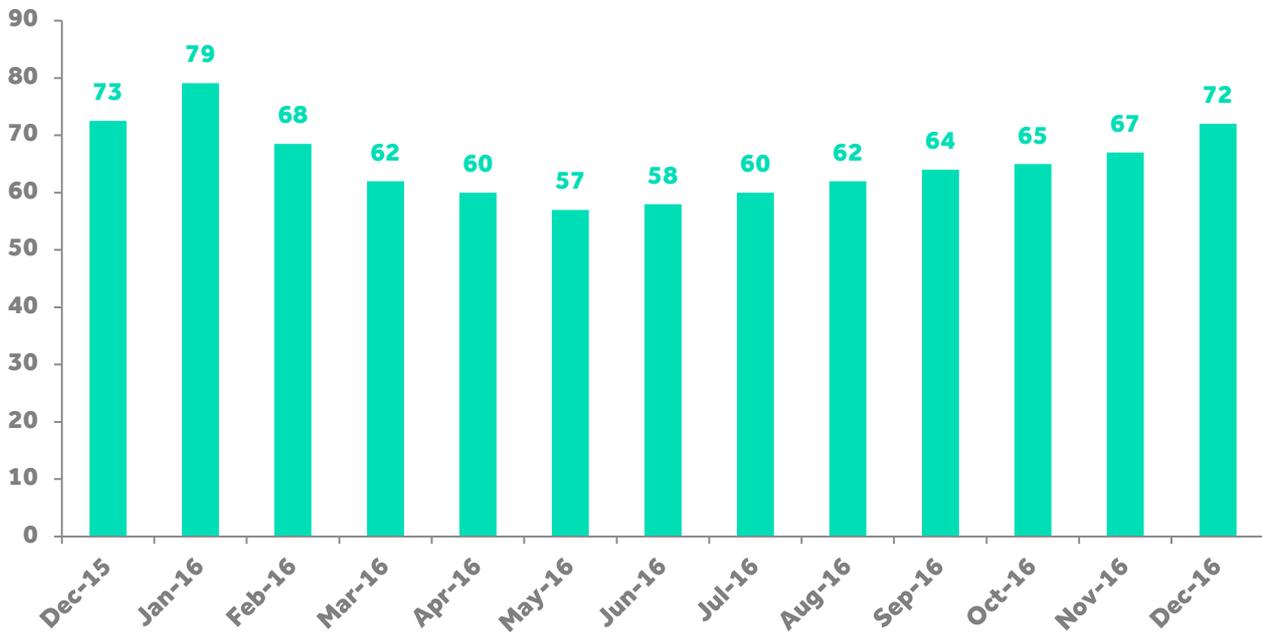
## Agents' Views

Kevin Shaw, national sales director at estate agency Leaders, says: *"It is clear that first-time buyers are outnumbering buy-to-let investors right now. We have seen an increasing number of one-bedroom apartments, which historically would attract first-time buyers and investors in equal numbers, snapped up by the former. This is largely because first-time buyers have had numerous offers accepted over the asking price so are obviously determined and able to secure these properties in the current market. Investors are understandably focused on the price as this drives the yield and generally do not want to get into a bidding war to secure these properties. It is a similar story with modest freehold houses in town centre locations, which would typically attract investors. But in recent months the majority of viewers have been private first-time buyers."*

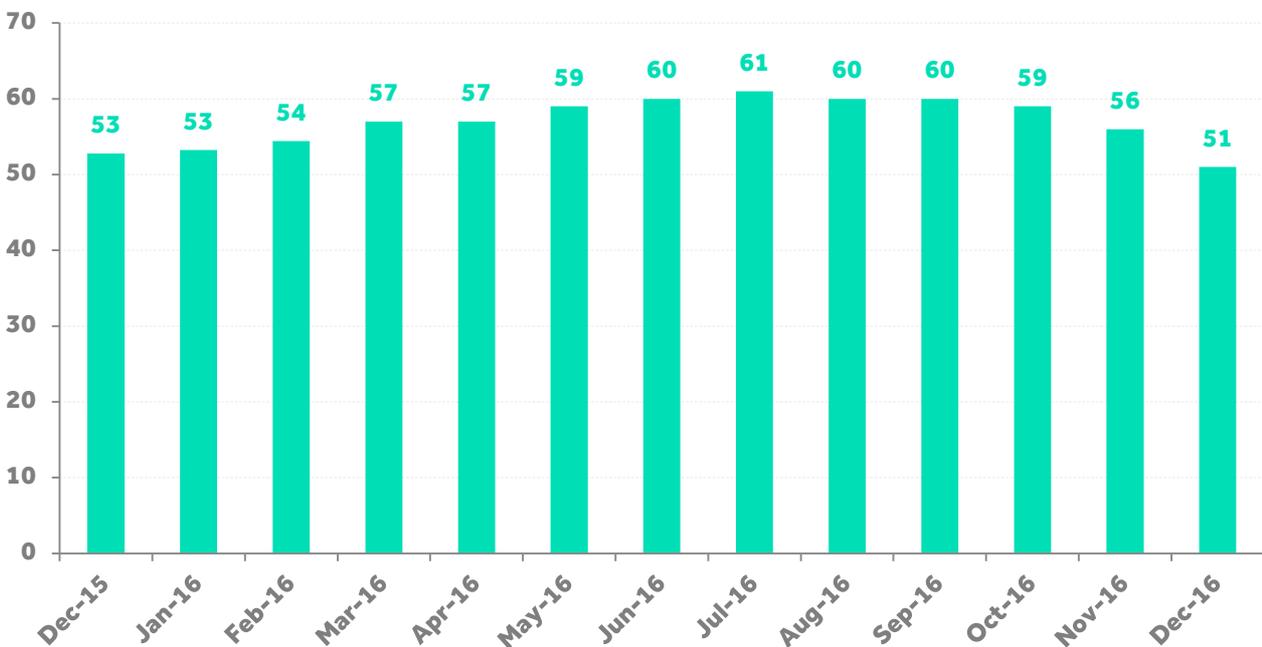
Mark Manning, Director of Manning Stainton in Leeds, Harrogate, Wetherby and Wakefield said: *"As we got off the train onto the 2017 platform it was difficult to know who might be there to greet us. Were we to expect a lonely welcome and a continuation of the subdued market we saw at the end of the year or a swathe of new sellers ready to greet us. Fortunately, the answer appears for now to have been the latter. New seller enquiries are 26% up on the same time last year giving the strongest indication that we may see a slight ease in the lack of supply in the market. Now this will be welcome news amongst first-time buyers who have registered in strong numbers and are waiting for much needed new stock to come to market. Combine this with a comparative reduction in new investors and landlords of 32% over the last quarter compared to the same quarter a year ago and this may well be the year of the first-time buyer."*



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



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





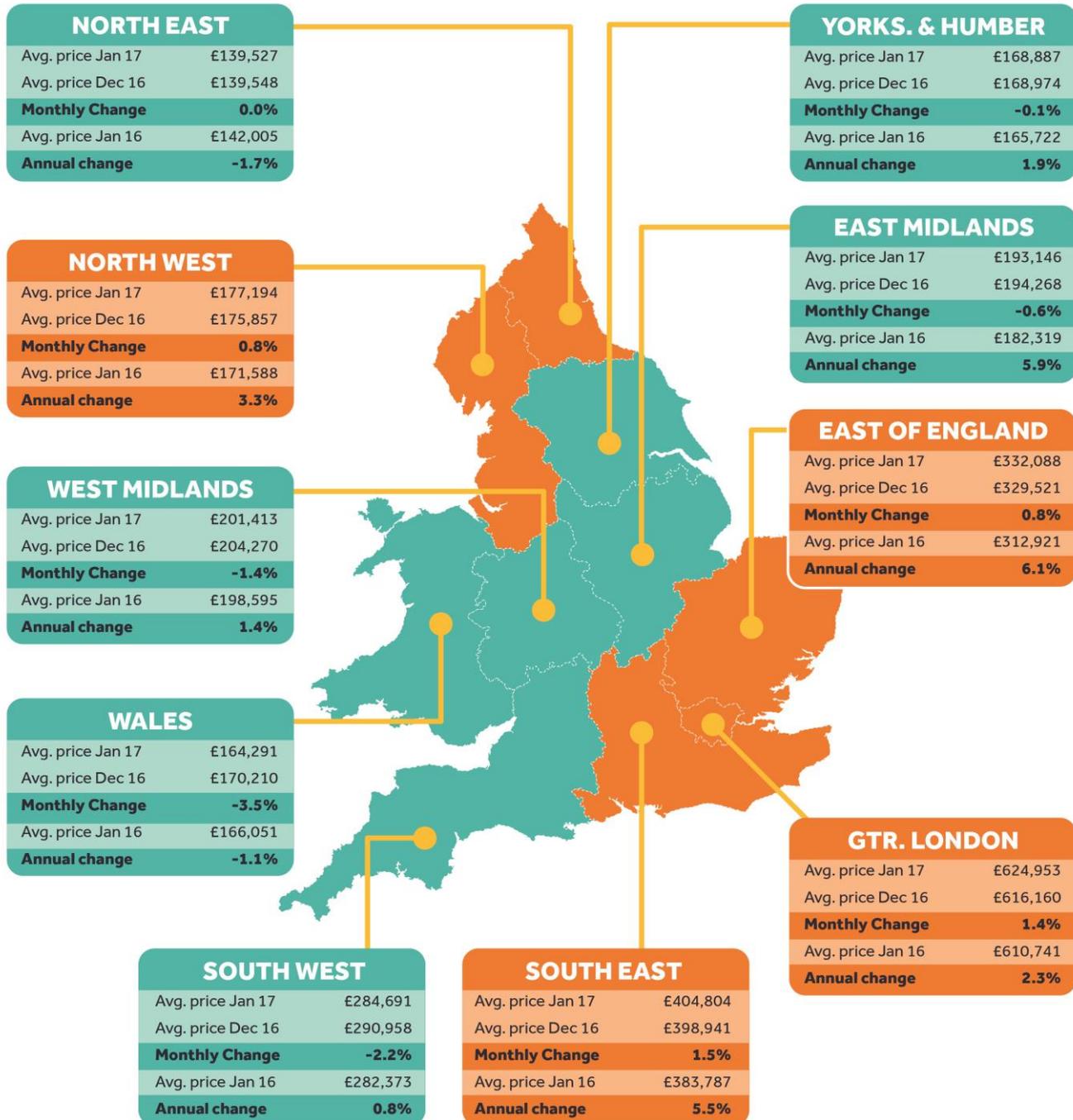
## Monthly asking price trend





## Regional trends

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





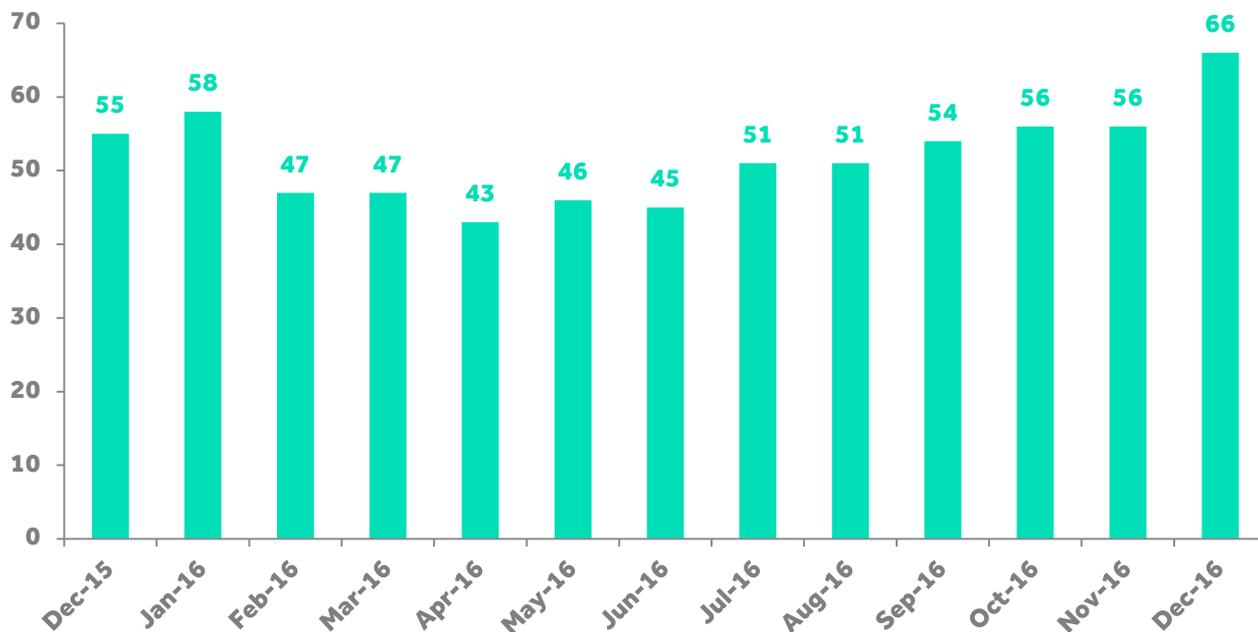
## London's best annual performers: January 2017

| Borough                | Avg. price Jan 2017 | Avg. price Dec 2016 | Monthly change | Avg. price Jan 2016 | Annual change |
|------------------------|---------------------|---------------------|----------------|---------------------|---------------|
| Hackney                | £732,573            | £646,350            | 13.3%          | £634,150            | 15.5%         |
| Bromley                | £556,044            | £509,330            | 9.2%           | £498,352            | 11.6%         |
| Kensington and Chelsea | £2,485,483          | £2,129,846          | 16.7%          | £2,256,043          | 10.2%         |
| Islington              | £807,550            | £801,593            | 0.7%           | £734,066            | 10.0%         |
| Sutton                 | £437,115            | £437,480            | -0.1%          | £397,705            | 9.9%          |

## London's worst annual performers: January 2017

| Borough                | Avg. price Jan 2017 | Avg. price Dec 2016 | Monthly change | Avg. price Jan 2016 | Annual change |
|------------------------|---------------------|---------------------|----------------|---------------------|---------------|
| Camden                 | £1,118,218          | £994,411            | 12.5%          | £1,338,376          | -16.4%        |
| Hammersmith and Fulham | £948,671            | £1,028,770          | -7.8%          | £1,072,983          | -11.6%        |
| Richmond upon Thames   | £864,137            | £904,802            | -4.5%          | £906,934            | -4.7%         |
| Brent                  | £573,189            | £641,503            | -10.6%         | £601,273            | -4.7%         |
| Wandsworth             | £775,702            | £756,067            | 2.6%           | £808,651            | -4.1%         |

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





## London boroughs

| Borough                | Avg. price Jan 2017 | Avg. price Dec 2016 | Monthly change | Avg. price Jan 2016 | Annual change |
|------------------------|---------------------|---------------------|----------------|---------------------|---------------|
| Kensington and Chelsea | £2,485,483          | £2,129,846          | 16.7%          | £2,256,043          | 10.2%         |
| City of Westminster    | £1,992,328          | £1,917,079          | 3.9%           | £2,044,240          | -2.5%         |
| Camden                 | £1,118,218          | £994,411            | 12.5%          | £1,338,376          | -16.4%        |
| Hammersmith and Fulham | £948,671            | £1,028,770          | -7.8%          | £1,072,983          | -11.6%        |
| Richmond upon Thames   | £864,137            | £904,802            | -4.5%          | £906,934            | -4.7%         |
| Islington              | £807,550            | £801,593            | 0.7%           | £734,066            | 10.0%         |
| Wandsworth             | £775,702            | £756,067            | 2.6%           | £808,651            | -4.1%         |
| Hackney                | £732,573            | £646,350            | 13.3%          | £634,150            | 15.5%         |
| Barnet                 | £732,439            | £685,868            | 6.8%           | £703,248            | 4.2%          |
| Southwark              | £684,410            | £617,803            | 10.8%          | £645,339            | 6.1%          |
| Lambeth                | £662,177            | £677,373            | -2.2%          | £608,077            | 8.9%          |
| Merton                 | £632,749            | £583,271            | 8.5%           | £611,062            | 3.5%          |
| Kingston upon Thames   | £621,638            | £598,373            | 3.9%           | £633,588            | -1.9%         |
| Haringey               | £605,271            | £601,465            | 0.6%           | £558,884            | 8.3%          |
| Ealing                 | £604,736            | £606,334            | -0.3%          | £609,885            | -0.8%         |
| Tower Hamlets          | £600,774            | £614,134            | -2.2%          | £584,205            | 2.8%          |
| Brent                  | £573,189            | £641,503            | -10.6%         | £601,273            | -4.7%         |
| Bromley                | £556,044            | £509,330            | 9.2%           | £498,352            | 11.6%         |
| Harrow                 | £542,733            | £548,826            | -1.1%          | £521,899            | 4.0%          |
| Hounslow               | £499,873            | £516,028            | -3.1%          | £514,740            | -2.9%         |
| Enfield                | £486,236            | £469,958            | 3.5%           | £447,192            | 8.7%          |
| Hillingdon             | £483,951            | £478,104            | 1.2%           | £465,330            | 4.0%          |
| Waltham Forest         | £475,186            | £468,924            | 1.3%           | £439,241            | 8.2%          |
| Lewisham               | £473,592            | £461,086            | 2.7%           | £453,735            | 4.4%          |
| Greenwich              | £464,144            | £435,767            | 6.5%           | £441,021            | 5.2%          |
| Redbridge              | £446,581            | £459,543            | -2.8%          | £432,125            | 3.3%          |
| Sutton                 | £437,115            | £437,480            | -0.1%          | £397,705            | 9.9%          |
| Newham                 | £426,971            | £378,748            | 12.7%          | £401,945            | 6.2%          |
| Croydon                | £423,347            | £419,062            | 1.0%           | £399,068            | 6.1%          |
| Havering               | £391,186            | £391,511            | -0.1%          | £359,847            | 8.7%          |
| Bexley                 | £370,291            | £358,281            | 3.4%           | £337,431            | 9.7%          |
| Barking and Dagenham   | £298,255            | £302,994            | -1.6%          | £287,364            | 3.8%          |



## Editors' notes

1 26<sup>th</sup> December-11<sup>th</sup> January.

### 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 62,395 asking prices this month, circa 90% of the UK market. The properties were put on sale by estate agents from 4<sup>th</sup> December 2016 to 7<sup>th</sup> January 2017 and advertised on Rightmove.co.uk. Due to enhanced data quality this figure has been restated as of December 2016.

### 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).