

Rightmove House Price Index

The largest monthly sample of
residential property prices

January 2018
National edition

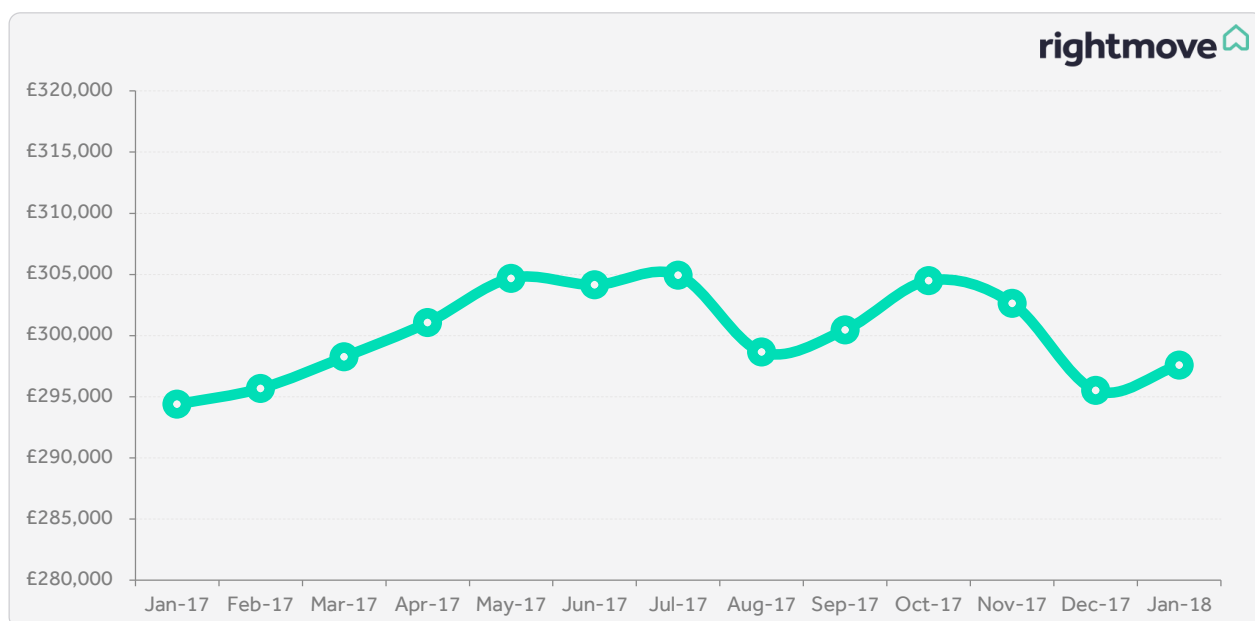


Busy start to 2018 with increased home-hunter activity

- Early traffic data indicates a busy start to 2018, with Rightmove visits up by an average of over 9% so far in January compared to same period last year¹, averaging over 4 million visits per day
- Average price of property coming to market is up 0.7% (+£2,067) this month on Rightmove, tracking over 90% of the UK property market, similar to the 0.6% rise at this time a year ago with virtually identical number of properties coming to market
- To have the best chance of a successful sale this year, sellers should note:
 - Buyers are still price-sensitive with sales agreed numbers in the last quarter of 2017 down 5.5% on the same period a year ago
 - Sellers of properties suitable for first-time buyers set to have greatest chance of sales success following last Autumn's stamp duty saving boost

National average asking prices				
Month	Avg. asking price	Monthly change	Annual change	Index
January 2018	£297,587	+0.7%	+1.1%	230.1
December 2017	£295,520	-2.3%	+1.0%	228.5
National average asking prices by market sector (excluding Inner London)				
Sector	January 2018	December 2017	Monthly change	Annual change
First-time buyers	£188,024	£185,926	+1.1%	+1.9%
Second-steppers	£266,380	£265,303	+0.4%	+3.2%
Top of the ladder	£519,852	£515,741	+0.8%	+0.2%

Monthly asking price trend



Rightmove measured 63,365 asking prices this month, circa 90% of the UK market. The properties were put on sale by estate agents from 3rd December 2017 to 6th January 2018 and advertised on Rightmove.co.uk.

Overview

Early indicators of activity in this year's housing market show that demand remains robust, and most of the key metrics are broadly consistent with the same period last year. Demand as evidenced by visits to Rightmove shows the average so far in January is currently running over 9% higher than the same period a year ago, with an average of over 4 million visits each day. The rate of increase in the price of property coming to market is consistent with last year, up by 0.7% (+£2,067) this month versus +0.6% in the same period 12 months ago. In spite of the high level of home-hunter visits as we start 2018, sellers should note that buyers are still being very choosy, as shown by the number of sales agreed in the last quarter of 2017 being lower than a year ago in all regions.

Miles Shippside, Rightmove director and housing market analyst comments: *"Considering some of the gales that buffeted the market in the latter part of 2017, these early readings for 2018 show that there is currently a good following wind of search activity. To keep this year's initial buyer momentum with you rather than against, serious sellers should note that all regions are currently selling at a slower rate than a year ago, indicating choosier buyers. The total number of sales agreed was 5.5% down in the last quarter of 2017 compared with the same period in 2016. Setting tempting asking prices and then quickly reducing them if there is little initial interest will be key to turning this promising level of buyer activity into actual sales, especially in the less active sectors and locations of the UK."*

The annual rate of price increase in newly-marketed property is 1.1%, although at a more local level prices are running 4-6% up in some regions, with only London (-3.5%) recording a year-on-year fall. While the 0.7% increase in asking prices of property coming to market this month is very similar to the 0.6% of the same period a year ago, both years are well behind the average monthly rise of 1.9% seen at this time of year in the faster-rising markets from 2013 to 2016. However, the current market's negative price factors of stretched buyer affordability and uncertain political outlook are counter-balanced to a degree by tight supply of suitable properties for sale and the recent near-abolition of stamp duty for first-time buyers. There is no increase in choice for buyers, with average overall stock per estate agency branch holding steady at 42 properties, the same as a year ago.

Shippside adds: *"There is no sign so far of any rush to come to market and try to sell, with the number of new-to-the-market properties holding steady against the same period a year ago at around 63,000. With no increase in fresh supply, and an overall average of 40% of properties on agents' books already sold subject to contract, would-be buyers in some sectors and locations of the UK are seeing less choice to tempt them, fuelling some localised price rises. While potential buyers are still busy looking, they are looking for good value and the right property. Price rises have had a good run and the return of the days of optimistic pricing is consequently some years away and contingent upon earnings increasing and interest rates remaining low. Sellers should get good local advice to ensure that their property price and presentation are suitable for their local market conditions."*

The boost given to first-time buyers by the abolition of stamp duty for most of their purchases means that properties in that sector are facing higher demand and consequently more upwards price pressure, especially if supply is limited. Indeed their typical target sector of two bedrooms and fewer has seen the biggest rise of 1.1% in the last month, ahead of second-stepper properties at 0.4% and top of the ladder at 0.8%.

Shippside predicts: *"Those selling to 'quick-off-the-block stamp-duty-saving first-time buyers' are set to have a busier first quarter than those trying to sell in other sectors. We expect that many first-time buyers will act fast to satisfy their appetite to get onto the housing ladder and secure their property at today's prices, before any stamp duty savings are eaten up by rising property prices."*

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Miles Shippside, Rightmove director and housing market analyst

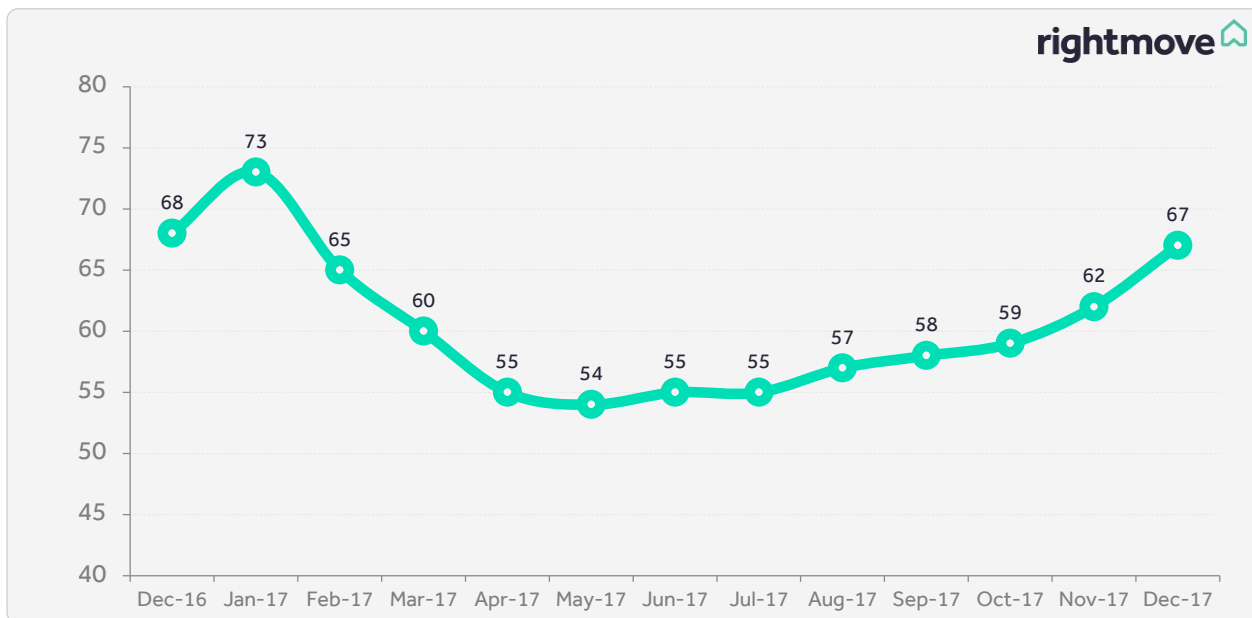


Agent's view

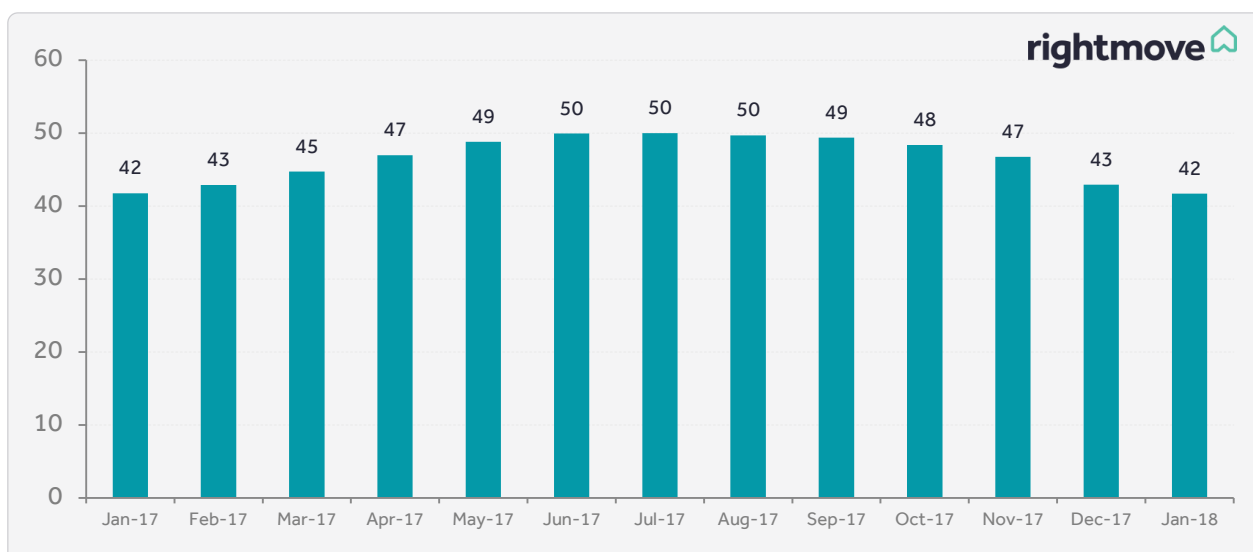
Chris Chapman, Divisional Managing Director of Estate Agency at Andrews, comments: *"Our sales data so far this year suggests a strong return to house buying activity particularly evident across our network in Oxfordshire and the South West where buyers are showing significant interest in three- and four-bedroom family homes. Of course, the Chancellor's recent announcement that Stamp Duty would be removed for first time buyers of properties of up to £300,000, or on the first £300,000 of higher value properties up to £500,000, is the focus of much attention in terms of the impact that it's having on the market. Whilst it hasn't, in our experience, resulted in a huge spike of first-time buyers entering the market, it has certainly created increased interest from purchasers who had previously felt unable to take the first step on to the property ladder."*

Average time to sell and stock

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

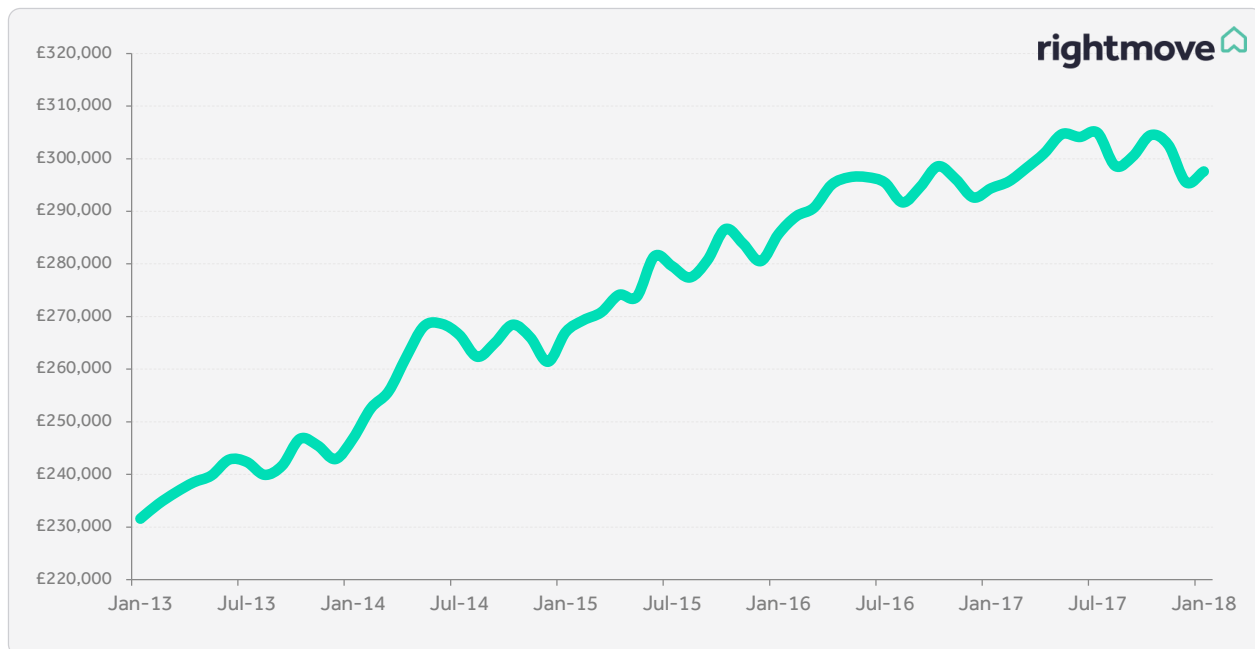


Average stock per agent (including Under Offer/Sold STC)

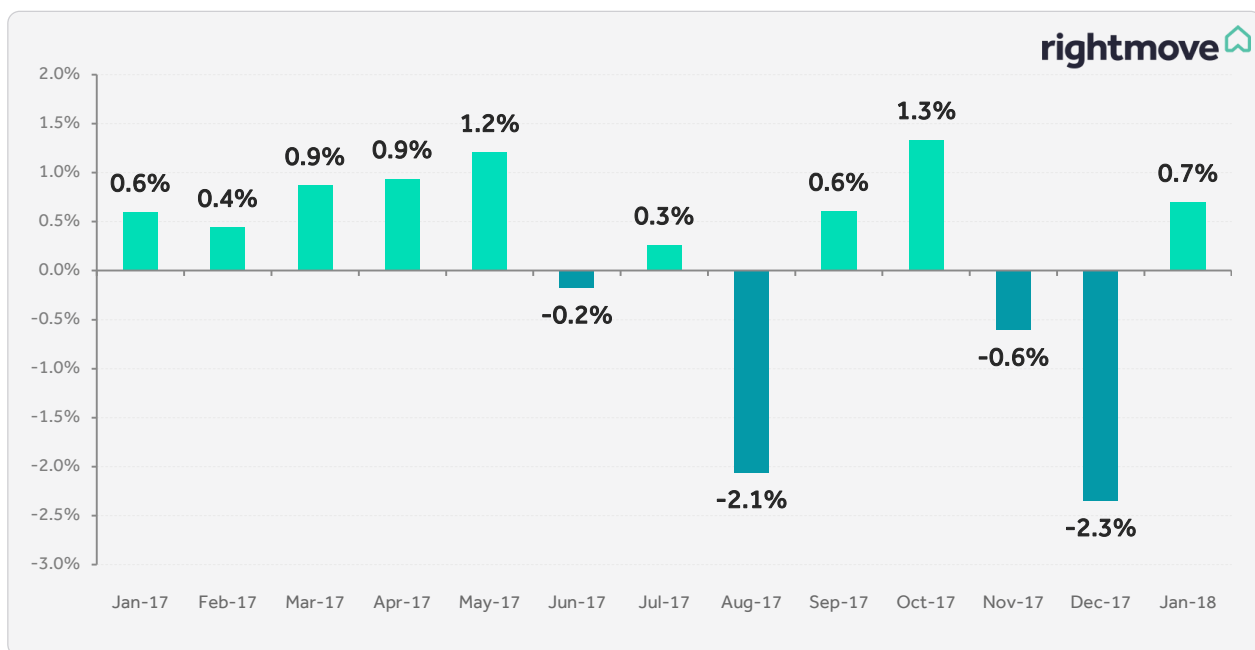


Asking price trends

Five year asking price trend



% monthly change in average asking prices



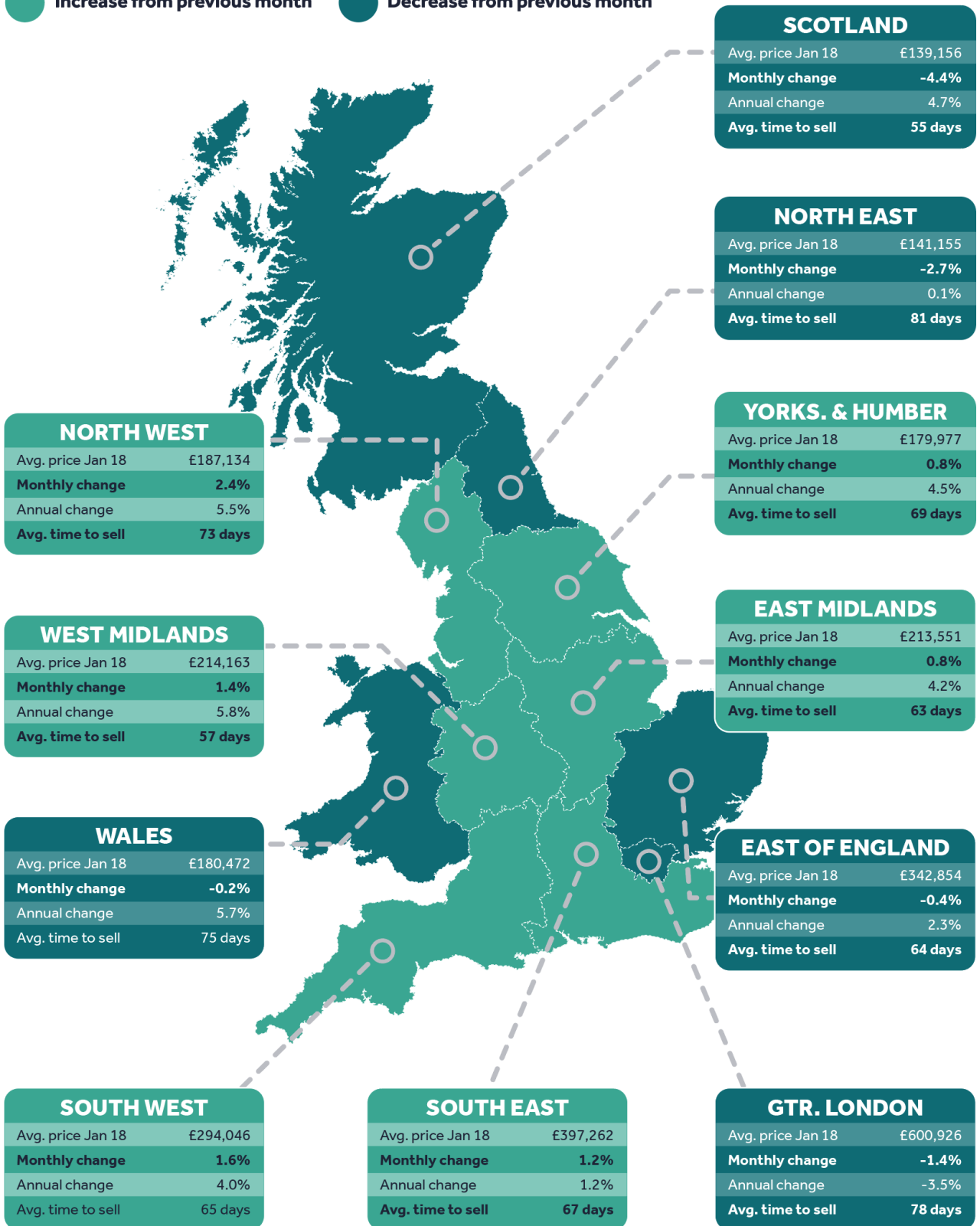
Regional trends



Increase from previous month



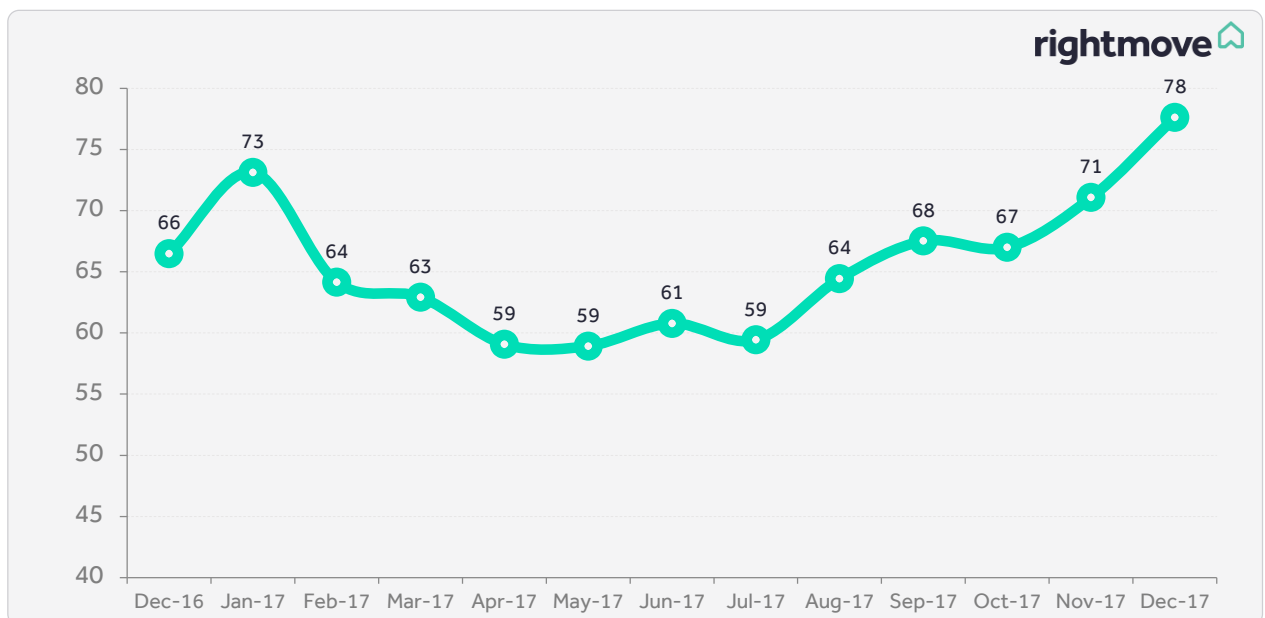
Decrease from previous month



London trends

Transport for London zones	Avg. price Jan 2018	Avg. price Dec 2017	Monthly change	Avg. price Jan 2017	Annual change
Zone 1	£1,295,435	£1,248,932	3.7%	£1,293,729	0.1%
Zone 2	£704,591	£732,673	-3.8%	£752,515	-6.4%
Zone 3	£564,050	£583,360	-3.3%	£611,210	-7.7%
Zone 4	£473,576	£474,647	-0.2%	£469,725	0.8%
Zone 5	£465,450	£470,650	-1.1%	£468,817	-0.7%
Zone 6	£490,463	£482,234	1.7%	£479,599	2.3%

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



Editor's notes

¹ Based on 1st – 10th January.

About the Index:

The Rightmove House Price Index methodology has been updated as of January 2018. The report now includes data for Scotland and a number of measures have been refined. The stock per agent figure now calculates the average based on the number of properties an agent has on Rightmove each day across the month, rather than the average of the total number of properties each agent advertised in the month. London asking prices are now broken down into travel zones. For the purpose of historical comparisons, the historical figures have been restated based on the new methodology.

The Index includes asking price 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. 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.

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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 circa 90% of all properties for sale and at any time displays a stock of over one million properties to buy or rent. The Rightmove.co.uk site attracts over 130 million visits from home movers each month with time on site averaging over one billion minutes per month (Rightmove data, July 2017).