

Under embargo for 00.01 hours, Monday 19th February 2018

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Rightmove House Price Index

The largest monthly sample of
residential property prices

February 2018
London edition



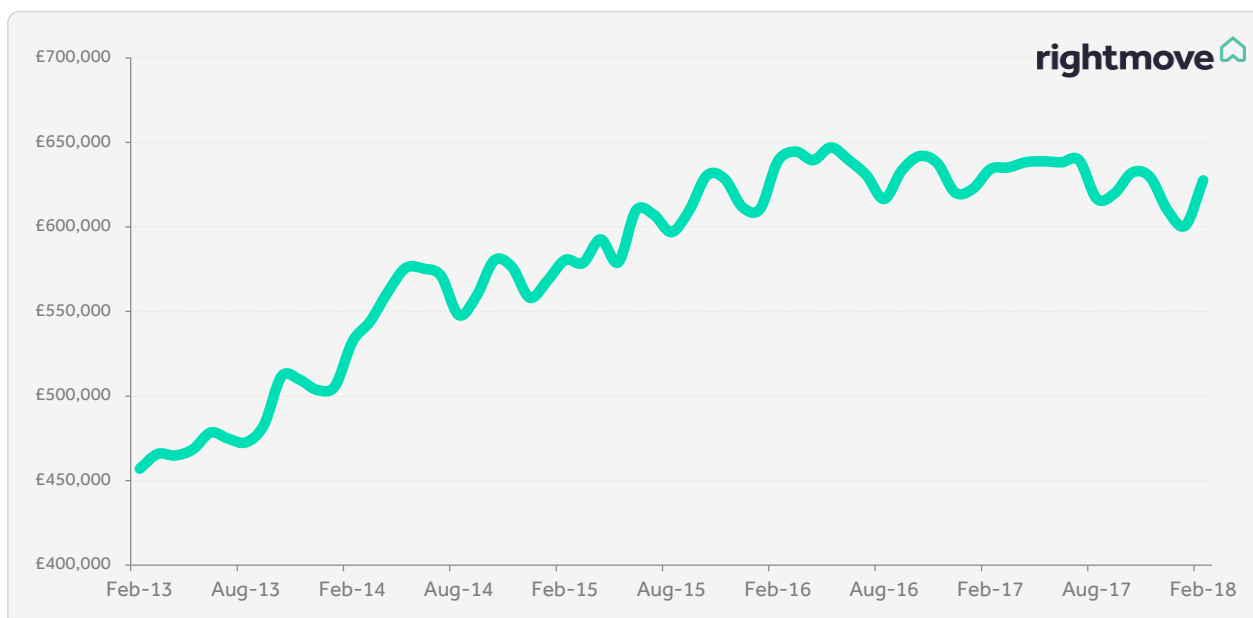


Fewer inner-city sellers coming to market helps boost prices

- Usual New Year price jump with average price of newly-marketed property in the capital up by 4.4% (+£26,665) this month
- This rise is largely driven by scarcity of new sellers in Zones 1 to 3, with new listings down 4% on previous year, leading to a 6.2% monthly increase in average prices
- In contrast, Zones 4 to 6 see 3% more new-to-the-market sellers compared to this time a year ago, with extra supply resulting in a more muted monthly price rise of 1.8%
- Overall price drop of -1.0% shows London still in period of adjustment

London average asking prices				
Area	February 2018	January 2018	Monthly change	Annual change
Greater London	£627,591	£600,926	+4.4%	-1.0%
Inner London	£779,261	£738,247	+5.6%	-2.1%
Outer London	£520,042	£500,454	+3.9%	+0.2%
Average asking prices by market sector				
Sector	February 2018	January 2018	Monthly change	Annual change
First-time buyers	£489,518	£483,132	+1.3%	-1.3%
Second-steppers	£697,862	£678,230	+2.9%	-1.4%
Top of the ladder	£1,407,866	£1,303,658	+8.0%	+2.2%

Five year London asking price trend



Rightmove measured 134,556 asking prices nationally this month, circa 90% of the UK market. The properties were put on sale by estate agents from 7th January 2018 to 10th February 2018 and advertised on Rightmove.co.uk.

Overview

The price of newly-marketed property in London sees the usual New Year price jump, with more expensive properties boosting the average price to a 4.4% (+£26,665) rise this month. This is particularly marked in the typically more expensive Zone 1 to 3 areas closer to the centre of the capital, where the average price of property coming to market has jumped by 6.2%. Fewer owners in these Zones are putting their property up for sale, helping to reduce supply and underpin seller pricing power.

Miles Shippide, Rightmove director and housing market analyst comments: *“End of the boom prices normally re-adjust more quickly if there is an over-supply of sellers trying to exit their property investments. However, the lack of new listings in the typically pricier more central locations indicates that some would-be sellers are holding back, preventing a glut of competition from forcing prices downwards. Cash-rich owners are showing that they are able to sit tight instead of coming to market now, and await their hoped-for price recovery.”*

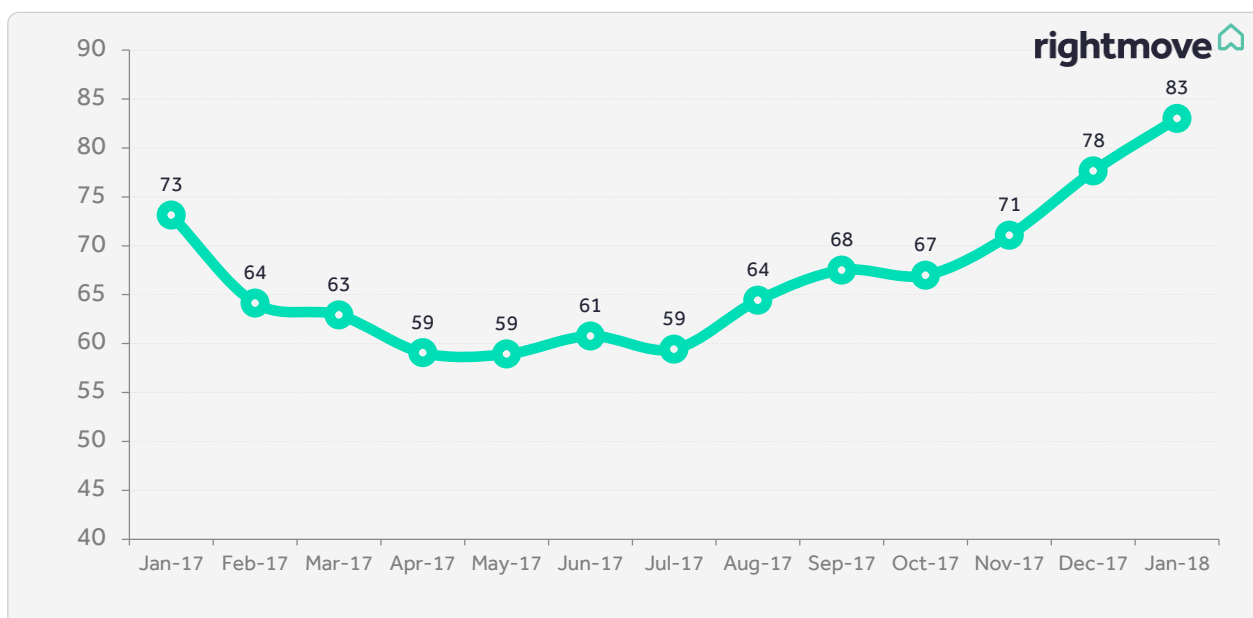
There are 4% fewer properties coming to market in Zones 1 to 3 compared to this time a year ago, with the greatest shortage of new listings in Hackney (-22%). In contrast Zones 4 to 6 have seen 3% more property come to market, and in spite of the usual seasonal boost have seen more conservative average monthly price rises of 1.8%.

Shippide adds: *“London is a myriad of different markets, under-pinned by a historical shortage of affordable supply. Rapid price rises in recent years have resulted as usual in a re-adjusting market, with overall year-on-year price falls in new seller asking prices of 1%. If fewer sellers come to market then competition and downward price pressure will be less. However, unless you have an extra-special property you may have to sacrifice some of the substantial price gains of the last few years to attract more buyer interest and effect a speedier sale.”*

London trends

Transport for London zones	Avg. price Feb 2018	Avg. price Jan 2018	Monthly change	Avg. price Feb 2018	Annual change
Zone 1	£1,373,384	£1,295,435	6.0%	£1,436,116	-4.4%
Zone 2	£745,819	£704,591	5.9%	£758,882	-1.7%
Zone 3	£601,992	£564,050	6.7%	£603,277	-0.2%
Zone 4	£482,071	£473,576	1.8%	£482,893	-0.2%
Zone 5	£480,897	£465,450	3.3%	£481,427	-0.1%
Zone 6	£491,609	£490,463	0.2%	£482,770	1.8%

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



London trends

Borough data is now based on a three month rolling average and can be used as an indicator of overall price trends in each borough over time. It is not directly comparable with the overall London monthly figures.

Borough	Avg. price Feb 2018	Monthly change	Annual change
Bexley	£408,466	1.3%	4.2%
Hackney	£654,695	0.2%	3.6%
Barking and Dagenham	£317,065	0.2%	3.0%
Havering	£409,814	0.4%	2.8%
Redbridge	£453,600	0.1%	1.3%
Haringey	£607,736	1.4%	1.0%
Croydon	£440,521	-0.2%	0.8%
Greenwich	£446,158	1.1%	0.5%
Hillingdon	£493,167	1.6%	0.2%
Hounslow	£542,843	-0.8%	0.1%
Newham	£421,531	0.4%	0.0%
Kingston upon Thames	£623,312	0.1%	-0.1%
Bromley	£526,006	0.4%	-0.5%
Southwark	£645,955	0.3%	-0.8%
Sutton	£464,682	0.7%	-0.9%
Hammersmith and Fulham	£940,159	1.2%	-1.7%
Kensington and Chelsea	£1,602,713	2.5%	-1.9%
Lewisham	£470,403	0.7%	-2.4%
Westminster	£1,461,101	3.8%	-2.4%
Waltham Forest	£470,284	-0.4%	-2.4%
Ealing	£552,044	0.6%	-2.7%
Wandsworth	£796,096	-0.2%	-2.8%
Enfield	£446,688	0.4%	-2.9%

Boroughs continued overleaf

London trends

Borough (continued)	Avg. price Feb 2018	Monthly change	Annual change
Tower Hamlets	£588,847	-1.2%	-2.9%
Barnet	£637,757	0.1%	-3.3%
Harrow	£549,413	0.0%	-3.3%
Brent	£571,722	-0.6%	-3.5%
Islington	£743,566	0.2%	-3.8%
Richmond upon Thames	£811,377	-0.4%	-4.1%
Merton	£621,033	-0.2%	-5.7%
Camden	£978,381	0.1%	-5.8%
Lambeth	£635,376	-1.4%	-7.3%

Editor's notes

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.

Rightmove measured 134,556 asking prices nationally this month. The properties were put on sale by estate agents from 7th January 2018 to 10th February 2018 and advertised on Rightmove.co.uk.

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).