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Rightmove House Price Index

The largest monthly sample of
residential property prices

March 2018
National edition





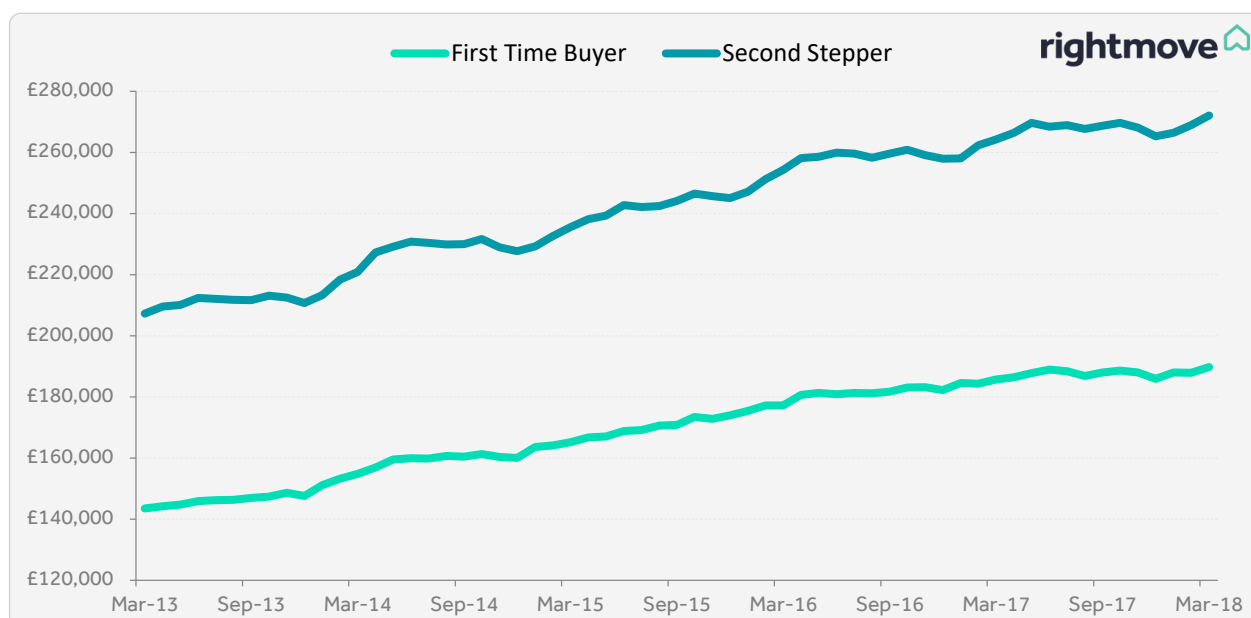
Prices hit record highs in first-time and second-stepper sectors

- Average asking price of newly-marketed property jumps by 1.5% (+£4,503) this month as strong demand from home movers in the first two months of the year now feeds through to stronger upwards price pressure:
 - First-time and second-stepper sectors hit all-time price highs of £189,840 and £272,031
 - Overall average prices also hit new record in four out of eleven regions
- Price rise exacerbated by:
 - Dip in supply with 5% fewer properties coming to market compared to the same period a year ago
 - Buyers springing into action looking to benefit from possible stamp duty savings or beat forecast interest rate rise

National average asking prices				
Month	Avg. asking price	Monthly change	Annual change	Index
March 2018	£304,504	+1.5%	+2.1%	235.4
February 2018	£300,001	+0.8%	+1.5%	231.9

National average asking prices by market sector (excluding Inner London)				
Sector	March 2018	February 2018	Monthly change	Annual change
First-time buyers	£189,840	£187,896	+1.0%	+2.2%
Second-steppers	£272,031	£268,869	+1.2%	+3.0%
Top of the ladder	£537,171	£524,832	+2.4%	+2.3%

Five year asking price trend – first time buyer and second stepper sectors



Rightmove measured 112,693 asking prices this month, circa 90% of the UK market. The properties were put on sale by estate agents from 11th February 2018 to 10th March 2018 and advertised on Rightmove.co.uk.

Overview

New records in the price of property coming to market have been set in four out of eleven regions this month, and also nationally in both the first-time buyer and second-stepper sectors of the market. This month's substantial 1.5% (+£4,503) increase seems to be a slightly delayed reaction to strong demand from home movers measured in the first two months of this year, which is now feeding through to stronger upwards price pressure. This has been exacerbated by a dip in the number of sellers coming to market, increasing the imbalance between demand and supply in some regions and market sectors.

Miles Shippside, Rightmove director and housing market analyst comments: *"Many buyers entering the traditionally busy spring market this year face paying more than ever for their target property, and having a more limited choice. High demand and limited supply in parts of the country mean that the average price of newly-marketed property is at its highest ever level in four out of eleven regions. There is also upwards price pressure in the lower and middle market sectors with both first-time-buyer and second-stepper properties at new national record price highs. The first two months of 2018 saw Rightmove traffic at its highest ever levels, and this demand appears to be now feeding through to fuel the substantial £4,503 jump in average new seller asking prices this month."*

The 1.5% increase this month is the largest seen at this time of year since 2007. However, with January and February price rises having been somewhat subdued this year, there may be an element of catch-up supplementing this month's 1.5% figure. Over the first quarter of 2018 the price of property coming to market is up by 3.0%. This is a stronger performance than the first quarter of 2017 (+1.9%) but weaker than the 3.6% rise in 2016 which was inflated by the rush to beat the stamp duty deadline on second homes.

Shippside adds: *"It remains to be seen if this month's eleven-year price rise high for March is a catch-up anomaly after two more subdued price rise months, or an early sign of price pressure building up a real head of steam as we enter the spring market. Either way, sellers need to be mindful of increasingly stretched buyer affordability, and the more they increase prices the more buyers will hit their ceiling on the amount they are able to save for a deposit and borrow for a mortgage. There does however still seem to be potential price headroom in parts of the country, especially in some of the regions in the north, and in the more mass-market sectors. However, sooner or later higher prices tend to mean fewer people can afford to move, and that is one of the factors keeping the annual rate of increase subdued at 2.1%."*

The average price of newly-marketed property has hit all-time highs in both the East and West Midlands, and also in Wales and the North West. From a property type perspective, it has also hit new record highs in the lower and middle sectors of the market nationally. First-time-buyer properties (two bedrooms or fewer) have hit an average of £189,840, 0.5% higher than their previous high seen in June 2017. Second-stepper properties, (three or four bedrooms excluding four-bedroom detached), are now coming to the market at an average price of £272,031, 0.9% dearer than their previous high recorded in October 2017. Price rises are in part being driven by a decrease in supply as the market enters a traditionally busy phase. Rightmove measured 112,693 properties coming to market in the last four weeks, down by 5.2% on the same period a year ago. Some of this drop will be due to the heavy snow delaying some agents and sellers from bringing properties to market.

Shippside observes: *"As the market enters a period of seasonally higher demand, there is a heady mix of a busy time of year, pent-up demand, and shortage of suitable property supply in parts of the UK. Upwards price pressure is also being driven by savings in stamp duty for the vast majority of first-time buyers, keen to purchase before those savings are swallowed up by price rises. Ironically a sense of urgency to buy is also present from the speculation that another interest rate rise from the Bank of England is on the cards soon. Buyers who apply for a mortgage before interest rates rise should be able to borrow more cheaply."*

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Miles Shippside, Rightmove director and housing market analyst

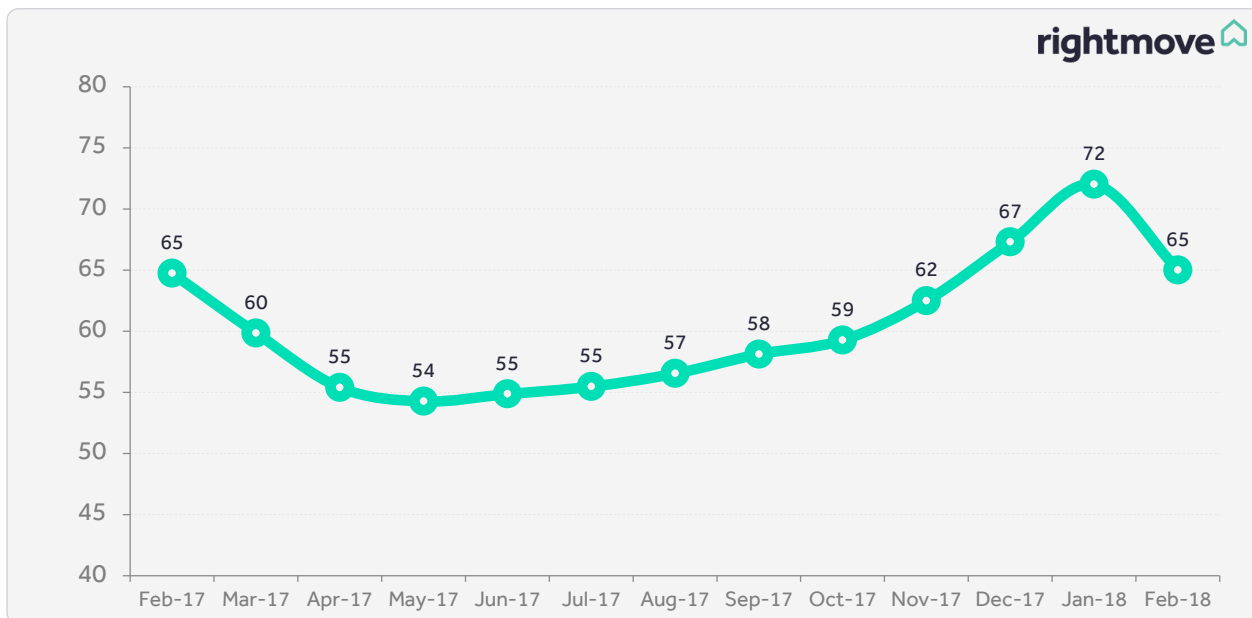


Agent's view

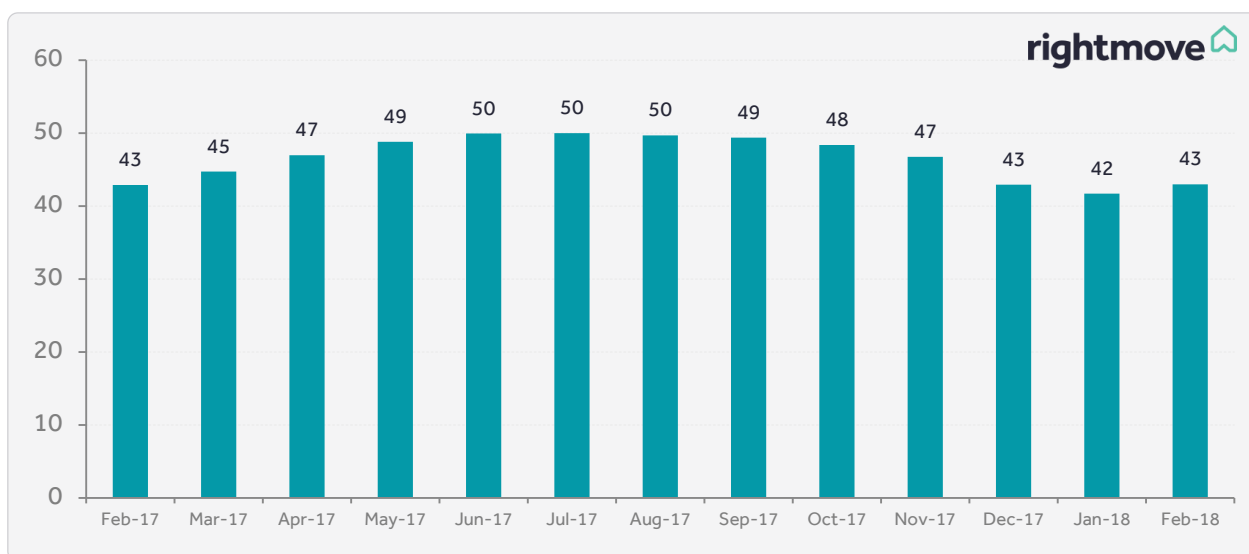
Nick Leeming, Chairman of Jackson-Stops, comments: *"As we move into the spring market, which is usually the most frenetic, multiple viewings will be on the cards. Some sellers will have spotted this as an opportunity to push the limits of what a property is worth, which is likely why there has been this current uplift in average asking prices. We must view these asking prices with caution however until we are able to see how transaction rates pan out over the summer. It will be interesting to see whether deals are agreed at these higher levels, as just because sellers are asking for more money it doesn't mean buyers will be willing to part with it."*

Average time to sell and stock

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

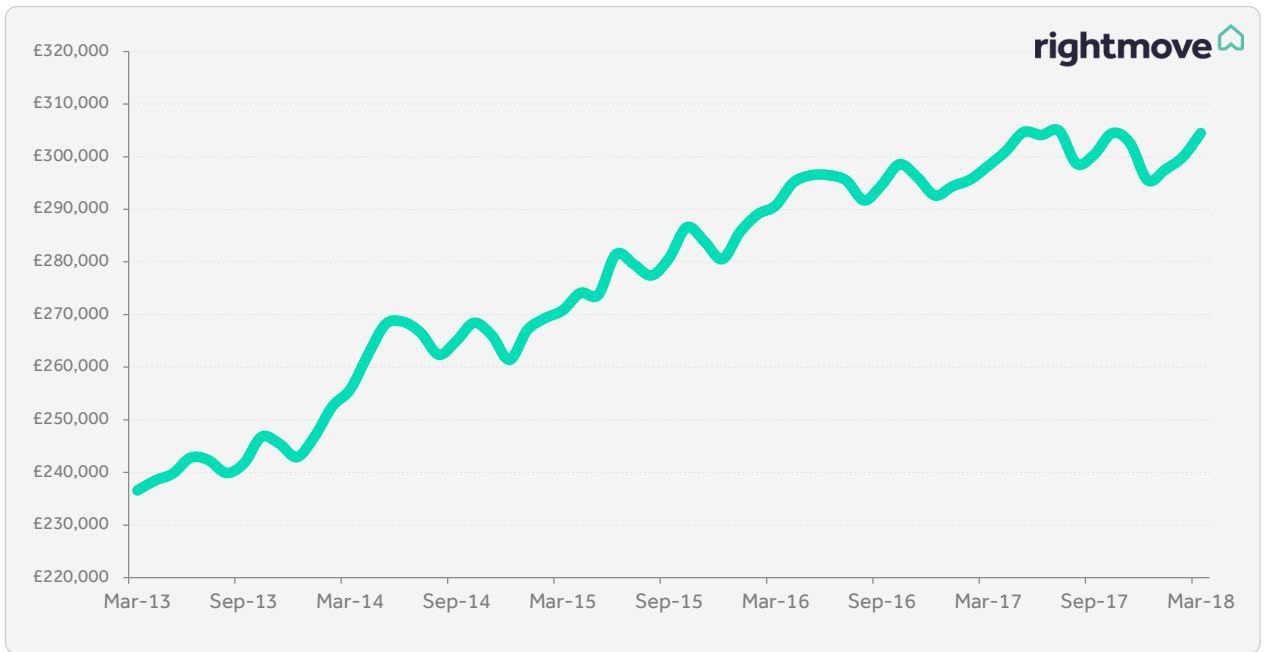


Average stock per agent (including Under Offer/Sold STC)

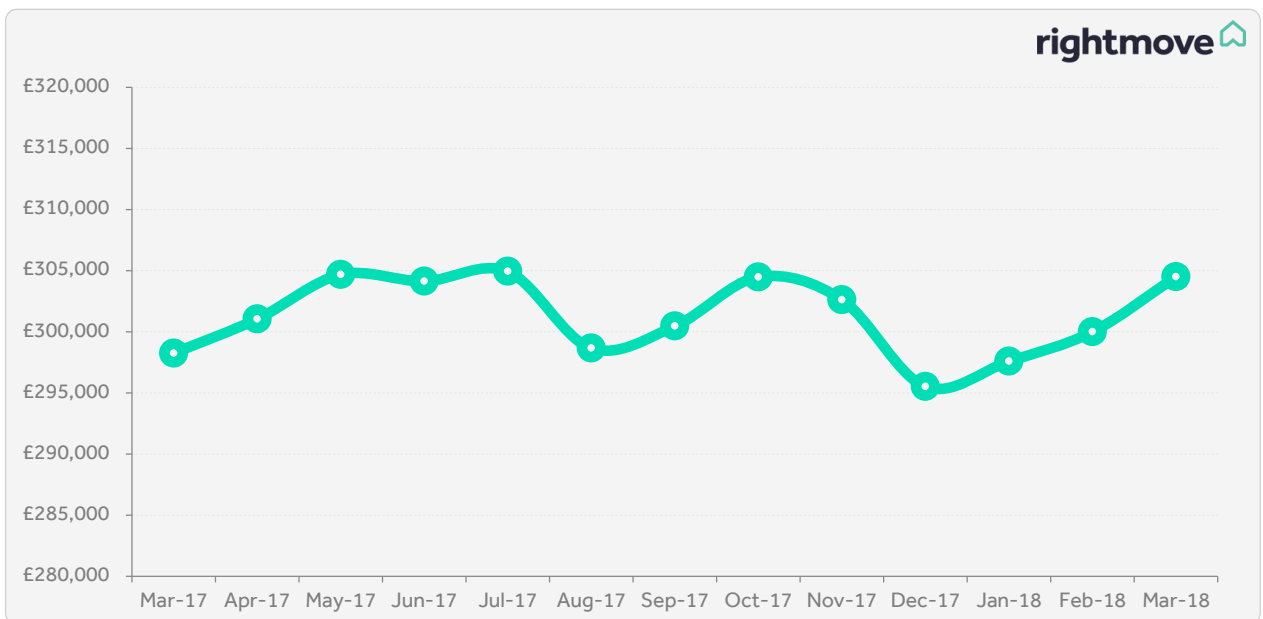


Asking price trends

Five year asking price trend

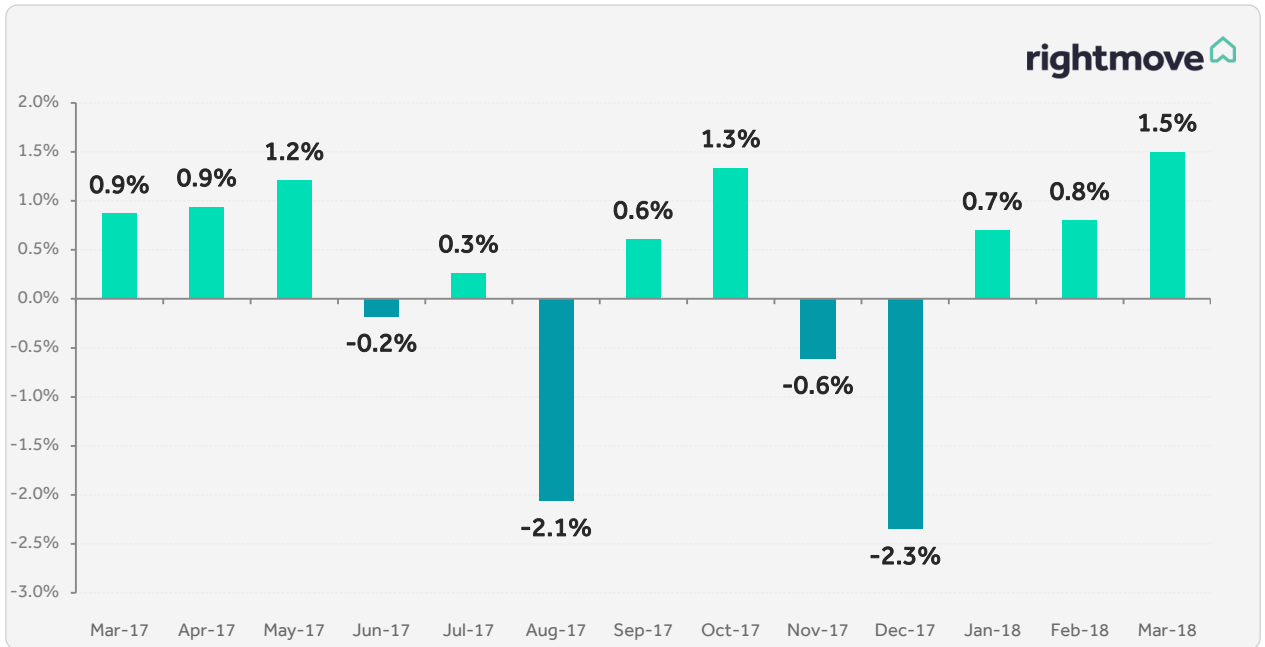


Monthly asking price trend



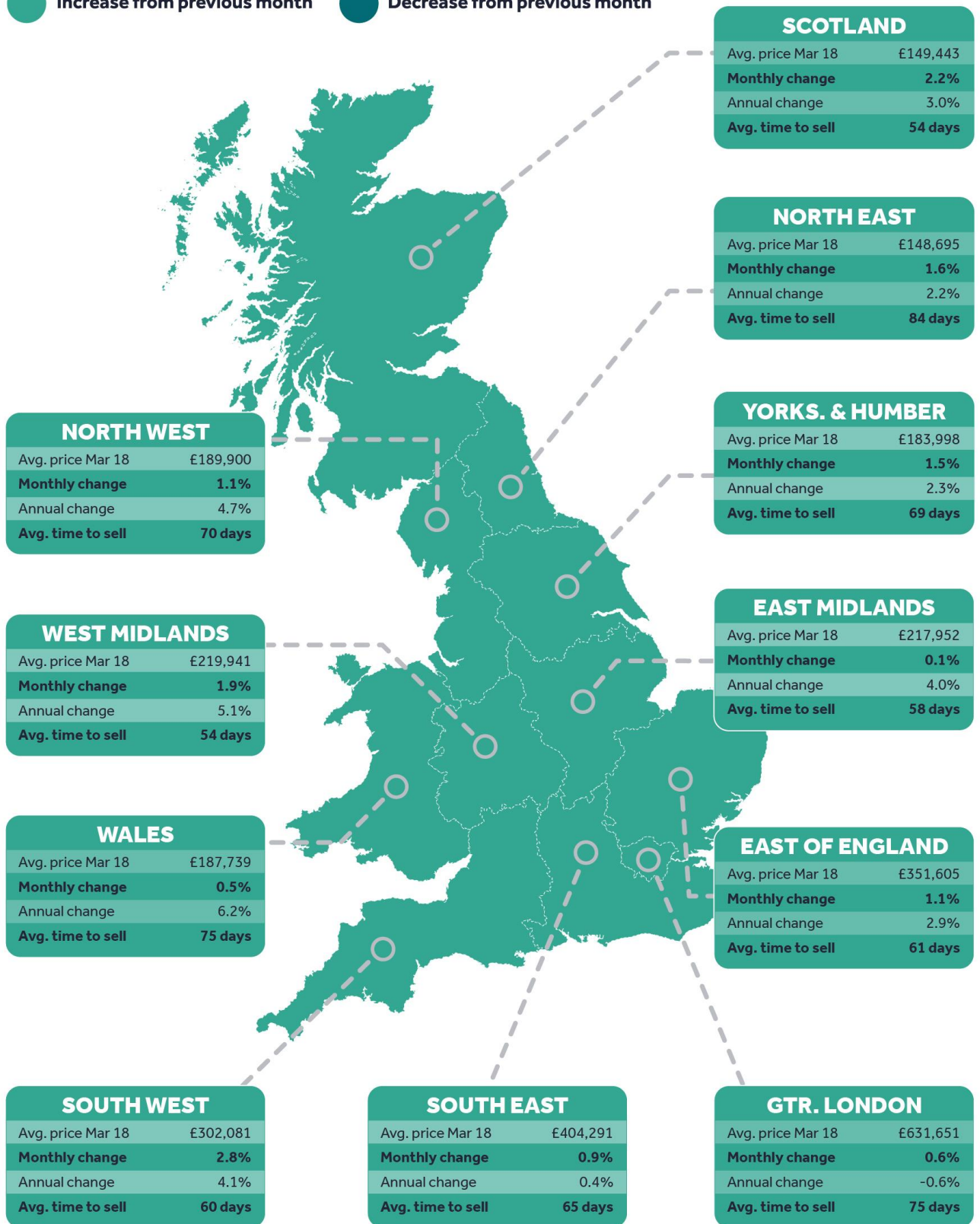
Asking price trends

% monthly change in average asking prices



Regional trends

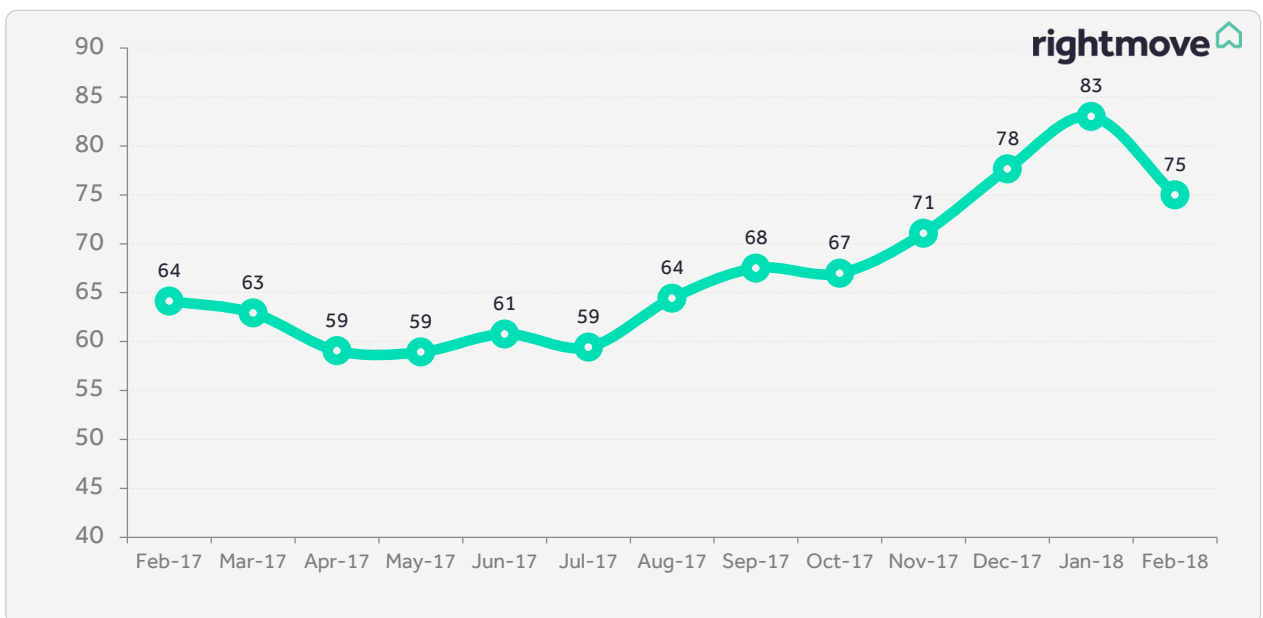
● Increase from previous month
 ● Decrease from previous month



London trends

Transport for London zones	Avg. price Mar 2018	Avg. price Feb 2018	Monthly change	Avg. price Mar 2017	Annual change
Zone 1	£1,384,382	£1,373,384	0.8%	£1,376,567	0.6%
Zone 2	£747,910	£745,819	0.3%	£754,704	-0.9%
Zone 3	£608,799	£601,992	1.1%	£612,153	-0.5%
Zone 4	£486,501	£482,071	0.9%	£486,455	0.0%
Zone 5	£482,319	£480,897	0.3%	£486,609	-0.9%
Zone 6	£497,267	£491,609	1.2%	£499,936	-0.5%

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



London trends

Borough data is 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 Mar 2018	Monthly change	Annual change
Bexley	£409,420	0.3%	3.0%
Hounslow	£561,805	2.1%	2.6%
Hackney	£664,194	1.0%	2.5%
Barking and Dagenham	£313,315	-0.8%	2.2%
Kensington and Chelsea	£1,690,498	2.7%	1.6%
Havering	£407,994	0.0%	1.2%
Croydon	£445,258	0.3%	0.8%
Hillingdon	£498,637	0.2%	0.7%
Barnet	£657,742	2.3%	0.6%
Brent	£587,613	1.0%	-0.1%
Tower Hamlets	£599,210	1.5%	-0.2%
Sutton	£469,736	0.3%	-0.3%
Greenwich	£448,178	0.0%	-0.3%
Redbridge	£451,504	-0.2%	-0.3%
Waltham Forest	£482,428	1.0%	-0.3%
Wandsworth	£817,328	1.4%	-0.4%
Haringey	£615,628	0.9%	-0.4%
Hammersmith and Fulham	£952,530	1.3%	-0.5%
Bromley	£530,415	0.8%	-0.6%
Lewisham	£479,123	0.8%	-0.6%
Newham	£413,695	-0.9%	-0.7%
Kingston upon Thames	£628,441	1.0%	-1.0%
Enfield	£455,245	0.2%	-1.2%

Boroughs continued overleaf

London trends

Borough (continued)	Avg. price Feb 2018	Monthly change	Annual change
Ealing	£561,039	1.0%	-1.9%
Southwark	£655,243	1.1%	-2.2%
Merton	£653,114	3.6%	-2.8%
Islington	£758,002	0.8%	-2.8%
Camden	£991,566	0.8%	-3.1%
Harrow	£557,209	0.6%	-3.5%
Lambeth	£653,920	0.9%	-4.2%
Westminster	£1,438,199	-0.1%	-4.6%
Richmond upon Thames	£820,628	0.2%	-5.4%

Editor's notes

About the Index:

The Rightmove House Price Index methodology was updated in 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).