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Rightmove House Price Index

The largest monthly sample of
residential property prices

May 2018
National edition

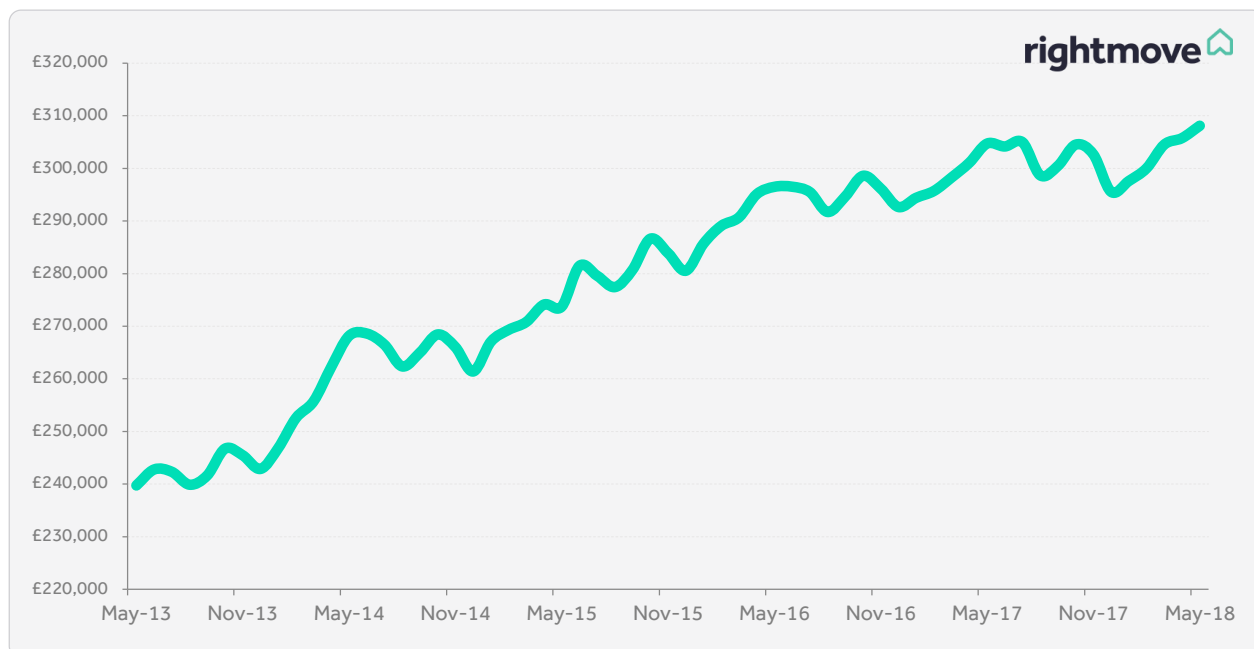


Prices hit all-time high but number of sales agreed down 5% on 2017

- New-to-the-market sellers push their asking prices up by another 0.8% (+£2,343) to a record high of £308,075
- Seven out of 11 regions achieve their highest ever asking prices, with year-on-year price increases of over 4% in East Midlands, West Midlands and Wales
- Record visits to Rightmove indicate strong interest in property, but uncertainty and stretched affordability have dented sentiment leading to more hesitant buyers and sellers in some areas:
 - Number of sales agreed by estate agents so far in 2018 is down 5.4% on the same period in 2017
 - London and commuter belt down most, with the number of year-to-date sales agreed versus 2017 down 8.5% in the South East, 7.8% in the East of England, and 6.9% in Greater London

National average asking prices				
Month	Avg. asking price	Monthly change	Annual change	Index
May 2018	£308,075	+0.8%	+1.1%	238.2
April 2018	£305,732	+0.4%	+1.6%	236.4
National average asking prices by market sector (excluding Inner London)				
Sector	May 2018	April 2018	Monthly change	Annual change
First-time buyers	£190,585	£190,643	+0.0%	+1.5%
Second-stoppers	£274,716	£273,698	+0.4%	+1.9%
Top of the ladder	£550,217	£541,993	+1.5%	+1.6%

Five year asking price trend



Rightmove measured 156,025 asking prices this month, circa 90% of the UK market. The properties were put on sale by estate agents from 8th April 2018 to 12th May 2018 and advertised on Rightmove.co.uk.

Overview

The asking price of property coming to the market has hit a new national record with a monthly increase of 0.8% (+£2,343) pushing the average up to £308,075. Seven out of 11 regions have hit new price records this month. However, different markets are still operating at different speeds, and the overall picture is one of a less buoyant market both in terms of price growth and number of sales agreed.

Miles Shippside, Rightmove director and housing market analyst comments: *"After six years of continual year-on-year price growth the current market is becoming increasingly price-sensitive, with new-to-the-market sellers being limited to an average asking price growth of just 1.1% over the last year. This is in spite of there being plenty of historically cheap mortgage products around for buyers who meet lenders' criteria. Sellers need to pitch their price at a tempting level to entice buyers, as while there are signs of strong demand there appears to be hesitation among some buyers to commit."*

Lack of stock on the market means that agents in some areas report that the right property at the right price is still selling briskly. Indeed Rightmove has seen record visits in the first four months of the year showing that interest in property remains robust. Annual rates of asking price growth in excess of 4% are still to be found in the East Midlands (+4.8%), the West Midlands (+4.3%) and Wales (+4.3%). All other regions also remain positive year-on-year except London at -0.2% and the South East at -0.1%.

Shippside adds: *"The last time the South East recorded an annual price fall was in 2011, indicating that the softening in the London market is now spreading to its commuter belt, while there are signs that Inner London may be closer to a price recovery. While this gives buyers in the South East the opportunity to negotiate prices down, in some of the more buoyant areas of the country the options to do so are more limited by a shortage of suitable properties on the market."*

Some London and commuter belt markets are in a period of price and activity readjustment. The number of sales being agreed by estate agents so far in 2018 compared to the same period a year ago has fallen most in the South East (-8.5%), the East of England (-7.8%), and Greater London (-6.9%). Nationally sales agreed numbers are down by 5.4%.

Shippside observes: *"One of the goals of the Mortgage Market Review four years ago was to stop markets over-heating or becoming unstable. The combination of the restrictions on what buyers can borrow brought in by the Financial Conduct Authority and stretched buyer affordability are having their desired effect and are limiting price growth with a knock-on effect to sales agreed numbers. So while the current lending environment has its downsides, it is there to guard against painful boom and bust scenarios. People still need and desire homes, but need their wage rises to outstrip house prices. This has started to happen, but needs to carry on for a sustained period."*

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Miles Shippside, Rightmove director and housing market analyst

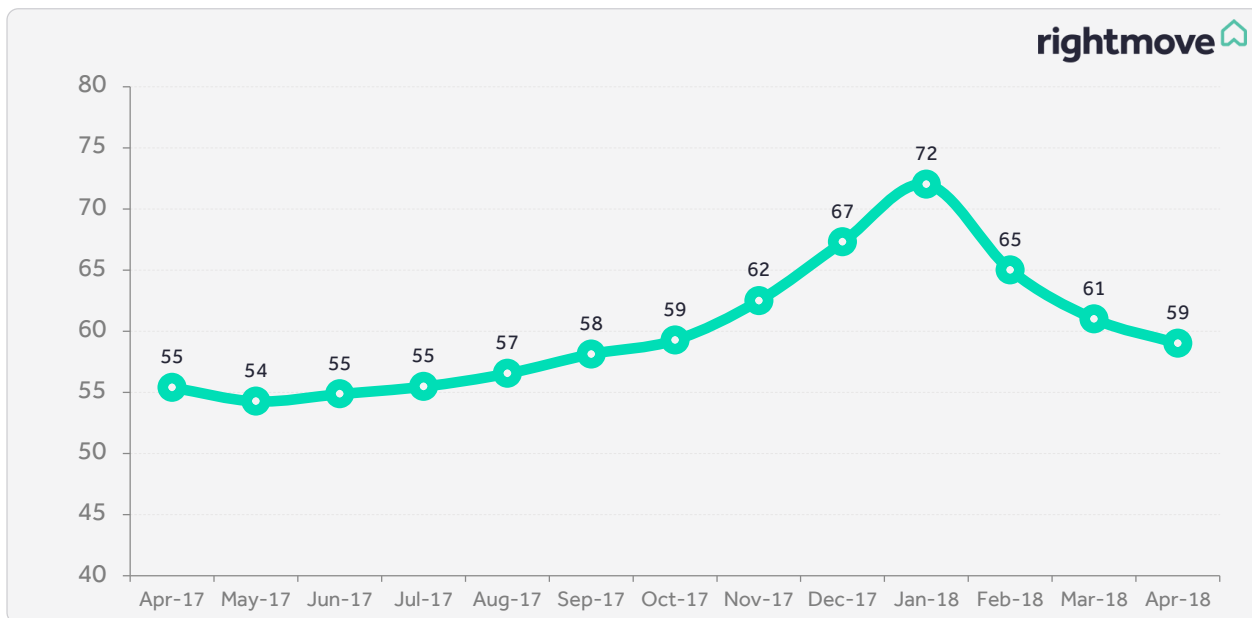


Agent's view

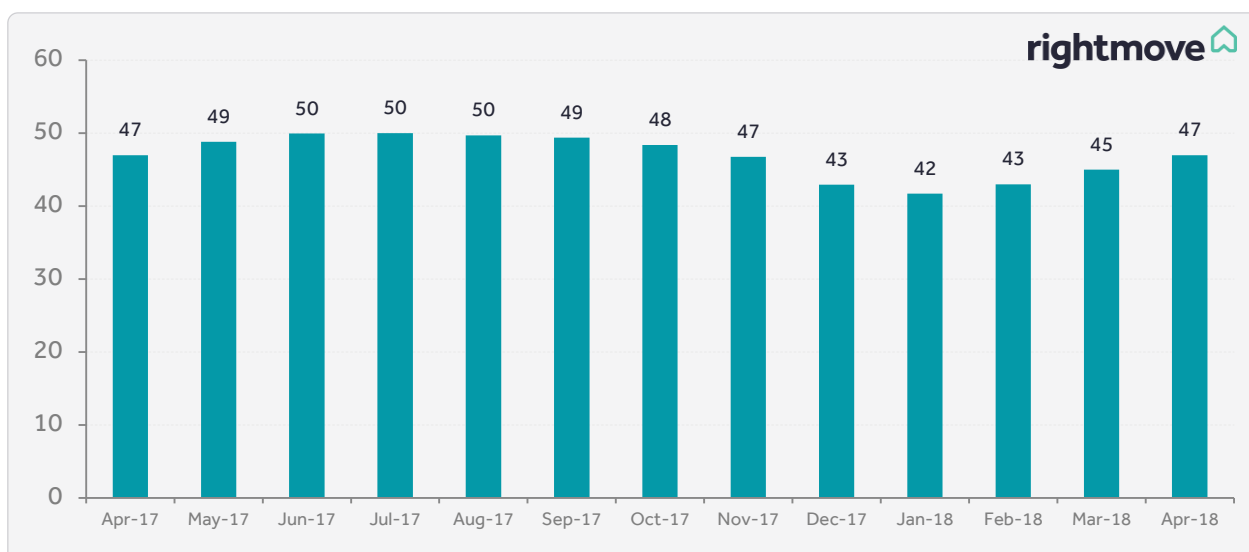
Liz Brown, Divisional Managing Director at Connells says: *"Both East and West Midlands continue to do well with strong price growth of 4% and good activity from both first-time buyers and home-movers. Prices in these areas hold steady – never seeming to suffer the excessive 'peaks and troughs' of other regions. Birmingham is in the throes of massive regeneration with HSBC relocating here, HS2 coming, lots of city centre residential developments to buy, rent and invest in and other Midlands cities - including Wolverhampton, Derby, Leicester Worcester - are all following suit and enjoying high demand. It's not before time, London may have lost some ground for now, so it seems the Midlands is where the next smart money is going."*

Average time to sell and stock

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

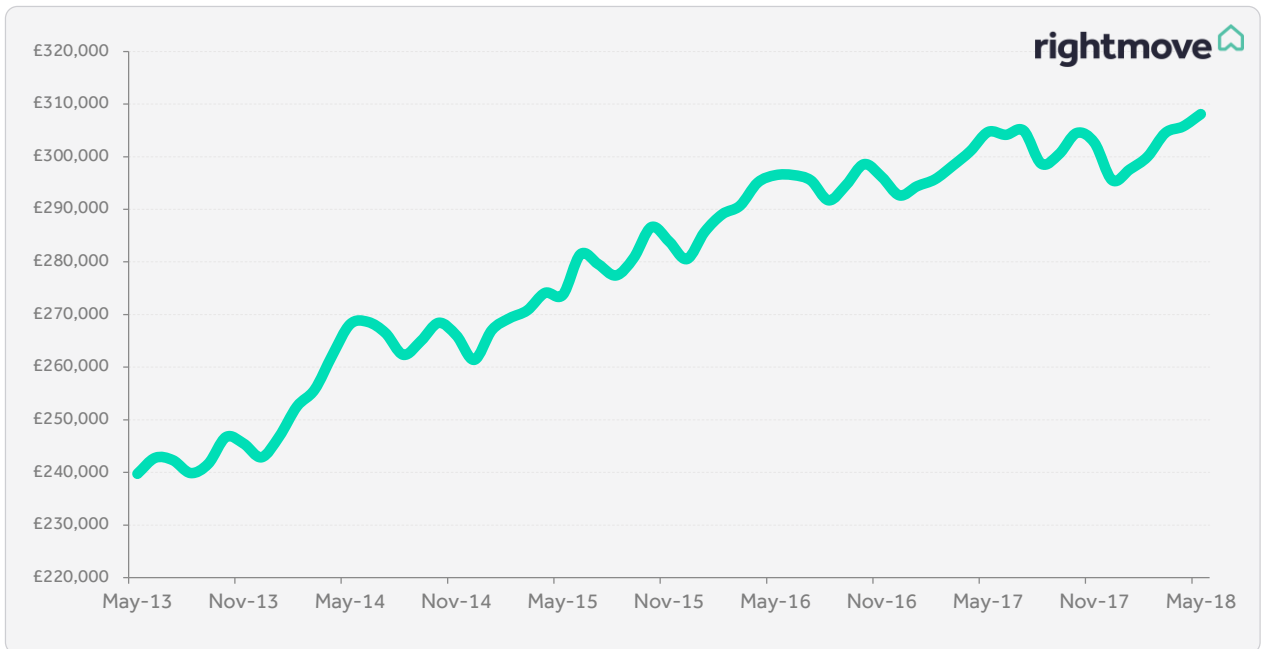


Average stock per agent (including Under Offer/Sold STC)

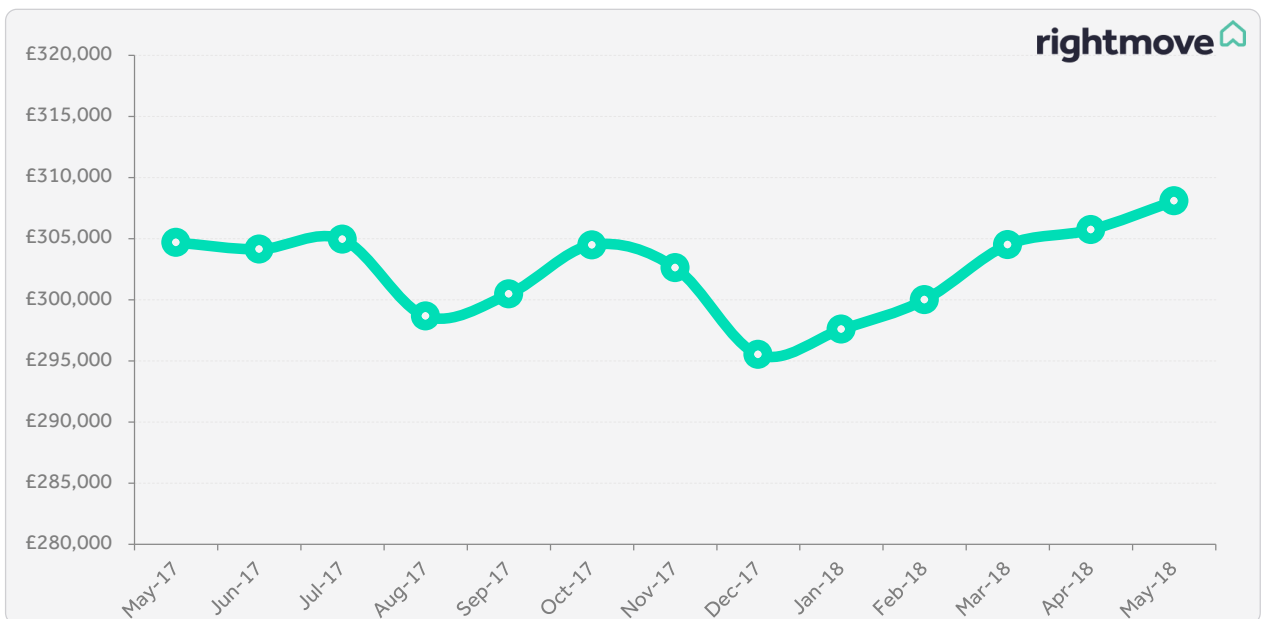


Asking price trends

Five year asking price trend

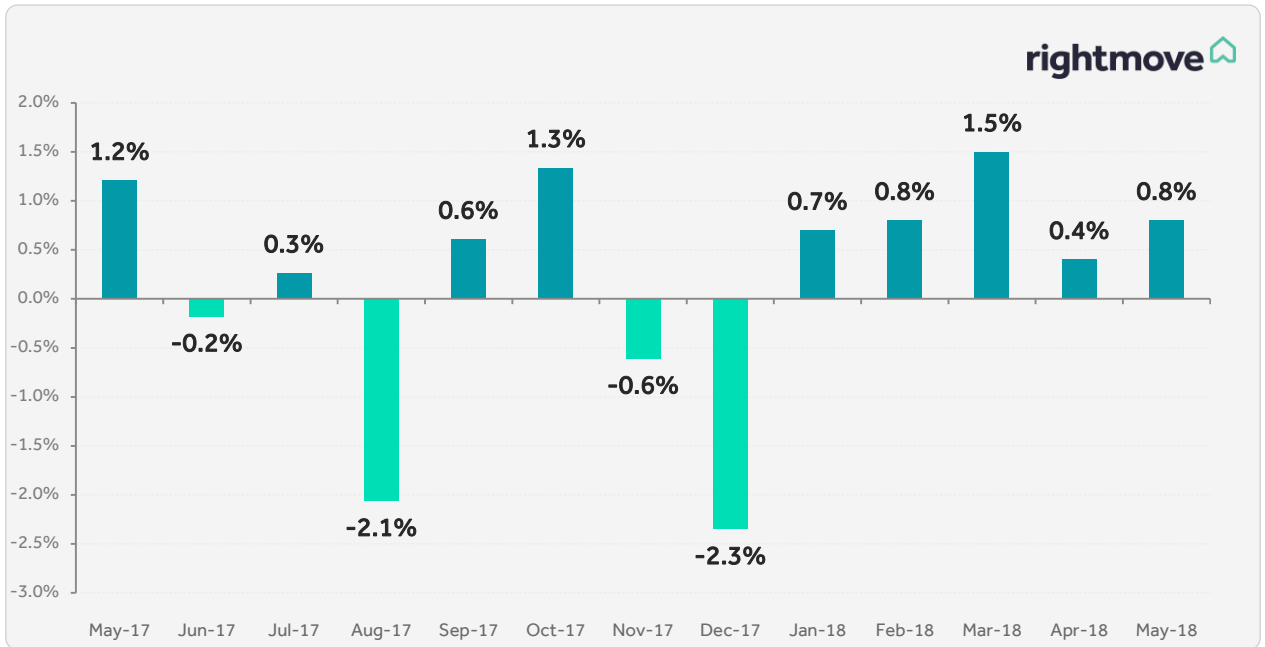


Monthly asking price trend



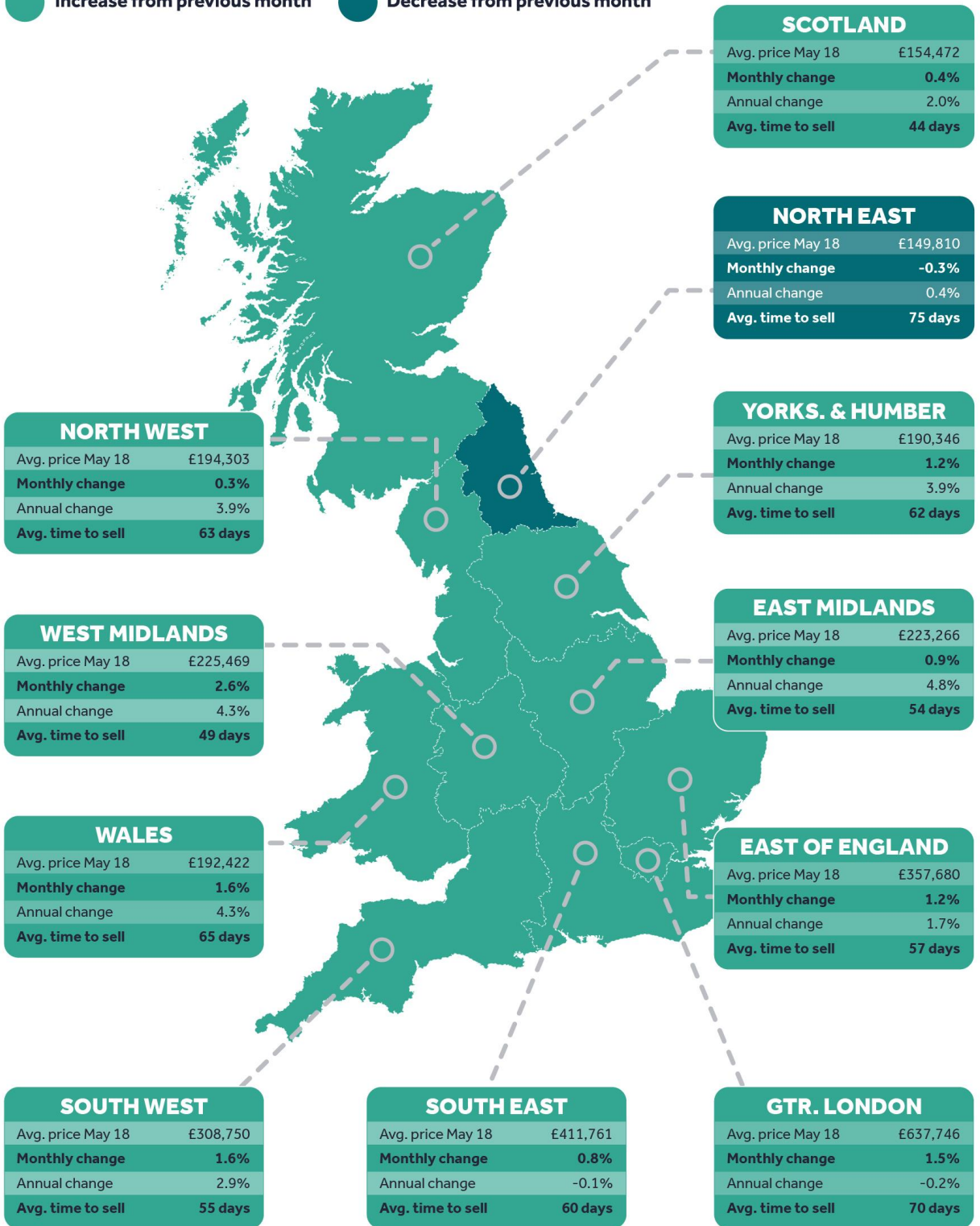
Asking price trends

% monthly change in average asking prices



Regional trends

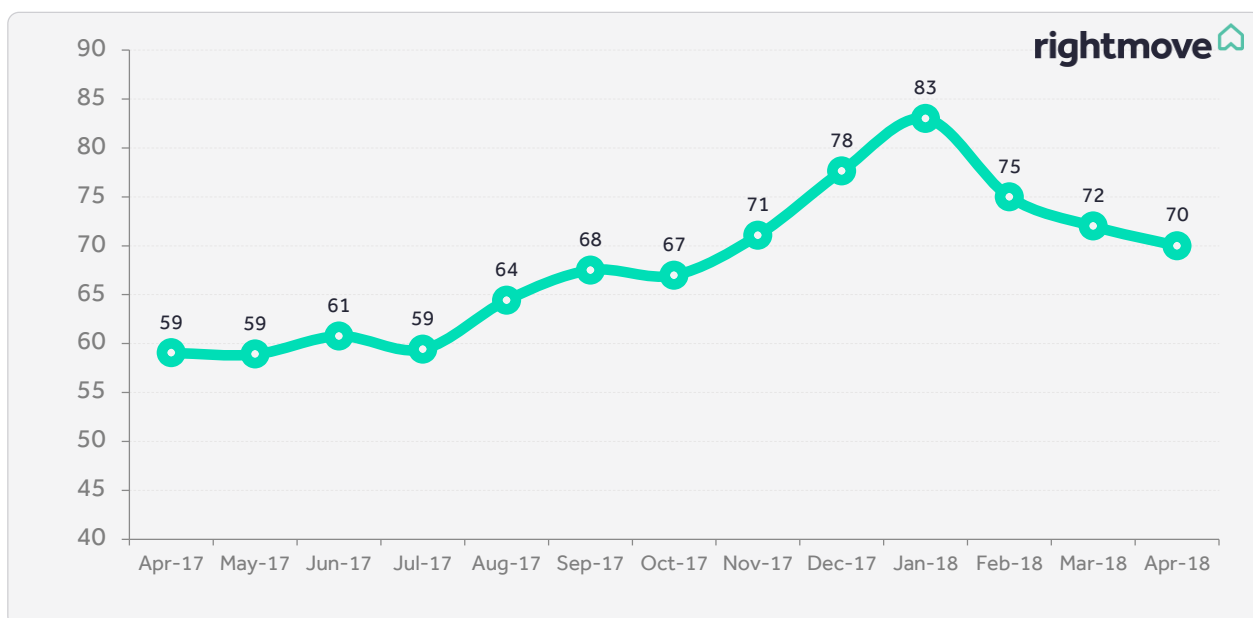
● Increase from previous month
 ● Decrease from previous month



London trends

Transport for London zones	Avg. price May 2018	Avg. price Apr2018	Monthly change	Avg. price May 2017	Annual change
Zone 1	£1,350,807	£1,296,428	4.2%	£1,353,131	-0.2%
Zone 2	£767,041	£750,636	2.2%	£764,544	0.3%
Zone 3	£611,923	£610,074	0.3%	£622,604	-1.7%
Zone 4	£492,858	£491,958	0.2%	£488,219	1.0%
Zone 5	£485,555	£481,230	0.9%	£489,157	-0.7%
Zone 6	£494,969	£498,077	-0.6%	£493,244	0.3%

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 May 2018	Monthly change	Annual change
Redbridge	£473,991	1.6%	4.1%
Barnet	£666,493	0.6%	2.6%
Havering	£415,210	0.8%	2.2%
Westminster	£1,536,799	2.8%	2.0%
Greenwich	£459,724	0.5%	2.0%
Barking and Dagenham	£314,305	0.0%	1.5%
Bexley	£405,398	-0.1%	0.5%
Enfield	£460,575	-0.5%	0.4%
Croydon	£445,774	-0.2%	0.3%
Richmond upon Thames	£872,192	1.3%	0.1%
Sutton	£470,889	-0.3%	-0.4%
Merton	£661,616	0.5%	-0.4%
Waltham Forest	£484,322	-0.5%	-0.6%
Hillingdon	£493,254	-0.7%	-0.7%
Bromley	£538,411	0.6%	-0.8%
Newham	£417,654	0.6%	-0.9%
Lewisham	£479,957	-0.2%	-0.9%
Tower Hamlets	£597,034	0.2%	-0.9%
Hounslow	£546,805	-0.9%	-1.0%
Kingston upon Thames	£626,302	0.3%	-1.1%
Camden	£995,472	0.1%	-1.4%
Islington	£778,755	0.3%	-1.5%
Hackney	£656,933	-0.2%	-1.7%

Boroughs continued overleaf

London trends

Borough (continued)	Avg. price May 2018	Monthly change	Annual change
Kensington and Chelsea	£1,629,078	-1.5%	-1.9%
Wandsworth	£820,013	-0.2%	-1.9%
Brent	£580,443	-1.0%	-1.9%
Haringey	£630,127	0.8%	-2.0%
Lambeth	£660,057	-0.6%	-2.2%
Southwark	£630,720	-1.1%	-3.2%
Hammersmith and Fulham	£930,153	-0.3%	-3.5%
Harrow	£563,011	0.1%	-3.5%
Ealing	£563,823	0.1%	-3.8%

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).