

Rightmove House Price Index

The largest monthly sample of
residential property prices

June 2018
National edition

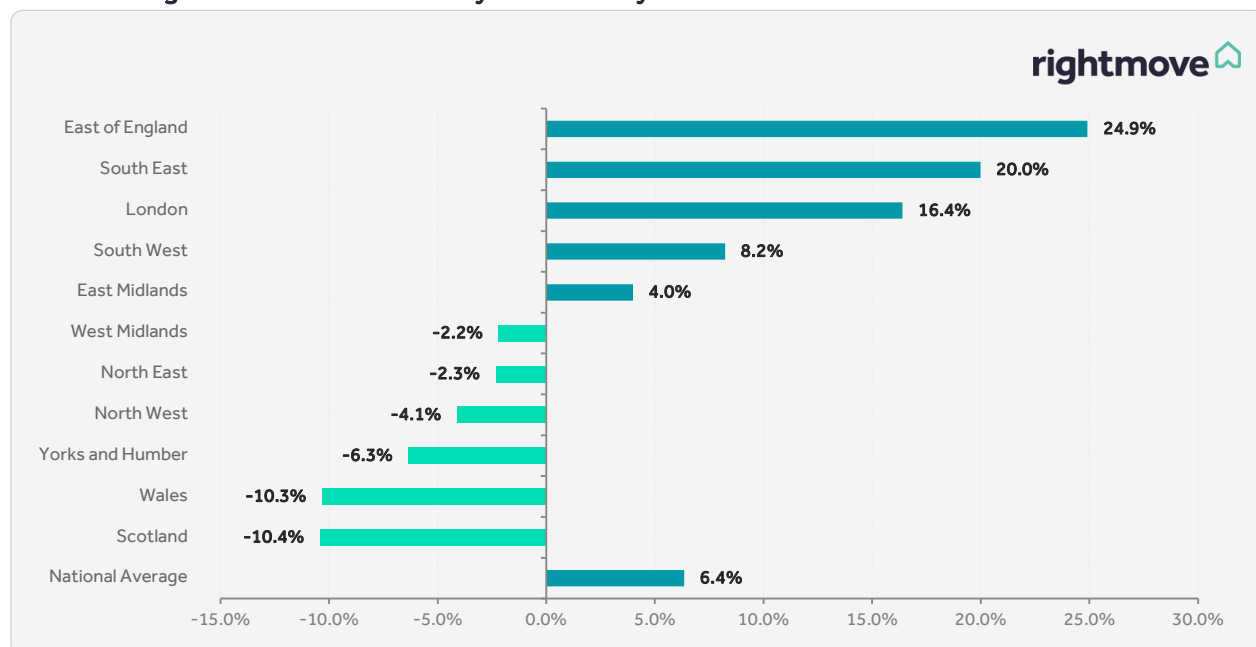


Dwindling stock in north drives prices to new national record

- New record in asking price of newly-marketed property for third consecutive month as steady monthly increases continue, with a 0.4% (+£1,364) rise
- Spring market concludes with stronger number of sales agreed overall in May, just 2.0% down on May 2017, and up 5.4% on May 2016
- However, market conditions vary significantly between the north and south:
 - Strong buyer activity in northern regions has shrunk available stock levels by an average of 4.3% when compared to a year ago, restricting buyer choice and giving sellers upwards pricing power
 - In contrast the less active southern regions all have more available stock, up by an average of 17.5% compared to a year ago, a driver for a buyers' market and some downwards price pressure

National average asking prices				
Month	Avg. asking price	Monthly change	Annual change	Index
June 2018	£309,439	+0.4%	+1.7%	239.2
May 2018	£308,075	+0.8%	+1.1%	238.2
National average asking prices by market sector (excluding Inner London)				
Sector	June 2018	May 2018	Monthly change	Annual change
First-time buyers	£191,541	£190,585	+0.5%	+1.4%
Second-stoppers	£275,387	£274,716	+0.2%	+2.6%
Top of the ladder	£556,312	£550,217	+1.1%	+3.0%

% change in available stock - May 2018 vs May 2017



Rightmove measured 122,013 asking prices this month, circa 90% of the UK market. The properties were put on sale by estate agents from 13th May 2018 to 9th June 2018 and advertised on Rightmove.co.uk.

Overview

The average price of newly marketed property continues its gentle upward trend and for the third consecutive month has hit a record high due to a 0.4% (+£1,364) rise. Also following a consistent pattern is the current 1.7% annual rate of increase, which has remained stable between 1.1% and 2.1% every month so far in 2018. May's overall sales agreed numbers are in familiar territory too, and while 2.0% down on May 2017, they are up 5.4% on May's figures for 2016. Whilst all of these measures at a national level point to a steady market, closer inspection reveals, as ever, that there are very different local markets. In this case, conditions are varying significantly between the northern and southern halves of Great Britain.

Miles Shippside, Rightmove director and housing market analyst comments: *"The national average new seller asking price continues to creep upwards, setting a new record for the third consecutive month. Sales agreed by estate agents overall in May have bounced back from a slower start to the year and while still slightly below May last year they are ahead of 2016. This is a pleasingly strong flourish at the end the spring selling season given the political uncertainty and stretched buyer affordability. At an initial glance all of this fits with a theme of 'steady as she goes' as the spring market concludes. However, if you dig a bit deeper, you'll find that the main driver is good buyer demand in the comparatively stock-starved northern half of Britain's housing market. This demand, fuelled by prices that in comparison to the south are still relatively affordable, have meant the number of properties left available to buy has dwindled in the north and increased in the south."*

The northern regions on average have 4.3% less available stock for buyers to choose from compared to a year ago, giving sellers potential upwards pricing power. In contrast all the southern regions have more buyer choice, with available stock up by an average of 17.5% compared to a year ago, a driver for a buyers' market and some downwards price pressure.

Shippside observes: *"The reduction in property choice for buyers in the north compared to a year ago is a result of property for sale being snapped up, meaning it's more of a sellers' market there. In marked contrast the jump in buyer choice in all southern regions shows there are signs of a buyers' market in some areas. With the year at mid-point the 2018 summary so far is that the chances of sellers finding a buyer in the northern regions seem to have held up very well against the previous year, but market conditions are clearly more challenging for sellers in much of the south."*

At a regional level, Wales and Scotland have the greatest drop in available stock, with 10.3% and 10.4% fewer properties for sale compared to a year ago respectively. Yorkshire and the Humber has 6.3% less choice for prospective buyers than a year ago, with the North West seeing a drop of 4.1%. The North East (-2.3%) and the West Midlands (-2.2%) have smaller decreases in available stock, and the only northern region to see an increase is the East Midlands with a 4.0% uplift. All southern regions have seen a stock increase compared to a year ago, indicating more challenging market conditions. The East of England has 24.9% more properties up for sale, and the South East has 20.0%. London has a smaller increase of 16.4%. The South West completes the southern stock picture with an 8.2% increase in available stock.

Shippside advises: *"With the normally more active spring buyer market over and with some potential buyers likely to be distracted by summer holidays and World Cup-itis, the goal posts have just moved. Sellers in locations that have seen larger percentage increases in the number of unsold properties will have to price lower than properties they are competing against, as there are few better tactics than a bargain price to tempt buyers. It's likely to take extra time to sell over the next few months, especially in the southern half of Great Britain."*

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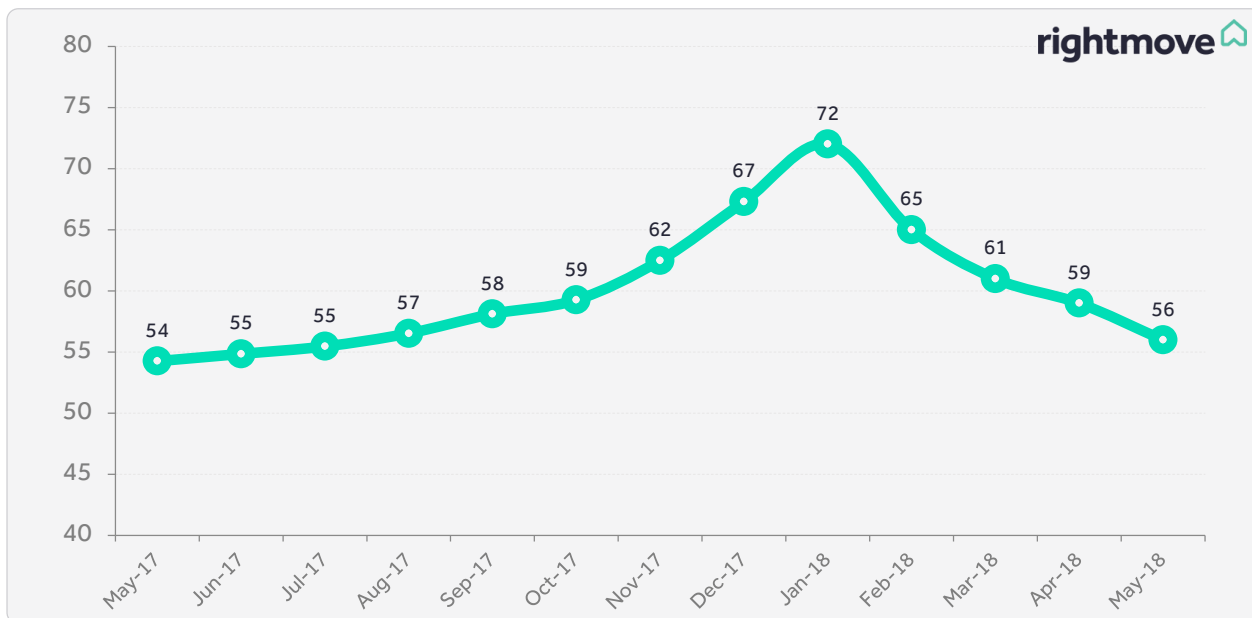


Agent's view

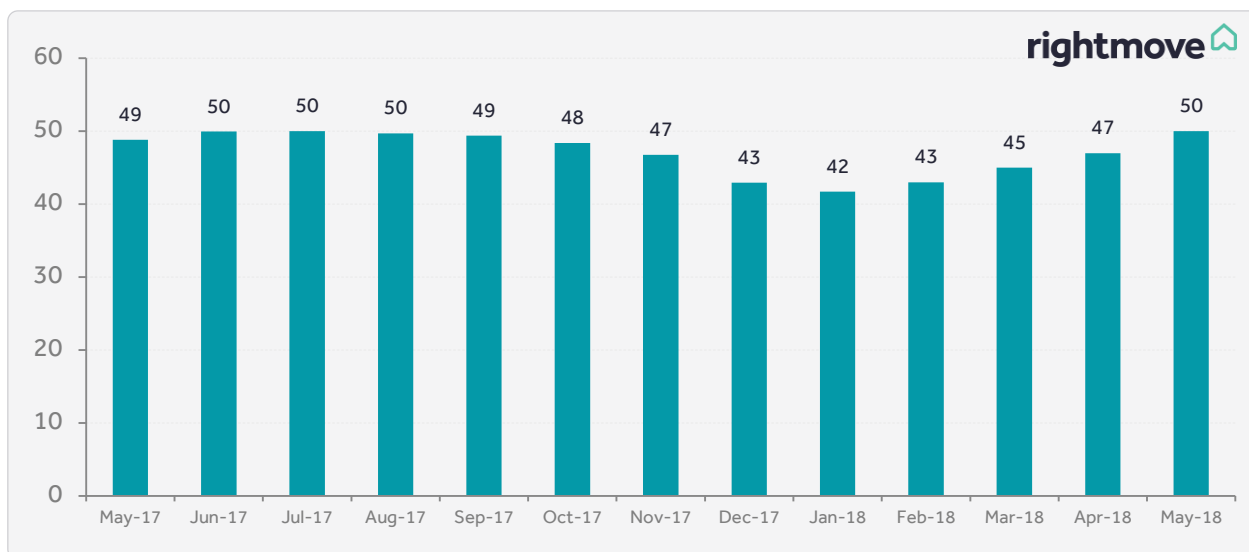
Patrick McCutcheon, Head of Residential at Dacre, Son & Hartley in Yorkshire, said: *"12 to 18 months ago we were bemused to hear of reports from the South East and the Midlands that stocks of resale property were significantly below expectations, however it is now clear that the phenomena has migrated northwards, and the first few months of 2018 have witnessed a noticeable reduction in the number of homes being listed. This change has effected the whole market generally, with more meaningful shortages within the upper sectors and north of the £1 million mark. As well as frustrating buyers this tightening of supply has triggered price growth within some price bands, although on occasion to levels beyond what is sustainable, so as a consequence we end up with a mixed market with positive price movements being balanced in part by occasional reductions where vendors or their agents have been over ambitious."*

Average time to sell and stock

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

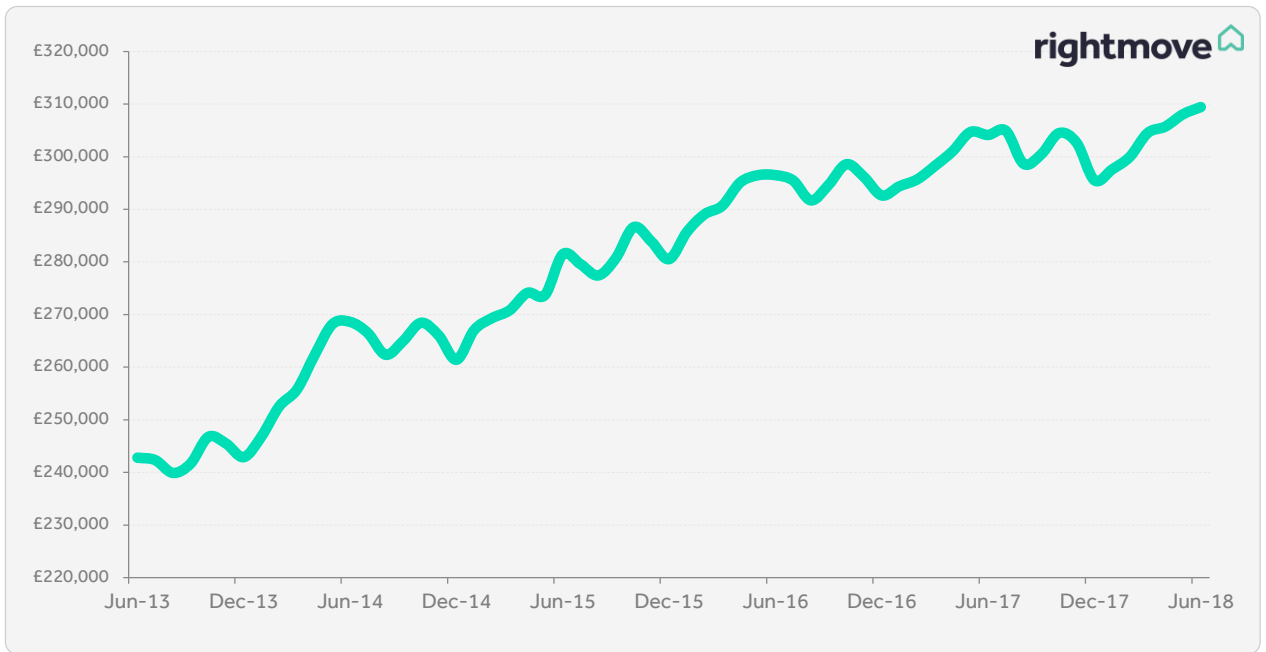


Average stock per agent (including Under Offer/Sold STC)

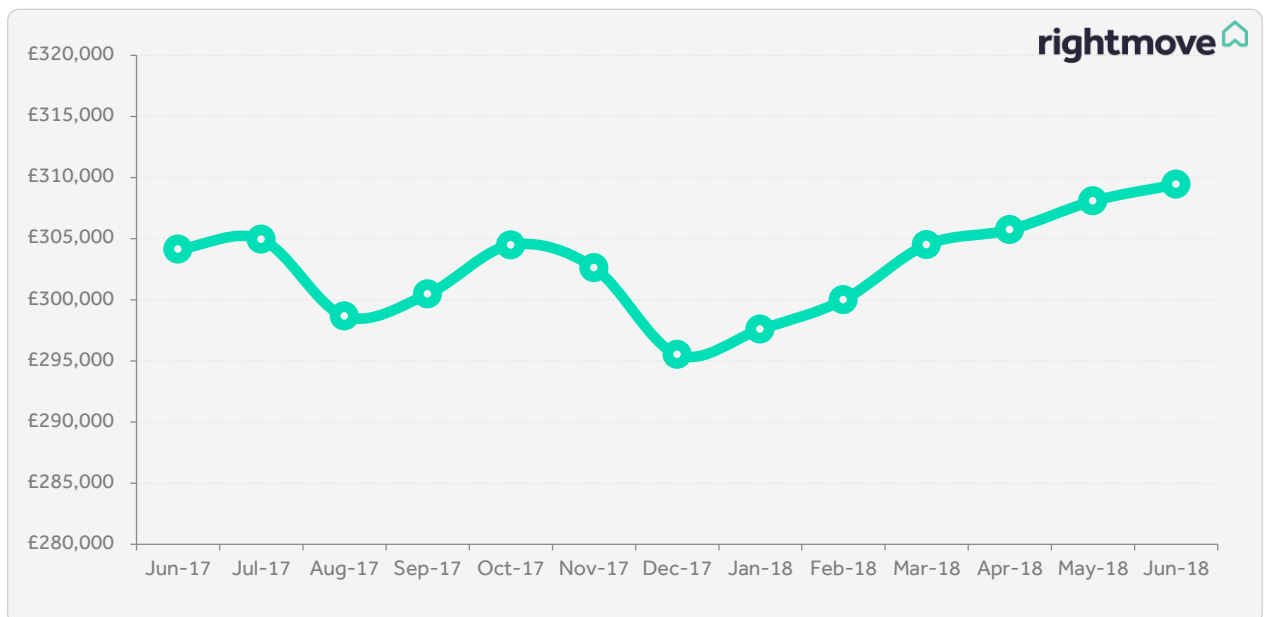


Asking price trends

Five year asking price trend

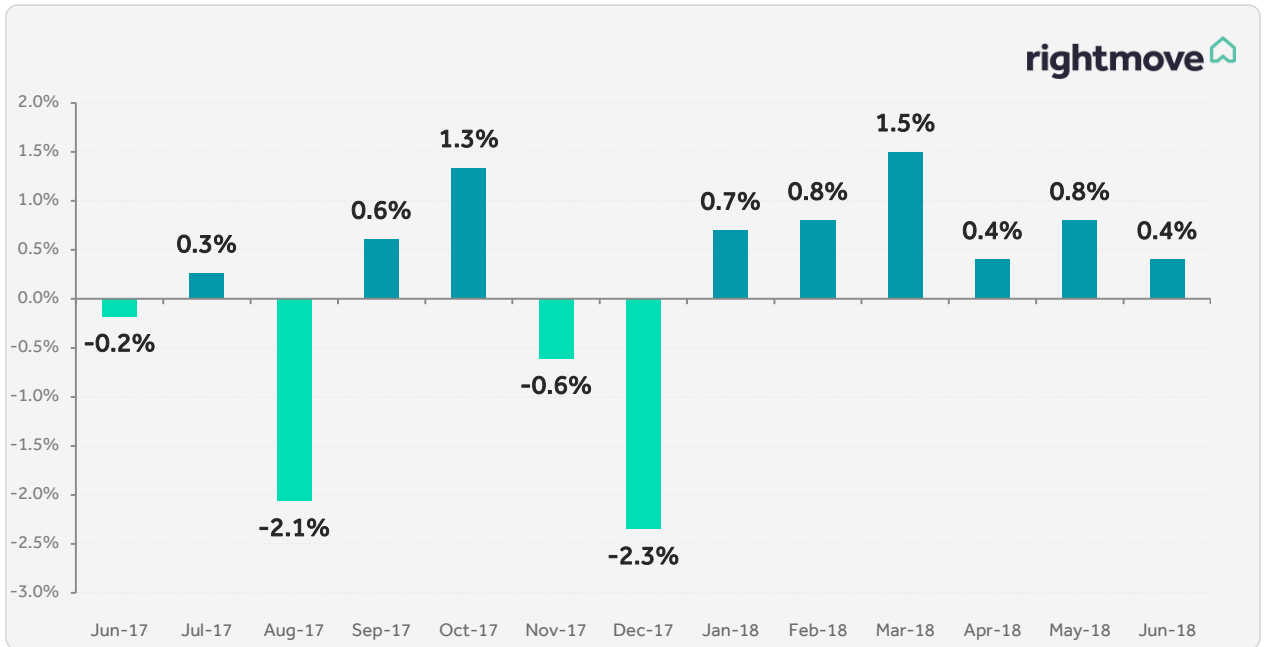


Monthly asking price trend



Asking price trends

% monthly change in average asking prices



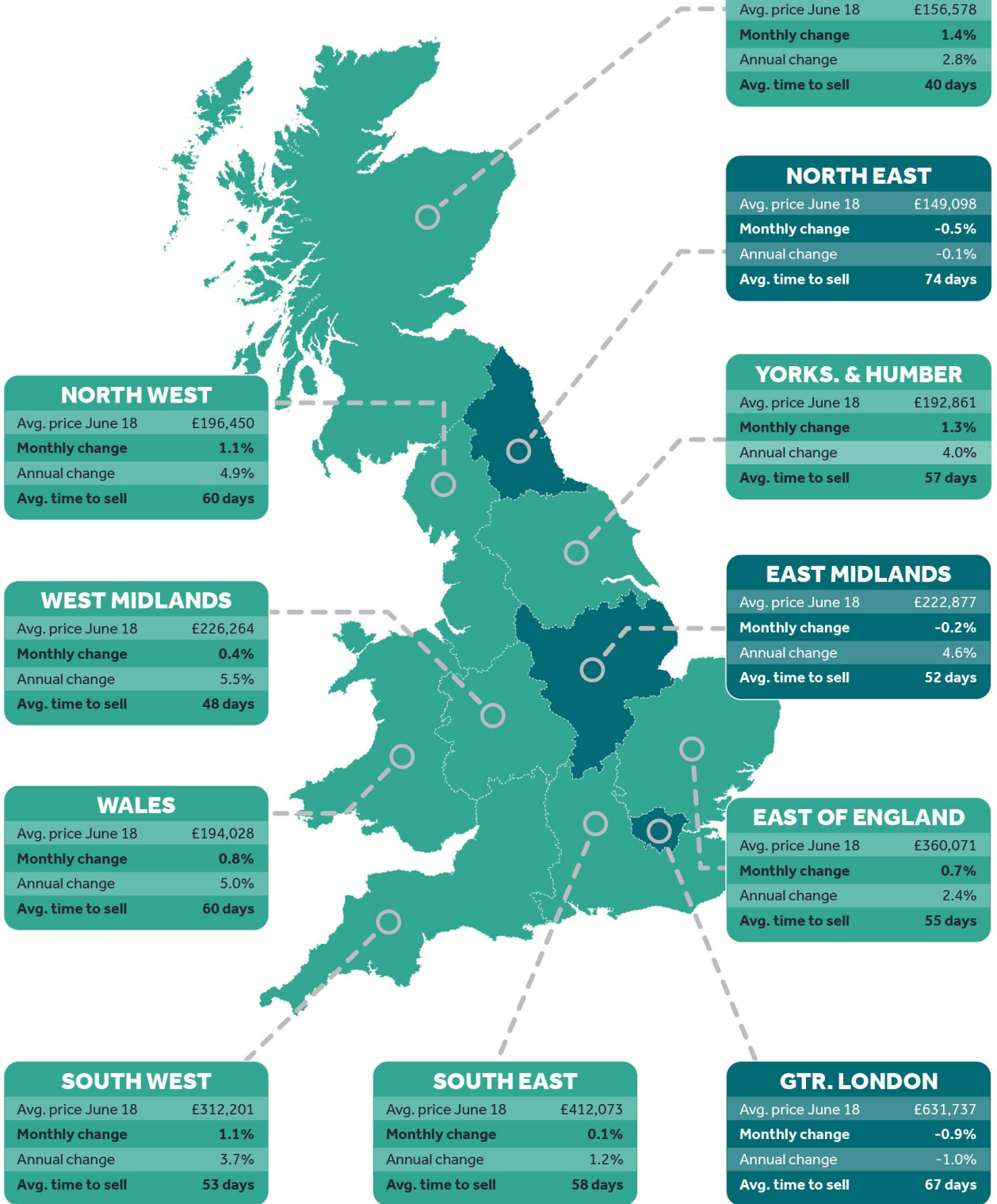
Regional trends



Increase from previous month



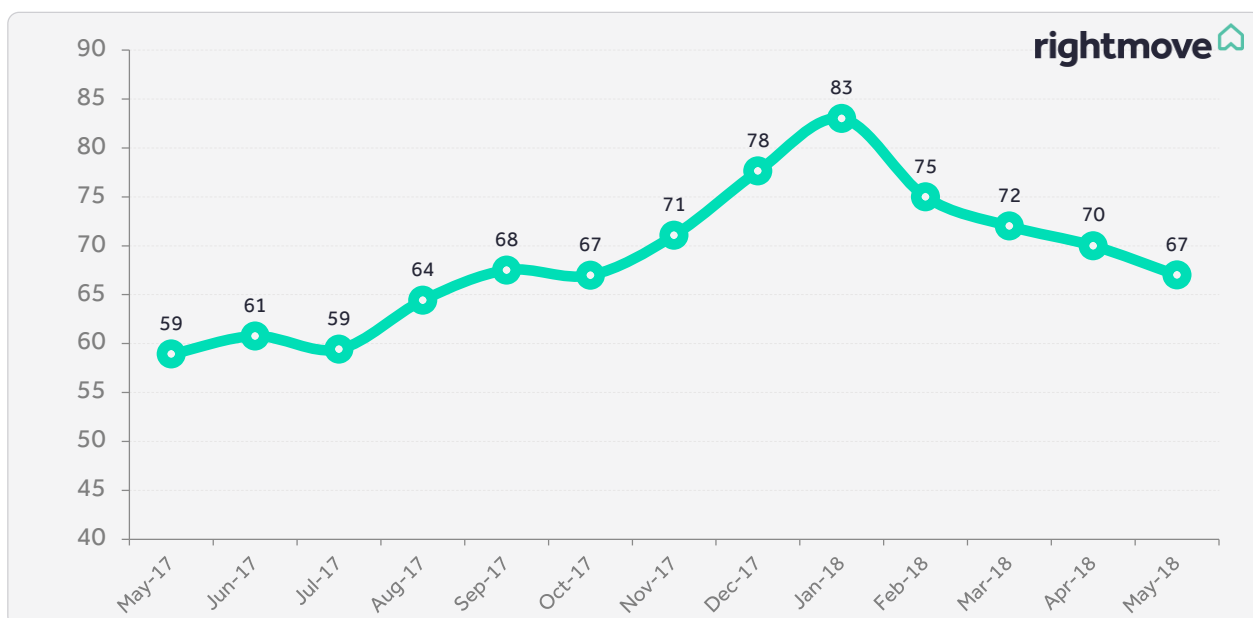
Decrease from previous month



London trends

Transport for London zones	Avg. price Jun 2018	Avg. price May 2018	Monthly change	Avg. price Jun 2017	Annual change
Zone 1	£1,345,031	£1,350,807	-0.4%	£1,378,505	-2.4%
Zone 2	£760,327	£767,041	-0.9%	£769,614	-1.2%
Zone 3	£600,126	£611,923	-1.9%	£611,209	-1.8%
Zone 4	£488,710	£492,858	-0.8%	£488,476	0.0%
Zone 5	£489,669	£485,555	0.8%	£487,014	0.5%
Zone 6	£494,168	£494,969	-0.2%	£498,525	-0.9%

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 June 2018	Monthly change	Annual change
Redbridge	£473,394	0.8%	4.2%
Kensington and Chelsea	£1,726,570	3.6%	3.0%
Barnet	£662,109	-0.3%	2.7%
Merton	£658,345	-0.2%	2.2%
Sutton	£480,858	1.0%	2.2%
Greenwich	£452,631	-0.4%	1.8%
Richmond upon Thames	£865,124	-0.2%	1.5%
Havering	£411,372	-0.1%	1.3%
Croydon	£446,625	0.5%	1.0%
Enfield	£460,348	0.1%	0.2%
Hillingdon	£496,368	0.4%	0.1%
Barking and Dagenham	£313,439	-0.5%	0.1%
Bexley	£403,329	-0.6%	-0.3%
Lewisham	£483,645	0.8%	-0.6%
Tower Hamlets	£607,446	0.8%	-0.8%
Lambeth	£671,537	1.9%	-0.9%
Southwark	£643,486	1.2%	-1.0%
Waltham Forest	£482,408	-0.5%	-1.3%
Newham	£419,475	0.4%	-1.3%
Westminster	£1,508,200	-0.3%	-1.4%
Haringey	£627,373	0.1%	-1.9%
Hounslow	£541,949	-0.7%	-1.9%
Wandsworth	£823,115	0.4%	-2.0%
Harrow	£568,509	0.3%	-2.2%
Bromley	£530,274	-1.2%	-2.3%
Brent	£584,355	0.3%	-2.6%
Islington	£752,962	-1.5%	-2.9%
Camden	£995,367	-0.6%	-3.3%
Kingston upon Thames	£610,388	-1.5%	-3.3%
Hackney	£649,176	-0.7%	-3.7%
Hammersmith and Fulham	£928,028	-0.5%	-3.9%
Ealing	£558,569	-0.3%	-4.5%

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).