

Rightmove House Price Index

The largest monthly sample of
residential property prices

July 2018
London edition



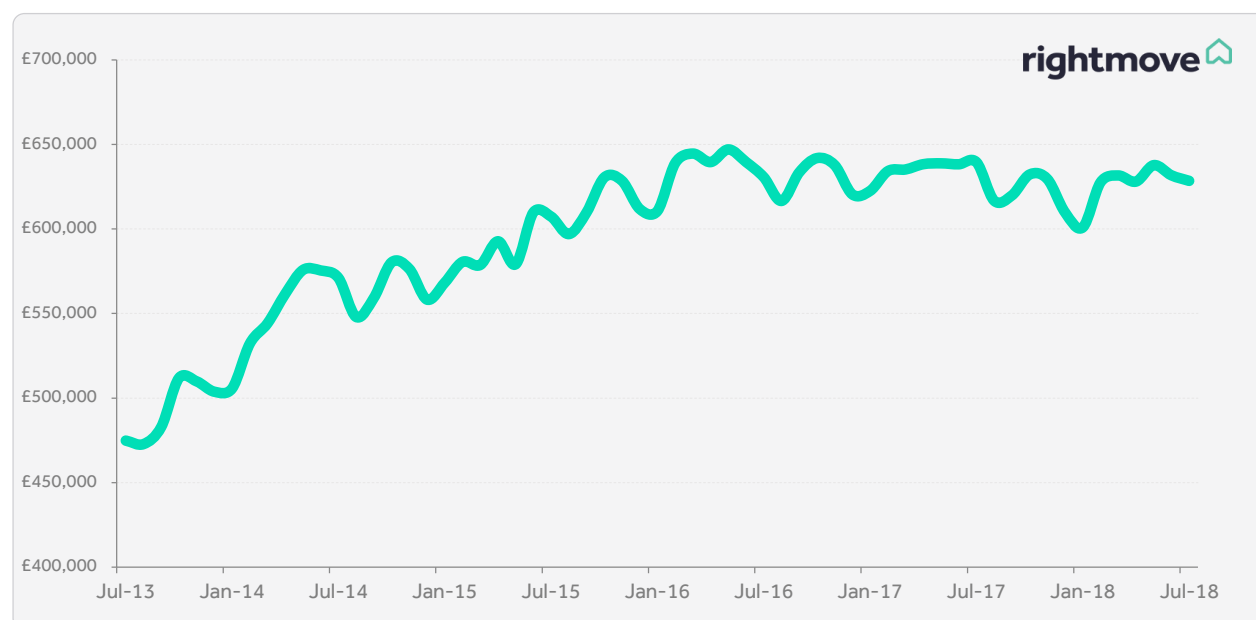
First-time buyers benefit most with largest annual price reduction

- Price of property coming to market in London down by 0.5% (-£3,279) this month, partly due to the usual summer slowdown
- Average asking prices down by 1.7% compared to a year ago (-£11,040)
- Property with two bedrooms and fewer - the sector often favoured by first-time buyers - sees largest percentage price reduction in last 12 months, dropping by 3.5% or nearly £18,000
- Middle sector (all three bedroom and four bedroom excluding detached) sees rise of 0.2% and top sector (four bedroom detached and five bedroom or more) falls by 2.7%

London average asking prices				
Area	July 2018	June 2018	Monthly change	Annual change
Greater London	£628,458	£631,737	-0.5%	-1.7%
Inner London	£775,092	£784,298	-1.2%	-3.5%
Outer London	£523,470	£523,781	-0.1%	+0.1%

Average asking prices by market sector				
Sector	July 2018	June 2018	Monthly change	Annual change
First-time buyers	£486,371	£486,054	+0.1%	-3.5%
Second-steppers	£708,019	£701,337	+1.0%	+0.2%
Top of the ladder	£1,362,252	£1,485,770	-8.3%	-2.7%

Five year London asking price trend



Rightmove measured 120,975 asking prices nationally this month, circa 90% of the UK market. The properties were put on sale by estate agents from 10th June 2018 to 7th July 2018 and advertised on Rightmove.co.uk.

Overview

London's property market continues to re-adjust, with an overall fall of 0.5% (-£3,279) in the price of property coming to market this month. The price fall reflects new sellers recognising that it's the onset of the summer holiday season, and pricing more competitively to attract potential buyers who are distracted by their holiday plans.

Miles Shipside, Rightmove director and housing market analyst comments: *"Sellers are usually reluctant to come to market in the summer holiday season as they focus on packing sun-gear rather than packing away their clutter, and erecting sun umbrellas as opposed to 'For Sale' signs. Those who do come to market will often have a more pressing need to sell, and as part of choosing to market now they also choose to price cheaper than other sellers already on the market."*

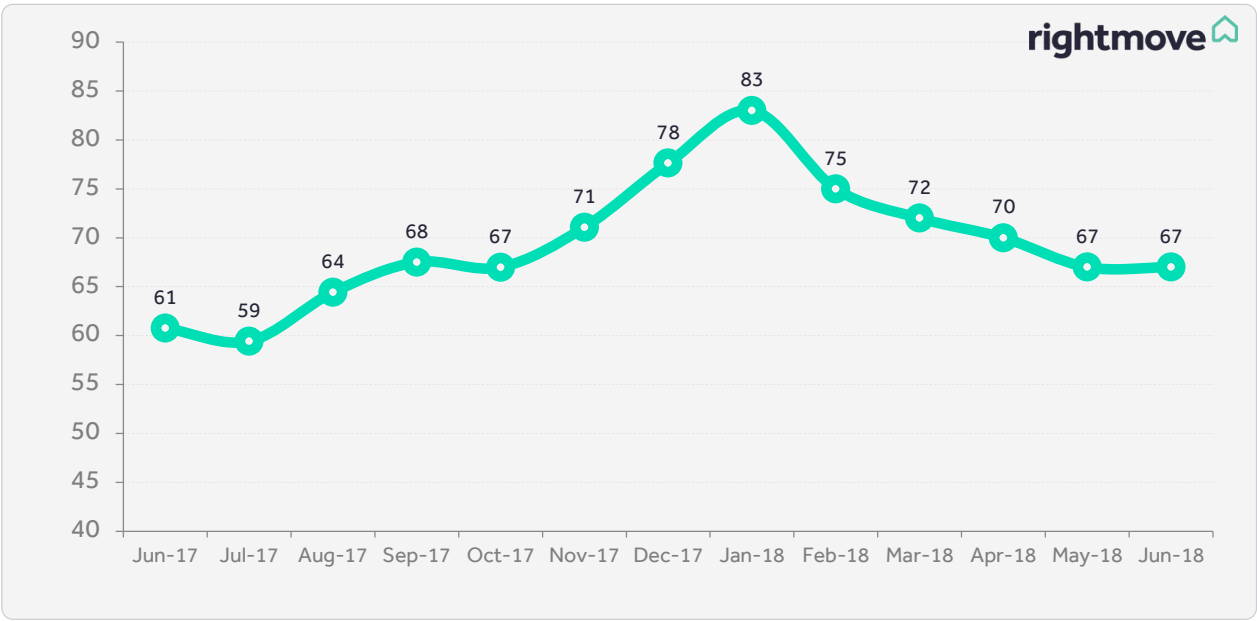
The price of property coming to the market in the capital is now 1.7% (-£11,040) cheaper than it was a year ago, the largest year-on-year fall since the 3.5% seen in January of this year. While the 1.7% annual fall is an average across all property types, the sector that has recorded the largest percentage drop in new seller asking prices is the lower market sector. This is made up of properties with two bedrooms or fewer, the sector where first-time buyers are most active. These properties are an average of 3.5% cheaper compared to a year ago, dropping by nearly £18,000 from £504,131 to £486,371. This is in contrast to the middle-market sector (all three bedrooms and four bedrooms excluding detached) which sees an average rise of 0.2%, up from £706,805 to £708,019. The top-of-the-ladder sector (four bedroom detached and all five bedroom or more) falls by 2.7%, down from £1,400,451 to £1,362,252.

Shipside observes: *"With the lowest-priced property sector having the largest percentage reduction, this means that aspiring first-time buyers are among the greatest potential beneficiaries of the downwards adjustment in asking prices by London's sellers over the last 12 months. While the travails and price reductions in the most expensive sector of the market are well documented, their percentage falls in new seller asking prices over the last 12 months are now less than those in the lowest-priced sector. It's been well documented that the top end of the London market has been struggling for the past couple of years, but new seller asking prices in the lowest priced sector are now experiencing a larger percentage fall than these high-end properties. The most expensive sector still has the largest falls in cash terms, but the average fall of around £18,000 in the cheapest sector is a welcome benefit to affordability-stretched buyers. It's hard to know if prices will fall back much further, though traditionally prices are weakest in the summer holiday period and the winter season, so buyers who miss the opportunity to source a good deal this summer might have to wait a few months for their next chance at a potential bargain."*

London trends

Transport for London zones	Avg. price Jul 2018	Avg. price Jun 2018	Monthly change	Avg. price Jul 2017	Annual change
Zone 1	£1,328,388	£1,345,031	-1.2%	£1,421,046	-6.5%
Zone 2	£752,675	£760,327	-1.0%	£772,580	-2.6%
Zone 3	£603,778	£600,126	0.6%	£605,968	-0.4%
Zone 4	£489,312	£488,710	0.1%	£490,033	-0.1%
Zone 5	£480,733	£489,669	-1.8%	£480,628	0.0%
Zone 6	£491,373	£494,168	-0.6%	£494,458	-0.6%

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 July 2018	Monthly change	Annual change
Kensington and Chelsea	£1,709,527	-0.1%	4.1%
Sutton	£484,947	0.7%	3.9%
Barnet	£652,833	-0.7%	2.4%
Merton	£654,202	-0.3%	2.0%
Barking and Dagenham	£318,264	0.8%	1.9%
Greenwich	£446,816	-1.2%	1.5%
Redbridge	£463,517	-1.7%	1.5%
Enfield	£463,645	0.1%	1.2%
Waltham Forest	£489,091	0.7%	1.1%
Brent	£590,954	0.6%	1.0%
Tower Hamlets	£605,154	0.2%	1.0%
Camden	£1,026,181	1.6%	1.0%
Bexley	£409,872	0.9%	0.8%
Richmond upon Thames	£854,563	-0.9%	0.7%
Haringey	£620,735	-0.8%	0.7%
Croydon	£440,958	-0.8%	0.1%
Hounslow	£541,728	0.1%	-0.3%
Hillingdon	£493,885	-0.1%	-0.4%
Southwark	£638,829	-0.1%	-0.5%
Havering	£404,881	-1.2%	-0.8%
Bromley	£531,583	0.3%	-1.3%
Newham	£414,324	-0.6%	-1.4%
Harrow	£564,516	0.0%	-1.6%
Kingston upon Thames	£607,662	-0.4%	-1.8%
Lewisham	£474,897	-1.0%	-2.1%
Islington	£744,264	-1.3%	-2.1%
Wandsworth	£809,767	-0.8%	-2.2%
Westminster	£1,479,202	-1.6%	-2.3%
Lambeth	£652,950	-1.8%	-2.5%
Hammersmith and Fulham	£913,062	-0.3%	-3.3%
Ealing	£557,452	-0.4%	-3.4%
Hackney	£649,337	-0.1%	-3.5%

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).