

Rightmove House Price Index

The largest monthly sample of
residential property prices

July 2018
National edition

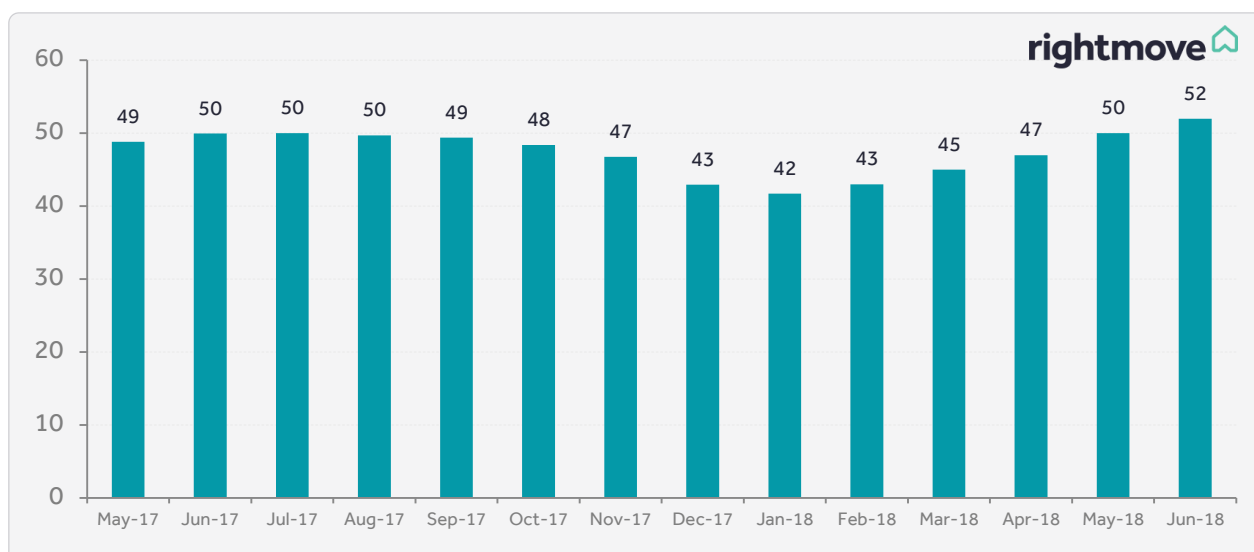


Summer sellers need to work harder as prices stand still

- New seller asking prices hit usual summer slowdown this month resulting in virtual price standstill (-0.1% or -£248)
- Number of properties coming to market jumps up by 8.6% compared to same month last year, but no corresponding increase in buyer numbers to soak up new seller influx (sales agreed holding steady at -0.2% compared to the same month a year ago)
- Stock for sale per agent highest since September 2015, meaning sellers in areas of over-supply need to compete harder on price, presentation and promotion of their property to attract buyers
- The proportion of sellers already on the market that are reducing their asking prices is the highest at this time of year since 2011, indicating initial over-optimism on price

National average asking prices				
Month	Avg. asking price	Monthly change	Annual change	Index
July 2018	£309,191	-0.1%	+1.4%	239.0
June 2018	£309,439	+0.4%	+1.7%	239.2
National average asking prices by market sector (excluding Inner London)				
Sector	July 2018	June 2018	Monthly change	Annual change
First-time buyers	£191,272	£191,541	-0.1%	+1.5%
Second-stoppers	£276,805	£275,387	+0.5%	+2.9%
Top of the ladder	£551,602	£556,312	-0.8%	+1.8%

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



Rightmove measured 120,975 asking prices 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

The price of property coming to market this month is at a virtual standstill, just 0.1% (-£248) cheaper than last month, partly due to the usual summer slowdown. However, finding a buyer this summer is made more difficult by an 8.6% increase in new seller numbers this month versus the same period last year. Sales agreed by estate agents are virtually flat (-0.2%) against the same month in 2017, so in areas of over-supply sellers are going to have to work harder to attract a buyer.

Miles Shippside, Rightmove director and housing market analyst comments: *“At this time of year many potential sellers are more focused on erecting sun umbrellas as opposed to ‘For Sale’ signs, and would-be buyers are equally distracted by their summer holidays. So while an increase in seller numbers is a welcome sign of more liquidity in a generally stock-starved market, it has unfortunately come at a quieter time of year. Prospective buyers will need tempting with a summer special price or a beautifully finished and presented must-have home, and sellers whose homes tick these boxes then need an estate agent with good marketing skills to promote it effectively.”*

The growth in new seller numbers and the flat level of sales agreed numbers have resulted in an increase in total stock per estate agency branch. Nationally the average is 52 properties per branch, the highest level since September 2015. This is another indicator of increased seller competition, with more sellers searching for a buyer and buyers having more property choice.

Shippside observes: *“The number of sales being agreed by estate agents is consistent with the same month in 2017 and is holding up well considering the uncertain political background and stretched buyer affordability. In fact, there are signs that activity is improving as the year progresses with sales agreed year-to-date now down just 3.9%, compared to 5.4% that we reported back in May. Most regions in the middle and north of Britain have brisk market conditions where buyers eagerly soak up extra supply of suitable property coming to market, and where there is enough momentum to support an increase in prices. With less momentum further south, any increase in property coming to market often leads to more property choice and gives buyers more negotiating power. Whilst stock levels are very limited in the brisker market locations, from a national average perspective as we enter the summer holiday period the total stock per estate agency branch is at the highest level for nearly three years.”*

Rightmove research shows that having a competitive and realistic asking price from the beginning helps to attract immediate buyer interest and increase the chance of an earlier sale. For those homes not selling, reducing the asking price of their property is a common tactic. There are a third of properties currently on the market that have been reduced at least once since they first came on to Rightmove, which is the highest at this time of year since 2011.

Shippside advises: *“A reduction in asking price is often a sign of initial over-pricing by estate agents and sellers, and whilst a price cut can boost buyer interest you have to overcome the negativity that arises when a property has not been snapped up quickly. Our research shows a much increased chance of a quick sale if priced sensibly at the outset, and in contrast if over-priced initially it often means a price reduction to a lower level than if it had been more accurately priced from the beginning. It can also be a sign of a falling market, where the gap between asking prices and what buyers are now willing to pay has grown. With more price reductions at this time of year than in any of the last six years, there is likely to be a combination of both initial over-pricing and failure to react fast enough or reduce by enough when initial buyer interest fails to lead to a sale.”*

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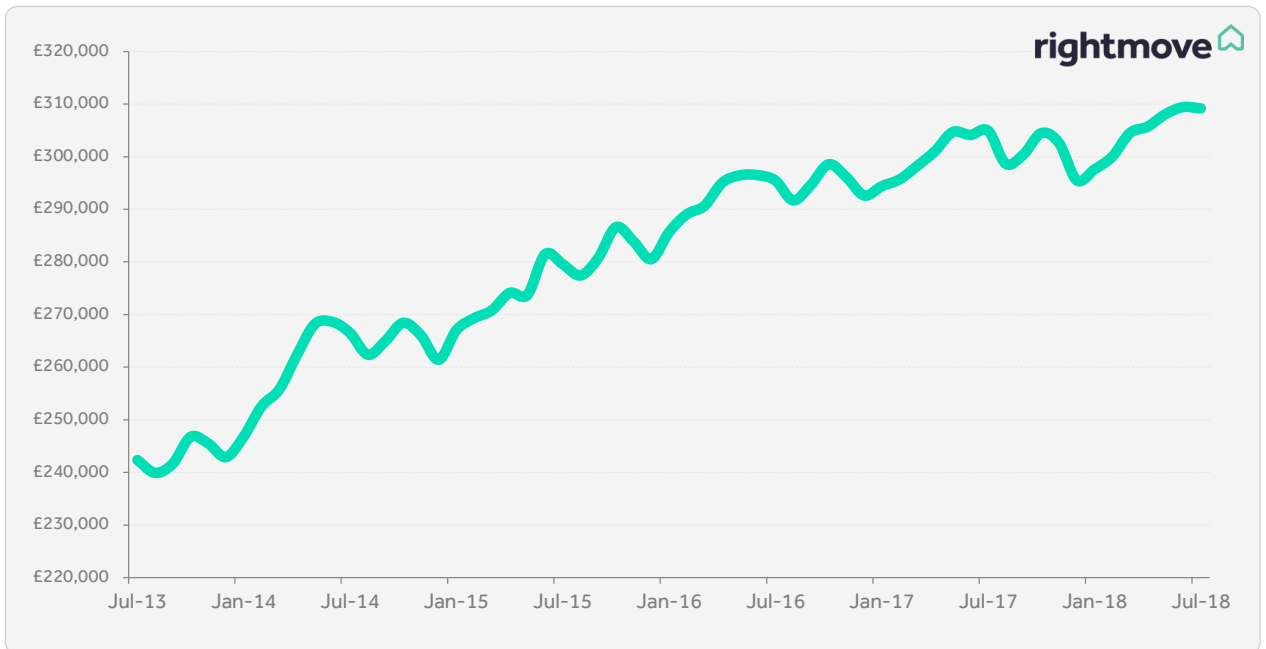


Agent's view

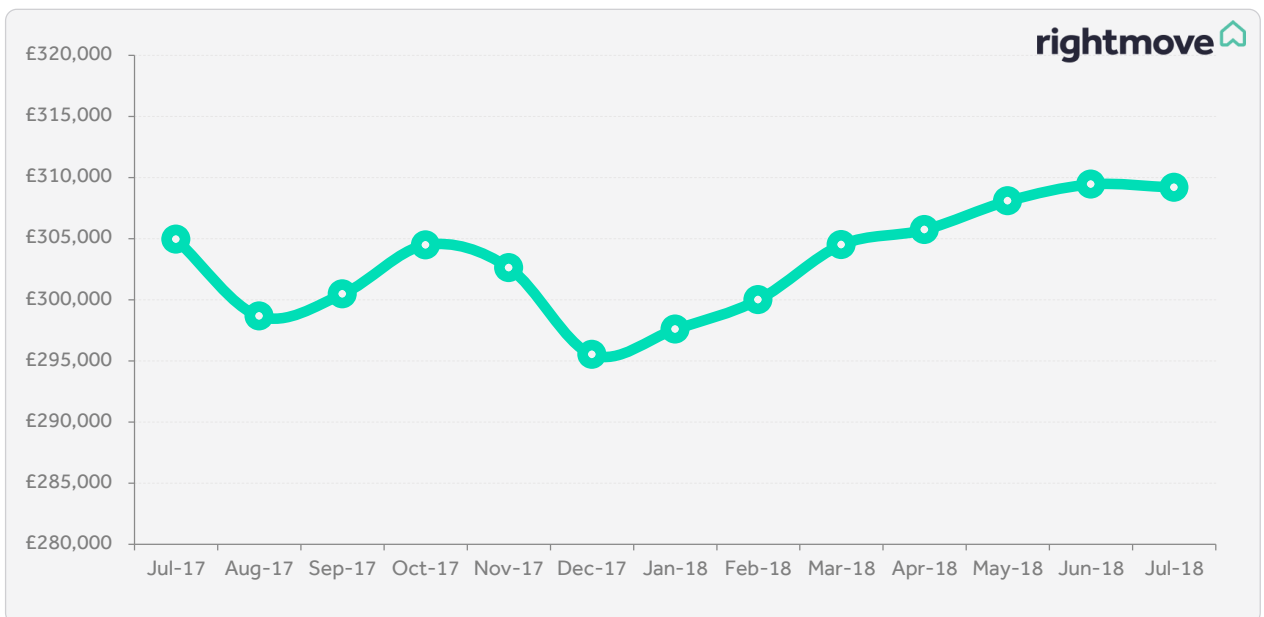
Nick Leeming, Chairman of Jackson-Stops, comments: *"Whilst it is the norm to see more sellers coming onto the market at this time of year there has undeniably been a stronger bounce in May and June this year as many home-owners held off listing their properties due to the unseasonably cold weather in March and April. An increase in the number of properties for sale will have to be matched by a corresponding increase in buyer demand if vendors are to avoid reducing guide prices to secure a sale. The market is finely balanced at the moment and the latest political uncertainties over Brexit will do little to help build confidence."*

Asking price trends

Five year asking price trend

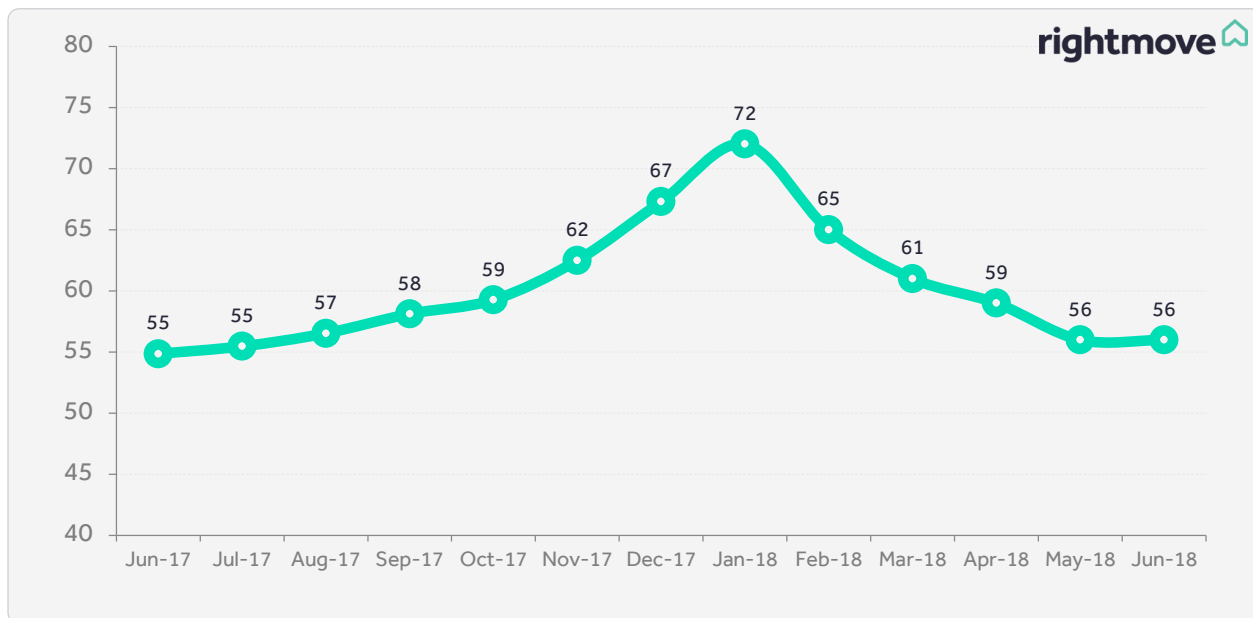


Monthly asking price trend

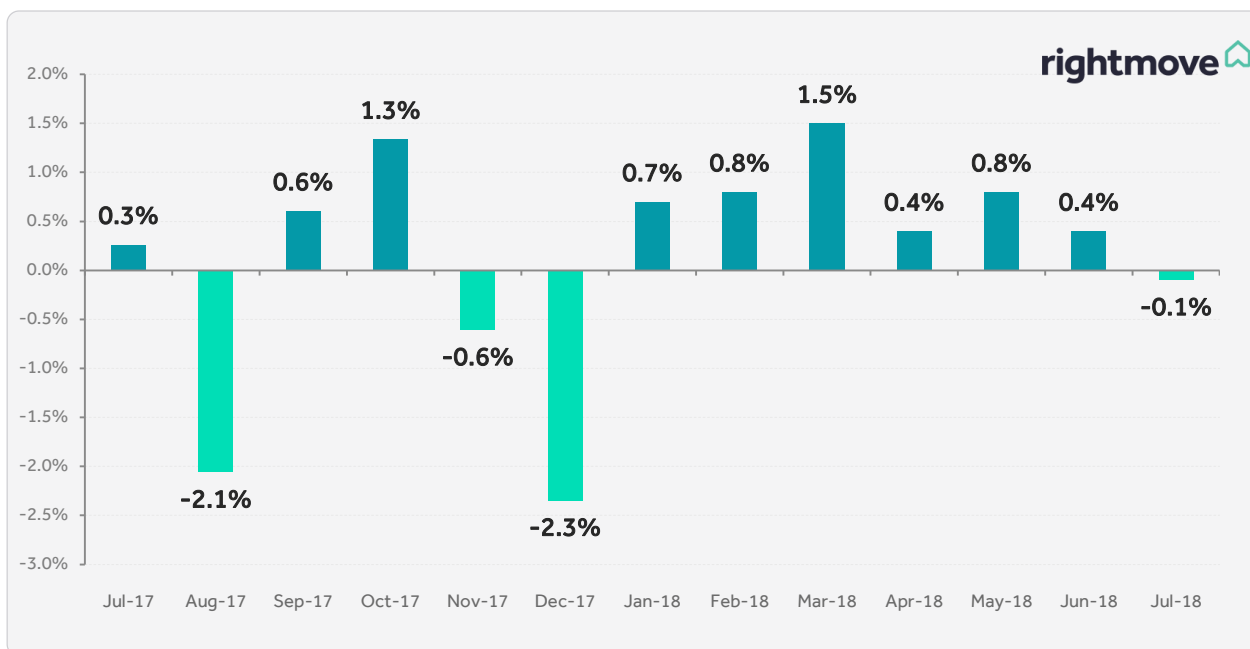


Average time to sell and stock

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



% monthly change in average asking prices



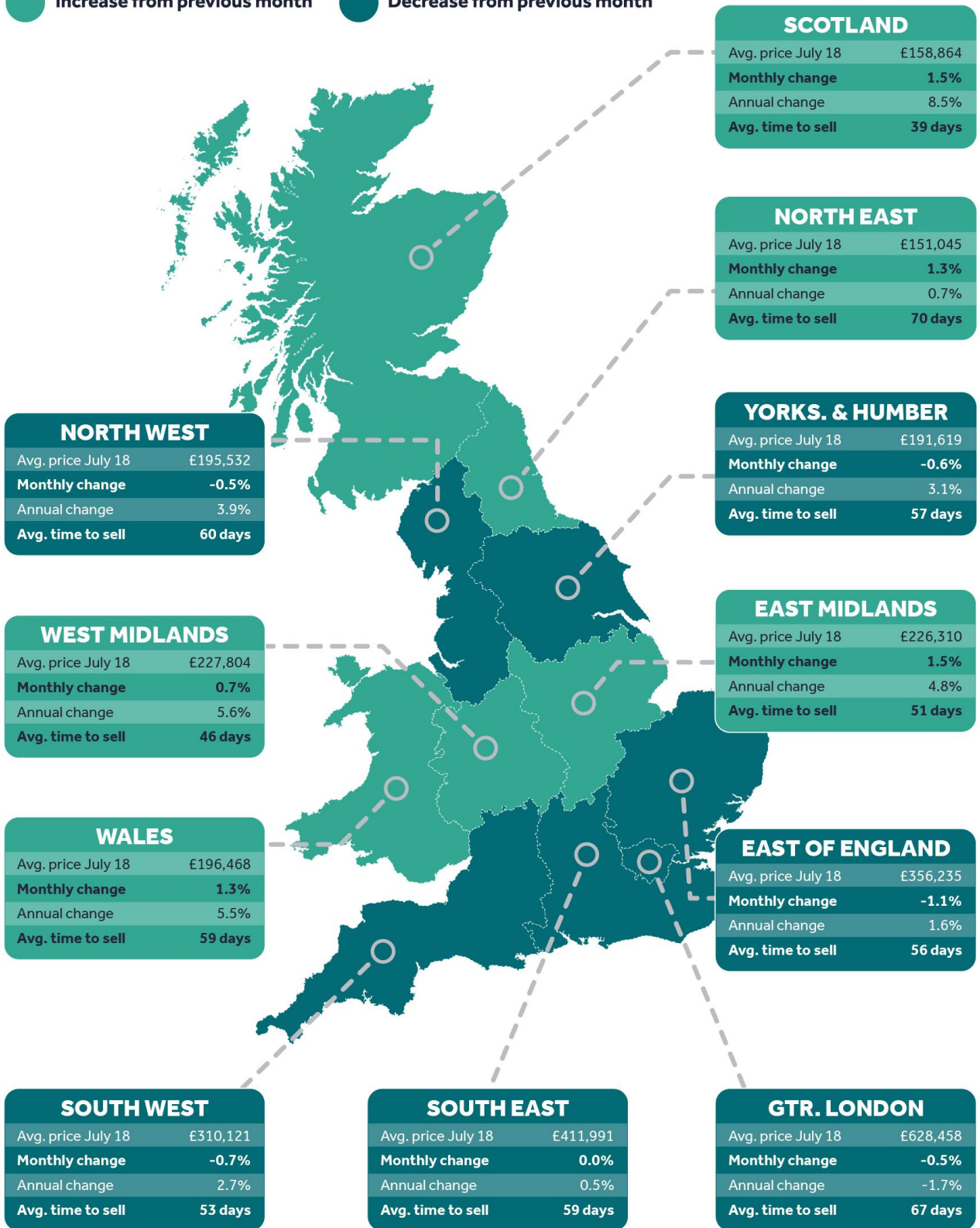
Regional trends



Increase from previous month



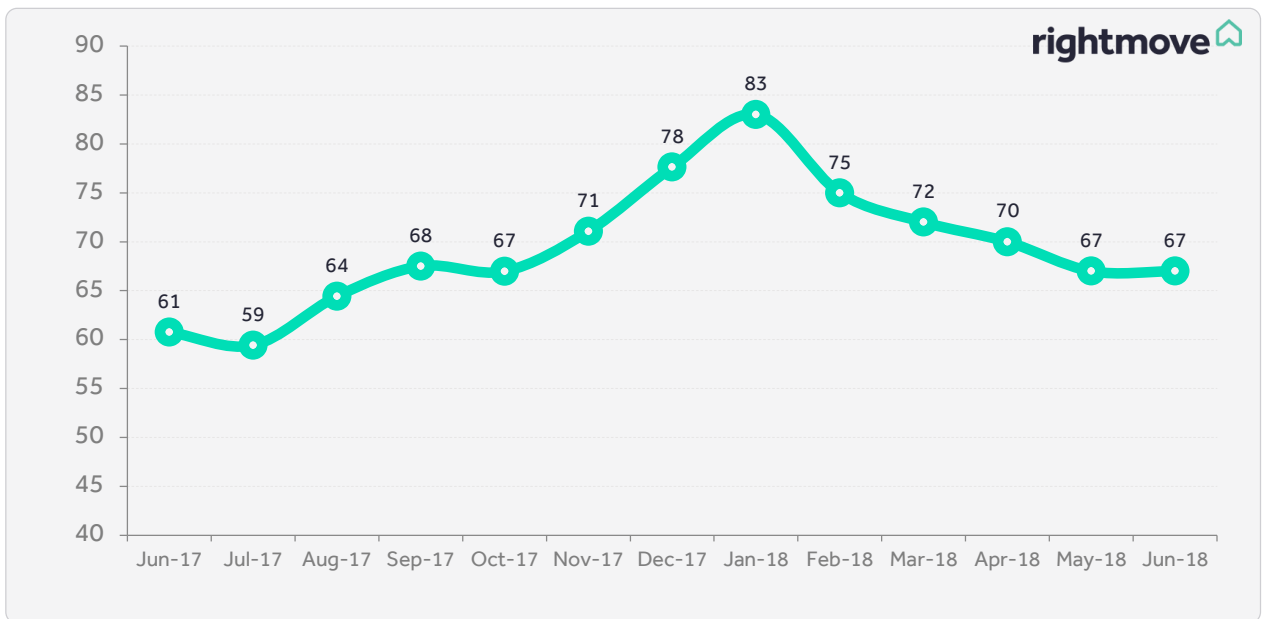
Decrease from previous month



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).