

Rightmove House Price Index

The largest monthly sample of
residential property prices

September 2018
National edition



Some positive signs for Autumn market including start of London recovery

- A monthly rise of 0.7% (+£2,088) in the price of newly-marketed property matches the average for September since 2011, though the annual rise remains muted at 1.2%
- Autumn market has stronger momentum in areas with better affordability and sentiment, with Wales, East Midlands, West Midlands and Yorkshire & the Humber all recording average annual price rises of at least 4%
- After years of price falls in parts of London there are signs of renewed buyer activity at the upper end, with a 6% rise in number of sales agreed for homes of £750,000 and over compared to same month last year
- 'Back to school' season offers more choice for buyers, with a 16% jump in new properties coming to market in the first week of September compared to the average of the final three summer weeks

National average asking prices				
Month	Avg. asking price	Monthly change	Annual change	Index
Sept 2018	£304,061	+0.7%	+1.2%	235.1
Aug 2018	£301,973	-2.3%	+1.1%	233.5
National average asking prices by market sector (excluding Inner London)				
Sector	Sept 2018	Aug 2018	Monthly change	Annual change
First-time buyers	£190,842	£189,451	+0.7%	+1.5%
Second-steppers	£273,297	£273,446	-0.1%	+1.7%
Top of the ladder	£536,983	£532,294	+0.9%	+1.1%

Monthly asking price trend



Rightmove measured 106,120 asking prices this month, circa 90% of the UK market. The properties were put on sale by estate agents from 12th August 2018 to 8th September 2018 and advertised on Rightmove.co.uk.

Overview

The price of property coming to market has risen by a national average of 0.7% (+£2,088) this month, which is the same as the average monthly increase in September of 0.7% since 2011. The national annual rate of increase remains muted at 1.2%, but there are some positive signs for the Autumn market in regions where affordability and sentiment are good, although stretched buyer affordability or negative market sentiment in other regions are limiting price growth. Substantial price reductions in some parts of the London market over the last two years are now helping to improve sentiment and momentum, with renewed buyer activity evident at the upper end.

Miles Shippside, Rightmove director and housing market analyst comments: *"Buyer affordability has been increasingly stretched by seven years of national average property price rises outstripping buyers' average wage inflation. However in London, after asking prices rose by over 50% between 2011 and their peak in 2016, there have been two years of subsequent price falls in parts of the capital. Now, there are signs that these price reductions in parts of London have led to an upturn in buyer activity as sentiment improves."*

Less stretched buyer affordability and positive market sentiment have helped to buoy some regions to attain average annual rises of at least 4%: the East Midlands (+4.7%), Wales (4.6%), West Midlands (+4.5%) and Yorkshire & the Humber (+4.0%). Conversely, there have been year-on-year price falls in the North East (-1.1%), London overall (-0.5%) and the South East (-0.1%), with the East of England just reaching positive territory at +0.3%.

Shippside observes: *"Buyer affordability ratios were not stretched to the same degree in the Midlands and the North than they were in the South, with a comparatively modest average price increase of 21% since 2011. That's left some price momentum fuel still in the tank in these regions, and means that the current momentum has the mileage to carry on into this Autumn. That compares to the seven-year 40% plus price binge seen in London and its commuter belt neighbours of the South East and East of England, which is the cause of their current indigestion."*

The upturn in London's buyer activity this month is in the upper end of the London market, above £750,000, comprising around a fifth of all transactions in London. The number of sales agreed above £750,000 is up by 6.0% on the same month a year ago, while below £750,000 it is down by 3.6%. Average asking prices in Inner London peaked in February 2016 at £823,000, and are now £756,000, which has helped with the increase in buyer activity.

Shippside says: *"It's been a hard and rocky road to recovery at the upper end of the London market, taking two successive years of price falls. London is a barometer and sometimes a catalyst for rises and falls in the rest of the UK housing market. The recovery in the upper end is encouraging but the painful and drawn-out process of price reductions has yet to run its course especially in parts of Outer London and the commuter belt that saw very sizeable and unsustainable price rises. More sellers and agents will need to re-adjust their expectations to be in line with what buyers are willing or able to pay, as it seems that buyers are out there if the price is right."*

Autumn traditionally sees a boost in activity and this will be fuelled by more choice for buyers with a 16% jump in new properties coming to market in the first week of September compared to the average of the final three summer weeks.

Shippside notes: *"The start of the 'back to school' season sees a surge of sellers coming to market compared to the preceding quieter holiday period. Sellers aren't hanging back in coming forward to try and sell, and with average prices just 1.2% higher than a year ago, many seem to be pricing sensibly."*

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Miles Shippside, Rightmove director and housing market analyst



Agents' views

Joseph Robinson, Director for Stirling Ackroyd in London, says: *"It's of no surprise to anyone that the sales market in London has been tough over the past 12 months, however over the past few months we're seeing positive signs of improvement within the sector. Not only have we just had a record July and August with regards to properties exchanging contracts, we've also seen a rise in sales being agreed across our offices, with an increase of 62% over the past two months alone. It has been occurring for years, but the London market really is shifting East. The applicants viewing with us are majority first and second-time buyers, but there has been a large rise in applicants at the upper end of the market not only viewing, but also purchasing. We feel confidence is returning to the London market after a long hiatus."*

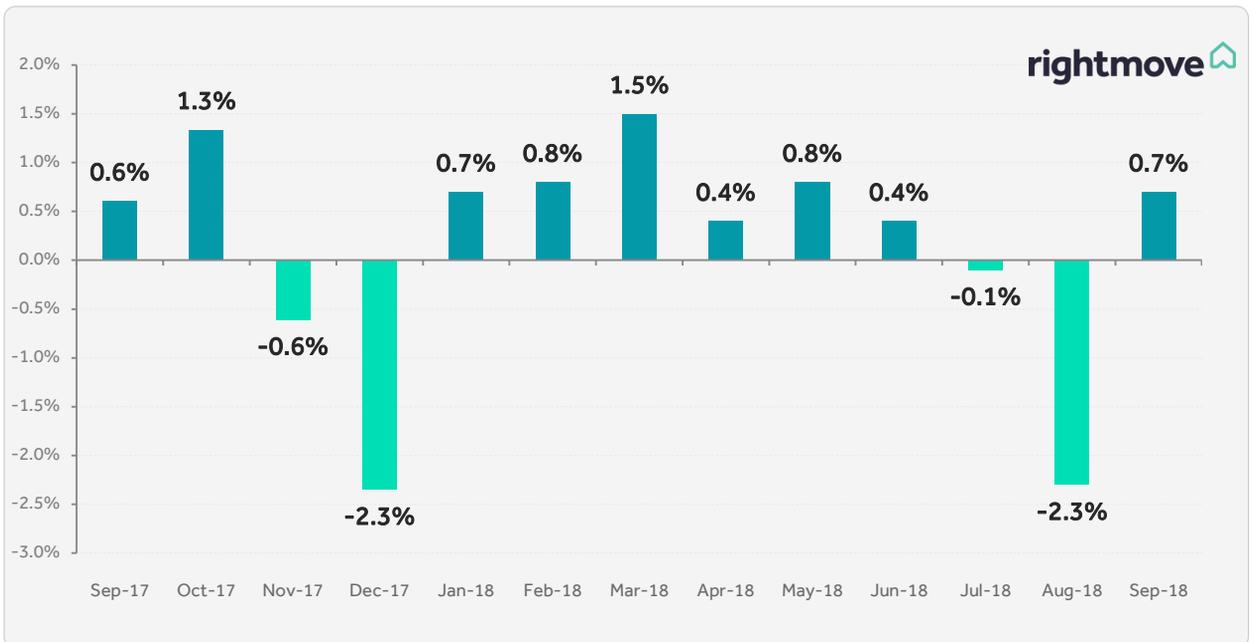
Geoff Wilford, Founder of Wilfords Estate Agents in London, says: *"We're certainly seeing renewed buyer activity with sales enquiries up 15% in comparison to this time last year and sales agreed up 10%. Prices in central London have softened by 15% since the peak of the market in 2014. Buyer enquiries are up with a number of people believing now is a good time to buy when other people are selling. I'm of the firm belief that when the pendulum swings back from being a buyer's market to a seller's market the current levels of pent up demand will result in a price increase, as was witnessed back in 2013. In my opinion the smart money is buying now."*

Asking price trends

Five year asking price trend

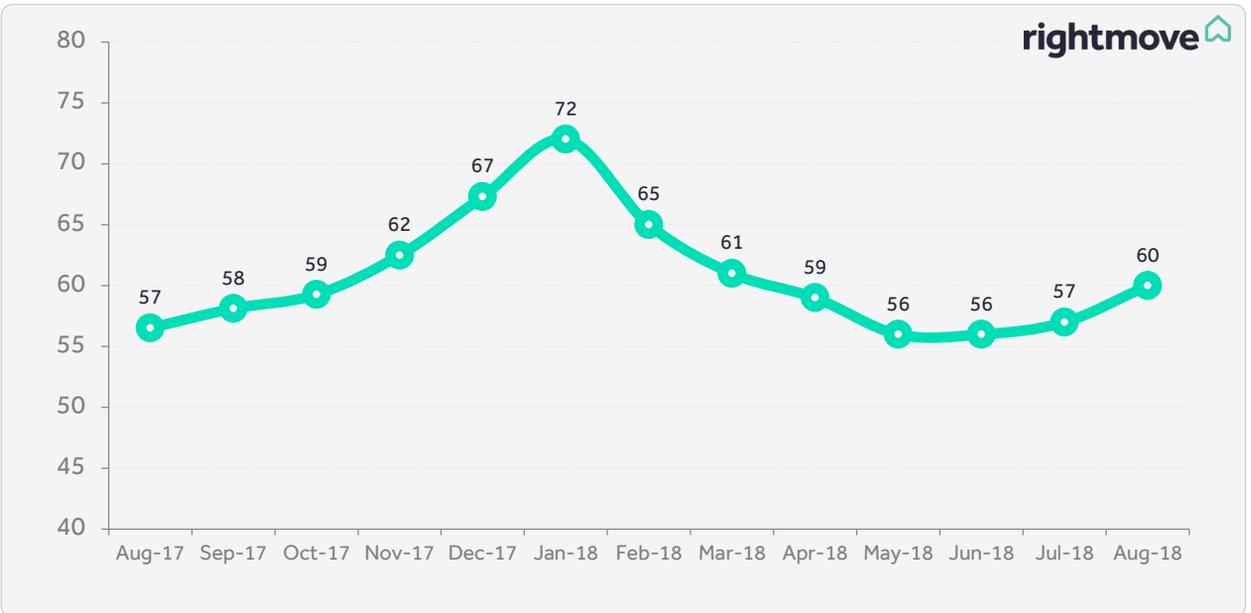


% monthly change in average asking prices

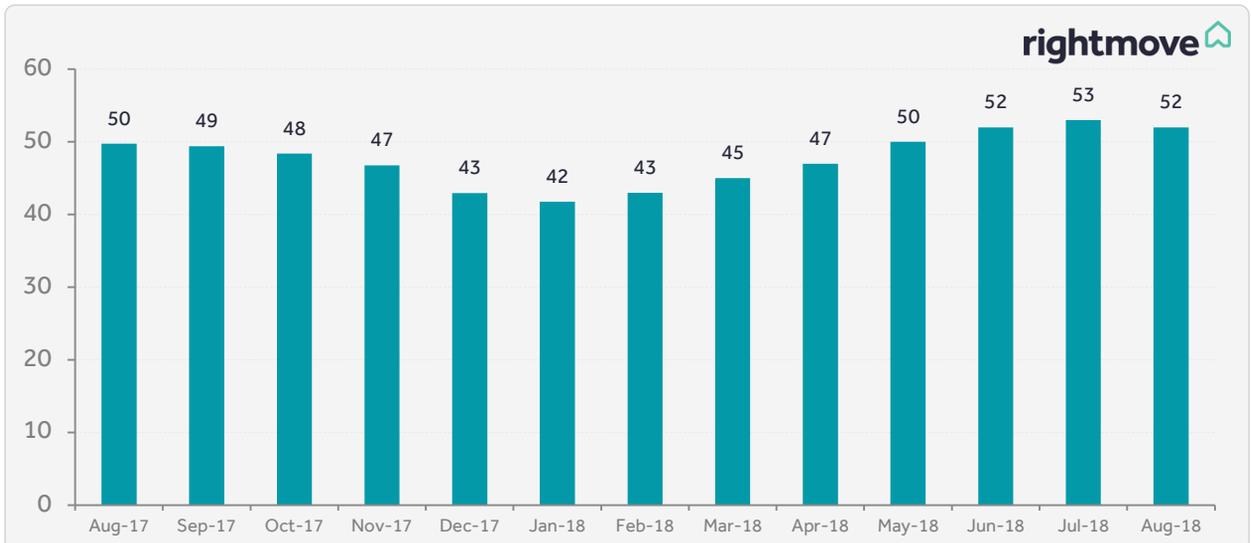


Average time to sell and stock

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



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



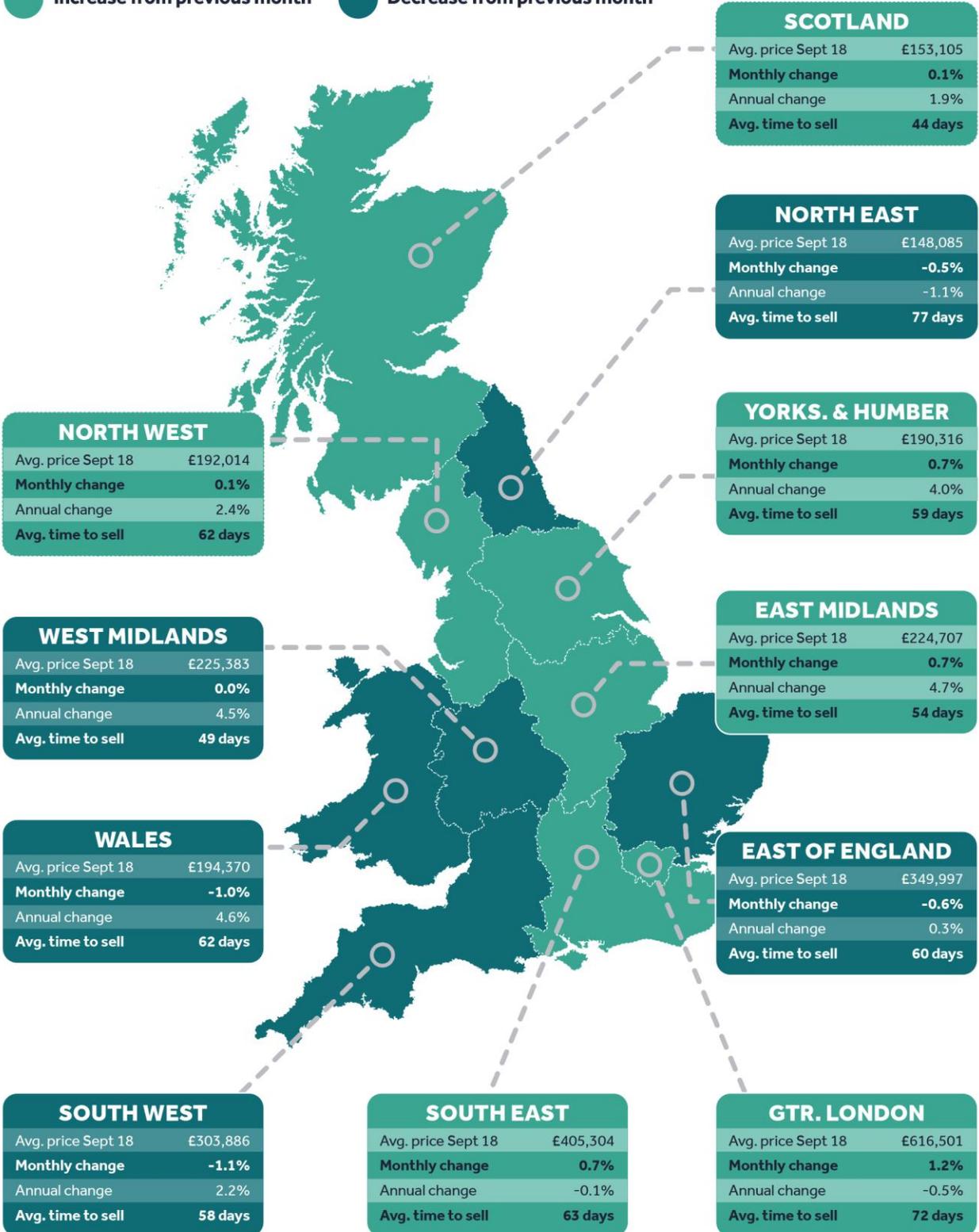
Regional trends



Increase from previous month



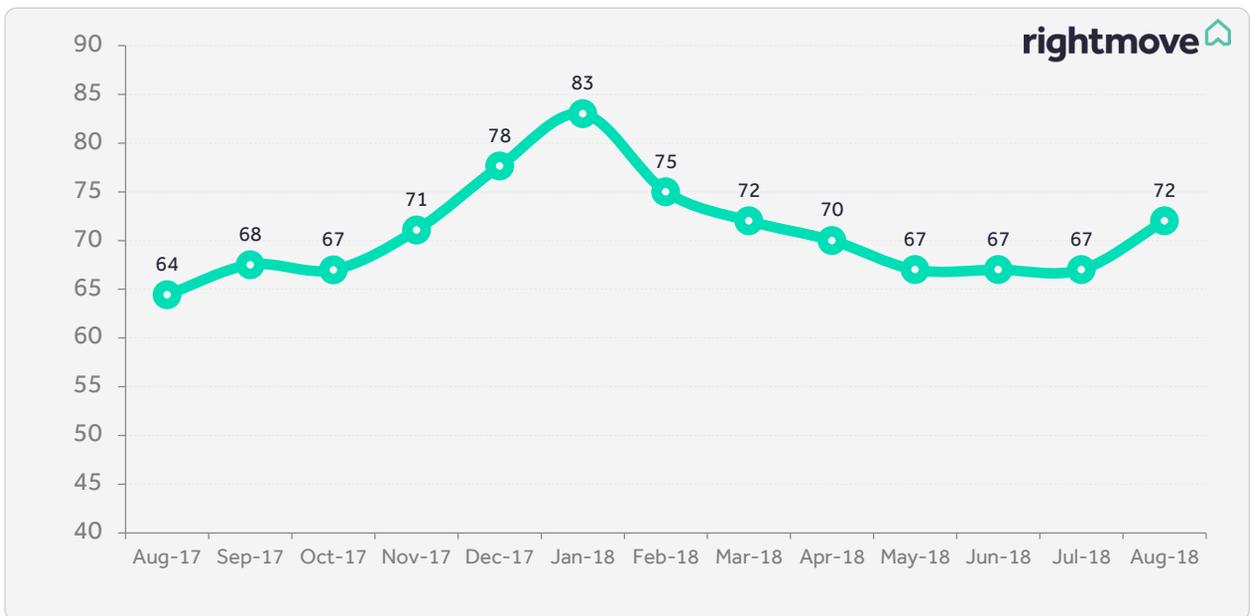
Decrease from previous month



London trends

Transport for London zones	Avg. price Sept 2018	Avg. price Aug 2018	Monthly change	Avg. price Sept 2017	Annual change
Zone 1	£1,298,070	£1,266,350	2.5%	£1,241,958	4.5%
Zone 2	£736,622	£727,615	1.2%	£757,200	-2.7%
Zone 3	£586,915	£576,709	1.8%	£592,635	-1.0%
Zone 4	£486,695	£483,484	0.7%	£485,808	0.2%
Zone 5	£474,554	£476,047	-0.3%	£474,731	0.0%
Zone 6	£487,350	£488,820	-0.3%	£492,423	-1.0%

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 Sept 2018	Monthly change	Annual change
Barking and Dagenham	£316,247	-0.4%	2.4%
Waltham Forest	£486,292	-0.4%	1.3%
Havering	£409,304	0.3%	1.2%
Barnet	£635,604	-0.6%	1.2%
Greenwich	£440,255	-0.8%	0.7%
Bexley	£411,543	-0.1%	0.7%
Hounslow	£541,108	0.1%	0.4%
Kingston upon Thames	£621,069	0.6%	0.3%
Westminster	£1,427,243	-1.8%	-0.1%
Enfield	£461,474	-0.6%	-0.1%
Bromley	£530,213	0.0%	-0.6%
Croydon	£437,574	-0.2%	-0.8%
Newham	£409,450	-0.1%	-0.8%
Merton	£636,087	-0.9%	-0.8%
Redbridge	£456,382	-0.6%	-1.0%
Lambeth	£652,284	0.2%	-1.5%
Sutton	£460,656	-1.7%	-1.5%
Southwark	£629,934	0.0%	-1.6%
Hillingdon	£484,523	-0.4%	-1.8%
Camden	£956,001	-3.5%	-2.0%
Harrow	£556,065	0.2%	-2.0%
Islington	£752,349	-0.2%	-2.1%
Haringey	£598,038	-1.5%	-2.1%
Wandsworth	£795,569	-0.2%	-2.2%
Tower Hamlets	£572,270	-1.5%	-2.8%
Richmond upon Thames	£820,463	-1.4%	-3.1%
Brent	£561,418	-2.1%	-3.2%
Ealing	£540,242	-1.4%	-3.3%
Kensington and Chelsea	£1,542,273	-2.9%	-3.7%
Hackney	£646,911	-0.3%	-4.5%
Lewisham	£460,440	-0.7%	-4.5%
Hammersmith and Fulham	£878,089	-0.3%	-5.7%

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).