

# Rightmove House Price Index

The largest monthly sample of  
residential property prices

September 2018  
London edition



## It's been a long time coming but upper end is picking up

- The price of property coming to market has risen by 1.2% (+£7,296) this month, though the annual rate still remains in negative territory at -0.5% (-£3,360)
- Some parts of Inner London, which makes up most of the upper end sector, are starting to come out of their lengthy price trough
- After years of price falls in parts of London there are signs of renewed buyer activity in its upper price sectors, with a 6% rise in number of sales agreed for properties £750,000 and over compared to same month last year
- Activity uplift even more marked in TfL Zone 1 where many upper end properties are located – number of sales agreed up by 10.5% in August compared to August 2017

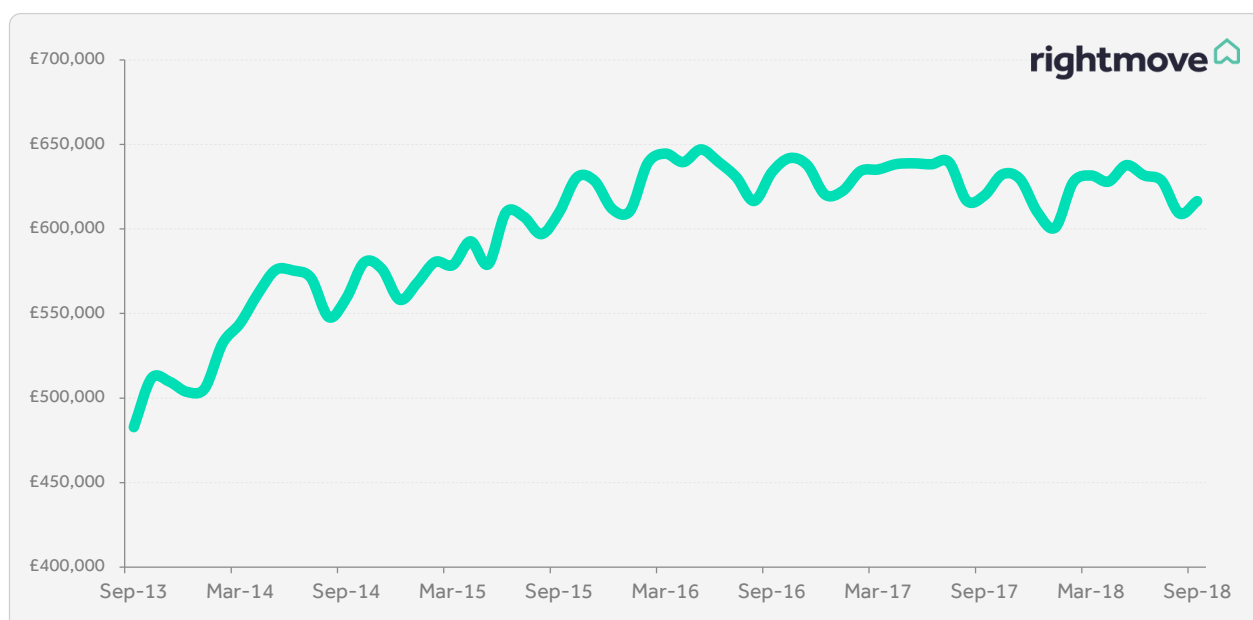
### London average asking prices

Area	September 2018	August 2018	Monthly change	Annual change
Greater London	£616,501	£609,205	+1.2%	-0.5%
Inner London	£755,921	£746,618	+1.2%	-1.1%
Outer London	£516,437	£512,231	+0.8%	-0.2%

### Average asking prices by market sector

Sector	September 2018	August 2018	Monthly change	Annual change
First-time buyers	£479,802	£477,421	+0.5%	-3.9%
Second-steppers	£694,085	£678,666	+2.3%	+0.6%
Top of the ladder	£1,368,273	£1,331,667	+2.7%	+7.5%

### Five year London asking price trend



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

## Overview

The price of property coming to market in Greater London has risen by 1.2% (+£7,296) this month, though the annual rate still remains in negative territory at -0.5% (-£3,360). The upper end sector is showing signs of coming out of its deep and lengthy price trough, which has led to the monthly change in Inner London of +1.2% out-performing Outer London's +0.8%.

Miles Shippside, Rightmove director and housing market analyst comments: *"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. Buyer affordability and sentiment have been increasingly stretched by asking price rises of over 50% in London between 2011 and 2016 outstripping buyers' willingness or ability to pay. However, parts of London are seeing evidence of a recovery with two subsequent years of price falls now encouraging an upturn in buyer activity in the upper end as they judge that there is now some good value on the streets of London."*

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%. 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. The activity uplift is even more marked in predominantly central Zone 1 where many upper end properties are located. The number of sales agreed is up by 10.5% this August compared to August 2017.

Shippside observes: *"It's been a hard and rocky road to recovery in the upper end of the London market, taking two successive years of price falls. The price of property coming to market in Zone 1 is now 17.5% lower than its peak in October 2015, but has made gains of 4.5% over the past year. 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 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."*

## Agents' views

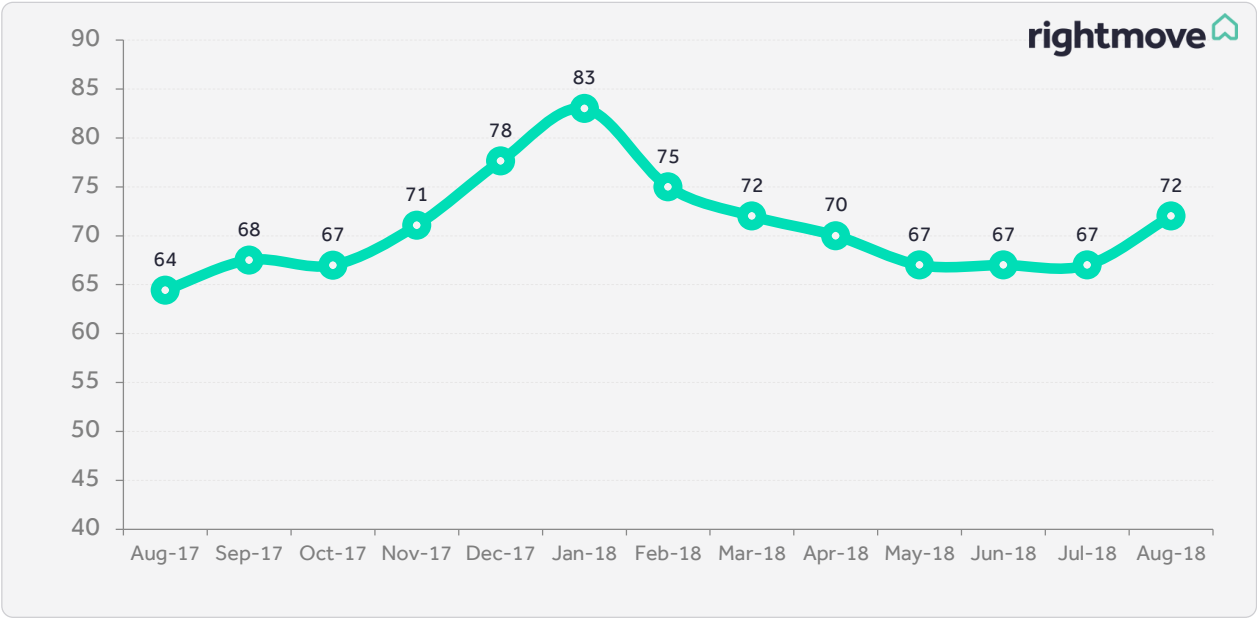
**Joseph Robinson, Director for Stirling Ackroyd in London, says:** *"It's of no surprise to anyone that the sales market in London has been tough over the past 12 months, however over the past few months we're seeing positive signs of improvement within the sector. Not only have we just had a record 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."*

# 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.

Rightmove measured 106,120 asking prices nationally 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.

## 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).