

# Rightmove House Price Index

The largest monthly sample of  
residential property prices

October 2018  
London edition



## Biggest annual price fall is in buy-to-let/first-time buyer sector

- Average asking prices of property coming to market in Greater London up by 1.4% (+£8,563) this month, though annual rate still sees year-on-year fall of 1.1% (-£7,156)
- Third highest monthly increase seen in the last 12 months driven by recovering Inner London which is up 2.4%
- Most subdued sector year-on-year is properties with two bedrooms or fewer with a 1.8% annual price fall, the target market of affordability-stretched first-time buyers and currently less active buy-to-let investors:
  - Properties in this sector reached a price peak of £506,755 in April 2016, up by 92.1% from their trough in January 2009, and since then have fallen back by 4.2%
  - The average time to sell in this sector has jumped from 40 days in April 2016 to 75 days now, slightly more than the overall increase in the re-adjusting London market

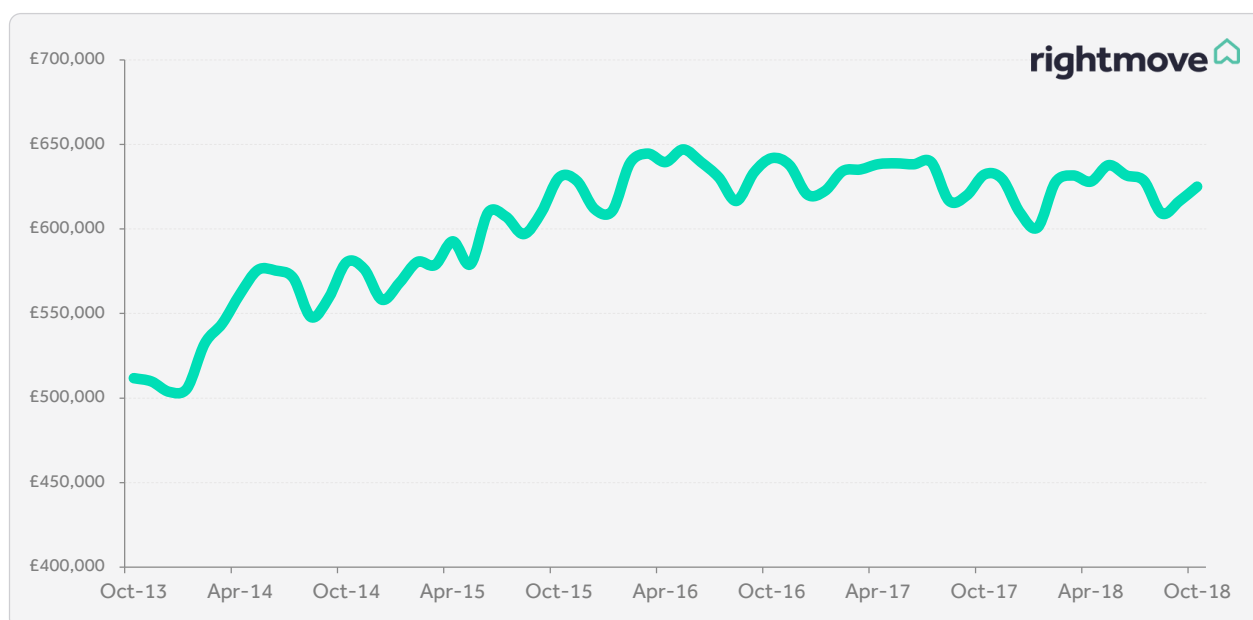
### London average asking prices

Area	October 2018	September 2018	Monthly change	Annual change
Greater London	£625,064	£616,501	+1.4%	-1.1%
Inner London	£773,949	£755,921	+2.4%	-1.5%
Outer London	£518,791	£516,437	+0.5%	-0.7%

### Average asking prices by market sector

Sector	October 2018	September 2018	Monthly change	Annual change
First-time buyers	£485,427	£479,802	+1.2%	-1.8%
Second-steppers	£692,015	£694,085	-0.3%	-1.2%
Top of the ladder	£1,420,300	£1,368,273	+3.8%	-0.2%

### Five year London asking price trend



Rightmove measured 114,049 asking prices nationally this month, circa 90% of the UK market. The properties were put on sale by estate agents from 9<sup>th</sup> September 2018 to 6<sup>th</sup> October 2018 and advertised on Rightmove.co.uk.

## Overview

The average asking price of property coming to market in Greater London is up by 1.4% (+£8,563) this month, the third highest monthly increase seen in the last 12 months. This has primarily been driven by the continuing recovery of Inner London prices at +2.4%, with TfL Zone 1 at +3.9% being the major contributor.

Miles Shippide, Rightmove director and housing market analyst comments: *"In Inner London, the closer to the centre you get the greater the price recovery. TfL Zone 1 covers much of prime central London and having fallen by more than other areas in the last few years, there are now buying opportunities which attract more activity and underpin prices. Year-on-year they are now flat at 0%, whereas all other Inner London zones are still seeing annual falls in the price of property coming to market."*

The overall annual rate for London still sees a year-on-year fall of 1.1% (-£7,156). The most subdued sector year-on-year is properties with two bedrooms or fewer with a 1.8% (-£9,084) annual price fall. This typically includes the target market of affordability-stretched first-time buyers and currently less active buy-to-let investors. Properties in this sector reached a price peak of £506,755 in April 2016 and since then have fallen back by 4.2% with average time to sell jumping from 40 days to 75 days over the same period. All sectors of the market have seen substantial increases in time to sell as the market has re-adjusted, but this cheapest sector was the hardest hit over this period.

Shippide notes: *"A slowdown in price rises is the natural outcome of property prices increasing at a far faster pace than the average wages of first-time buyers or the rental returns of investors. Properties with two bedrooms or fewer saw a 92.1% price surge in London from their 2009 trough to their 2016 peak. In part this was driven by buy-to-let investors seeking better and less risky returns than are available from other asset classes. Government policy has sought to reduce this activity through higher landlord stamp duty and lower income tax reliefs and so tilt the balance back towards first-time buyers. Recent policy announcements seek to take this further with a proposed additional surcharge on foreign investors, and it remains to be seen what other new measures, if any, the chancellor will announce in his budget later this month."*

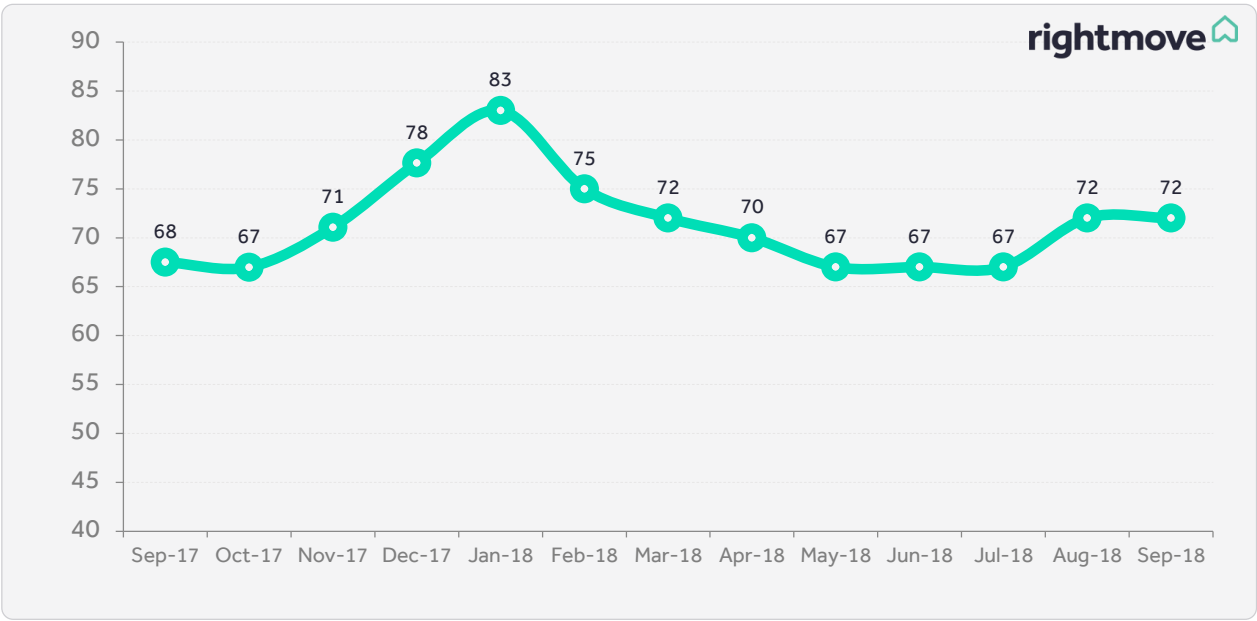
## Agent's view

Robert Lazarus, MD of Sales at Paramount Properties in North West London, says: *"There's a better opportunity for first-time buyers coming in to the market at the minute compared to a couple of years ago, especially if they're looking for a one bed flat. Before the additional stamp duty on second homes came in we were selling 20% of these flats to landlords which was driving prices up, and now we're selling less than 5% of them to landlords, giving first-time buyers the first pick of new stock that comes on."*

# London trends

Transport for London zones	Avg. price Oct 2018	Avg. price Sept 2018	Monthly change	Avg. price Oct 2017	Annual change
Zone 1	£1,348,421	£1,298,070	3.9%	£1,348,020	0.0%
Zone 2	£748,012	£736,622	1.5%	£760,782	-1.7%
Zone 3	£594,675	£586,915	1.3%	£607,395	-2.1%
Zone 4	£484,840	£486,695	-0.4%	£485,891	-0.2%
Zone 5	£475,754	£474,554	0.3%	£479,193	-0.7%
Zone 6	£498,865	£487,350	2.4%	£491,613	1.5%

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 Oct 2018	Monthly change	Annual change
Richmond upon Thames	£855,621	3.9%	2.7%
Bexley	£412,974	0.2%	2.4%
Barking and Dagenham	£315,748	0.1%	2.4%
Havering	£406,407	-0.7%	1.9%
Haringey	£615,226	1.3%	1.5%
Waltham Forest	£486,782	0.5%	1.3%
Barnet	£645,729	0.1%	0.9%
Westminster	£1,474,065	2.7%	0.9%
Redbridge	£462,869	0.5%	0.8%
Bromley	£532,690	0.3%	0.6%
Camden	£994,028	1.9%	0.2%
Newham	£415,888	0.5%	-0.1%
Croydon	£441,101	0.4%	-0.1%
Brent	£578,808	1.0%	-0.1%
Wandsworth	£809,665	1.2%	-0.7%
Kingston upon Thames	£613,556	-0.5%	-0.8%
Sutton	£462,807	0.2%	-0.9%
Greenwich	£436,407	-0.4%	-1.1%
Southwark	£643,870	0.7%	-1.2%
Hillingdon	£484,281	-0.6%	-1.4%
Islington	£764,411	0.8%	-1.4%
Enfield	£457,345	-0.4%	-1.4%
Ealing	£547,738	0.9%	-1.4%
Hounslow	£536,608	-0.7%	-1.6%
Hammersmith and Fulham	£942,970	2.1%	-1.9%
Harrow	£557,148	0.1%	-2.0%
Merton	£634,252	0.8%	-2.2%
Kensington and Chelsea	£1,593,938	0.8%	-3.7%
Tower Hamlets	£569,690	-0.8%	-4.1%
Lambeth	£640,779	-0.1%	-4.7%
Lewisham	£457,022	-0.8%	-4.7%
Hackney	£632,323	-0.9%	-5.5%

# 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.

Rightmove measured 114,049 asking prices nationally this month, circa 90% of the UK market. The properties were put on sale by estate agents from 9<sup>th</sup> September 2018 to 6<sup>th</sup> October 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).