

Rightmove House Price Index

The largest monthly sample of
residential property prices

November 2018
National edition

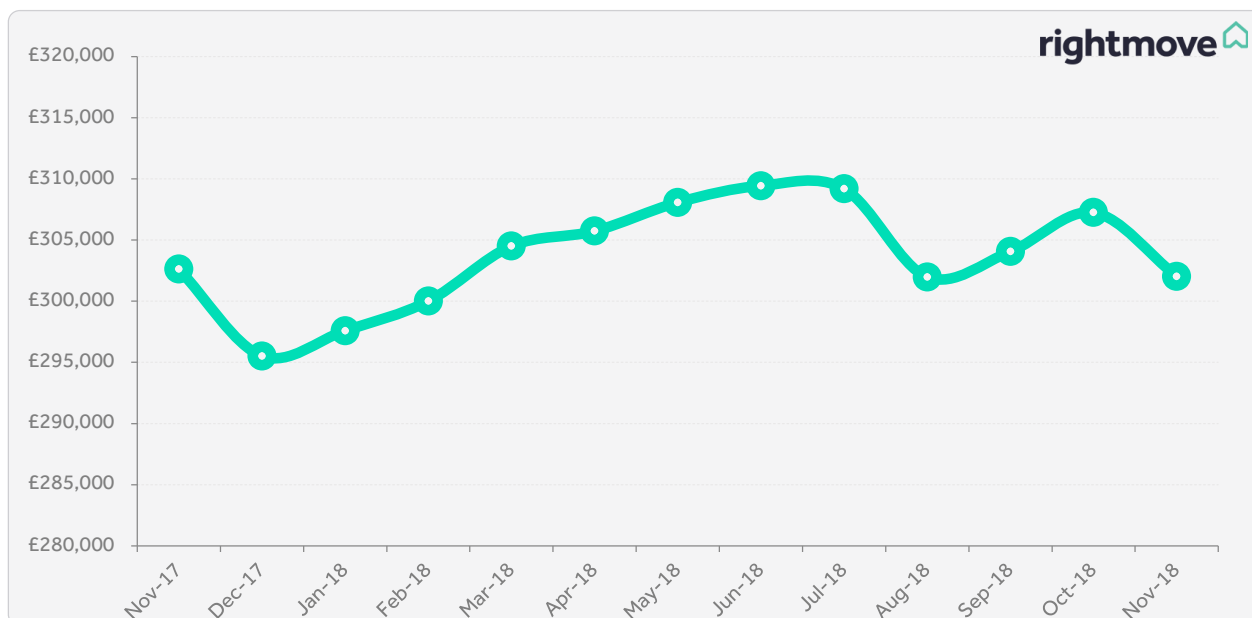


Early Christmas gift for buyers as sellers lower their price expectations

- The price of property coming to market falls by 1.7% (-£5,222) this month, and whilst it is the norm for new seller asking prices to fall at this time of year, this is the largest November drop since 2012
- New sellers pricing more realistically in effort to minimise pre-Christmas 'buyer humbug' syndrome fuelled by stretched affordability and Brexit uncertainty
- All regions see a monthly price fall, with largest falls in the south and the upper price sector:
 - Higher end London commuter towns - where prices have risen by over 40% since 2011 - unsurprisingly have significant price falls
 - Annual national rate is marginally negative (-0.2%, -£607) for the first time in seven years
- Price slowdown seen as an early Christmas present for some buyers with numbers of sales agreed up nationally by 1% compared to same period a year ago, indicating some sound underlying fundamentals

National average asking prices				
Month	Avg. asking price	Monthly change	Annual change	Index
Nov 2018	£302,023	-1.7%	-0.2%	233.5
Oct 2018	£307,245	+1.0%	+0.9%	237.5
National average asking prices by market sector (excluding Inner London)				
Sector	Nov 2018	Oct 2018	Monthly change	Annual change
First-time buyers	£188,571	£190,587	-1.1%	+0.3%
Second-steppers	£272,017	£274,789	-1.0%	+1.5%
Top of the ladder	£531,775	£545,020	-2.4%	-0.3%

Monthly asking price trend



Rightmove measured 123,536 asking prices nationally this month, circa 90% of the UK market. The properties were put on sale by estate agents from 7th October 2018 to 10th November 2018 and advertised on Rightmove.co.uk.

Overview

The price of property coming to market falls by an average of 1.7% (-£5,222) this month. It is the norm for new seller asking prices to fall at this time of year to attract buyers who are increasingly distracted by the run-up to Christmas. However, this is the largest drop in the month of November since 2012. The backdrop of cooling markets in the south and in the upper price sectors, combined with the political uncertainty, has resulted in new sellers lowering their asking price aspirations earlier than usual. Encouragingly, slightly more sales have been agreed than in the same period a year ago.

Miles Shippside, Rightmove director and housing market analyst comments: *"New sellers and their agents are reacting to market forces and lowering their pricing aspirations by more and sooner than usual. Stretched buyer affordability and the cooling markets in the south and in upper price brackets have combined with the ongoing political uncertainty to change pricing optimism into pricing realism. This is a welcome effort by sellers to minimise the usual pre-Christmas market slowdown. Some new-to-the-market sellers and their agents have acted early to try to improve the buying mood and avoid the traditional "buyer humbug" dislike of Christmas housing activity."*

All regions see a monthly fall in the price of property coming to market, with most of the largest falls in the south. After Yorkshire and the Humber, the second largest monthly faller is the South East with an average 2.1% fall (-£8,647). Some of the more expensive towns in the London commuter belt which had seen over 40% price rises since 2011 unsurprisingly have significant price falls. London new seller asking prices drop too by 1.7% (-£10,793), though this is not unexpected since the capital generally sees greater seasonal price volatility than the rest of the country.

Shippside observes: *"Seven years ago price rises started rippling out from the capital into the commuter belt in the South East. That ripple effect has now been reversed, with some of the London market price re-adjustment reverberating out into the commuter belt. New sellers of property now coming to market in this region have belatedly lowered their price sights. Higher end former hot-spot towns are now among the biggest annual fallers with Rickmansworth (-7.1%), Esher (-6.4%) and Gerrards Cross (-6.0%) now cold spots following price rises of nearly 40% over the seven preceding years."*

These factors have contributed to the first national year-on-year price fall since November 2011, with the price of newly-marketed property now 0.2% (-£607) cheaper than 12 months ago. With the supply of new-build houses remaining tight, a low interest rate environment combined with near record employment, and average wage increases now rising faster than both CPI inflation and average property prices, the underlying fundamentals for a stable property market remain sound. Indeed the number of sales agreed by estate agents was up in October 2018 compared to October 2017, albeit by a modest 1%.

Shippside notes: *"While many thought that the down-to-the-wire Brexit deal uncertainty would hold people back from buying, more buyers have actually jumped in. Some buyers see this pre-Christmas price lull as a gift to their negotiations. It proves that people need to get on with their lives and will continue to buy homes if the underlying economic fundamentals remain strong."*

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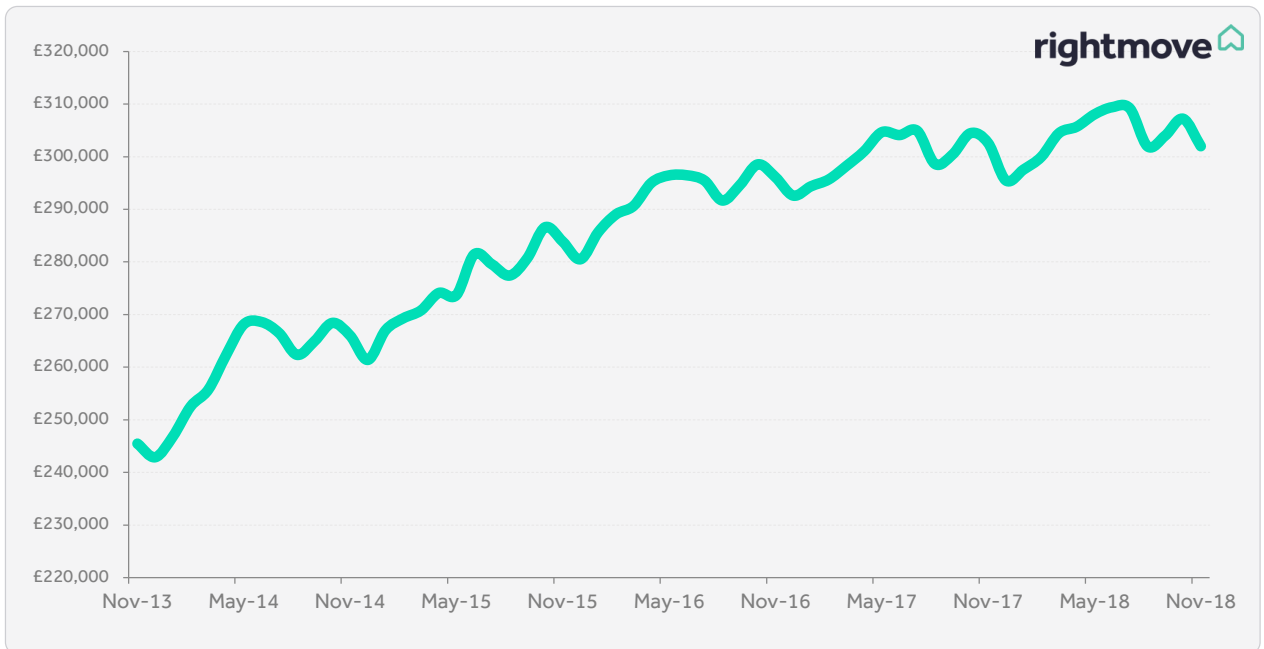


Agent's view

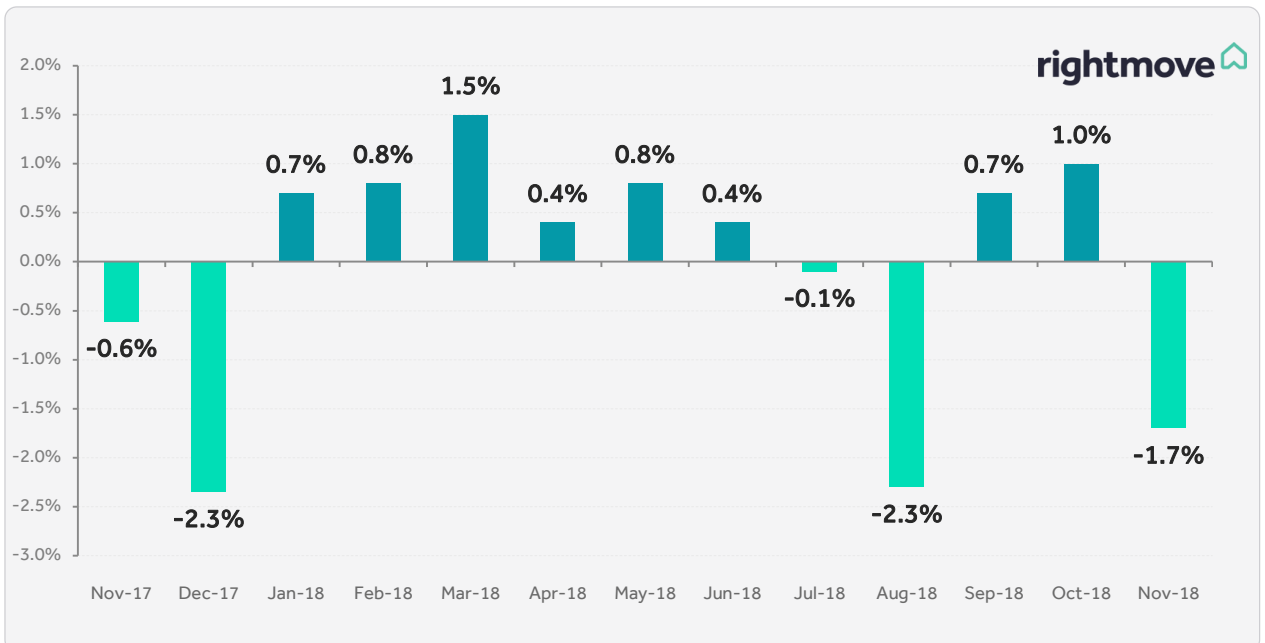
Richard Freshwater, Director of Cheffins Estate Agents in Cambridge, said: *“There has been an increase in the number of price reductions this year, but this is partly due to the UK being in the final throes of Brexit negotiations and the uncertainty which this has brought to the market. This has been compacted in the later months of the year in the run up to Christmas as part of the usual annual slow down during the winter months. Motivated sellers need to ensure that their properties have been priced realistically from the outset as increases in stock continue to allow buyers to drive market fluctuations. Those which have been realistically priced and correctly marketed from the off are still seeing large viewing numbers, offers and in some situations, sealed bids. The key with price reductions is to drop the price by enough to bring in a new set of buyers within a new bracket. The mistake often made by sellers is to reduce the price on consecutive occasions which can have a damaging effect and put buyers off. It is much more sensible to significantly reduce to a rounded figure and then bring in higher levels of interest, hopefully to generate competition between buyers.”*

Asking price trends

Five year asking price trend

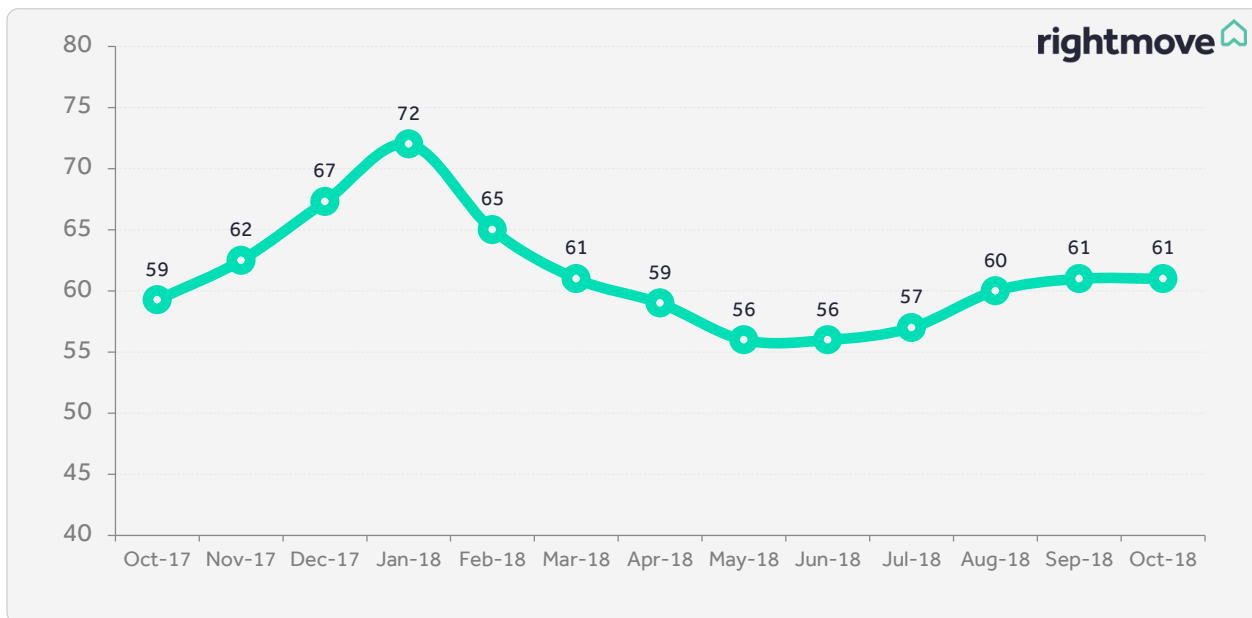


% monthly change in average asking prices

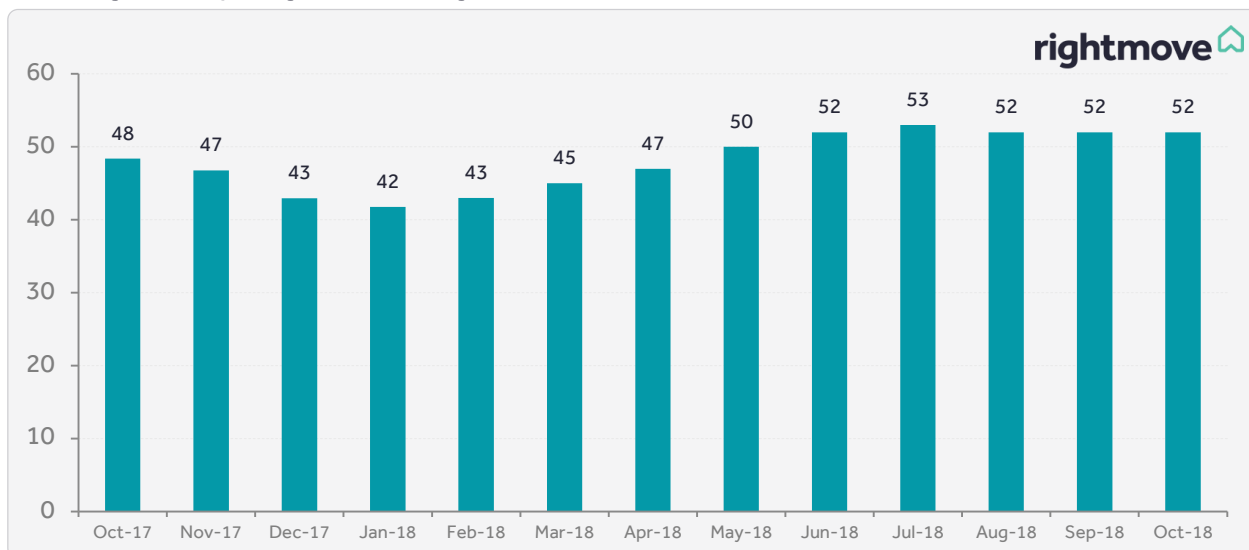


Average time to sell and stock

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



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



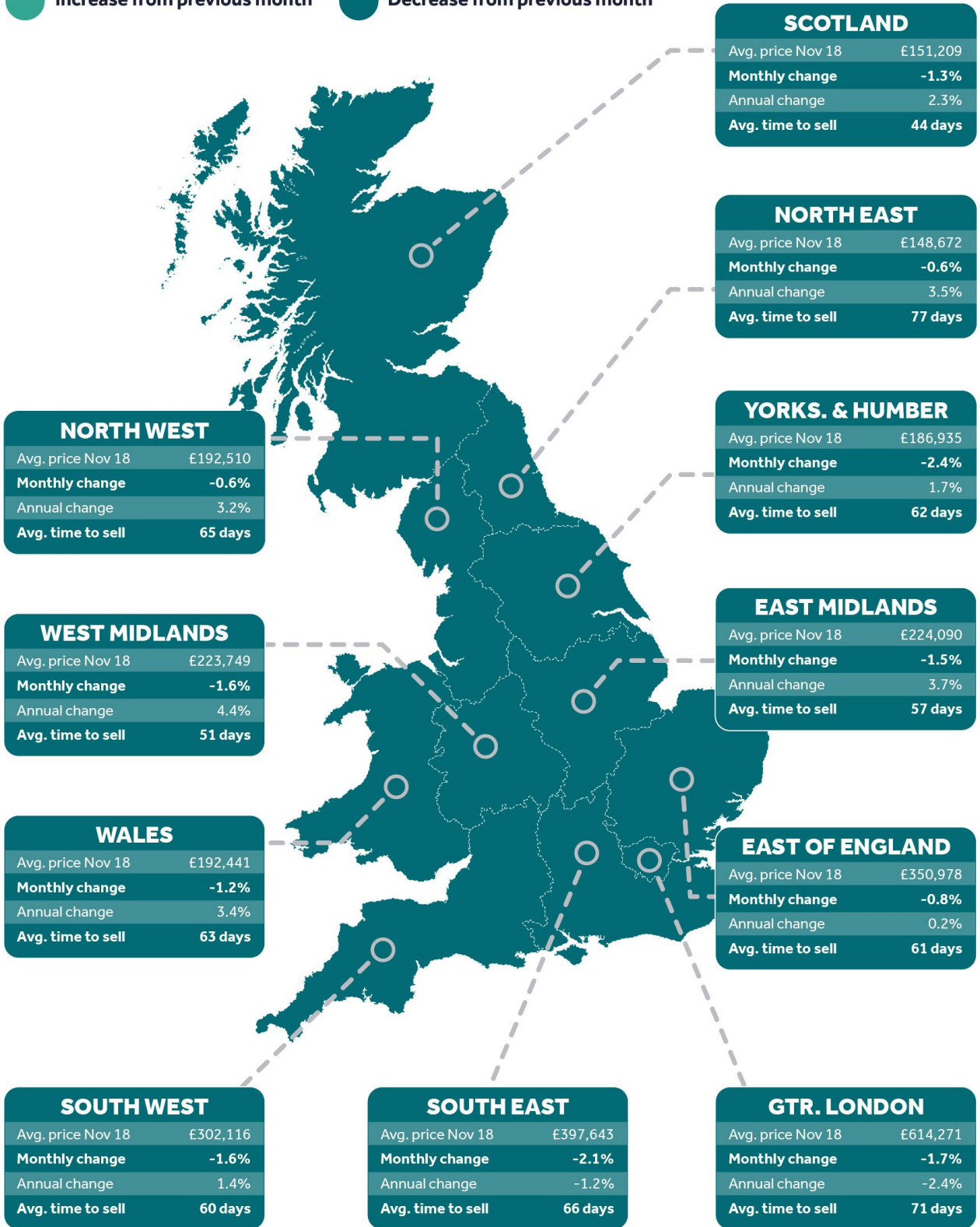
Regional trends



Increase from previous month



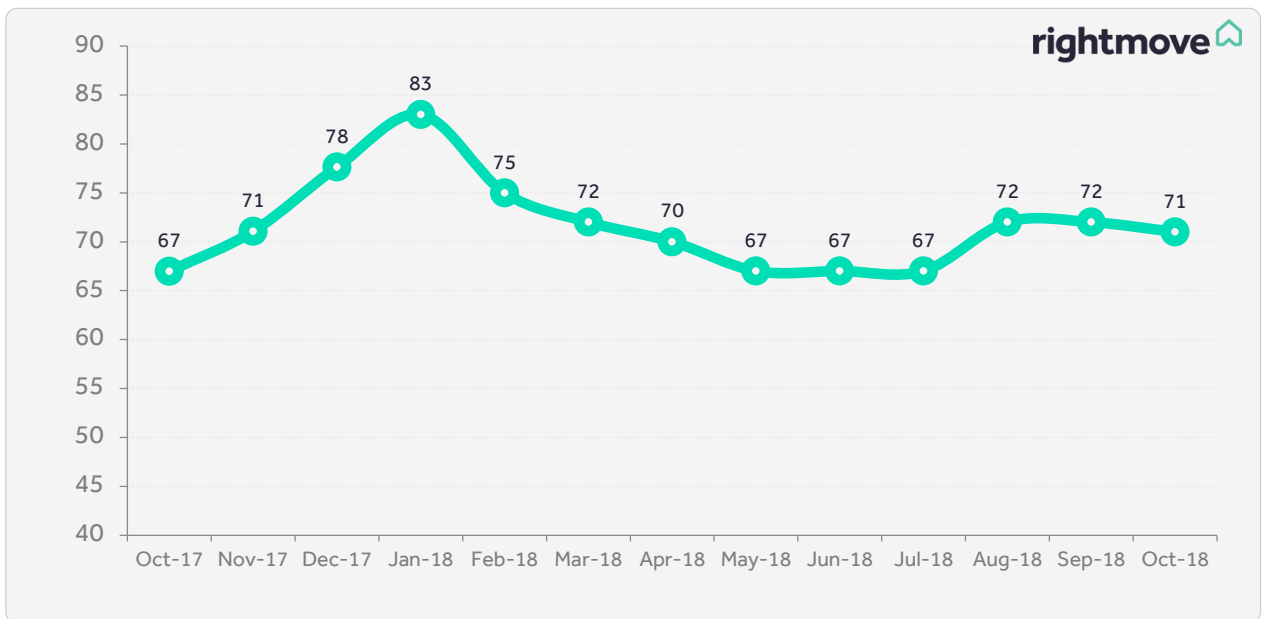
Decrease from previous month



London trends

Transport for London zones	Avg. price Nov 2018	Avg. price Oct 2018	Monthly change	Avg. price Nov 2017	Annual change
Zone 1	£1,302,512	£1,348,421	-3.4%	£1,399,684	-6.9%
Zone 2	£734,629	£748,012	-1.8%	£758,647	-3.2%
Zone 3	£581,978	£594,675	-2.1%	£592,026	-1.7%
Zone 4	£483,930	£484,840	-0.2%	£486,171	-0.5%
Zone 5	£469,775	£475,754	-1.3%	£475,813	-1.3%
Zone 6	£493,822	£498,865	-1.0%	£479,159	3.1%

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 Nov 2018	Monthly change	Annual change
Hammersmith and Fulham	£971,975	3.2%	2.8%
Bexley	£408,913	-0.3%	2.8%
Bromley	£536,921	0.2%	2.1%
Southwark	£658,767	1.4%	1.8%
Hillingdon	£493,666	1.1%	1.5%
Barking and Dagenham	£314,816	-0.3%	1.5%
Havering	£406,169	0.2%	1.3%
Greenwich	£437,947	-0.1%	1.0%
Ealing	£557,026	0.5%	0.8%
Kingston upon Thames	£612,899	-0.4%	0.4%
Enfield	£458,460	-0.1%	0.3%
Haringey	£603,691	0.0%	0.2%
Redbridge	£460,909	0.3%	0.1%
Sutton	£463,721	0.1%	0.1%
Westminster	£1,445,625	-1.2%	0.0%
Richmond upon Thames	£841,418	-1.6%	0.0%
Waltham Forest	£479,089	-0.9%	-0.1%
Newham	£415,626	0.4%	-0.2%
Barnet	£638,449	0.5%	-0.2%
Brent	£581,778	1.1%	-0.4%
Camden	£985,430	0.4%	-0.6%
Islington	£751,991	-0.3%	-1.4%
Harrow	£555,569	0.0%	-1.6%
Kensington and Chelsea	£1,622,610	1.5%	-2.2%
Croydon	£432,595	-0.5%	-2.2%
Lewisham	£459,062	0.5%	-2.5%
Hounslow	£531,607	-0.2%	-2.6%
Wandsworth	£785,602	-1.0%	-2.9%
Merton	£624,062	-1.5%	-3.8%
Tower Hamlets	£577,341	0.9%	-3.9%
Hackney	£625,135	-0.9%	-4.9%
Lambeth	£624,633	-1.8%	-6.8%

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).