

Rightmove House Price Index

The largest monthly sample of
residential property prices

November 2018
London edition



New seller numbers dwindle as Christmas price slowdown comes early

- The price of property coming to market in Greater London falls by 1.7% (-£10,793) this month, and whilst it is the norm for new sellers to ask lower prices at this time of year, this is the largest November drop since 2012
- Outer London sees modest seasonal fall of 0.8%, whilst Inner London drops 2.5% as seasonal volatility starts to kick in with reluctance to market among owners of more expensive properties
- New seller numbers 9% fewer overall than same period a year ago - and 26% down in Zone 1 - perhaps postponing marketing until more Brexit certainty or prices recover
- Annual fall of 2.4% (-£15,280) reflects a minor drop in Outer London (-0.1%), while larger falls in Inner London (-4.3%) are exacerbated by Hackney (-4.9%) and Lambeth (-6.8%) re-adjusting after 80% trough to peak price rises

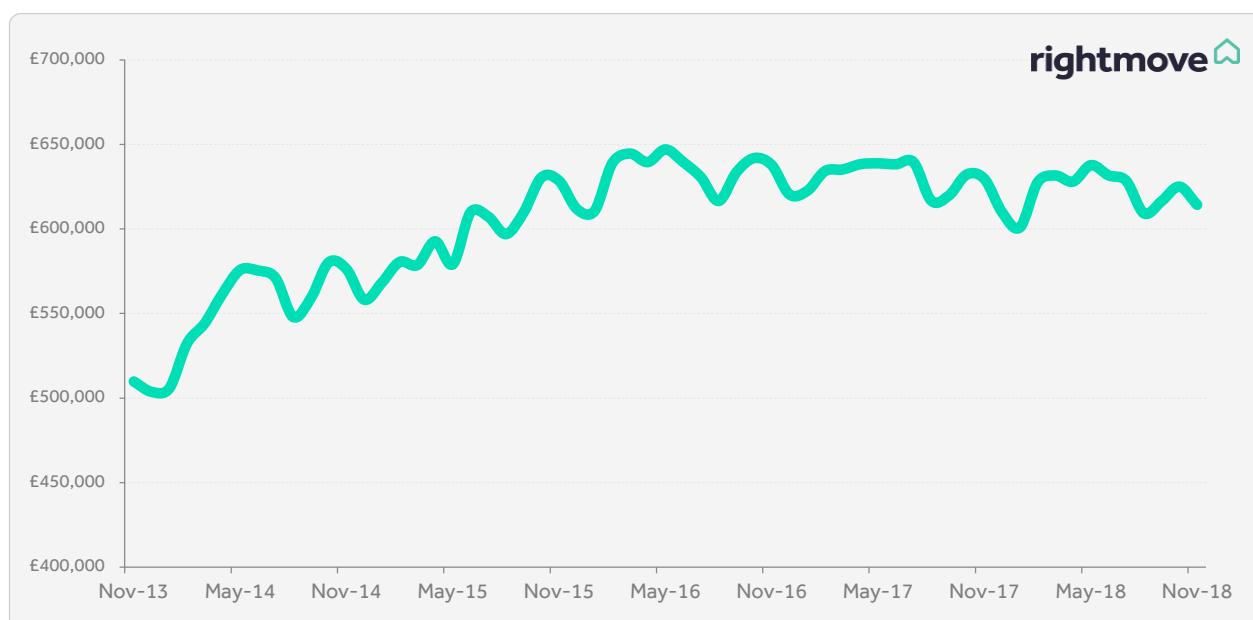
London average asking prices

| Area | November 2018 | October 2018 | Monthly change | Annual change |
|----------------|---------------|--------------|----------------|---------------|
| Greater London | £614,271 | £625,064 | -1.7% | -2.4% |
| Inner London | £754,726 | £773,949 | -2.5% | -4.3% |
| Outer London | £514,587 | £518,791 | -0.8% | -0.1% |

Average asking prices by market sector

| Sector | November 2018 | October 2018 | Monthly change | Annual change |
|-------------------|---------------|--------------|----------------|---------------|
| First-time buyers | £475,403 | £485,427 | -2.1% | -3.4% |
| Second-steppers | £682,130 | £692,015 | -1.4% | -2.6% |
| Top of the ladder | £1,373,940 | £1,420,300 | -3.3% | -2.6% |

Five year London 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 in Greater London falls by an average of 1.7% (-£10,793) this month. It is usual for new sellers to ask lower prices at this time of year as buyers are increasingly distracted by the run-up to Christmas. However, this is the largest drop in the month of November since 2012.

Miles Shippside, Rightmove director and housing market analyst observes: *“New sellers who come to market at this time of year do not normally lower their price sights as soon or by as much as this. The pre-Christmas price slowdown seems to have come early this year, which gives buyers extra negotiating power to pick up a cheaper deal. With 9% fewer new sellers coming to market compared to the same period a year ago, it appears that those who are less willing to price down are staying off the market, perhaps until there is more Brexit certainty or prices recover. Meanwhile those who are taking the plunge are recognising that they need to price lower to sell.”*

Outer London sees a modest seasonal monthly fall of 0.8%, whilst Inner London's drop of 2.5% is exacerbated by fewer high-end properties coming to market. Indeed there are 26% fewer new sellers in Transport for London's Zone 1 compared to the same period last year.

Shippside adds: *“With properties coming to market at an average asking price of £1.3 million in Zone 1, it is likely that property owners there have more financial scope than those in cheaper boroughs to postpone marketing until they judge it a better time to sell.”*

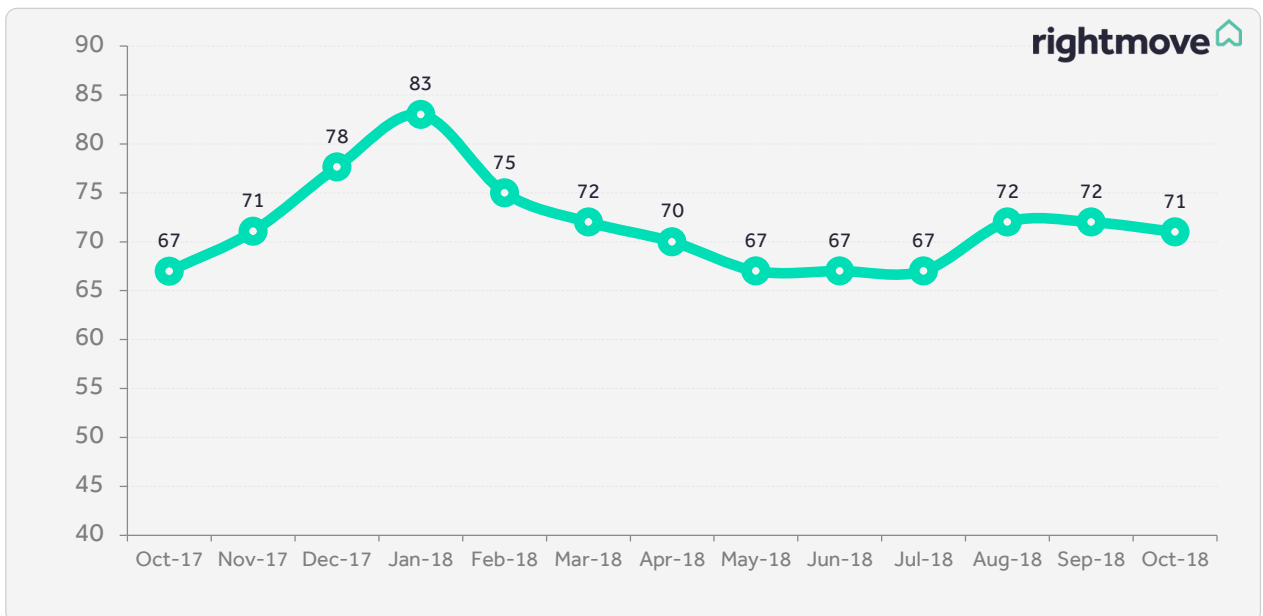
The annual fall of 2.4% (-£15,280) reflects a minor drop in Outer London (-0.1%). There is a much larger drop in Inner London (-4.3%) which is exacerbated by Hackney (-4.9%) and Lambeth (-6.8%) having the largest year-on-year falls of London's 32 boroughs.

Shippside observes: *“London's highest rising boroughs during the boom that started in 2011 included Hackney and Lambeth, which are outside the prime areas of central and western London but are still relatively expensive. Both saw trough to peak increases of circa 80% in new seller asking prices so it is no surprise that they are susceptible to larger re-adjustments after such stratospheric boom-time rises.”*

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).