

Rightmove House Price Index

The largest monthly sample of
residential property prices

January 2019
London edition

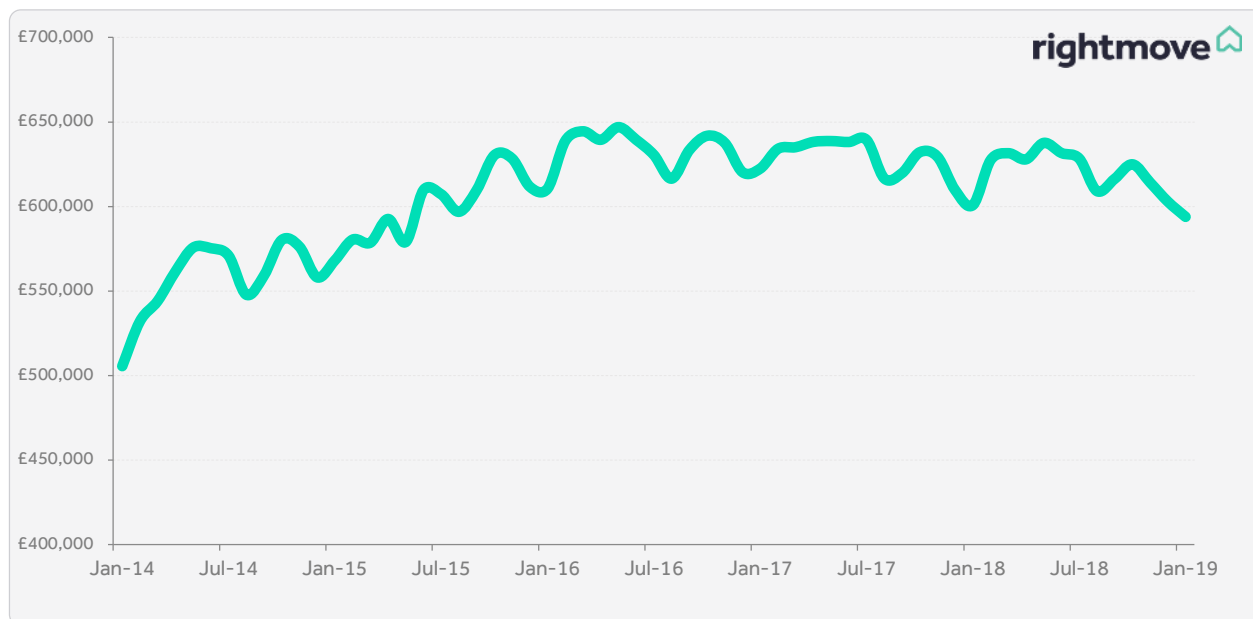


London house prices drop below £600,000 for first time since 2015

- The price of property coming to market in London falls by 1.5% (-£9,024) this month
- Larger-than-usual seasonal fall reduces average new seller asking prices to below £600,000 for the first time since August 2015, and well below their peak of nearly £650,000 in May 2016
- Slow start to 2019 for number of new listings as price and political backdrop combine to deter owners from coming to market, with the first two weeks down 10.0% on same period in 2018*

London average asking prices				
Area	January 2019	December 2018	Monthly change	Annual change
Greater London	£593,972	£602,996	-1.5%	-1.2%
Inner London	£723,230	£757,029	-4.5%	-2.0%
Outer London	£499,666	£492,502	+1.5%	-0.2%
Average asking prices by market sector				
Sector	January 2019	December 2018	Monthly change	Annual change
First-time buyers	£471,467	£475,273	-0.8%	-2.4%
Second-steppers	£671,112	£687,718	-2.4%	-1.0%
Top of the ladder	£1,324,108	£1,309,133	+1.1%	+1.6%

Five year London asking price trend



Rightmove measured 70,068 asking prices nationally this month, circa 90% of the UK market. The properties were put on sale by estate agents from 9th December 2018 to 12th January 2019 and advertised on Rightmove.co.uk.

Overview

The average asking price of property coming to market in London falls by 1.5% (-£9,024) this month. Price drops are not unusual at this time of year, which includes much of the quieter December period as well as the beginning of January. However the fall is marginally worse than the 1.4% drop recorded at the same time of year twelve months ago, and is the largest January fall since 2012. As a consequence, average new seller asking prices are now below £600,000 for the first time since August 2015.

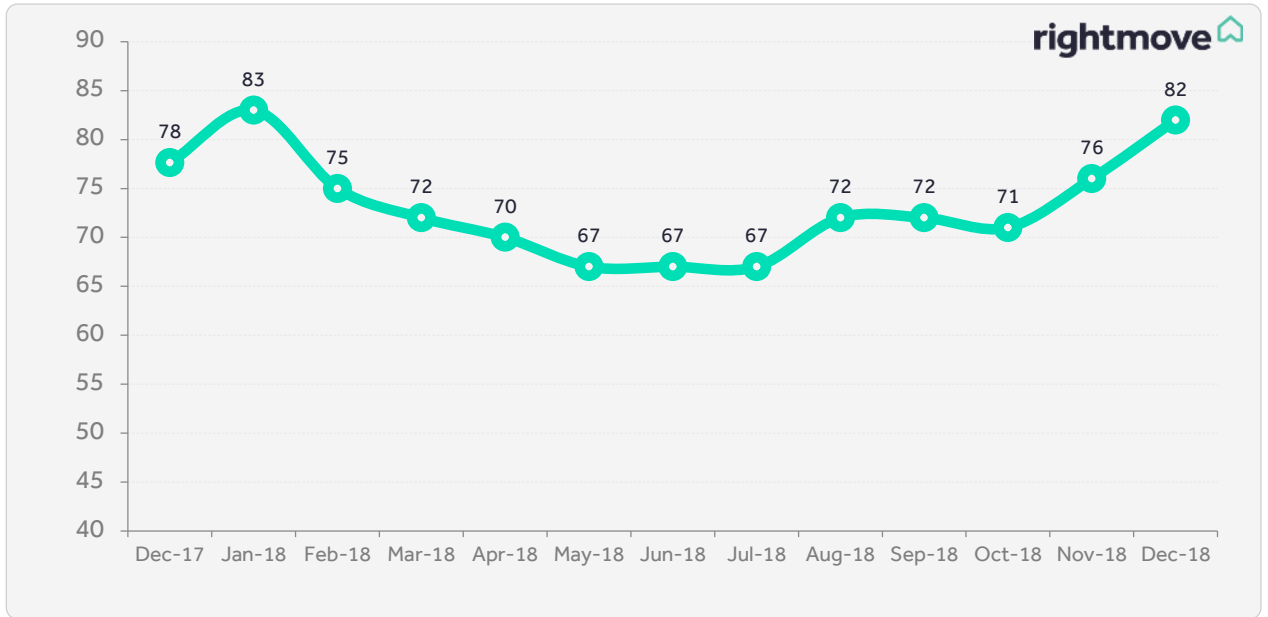
Miles Shippside, Rightmove director and housing market analyst comments: *"The time of year and continuing price re-adjustment of parts of the London market have lead to the largest fall at this time of year for seven years. This is good news for prospective buyers as we go into a traditionally busier time of year, as those looking at what fresh stock is available are seeing average asking prices at their cheapest level for over three years. The last time that they hovered below £600,000 was around the time of the 2015 election. The annual rate of increase then jumped up as high as 11% to reach a record of nearly £650,000."*

From the price peak in May 2016 there was a slowdown and then a reversal in the pace of price rises, leading to the current situation of annual price falls currently at 1.2%. Combined with the costs of moving and the uncertain political backdrop, this appears to be deterring some owners from coming to market. There has been a slow start to 2019 for the number of new listings, which are down 10.0% in the first two weeks compared with the same period in 2018.

Shippside notes: *"London, which is perhaps feeling more closely affected by the uncertainty associated with Brexit, currently has some of the most reluctant owners when it comes to putting their properties up for sale. While the first two weeks of the new year have seen broadly the same number of new-to-the-market sellers nationally (-2.1%) compared with the same period a year ago, London has seen a fall of 10.0%. So frustratingly for those looking to buy, whilst asking prices are 1.2% cheaper than they were a year ago, new-to-the-market choice is substantially down."*

London trends

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 Jan 2019	Monthly change	Annual change
Camden	£1,074,370	5.8%	10.0%
Westminster	£1,447,551	0.1%	2.8%
Enfield	£445,968	-1.6%	0.2%
Bromley	£524,798	-1.5%	0.1%
Waltham Forest	£472,696	-0.5%	0.1%
Havering	£406,807	0.5%	-0.3%
Bexley	£401,263	-0.5%	-0.5%
Hillingdon	£482,716	-1.1%	-0.5%
Islington	£735,620	0.1%	-0.8%
Richmond upon Thames	£800,066	-3.0%	-1.8%
Haringey	£586,466	0.2%	-2.1%
Harrow	£538,076	-1.3%	-2.1%
Redbridge	£443,676	-1.1%	-2.1%
Kensington and Chelsea	£1,529,412	-2.5%	-2.2%
Lewisham	£456,247	0.0%	-2.3%
Newham	£406,605	-0.5%	-3.1%
Tower Hamlets	£576,975	0.0%	-3.1%
Barking and Dagenham	£305,757	-1.3%	-3.3%
Merton	£601,155	-2.4%	-3.4%
Brent	£554,131	-1.4%	-3.6%
Ealing	£527,717	-3.1%	-3.9%
Greenwich	£422,792	-2.1%	-4.2%
Wandsworth	£760,549	-0.1%	-4.6%
Croydon	£420,933	-0.3%	-4.7%
Hammersmith and Fulham	£885,433	-2.7%	-4.7%
Sutton	£435,999	-3.0%	-5.5%
Hackney	£611,801	-1.3%	-6.4%
Barnet	£590,817	-2.4%	-7.3%
Lambeth	£596,777	-2.4%	-7.4%
Kingston upon Thames	£576,396	-3.4%	-7.5%
Southwark	£592,825	-5.2%	-8.0%
Hounslow	£499,560	-2.3%	-8.7%

Editor's notes

About the Index:

*First two weeks of the year comprises Wed 2nd January - Mon 14th January 2019 versus Wed 3rd January - Mon 15th January 2018 to provide comparable periods.

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 70,068 asking prices nationally this month, circa 90% of the UK market. The properties were put on sale by estate agents from 9th December 2018 to 12th January 2019 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).