

Rightmove House Price Index

The largest monthly sample of
residential property prices

July 2019
London edition



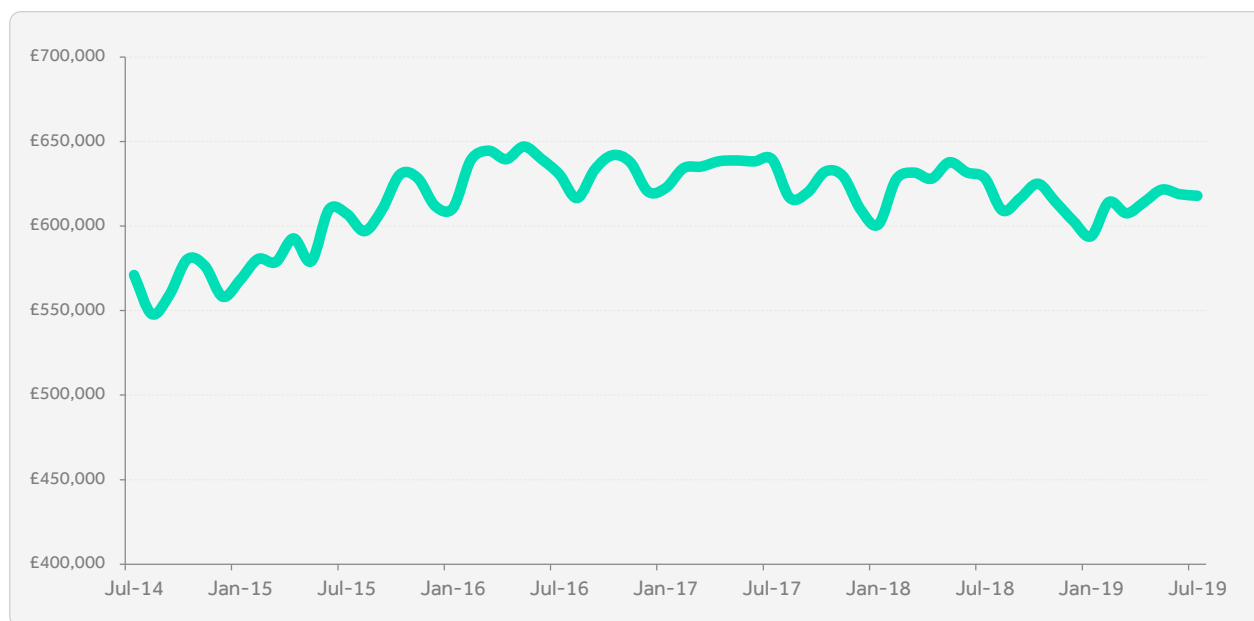
Scarcity of new sellers shows signs of helping London market to stabilise

- The price of property coming to market falls by a modest 0.2% (-£939) in London this month, compared to the average 0.6% July fall over the last five years
- Number of new sellers down 18% on the same period a year ago preventing over-supply and underpinning prices
- Signs of market bottoming out with time to sell the same as a year ago at 67 days

London average asking prices				
Area	July 2019	June 2019	Monthly change	Annual change
Greater London	£617,941	£618,880	-0.2%	-1.7%
Inner London	£762,449	£762,822	0.0%	-1.6%
Outer London	£514,808	£516,243	-0.3%	-1.7%
Average asking prices by market sector				
Sector	July 2019	June 2019	Monthly change	Annual change
First-time buyers	£477,178	£477,861	-0.1%	-1.9%
Second-steppers	£701,235	£688,256	1.9%	-1.0%
Top of the ladder	£1,364,225	£1,425,987	-4.3%	0.1%

Five year London asking price trend

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Rightmove measured 110,663 asking prices this month, circa 90% of the UK market. The properties were put on sale by estate agents from 9th June 2019 to 6th July 2019 and advertised on Rightmove.co.uk.

Overview

The price of property coming to market in Greater London falls by a modest 0.2% (-£939) this month. This compares favourably to the average 0.6% monthly fall for July over the previous five years. A significant drop in the number of properties coming to market is helping to balance supply with the reduced demand, and underpin prices.

Miles Shippside, Rightmove director and housing market analyst comments: *"New seller asking prices have fallen by just 0.2% this month, but a fall at this time of year is the norm and it is comparatively healthy when compared with the five-year average. There is no glut of forced sellers, which is preventing the over-supply that could have led to a downward price spiral in this period of reduced buyer activity."*

The number of new sellers this month is down 18% on the same period a year ago. TfL Zones 1 to 3 see the biggest scarcity of new-to-the-market listings, with drops in excess of that average in each of these zones. With the limited fresh choice for buyers and the substantial price drops that we have seen since the peaks of a few years ago, there are tentative signs of the market bottoming out. The average time taken to sell a property is the same as it was a year ago at 67 days, a further sign of stability returning to the market with no further deterioration in key metrics.

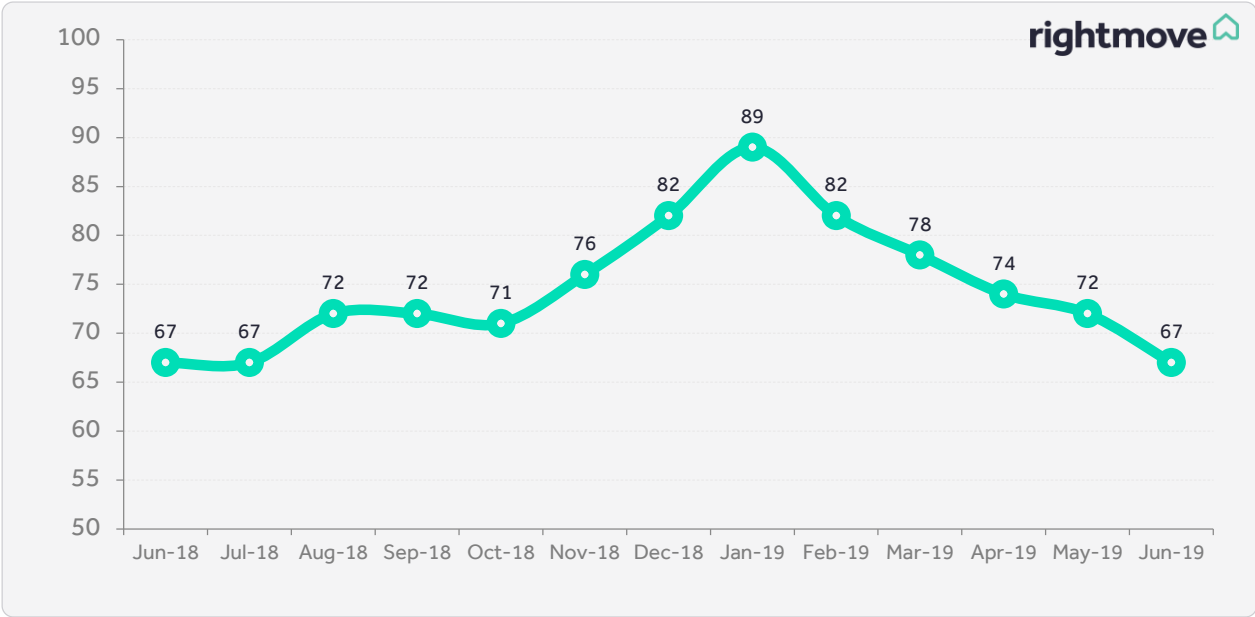
Shippside adds: *"The lack of sellers coming to market is more pronounced the closer to the centre of London you get. TfL Zones 1 to 3 all have over 20% fewer new sellers this month compared to the same period 12 months ago, (with prime central Zone 1, 29% down on July 2018) having the most stay-away sellers. Owners in this area are typically able to pick and choose when to come to market, as they tend not to have a pressing need to liquidate their assets. They have perhaps decided to spend an extended summer break at one of their other properties around the world and wait for this stabilisation of the London market to turn into a recovery."*

Agent's view

Lucian Cook, head of residential research at Savills, comments: *"Since the Brexit vote, the market has become driven by sentiment far more than the traditional economic drivers of affordability. That said, 2016 also coincided with the markets of London and the higher value parts of the South East hitting up against the limits of more regulation. As a consequence the slowdown has, to date, been most evident in that part of the country. There are early indications that this ripple of caution, that is constraining price growth, is spreading more widely into some of the markets further north. Protracted political hiatus has added to the sense of caution over the prospects for household finances, even though mortgage debt remains cheap. These market conditions have sorted the needs-based movers from the discretionary ones who are often in larger properties. They also mean that selling in the current market requires a healthy dose of pragmatism, which is reflected in a decline in asking prices. Where that has been taken on board, stock has continued to trade. That presents opportunities for those looking to trade up the ladder, though they need to be as realistic about the value of their own property as about the one that they want to purchase."*

London trends

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



Transport for London zones	Avg. price July 2019	Avg. price June 2019	Monthly change	Avg. price July 2018	Annual change
Zone 1	£1,330,401	£1,326,274	0.3%	£1,328,388	0.2%
Zone 2	£737,599	£732,146	0.7%	£752,675	-2.0%
Zone 3	£581,092	£603,276	-3.7%	£603,778	-3.8%
Zone 4	£482,375	£475,021	1.5%	£489,312	-1.4%
Zone 5	£473,990	£475,120	-0.2%	£480,733	-1.4%
Zone 6	£496,975	£485,859	2.3%	£491,373	1.1%

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 July 2019	Monthly change	Annual change
Kingston upon Thames	£632,790	2.8%	3.7%
Bromley	£537,546	1.1%	1.4%
Waltham Forest	£489,277	0.7%	0.8%
Southwark	£644,187	1.6%	0.7%
Bexley	£408,840	-0.4%	0.6%
Barking and Dagenham	£317,180	-0.1%	0.5%
Brent	£588,096	0.1%	0.1%
Hammersmith and Fulham	£915,258	-1.4%	-0.1%
Hounslow	£540,549	-0.4%	-0.1%
Newham	£416,542	0.3%	-0.1%
Enfield	£459,287	0.1%	-0.8%
Harrow	£559,262	0.1%	-0.9%
Havering	£405,308	0.1%	-1.1%
Hillingdon	£488,703	-0.4%	-1.2%
Hackney	£641,954	2.1%	-1.3%
Lewisham	£473,391	0.7%	-1.3%
Islington	£743,810	-1.9%	-1.4%
Greenwich	£445,214	0.5%	-1.5%
Camden	£993,953	0.4%	-1.6%
Wandsworth	£801,173	0.1%	-1.9%
Ealing	£548,400	-0.2%	-2.0%
Croydon	£435,272	-0.4%	-2.1%
Sutton	£470,735	-0.4%	-2.2%
Haringey	£608,227	-0.5%	-2.8%
Barnet	£638,178	0.4%	-2.9%
Richmond upon Thames	£835,862	0.2%	-3.1%
Redbridge	£454,088	-0.3%	-3.7%
Kensington and Chelsea	£1,641,242	2.0%	-4.0%
Westminster	£1,431,053	-0.1%	-4.8%
Lambeth	£632,300	-0.3%	-4.9%
Merton	£612,670	-1.9%	-6.7%
Tower Hamlets	£559,327	-1.2%	-7.4%

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).