

Rightmove House Price Index

The largest monthly sample of
residential property prices

February 2020
London edition



Buyers are back, with sales agreed up by over 25%

- London's recovery continues with new-year momentum pushing up prices and sales numbers, and finally encouraging more sellers to come to market
 - Buyer hesitation ends as political stability sets off a sales spree, with the number of sales agreed up by 26.4% on the same month a year ago
 - The average price of property coming to market rises by 2.7% (+£16,588) this month
 - Annual rate of change now stands at 2.4%, as the tide turns and prices stop falling
 - Better market encourages new sellers, with the 1.6% increase in the number of newly-marketed properties being the first rise compared to the prior year for 16 months

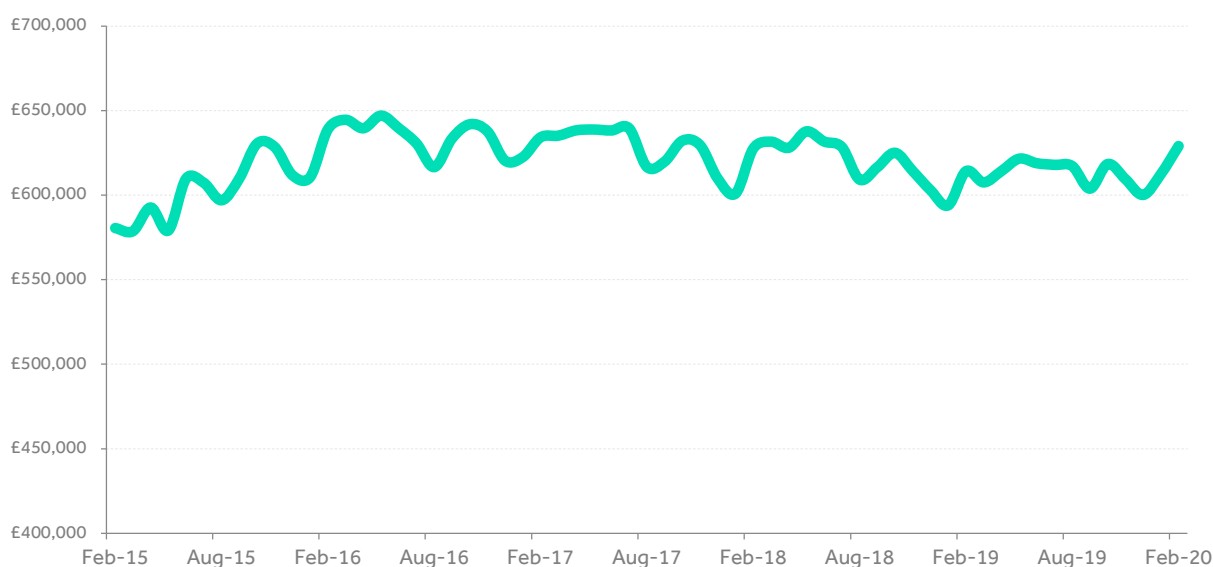
Area	February 2020	January 2020	Monthly change	Annual change
Greater London	£629,053	£612,465	2.7%	2.4%
Inner London	£782,964	£756,662	3.5%	3.1%
Outer London	£518,638	£508,052	2.1%	1.6%

National average asking prices by market sector

Sector	February 2020	January 2020	Monthly change	Annual change
First-time buyers	£486,383	£481,542	1.0%	2.0%
Second-steppers	£709,047	£691,387	2.6%	2.5%
Top of the ladder	£1,417,288	£1,418,181	-0.1%	4.0%

Five year London asking price trend

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Rightmove measured 108,107 asking prices nationally this month, circa 95% of the UK market. The properties were put on sale by estate agents from 12th January 2020 to 8th February 2020 and advertised on Rightmove.co.uk.

Overview

London's recovery continues, with new-year momentum pushing up prices and sales numbers, and finally encouraging more sellers to come to market. The price of newly-marketed property rises by an average of 2.7% (+£16,588) this month, and is up by 2.4% year-on-year. The still modest annual upwards price pressure is being driven by a post-election release of pent-up housing demand alongside London's cyclical recovery. There is a long-awaited and welcome increase in the number of new sellers coming to market, though this is being out-stripped by a surge in demand from buyers.

Miles Shippside, Rightmove director and housing market analyst comments: *"There is a boom in buyer activity, with the additional boost of the typically busy spring market still to come. Buyers who have been hesitating until the greater political certainty following the election outcome will now be paying a higher price for that certainty, though compared to the height of the London boom nearly four years ago there are still some relative bargains to be had. The momentum also shows signs of building further. After three and a half years of Brexit uncertainty, dither, and delay, many now seem to feel that 2020 will be their year to move."*

The number of sales agreed is up by 26.4% compared to the same month a year ago, which was admittedly a period when buyer activity was at a low ebb. Though new seller numbers are finally starting to rise, they are still failing to keep pace with the jump in sales, with the number of newly-marketed properties up only slightly by 1.6% this month compared to the same period last year. However, this is the first time that we have seen a year-on-year rise since October 2018.

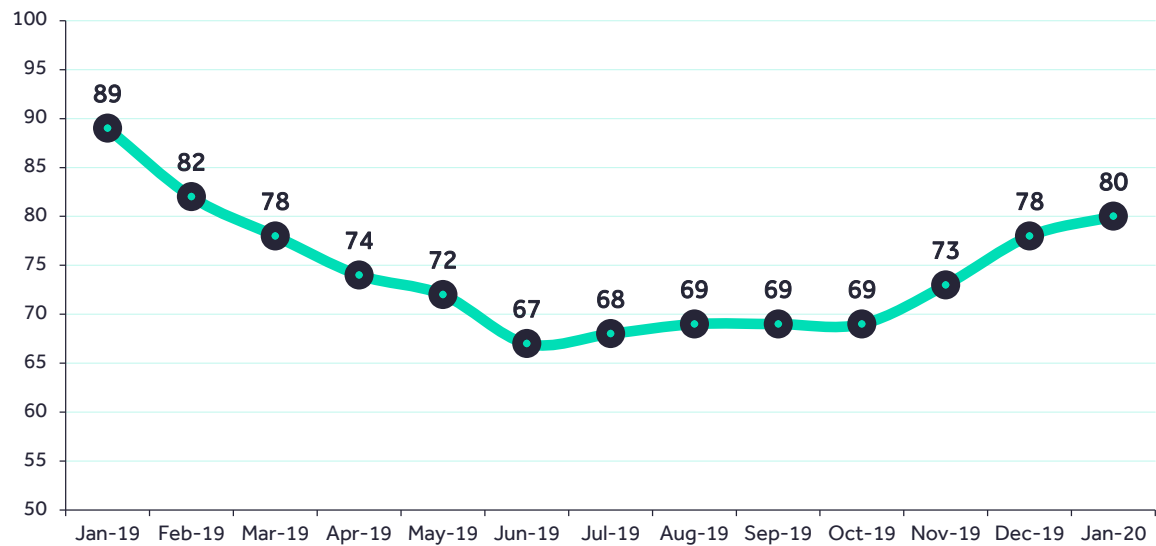
Shippside adds: *"It's the first time for well over a year that we have seen signs of a return of seller confidence, albeit lagging behind the surge in numbers from early-bird buyers. Owners coming to market this spring face the best selling prospects for several years, with good demand for the right properties at the right prices. However, sellers should be careful not to get carried away with their pricing, as this is still a price-sensitive market with stretched buyer affordability. Those who over-price risk missing out on the window of increased activity that could run at least until we approach the next Brexit deadline at the end of the year. Now could be an excellent time to get on the market and sell, seizing the opportunity of achieving a quick sale at a decent price."*

Agent's view

Edward Heaton, founder and managing partner of Heaton & Partners, said: *"It's great to see vitality in the market once again after a year dogged by election worries and low growth. The hype of a 'Boris Bounce' – which was building for some time – immediately reinvigorated many of our clients purchasing plans. In an uncertain world, certainty suddenly seemed to have been restored. I would expect any house price rises we've seen in January to flatten by the latter part of the year, as attention will inevitably turn to 'Deal or No Deal'. Trade negotiations will unavoidably affect market confidence – both in attracting foreign investors and housebuilders who rely on European materials."*

London trends

Average 'time to secure a buyer' (no. of days) - London



Transport for London zones	Avg. price February 2020	Avg. price January 2020	Monthly change	Avg. price February 2019	Annual change
Zone 1	£1,384,050	£1,351,614	2.4%	£1,387,684	-0.3%
Zone 2	£757,013	£723,349	4.7%	£718,628	5.3%
Zone 3	£592,277	£587,996	0.7%	£582,830	1.6%
Zone 4	£491,803	£468,338	5.0%	£479,129	2.6%
Zone 5	£472,752	£467,945	1.0%	£465,484	1.6%
Zone 6	£491,421	£481,402	2.1%	£490,381	0.2%



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 February 2020	Monthly change	Annual change
Lambeth	£647,908	3.1%	7.7%
Sutton	£471,204	2.4%	7.1%
Kingston upon Thames	£625,836	5.1%	4.6%
Merton	£621,493	3.5%	4.6%
Waltham Forest	£491,444	2.2%	3.4%
Brent	£578,060	3.7%	3.2%
Greenwich	£444,307	3.0%	3.1%
Hounslow	£533,288	0.3%	3.0%
Kensington and Chelsea	£1,566,579	4.3%	3.0%
Hammersmith and Fulham	£918,839	1.0%	3.0%
Tower Hamlets	£581,988	-2.8%	3.0%
Ealing	£547,151	1.3%	2.4%
Barking and Dagenham	£314,155	0.7%	2.2%
Barnet	£626,113	0.5%	2.2%
Lewisham	£466,351	1.8%	2.1%
Newham	£415,350	0.3%	1.9%
Harrow	£550,928	0.4%	1.9%
Richmond upon Thames	£821,117	4.2%	1.9%
Hackney	£625,264	0.4%	1.6%
Bromley	£530,487	-0.6%	1.2%
Haringey	£602,076	4.4%	1.1%
Camden	£1,023,489	5.7%	0.9%
Bexley	£404,239	0.4%	0.4%
Islington	£748,575	-0.8%	0.3%
Southwark	£622,249	-1.6%	0.2%
Enfield	£450,392	1.6%	0.1%
Croydon	£422,947	-0.1%	0.0%
Redbridge	£449,740	0.3%	-0.2%
Westminster	£1,465,108	1.2%	-1.1%
Hillingdon	£471,760	-1.6%	-1.7%
Wandsworth	£786,625	3.8%	-1.9%
Havering	£401,493	-1.1%	-3.1%

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 95% 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 95% 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 nearly 141 million visits from home movers each month with time on site averaging 1.1 billion minutes per month (Rightmove data, July 2019).