

# House Price Index

The largest monthly sample of residential property prices and housing market activity

**-1.3%**

First monthly price fall of the year, but on a par with average August drop over the past ten years

**+8.2%**

Annual price growth

**+20%**

Increase in buyer demand vs 2019

## Prices fall though likely more due to holidays than rate rises

- Price of property coming to the market sees first fall this year, down 1.3% in the month to £365,173 (-£4,795):
  - Prices usually drop in August, and this 1.3% drop is on a par with the average August drop over the past ten years
  - Summer holidays are taking priority and some new sellers are pricing more competitively to secure a buyer quickly, to beat the lengthy average time to completion and move home before Christmas
- Demand continues to soften and supply constraints are improving, but there is still a massive imbalance:
  - Buyer enquiries to agents are down 4% on the hot market of 2021, but remain 20% higher than 2019
  - New listings are up by 12% on the same period last year, but are still 6% down on 2019, while available stock is down 39% on 2019
- Latest interest rate rise of 0.5% is putting further pressure on buyer affordability:
  - Average monthly mortgage payments for new first-time buyers putting down a 10% deposit exceed £1,000 for the first time
- August marks 20 years of Rightmove's House Price Index, with national average asking prices more than doubling in those 20 years (+134%), from £155,994 to £365,173, outstripping both salaries and general inflation

### National average asking price

Month	Avg. asking price	Monthly change	Annual change	Index
August 2022	£365,173	-1.3%	+8.2%	282.3
July 2022	£369,968	+0.4%	+9.3%	286.0

### National average asking price by market sector (excluding inner London)

Sector	August 2022	July 2022	Monthly change	Annual change
First time buyers	£224,091	£224,943	-0.4%	+7.4%
Second-steppers	£338,757	£338,770	0.0%	+9.4%
Top of the ladder	£665,304	£682,811	-2.6%	+7.9%

Rightmove measured 98,669 asking prices this month nationally, circa 95% of the UK market. The properties were put on sale by estate agents from 10<sup>th</sup> July to 6<sup>th</sup> August 2022 and advertised on Rightmove.co.uk.

# Overview

The average price of property coming to market drops by 1.3% this month (-£4,795) to £365,173. This is the first price fall of the year, though traditionally prices do fall in August, and this drop is on a par with the average of 1.3% over the last ten years. As the school holidays arrive, distracted home-movers, especially those in higher-priced homes, appear to be putting their plans on hold until the autumn moving season. Some of the more urgent sellers who are coming to market are pricing more competitively in order to capture the attention of a suitable buyer quickly and attempt to beat the average time of 136 days to complete a sale and move before Christmas. This month also marks 20 years since the first Rightmove House Price Index was published. It is the largest and most up-to-date monthly sample of residential property prices, and since it began national average asking prices have more than doubled (+134%) from £155,994 to £365,173. Average salaries have grown by 76% and the Retail Price Index has increased by 93% in the same period, so house prices have been outstripping both salaries and general inflation over those 20 years.



A drop in asking prices is to be expected this month, as the market returns towards normal seasonal patterns after a frenzied two years, and many would-be home movers become distracted by the summer holidays. Indeed, for those that can, this may be their first summer holiday abroad since before the pandemic. Sellers who want or need to move quickly at this time of year tend to price competitively in order to find a suitable buyer fast, with some hoping to complete their move in time to enjoy Christmas in a new home. To achieve that this year, they'd need to beat the current average time between accepting an offer and completing the sale of four and a half months. Nevertheless, we're still expecting price changes for the rest of the year to continue to follow the usual seasonal pattern, which means we'll end year at around 7% annual growth, even with the wider economic uncertainty.



**Tim Bannister** Rightmove's Director of Property Science

The sixth consecutive interest rate rise, this time by 0.5% to 1.75%, will no doubt be in the minds of many would-be home-movers. Together with the rising cost of living, it will lead to re-considerations of what they can afford to borrow and repay each month. Right now, the mismatch between supply and demand is still the biggest factor influencing asking prices outside of seasonal trends. Although demand continues to soften, and supply constraints are improving, there is still a massive imbalance. Buyer demand this month is down 4% on the frenzied market of 2021, but is still 20% higher than in 2019. The number of new listings coming to market is up 12% on the same period last year, though it is 6% down on 2019, while available homes for sale are down 39% on 2019. Buyer enquiries to agents do not appear to have been particularly dented by the most recent interest rate rise, suggesting that many buyers are still committed to moving, and incorporating rate rises into their financial planning.

A combination of rising house prices and interest rates means that average monthly mortgage payments for new first-time buyers putting down a 10% deposit have now exceeded £1,000 for the first time, to reach £1,032. This is 27% higher than at the start of the year. Despite this challenge, demand for properties in the typical first-time buyer sector is 32% higher than at this time in 2019.



Several indicators point to activity in the market continuing to cool from the lofty heights of the last two years. It's likely that the impact of interest rate rises will gradually filter through during the rest of the year, but right now the data shows that they are not having a significant impact on the number of people wanting to move. Demand has eased a degree and there is now more choice for buyers, but the two remain at odds and the size of this imbalance will prevent major price falls this year. For those looking to move who are concerned about interest rate rises, it's important that they get a mortgage in principle early on in their moving journey to understand what they could afford to borrow, and find out about the rates available to them to assess what they are able to repay each month.



**Tim Bannister** Rightmove's Director of Property Science

# Agents' views



So far in August, we have been advising some clients in the higher value property sector to market their home outside of the traditional summer holiday period. After a prolonged period where many people's lives were restricted in terms of holidays and travel, we felt best that clients seek to launch their properties outside of the month of August in particular, so that they could reach the maximum number of engaged buyers when they come to market. July was a really strong month for us, and while some might be enjoying a summer break away, we have been busy preparing for the rest of the year, with a great number of listings also ready for September onwards.

**Jordan Yorath**, Partner at Monroe Estate Agents in Leeds

After a very strong two years for coastal hotspots, we are just starting to see things ease a little in line with the uncertain political and economic climates. That said, levels of interest remain very strong despite this and with more supply coming to the market, it feels like we are returning to a more traditional balance, with sensible conversations about choice and value rather than the frenzied bun fight we experienced during the pandemic. We have seen values rise over 15-20% in North Cornwall and going forward this growth will slow. In the very prime areas however, values tend to stabilize and vendors who don't need to sell simply wait for the best time. We are still finding that the very top of the market is performing exceptionally well.



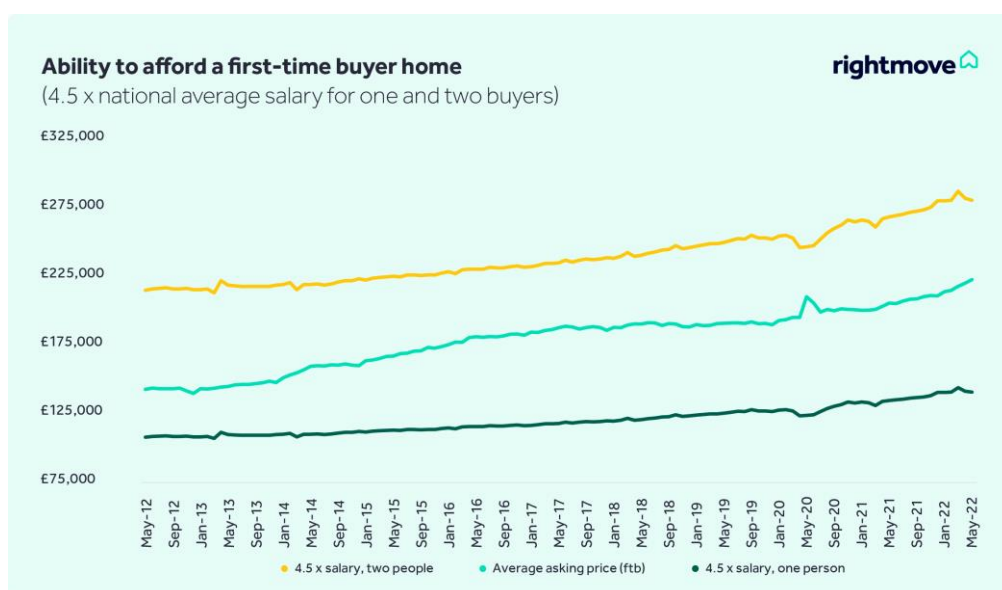
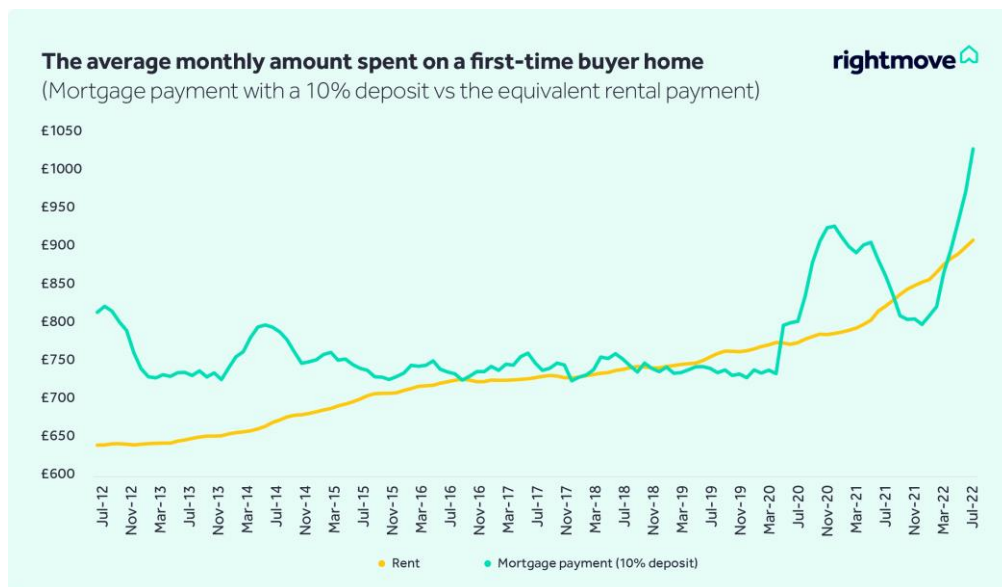
**Josephine Ashby**, Managing Partner of John Bray Estate Agents in Rock, North Cornwall



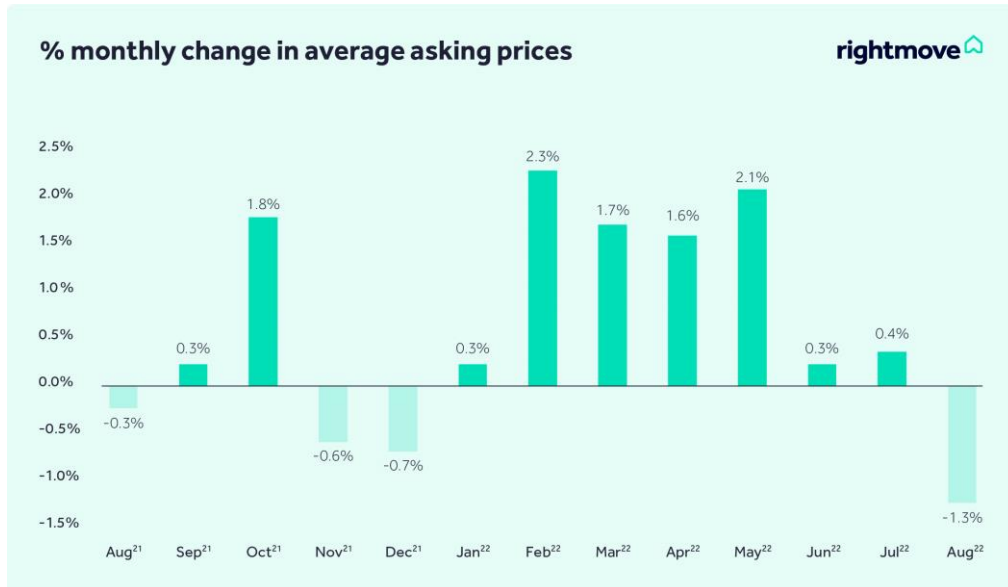
# Affordability trends

The first-time buyer monthly mortgage payment is based on Bank of England data of the averages for 90% LTV two-year fixed mortgages from lenders, and the average asking price of a typical first-time buyer home (two bedrooms or fewer) using the Rightmove House Price Index. The equivalent monthly rent is calculated using the same property types (two bedrooms or fewer).

The affordability to buy a first home is based on the Average Weekly Earnings (AWE) dataset from ONS multiplied by 4.5 to get the typical maximum that a person can borrow from a lender. The average asking price of a typical first-time buyer home is taken from the Rightmove House Price Index.



# Price & activity trends



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

rightmove 


### Average time to secure a buyer (no. days) National

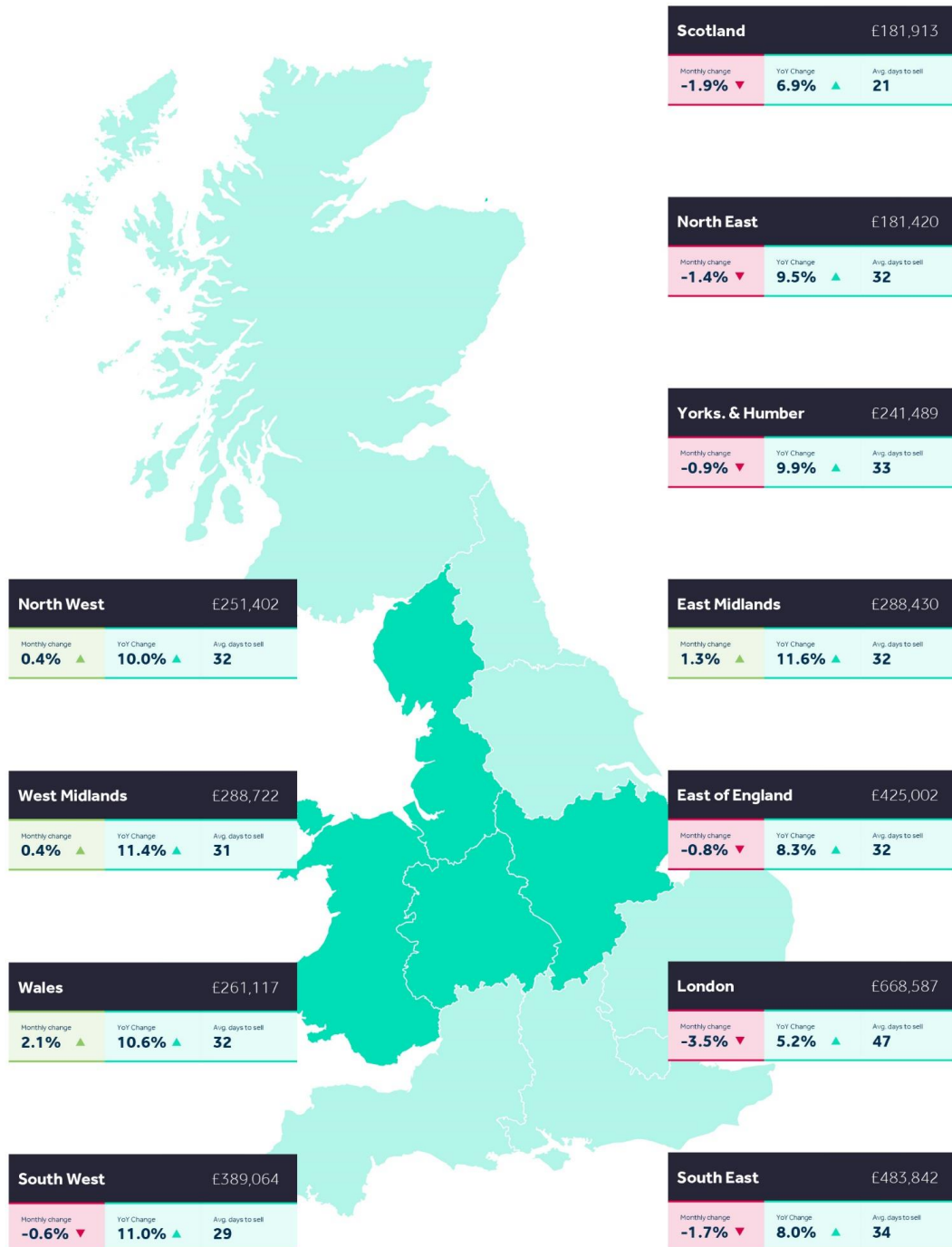
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### Average time to secure a buyer (no. days) London

rightmove 


# Regional trends

● Increase from previous month    ● Decrease from previous month



# London boroughs

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 August 22	Monthly change	Annual change
Havering	£486,673	-0.2%	12.5%
Bromley	£638,531	0.3%	10.5%
Barking and Dagenham	£378,852	0.6%	9.7%
Hillingdon	£553,813	-0.1%	8.5%
Sutton	£550,188	-0.1%	8.4%
Redbridge	£523,752	0.2%	8.4%
Brent	£640,114	-1.4%	8.4%
Lewisham	£525,835	-0.6%	7.9%
Hackney	£712,295	0.5%	7.8%
Kingston upon Thames	£701,948	-1.9%	7.6%
Waltham Forest	£558,350	0.1%	7.2%
Wandsworth	£864,165	0.6%	7.2%
Newham	£467,438	0.2%	7.1%
Barnet	£716,408	-4.4%	6.9%
Merton	£730,639	-3.6%	6.5%
Harrow	£633,259	0.4%	6.5%
Hounslow	£598,315	-1.3%	6.1%
Bexley	£478,496	0.3%	6.0%
Greenwich	£500,763	-1.0%	6.0%
Islington	£789,594	1.3%	5.9%
Croydon	£492,999	0.1%	5.7%
Tower Hamlets	£594,640	-0.8%	5.5%
Haringey	£661,755	-0.6%	5.2%
Hammersmith and Fulham	£1,003,072	-0.4%	5.2%
Richmond upon Thames	£935,799	-2.5%	4.8%
Ealing	£601,516	0.2%	4.6%
Enfield	£509,001	0.8%	4.2%
Westminster	£1,467,125	-2.6%	3.4%
Camden	£1,013,985	-1.7%	3.3%
Lambeth	£673,764	-1.4%	2.8%
Southwark	£654,598	0.0%	2.5%
Kensington and Chelsea	£1,659,378	-1.7%	-0.8%



# About the Index

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The Rightmove House Price Index methodology was updated and restated in January 2018. 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.

**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.

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 attracted 2.5 billion visits in 2021 with time on site totalling 18.3 billion (Rightmove data, 2021).