

House Price Index

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

-0.0%

Prices fall by £82, the first monthly price fall of the year

+1.1%

Annual price growth slows further

+6%

Buyer demand holds steady in last two weeks compared to 2019 despite mortgage rate rises

Rate rises quash spring price bounce but activity holds up

- Average new seller asking prices fall by £82 (-0.0%) this month to £372,812, the first monthly drop in asking prices this year and the first drop seen in the month of June since 2017:
 - The delayed spring bounce in May has quickly turned into an earlier than usual summer price slowdown
 - Asking prices set to fall in most months for the rest of the year in line with the usual seasonal pattern, and Rightmove still predicts an overall 2% annual drop in new seller average asking prices by the end of 2023
- Despite some significant increases in mortgage interest rates over the last few weeks, Rightmove's statistics currently show no effect on buyer demand but a slight impact on sales activity:
 - Buyer demand over the last two weeks is 6% higher than the same period in 2019's more normal market
 - The number of sales being agreed has dropped marginally, and in the last two weeks is 6% behind the same period in 2019 compared to being 3% behind in May
- The disorderly mortgage market is creating uncertainty among movers with more change expected this week:
 - More prospective buyers are checking their latest affordability, with daily visits to Rightmove's Mortgage in Principle service jumping by 53% since the unexpectedly high inflation figures
 - Ahead of this week's inflation figures and Bank of England Base Rate decision, the average rate for a 5-year fixed 85% Loan-to-Value mortgage at the time of writing is 5.20%, up from 4.56% four weeks ago

National average asking price

Month	Avg. asking price	Monthly change	Annual change	Index
June 2023	£372,812	-0.0%	+1.1%	288.2
May 2023	£372,894	+1.8%	+1.5%	288.3

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

Sector	June 2023	May 2023	Monthly change	Annual change
First time buyers	£226,412	£226,399	+0.0%	+1.0%
Second-steppers	£342,471	£341,567	+0.3%	+0.8%
Top of the ladder	£688,936	£685,068	+0.6%	+1.5%

Rightmove measured 108,835 asking prices this month nationally, circa 95% of the UK market. The properties were put on sale by estate agents from 14th May 2023 to 10th June 2023 and advertised on Rightmove.co.uk.

Overview

Average new seller asking prices fall by £82 (-0.0%) this month to £372,812. This is the first monthly drop in new asking prices this year, and the first at this time of year since 2017. On average over the previous ten years we have seen an increase of 0.6% in asking prices at this time of year, indicating that buyer affordability constraints and more pricing realism from new sellers have brought forward the usual summer slowdown. There have been some significant increases in fixed mortgage interest rates over the last few weeks following stubbornly high inflation figures, piling pressure onto already very stretched budgets. These increases in rates and monthly mortgage payments may mean that some have to pause their plans for now. However, Rightmove's latest snapshot of the market suggests the immediate impact on activity has been limited with most movers determined to carry on if they can still afford it.



Average new seller asking prices, the first and leading indicator of new trends in the market, have dropped slightly this month, signalling that the belated spring price bounce has quickly turned into an earlier than usual summer slowdown. We expect asking prices to edge down during the second half of the year which is the normal seasonal pattern, and while we sometimes re-forecast our expectations for annual price changes at this time, current trends suggest that our original forecast of a 2% annual drop in asking prices at the end of 2023 is still valid. Agents report that new sellers are sitting in two camps – those who still have overoptimistic price expectations following the buoyant pandemic market, and those who have adapted to the new conditions and are coming to market with a competitive price. Sellers who price competitively are much more likely to find a suitable buyer quickly before their home appears stale, and they can often then negotiate on price on any onward purchase.

Tim Bannister Rightmove's Director of Property Science



Over the last two weeks, Rightmove's statistics show no effect on demand but a modest impact on sales activity as movers navigate the latest mortgage rate rises. The number of buyers enquiring to agents about properties for sale is still 6% higher than the same two weeks in the more normal market of 2019, while the number of sales agreed during this period is 6% lower, a slight drop from agreed sales figures being 3% behind 2019's levels in May. However, it remains to be seen whether the expected further increase in interest rates will impact these figures further.

However, just as rates appeared to be settling, the significant changes in the mortgage market over the last four weeks are creating renewed disruption and uncertainty among movers trying to calculate how much they can afford to borrow and repay. In the last four weeks, the average mortgage rate for a 5-year fixed 85% Loan-To-Value (LTV) mortgage has jumped from 4.56% to 5.20%. This means that a new buyer purchasing a property at the current average asking price would now expect to pay an extra £117 per month if repaying the mortgage over a 25-year term.

By comparison, the average rate for the same mortgage product changed from 4.50% to 4.52% over the previous four weeks, highlighting how quickly the mortgage market has become more uncertain. This is leading more prospective buyers to check their current affordability, with daily visits to Rightmove's Mortgage in Principle service up by 53% compared with before the unexpectedly high inflation figures.



We expected some more twists and turns this year and we've had several in the last month, including stubbornly high inflation figures, surprisingly large average wage increases, and their eventual impact on mortgage interest rates and availability. We expect that there may be more change to come depending on this week's inflation figures and the Bank of England Base Rate decision. It is likely to feel very frenetic for those taking out a mortgage right now, as they try to quickly lock in the best rate that they can find. Although the impact of higher mortgage rates on activity levels has been limited so far, with prospective buyers who can still afford to move appearing determined to go ahead, it remains to be seen how movers will respond to the expected further rate rises.

Tim Bannister Rightmove's Director of Property Science



Agents' views



The number of buyers has remained steady despite some of the challenges currently facing the market, though sales activity has dropped slightly. Sensibly priced properties are still selling well, but we're now returning to more normal market conditions where homes are taking longer to sell, and buyers have the time and space to come back for a second viewing. We anticipate some more hurdles to overcome in the second half of the year, but it is not all doom and gloom – we're working with lots of people who are motivated to move and sellers who are pricing right are still seeing a lot of success.

Michelle Gallagher, Sales Director at JDG in Lancaster

Although there has been some recent turbulence, I'd still class what we are seeing in the market at the moment as more normal levels of activity after the pandemic. We're going through a period of transition, and some discretionary sellers in no immediate rush to move are still testing the market with a price as there is a healthy level of buyer activity. However, sellers who are motivated to agree a sale soon need be sensible and market their property in line with their local market conditions. While there is now more choice on the market, we still have more buyers than homes for sale, and the stand-out properties are still attracting a queue of people wanting a viewing.

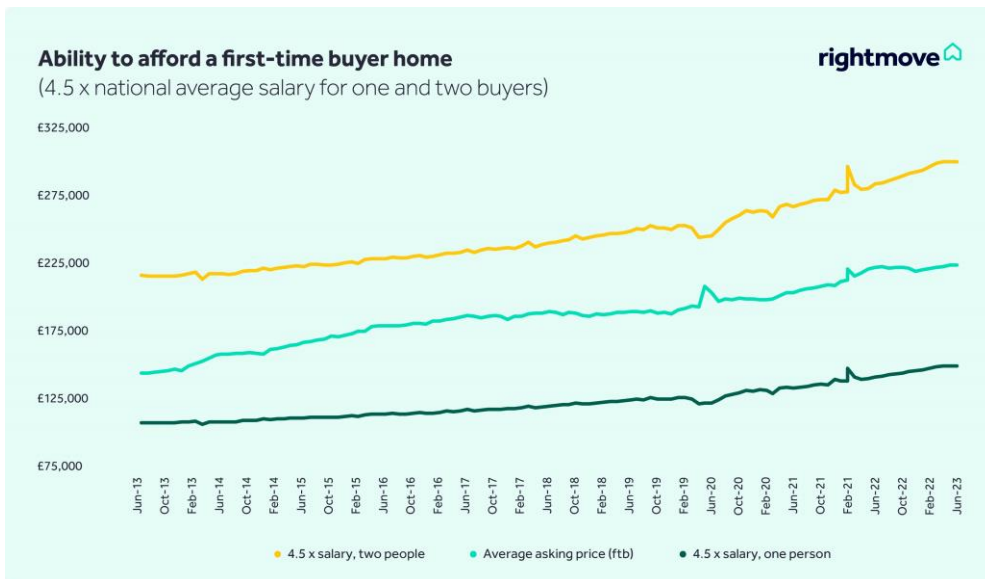
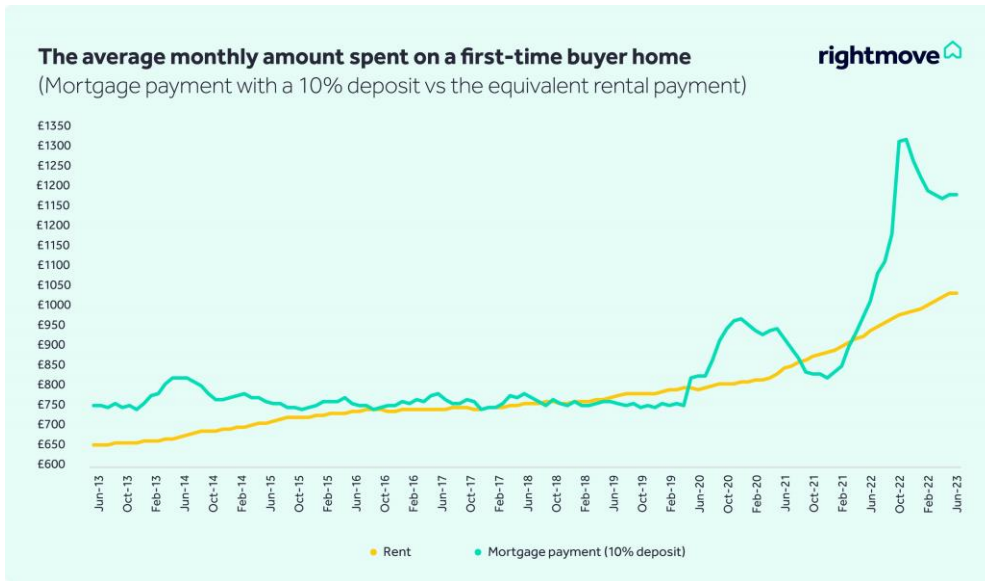
Andrew Fenton, Managing Director at Chris Davies Estate Agents in Rhoose



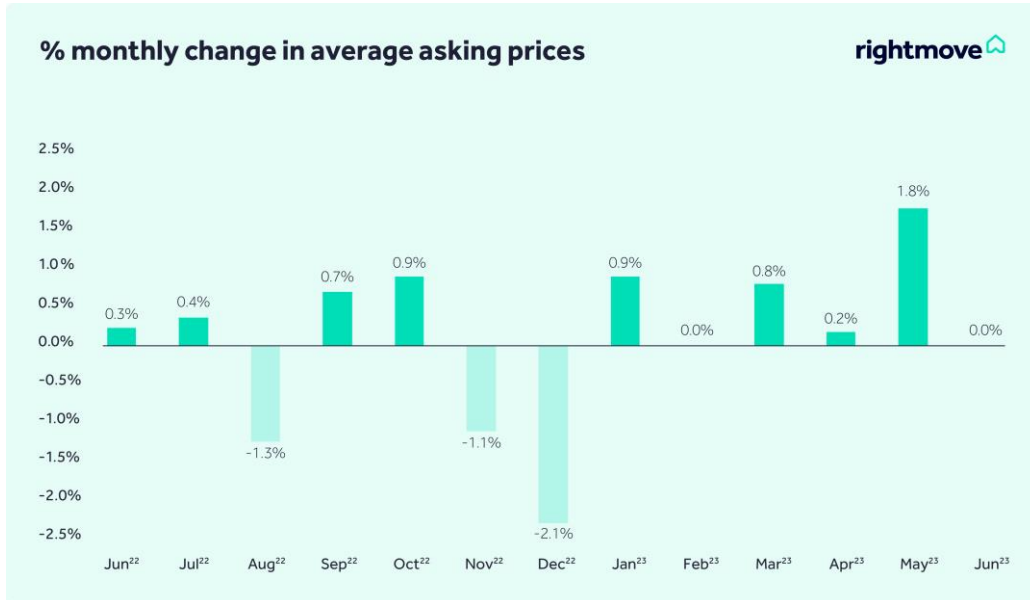
Affordability trends

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.



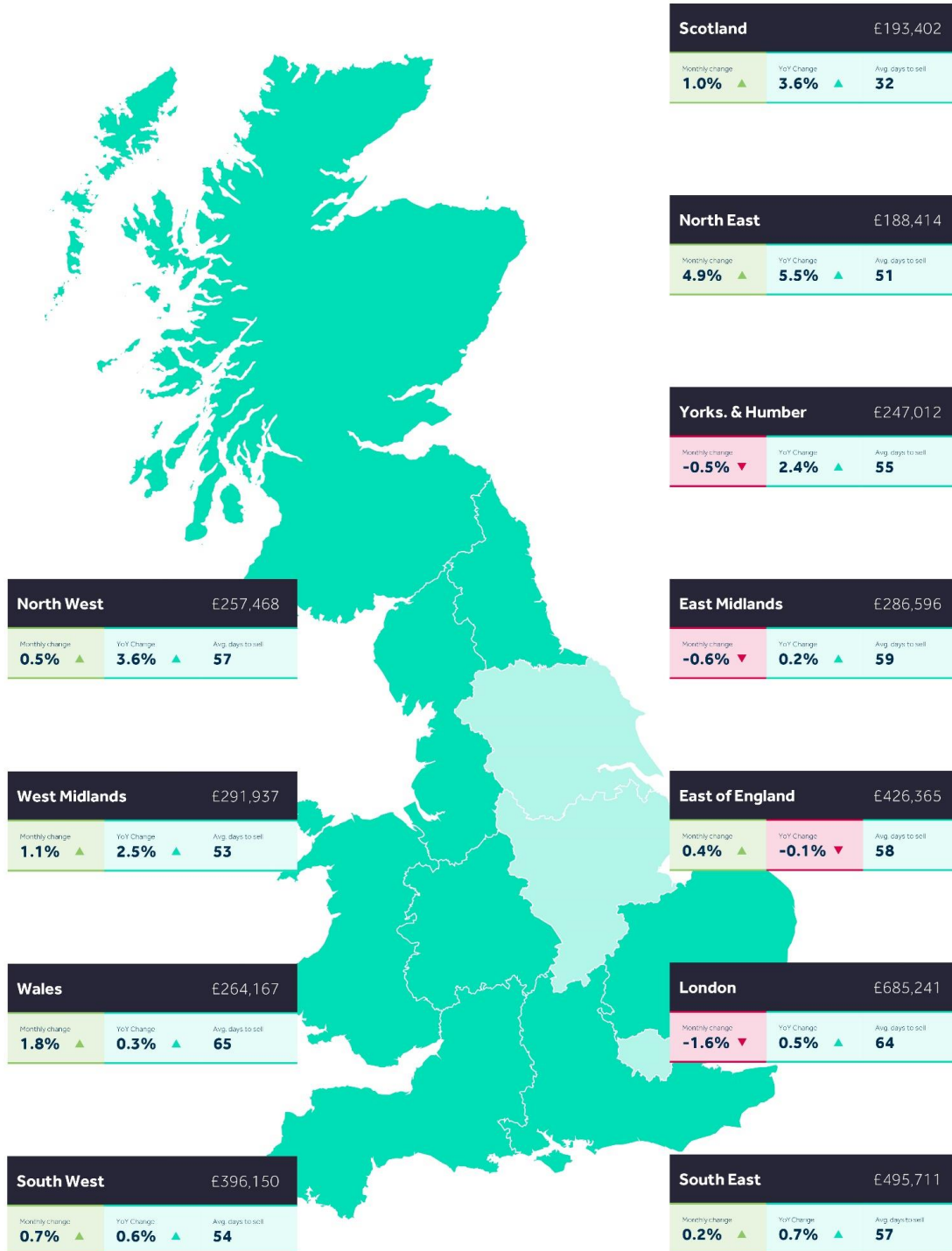
Price & activity trends





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 June 23	Monthly change	Annual change
Hackney	£731,998	1.1%	4.4%
Bexley	£490,152	0.4%	4.4%
Southwark	£668,547	-0.7%	3.9%
Wandsworth	£868,512	0.4%	2.6%
Kingston upon Thames	£730,821	3.0%	2.4%
Camden	£1,020,738	-1.9%	2.1%
Lambeth	£690,456	-0.1%	2.1%
Brent	£650,405	2.7%	1.9%
Islington	£799,556	-0.1%	1.8%
Tower Hamlets	£609,496	1.0%	1.4%
Haringey	£671,703	0.8%	1.3%
Westminster	£1,492,823	-1.0%	1.2%
Richmond upon Thames	£969,036	2.2%	1.2%
Greenwich	£502,576	0.0%	1.1%
Sutton	£555,646	0.6%	1.1%
Waltham Forest	£558,655	0.0%	0.4%
Bromley	£635,572	0.7%	0.3%
Ealing	£598,346	-1.0%	0.2%
Hammersmith and Fulham	£986,133	2.1%	0.0%
Newham	£462,202	-1.1%	-0.3%
Redbridge	£515,830	-0.9%	-0.5%
Hillingdon	£549,399	1.5%	-0.6%
Barking and Dagenham	£370,893	0.0%	-0.6%
Lewisham	£519,155	0.1%	-0.8%
Croydon	£488,939	0.4%	-1.2%
Kensington and Chelsea	£1,651,033	-0.6%	-1.2%
Merton	£728,398	1.4%	-1.7%
Enfield	£501,465	-1.0%	-1.8%
Hounslow	£596,922	0.5%	-2.1%
Havering	£477,872	-0.6%	-2.2%
Barnet	£727,059	0.1%	-2.5%
Harrow	£613,302	-1.9%	-4.1%

About the Index

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

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 providing real-time data, 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).

Average mortgage rates to be credited to Rightmove. The data is provided by specialist mortgage technology provider Podium Solutions. The data covers 95% of mortgage lending, to exclude specialist lenders. If you would like further data on different LTVs or fixed terms, please contact us.