

# House Price Index

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

**+0.9%**

Monthly price rise in February, broadly in line with long-term norms

**+0.1%**

Positive annual price change for the first time since July 2023

**+16%**

Increase in sales agreed compared to the more uncertain period of this time last year

## Early-bird buyers build market momentum but price sensitivity remains

- Average new seller asking prices rise by 0.9% (+£3,091) this month to £362,839. The annual price change moves tentatively back into positive territory after 6 months of annual price falls, with prices up by 0.1% on a year ago
- Agreed sales in the first six weeks of 2024 are 16% higher than over the same period last year, and 3% higher than in the more normal market of 2019, indicating that many early-bird buyers feel that 2024 offers the right conditions to move
- The growing market momentum is also evidenced by the increase in activity of both buyers and sellers on Rightmove with 7% more new listings coming to market than last year, and a 7% upturn in the number of buyers enquiring.
- However, the market remains very price-sensitive, and appears to be operating at two speeds, with properties that are priced accurately being snapped up by budget-conscious buyers, whilst over-priced properties are left on the shelf:
  - It's taking more than two weeks longer to find a buyer than at this time last year, with the average time to sell at its slowest since 2015, excluding the initial pandemic lockdown months of April & May 2020
  - Rightmove analysis shows that sellers who price right initially are far more likely to sell quickly
- With the 2024 Budget approaching, more support to help first-time buyers onto the ladder would be welcome, with activity levels lagging behind in this sector as mortgage rates stay elevated and saving for a deposit remains challenging

National average asking price				
Month	Avg. asking price	Monthly change	Annual change	Index
February 2024	£362,839	+0.9%	+0.1%	280.5
January 2024	£359,748	+1.3%	-0.7%	278.1

National average asking price by market sector (excluding inner London)				
Sector	February 2024	January 2024	Monthly change	Annual change
First time buyers	£224,815	£222,473	+1.1%	+0.7%
Second-steppers	£336,066	£331,703	+1.3%	+0.1%
Top of the ladder	£645,640	£642,987	+0.4%	-0.8%

Rightmove measured 122,259 asking prices this month nationally, circa 95% of the UK market. The properties were put on sale by estate agents from 7<sup>th</sup> Jan 2023 – 10<sup>th</sup> February 2024 and advertised on Rightmove.co.uk.

# Overview

Average new seller asking prices rise by 0.9% (+£3,091) this month to £362,839, in line with the seasonal rise we'd expect to see in February. Perhaps more noteworthy is that average prices are now up by 0.1% compared to this time last year, following annual falls in every month since August 2023, one of several signs of growing market momentum. The number of sales agreed in the first six weeks of the year is 16% higher than in the same period last year, indicating that early-bird buyers feel that 2024 offers the right market conditions to move, and they are already seizing the opportunity. However, the market remains price-sensitive, with many buyers very budget-conscious. Sellers who are over-optimistic and think that the more positive market sentiment will let them try asking for too high a price, risk being left on the shelf and missing out on the important Spring moving season.



We said that February would be an important indicator for the year ahead, and the question was whether the Rightmove Boxing Day bounce in buyer activity would keep its spring into March or lose momentum. It's proved to be the former, with the number of sales agreed continuing to considerably outstrip last year. Early-bird Boxing Day buyers got a head start in cherry picking from a record level of new property choice and have now been joined by many other buyers also believing that 2024 offers the right market conditions to move. Mortgage rates have fallen considerably from their peak and are now remaining broadly stable after the uncertainty of late 2022 and 2023. Momentum to move in 2024 is continuing to build, but prospective sellers mustn't get carried away. Buyers now have more choice of property for sale and many are still very price-sensitive, with mortgage rates remaining elevated. Sellers who are serious about moving this year would be well-advised to ride this wave of increased buyer confidence with an attractive asking price before any pre-election jitters or unexpected events dampen the momentum.

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



Sales agreed numbers are being supported by more buyer and seller activity. During the first six weeks of 2024, the number of properties coming on to the market was 7% higher than the same period last year, while the number of buyers enquiring to estate agents was 7% higher. The number of sales being agreed is now 3% higher than at this time in 2019, as these numbers continue their transition towards more normal levels.

Despite these positive activity numbers, the market appears to be operating at two speeds. Some agents report that properties that are accurately and competitively priced are being snapped up by budget-conscious buyers who are keen to make 2024 their year to move, having paused during the uncertainty of 2023. However, properties that are over-priced will immediately stand out against more competitively priced neighbours and are being left on the shelf by price-sensitive buyers. Evidence of this is that despite higher activity levels than last year, it's now taking an average seller more than two weeks (16 days) longer to successfully find a buyer than at the same time last year. The time to find a buyer is at its slowest since 2015, excluding the initial lockdown months of April and May 2020. Buyers now have more time to consider which property is right for them, making it even more important for sellers to price temptingly and stand out from the crowd. Rightmove analysis also shows that sellers who price right initially are far more likely to find a buyer and sell more quickly.

As the 2024 Budget approaches, Rightmove's data indicates that the first-time-buyer sector is most in need of government support, with buyer activity levels and sales in this sector the least improved compared to last year. While the mortgage market has recovered its stability, there are growing signs that the room for lenders to reduce rates further is narrowing, and that rates will settle at elevated levels for the near future. On top of this, inflation and cost-of-living pressures remain, making saving up a large enough deposit challenging for would-be first-time buyers.



There continue to be reasons for cautious optimism as we settle into 2024, with encouraging activity levels and a more stable housing market. While some would-be buyers will continue to be affected by elevated mortgage rates and major affordability constraints, many other prospective buyers who can afford to do so, have acted fast and demonstrated their belief that 2024 is their year to get moving. It is still early days for 2024, with a Budget, General Election and no doubt more global events still to play out. With the Budget up next, the government will be considering a range of options to support movers and we expect to hear more policy rumours as the date approaches. Rightmove's whole-of-market data shows that it's the first-time-buyer segment who could use the most support this spring, and well-thought-out initiatives to help to get more would-be first-time buyers onto the ladder would be welcome.

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



# Agents' views



It's been a positive start to the year, particularly when compared to the slower pace of this time last year. There's a sense of optimism, helped hugely by mortgage rates dropping in recent months, which now seem to have settled and remained stable, giving prospective buyers assurance and confidence. With lower mortgage rates on offer and more properties for sale, now is a good opportunity for any would-be buyers out there. Despite the affordability constraints, we are still seeing a good level of activity in the first-time buyer market, which is encouraging the next time buyers to review their situation and supporting movement further up the property ladder. There is a good audience of buyers out there for properties priced well, also providing opportunities for those looking to sell.

**Michelle Niziol, CEO at IMS Property Group in Oxfordshire**

The start of this year has seen renewed optimism and positive sentiment in the wake of a further pause in interest rates and January inflation held at 4%. Optimism breeds confidence, and confidence is translating into more sellers and buyers coming into the market. Activity is trending upwards compared to this time last year, which is encouraging, but the market remains price sensitive. Motivated sellers need to be realistic with listing prices and take advice on how to effectively position their sale in the current market. Buyer's budgets are still being largely constrained by expensive mortgage products, so it's a careful balance.

**Kate Eales, deputy head of residential at Strutt & Parker**

We are witnessing a good start to the year in London's property market, with buyers acting earlier than usual. The surge in activity can be attributed to the decreasing and now stabilising mortgage rates, which have prompted many individuals who postponed their moves last year amid uncertainty to now re-emerge. The current momentum is further underscored by an increase in registered buyers year-to-date compared to the same period last year. This positive trend suggests a renewed confidence in the market, and as we move into spring, we anticipate a continued upward trajectory in both buyer interest and property transactions.

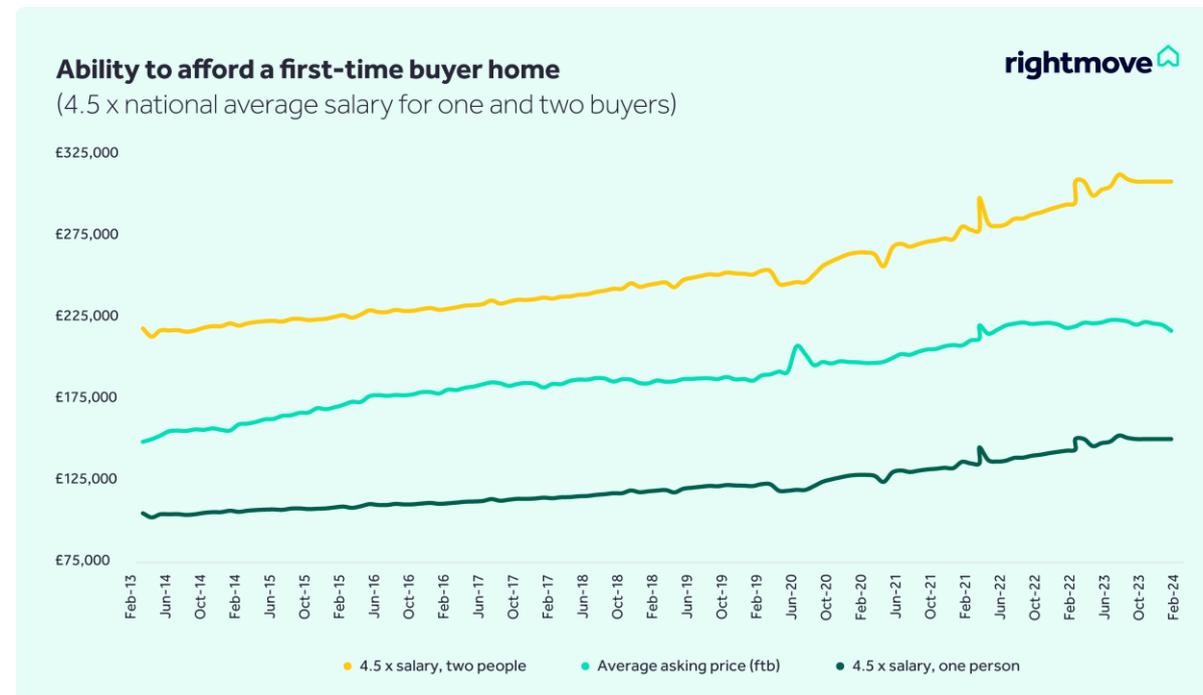
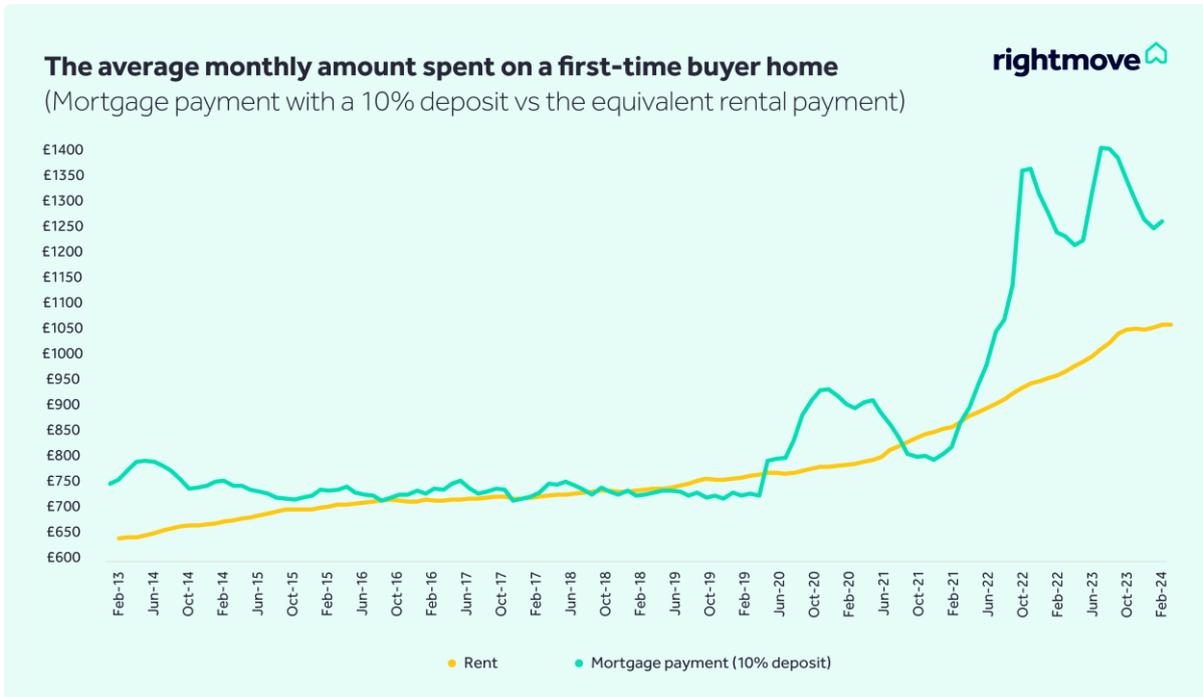
**Jimmy Waight, Head of Sales at John D Wood & Co in London**



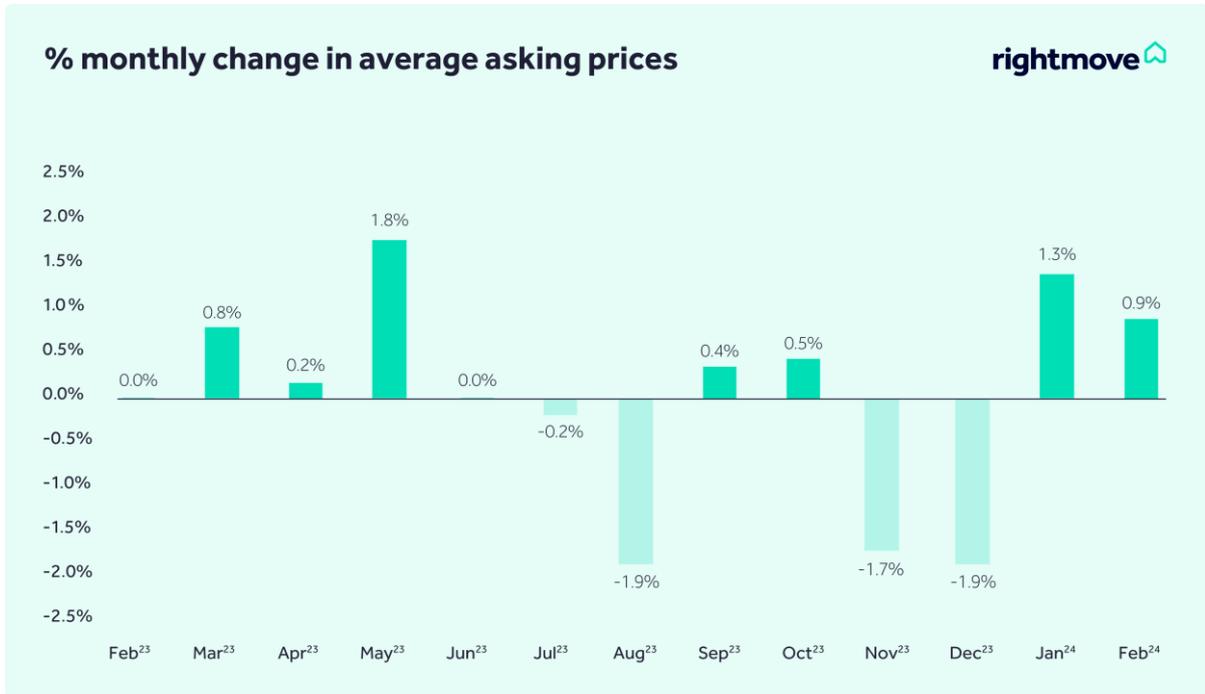
# Affordability trends

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.



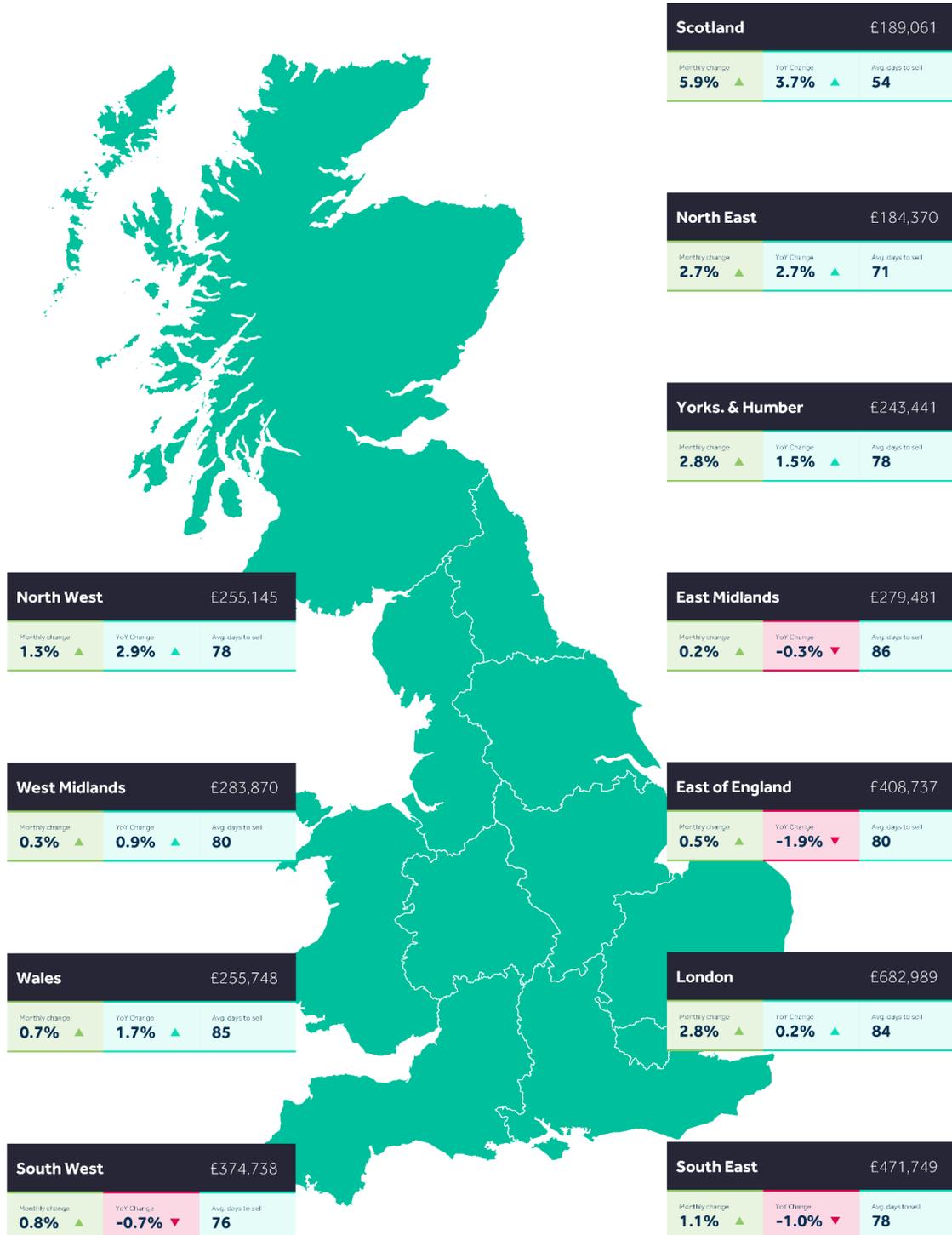
# Price & activity trends





# 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 Feb 23	Monthly change	Annual change
Westminster	£1,536,349	4.6%	9.9%
Richmond upon Thames	£939,888	0.3%	5.1%
Wandsworth	£873,893	1.0%	3.7%
Hammersmith and Fulham	£1,009,145	2.2%	3.4%
Lambeth	£682,618	2.3%	3.4%
Greenwich	£485,219	-0.4%	1.9%
Hackney	£692,361	0.6%	1.8%
Tower Hamlets	£597,117	3.1%	1.1%
Havering	£480,896	0.4%	0.9%
Brent	£616,634	-1.3%	0.9%
Lewisham	£512,201	-0.8%	0.5%
Kensington and Chelsea	£1,652,179	1.3%	0.3%
Waltham Forest	£554,445	1.5%	0.2%
Haringey	£668,204	0.9%	-0.4%
Croydon	£482,418	1.4%	-0.6%
Newham	£450,372	-0.9%	-0.6%
Bromley	£613,528	1.1%	-0.9%
Sutton	£539,572	2.0%	-1.0%
Harrow	£607,862	-1.9%	-1.0%
Kingston upon Thames	£683,915	1.6%	-1.1%
Hillingdon	£551,107	1.7%	-1.4%
Barnet	£694,922	-1.2%	-1.6%
Ealing	£593,412	-1.4%	-1.7%
Hounslow	£585,789	0.7%	-1.7%
Redbridge	£498,939	1.1%	-2.2%
Bexley	£468,046	-1.0%	-2.6%
Southwark	£643,065	-0.5%	-3.1%
Barking and Dagenham	£359,625	0.0%	-3.2%
Islington	£775,776	-1.3%	-3.4%
Enfield	£485,902	0.1%	-4.1%
Merton	£665,719	-0.1%	-4.3%
Camden	£1,069,742	2.5%	-7.8%

# About the Index

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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.