

House Price Index

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

-0.4%

Monthly average asking price drop of 0.4%, compared with long-term July average of -0.2%

+0.4%

Annual average asking price change is now +0.4% above this time last year

+15%

The number of sales being agreed is 15% above the same period last year

Political certainty and potential rate drop bode well for Autumn market

- Average new seller asking prices drop by 0.4% (-£1,617) this month to £373,493, a bigger July drop than usual, as new sellers try to cut through the distractions of the General Election, sporting events and summer holiday season with a tempting price
- Market activity has remained steady throughout the General Election campaign, and though there are signs that some would-be movers are waiting for the first Bank of England Base Rate cut, most are continuing with their moving plans:
 - The number of sales being agreed remains encouraging at 15% above the same period a year ago, when mortgage rates were approaching their peak
 - The number of new sellers coming to market is a steady 3% above last year
 - Buyer demand remains stable overall, but there's a slight drop (-2%) in demand in the particularly affordability-stretched first-time buyer sector
- Current market expectations are that the first Bank of England Base Rate cut may be as soon as August or September, which would be a boost for most home-movers and bodes well for the Autumn market:
 - The average five-year fixed rate is now 4.97%, which while below the peak of 6.11% in July 2023, is still much higher than the average of 2.51% in July 2021, before the first of 14 consecutive rate increases

National average asking price

Month	Avg. asking price	Monthly change	Annual change	Index
July 2024	£373,493	-0.4%	+0.4%	289.0
June 2024	£375,110	+0.0%	+0.6%	290.0

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

Sector	July 2024	June 2024	Monthly change	Annual change
First time buyers	£227,924	£227,757	+0.1%	+1.1%
Second-steppers	£343,617	£343,947	-0.1%	+0.8%
Top of the ladder	£681,096	£689,810	-1.3%	-1.0%

Rightmove measured 110,003 asking prices this month nationally, circa 95% of the UK market. The properties were put on sale by estate agents from 9th June – 6th July 2024 and advertised on Rightmove.co.uk.

Overview

The average price of property coming to the market for sale drops 0.4% (-£1,617) to £373,493. This is a bigger drop than the 20-year July average of -0.2%, as sellers try to capture the attention of buyers with a more tempting price heading into the thick of the summer holidays and the Olympics. Home-movers are dealing with more diversions than normal at this time of year, having just come through the distractions of the General Election campaign and the Euro football tournament, but prices remain stable overall at 0.4% higher than a year ago.

Despite concern among some that the General Election campaign would lead to a significant slowdown in home-moving activity, Rightmove's millions of data points show that the vast majority of people have been getting on with their moves since the election was called. The political certainty of having the next government in place is likely to aid home-mover confidence heading into the second half of the year. What is still outstanding and of more pressing concern to home-buyers is when the first interest rate cut will be, with persistently high mortgage rates continuing to test affordability.



Three major uncertainties hanging over the property market at the start of the year were when the first interest rate cut would be, and the timing and the result of the General Election. We've now got the political certainty of a new government with a large majority, which we expect will help home-mover confidence. It's very early days, but the new Chancellor's immediate announcements on housebuilding targets and planning reform are positive signs that the government is keen to get going with its manifesto pledges. With many areas of the market that could be improved, we hope that the new government is able to get on with its plans and deliver sustainable housing policies that help the market in the medium to longer-term. One area of the market in need of more support is first-time buyers, many of whom have been stretched to the limit by high mortgage rates, with some also facing higher stamp duty fees when the current thresholds are set to revert in March 2025.

Tim Bannister Rightmove's Director of Property Science



The number of sales being agreed is now an encouraging 15% above the same period a year ago, when we were approaching the peak of mortgage rates. This compares to last month's figure which was +6% above last year. This positive sales figure emphasises that serious home-hunters have been largely undeterred by the General Election and have been getting on with their moves. Similarly, the number of new sellers coming to market in the last four weeks is a steady 3% above last year, indicating that despite the uncertainty of an election, the vast majority of movers haven't been put off.

A key concern for many home-movers is when the first Bank of England Base Rate cut will be, and there are signs that some pockets of movers are waiting for this before acting. Overall buyer demand, measured by the number of would-be buyers contacting estate agents about homes for sale, has remained stable in the last four weeks when compared with this time last year. However, there's a slight drop (-2%) in buyer demand in the particularly affordability-stretched first-time buyer sector, as some look to rate cuts to improve their affordability.

Some good news for home-movers is that the financial markets expect that the first Base Rate cut will be in August or September. Though this expectation could change over the coming weeks, it would be a boost for home-movers and market sentiment leading into Autumn. Rightmove's weekly mortgage tracker shows that the average five-year fixed rate is now 4.97%, which while improved from the peak of 6.11% in July 2023, is still much higher than the average of 2.51% in July 2021, before the first of 14 consecutive Base Rate increases. Political certainty and a first rate cut for four years could together set the backdrop for a positive Autumn market.



A Base Rate cut is expected to lead to lower mortgage rates, which could be the gamechanger for some would-be home-movers who are being held back by significantly higher monthly mortgage costs. The average five-year fixed rate is still nearly twice as high as it was before the first of 14 consecutive Bank of England rate increases in 2021, with rates staying elevated for much longer than many thought that they would. A first Base Rate cut for over four years, together with the new political certainty, could set the scene for a positive Autumn market, with improved affordability and a more confident outlook in the second half of the year.

Tim Bannister Rightmove's Director of Property Science



Experts' views



We have seen a positive first half in 2024, with the market feeling reminiscent of pre-COVID times, which continued despite the prominent issue of Brexit & General Election news. We're experiencing healthy supply and demand levels; however, the lack of mid-market homes has meant that first-time sellers are finding their options limited. Despite this, valuations and instructions remain strong, backing up the historical data that shows elections have minimal market impact. With CPI inflation down to 2% and potential base rate reductions ahead, the outlook remains optimistic. The new government's focus on maintaining low taxes, inflation, and mortgage rates, along with plans to improve the planning system and unlock much-needed housing development, was positive news highlighted by new Chancellor earlier this week, and we hope this might add to the positive outlook for a healthy Autumn market and the future.

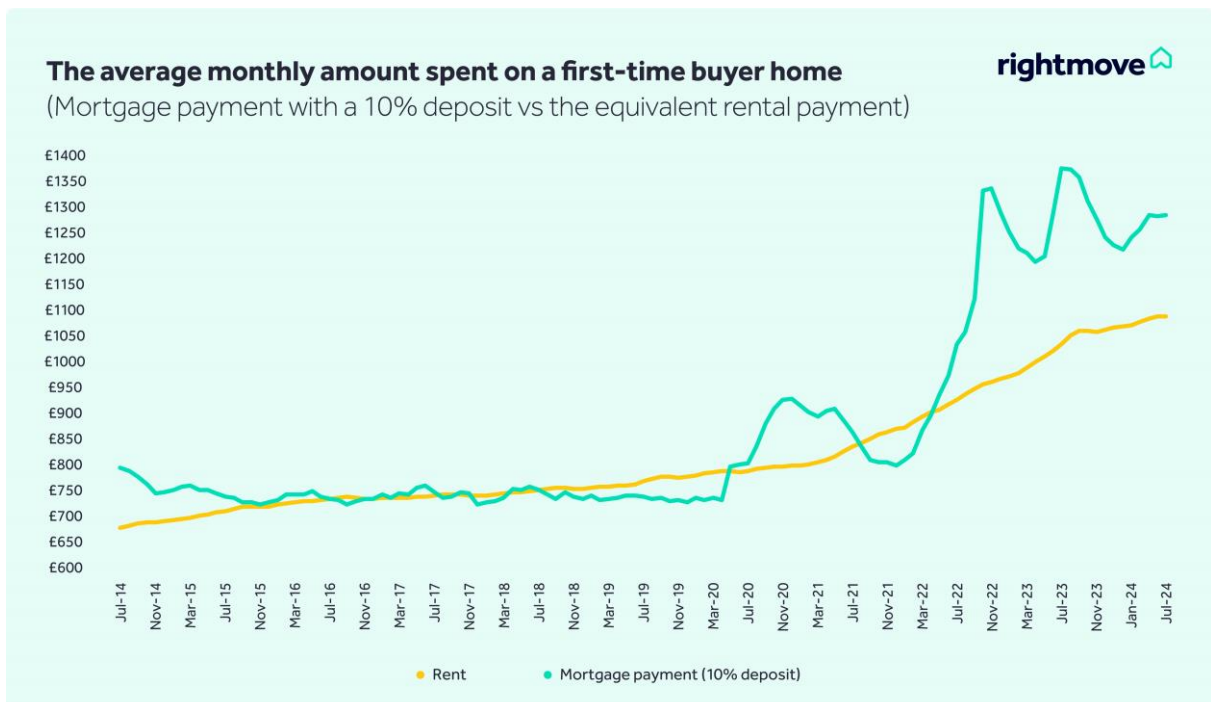
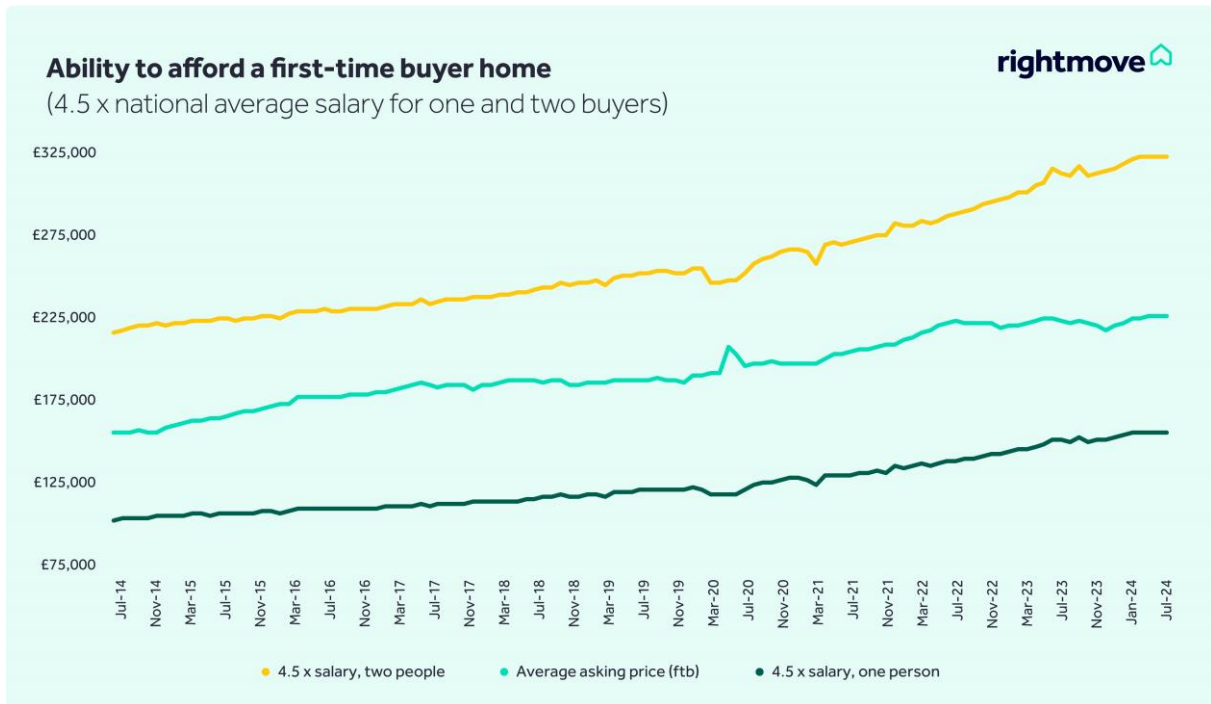
Matt Nicol, Managing Director at Nicol & Co. in Worcestershire



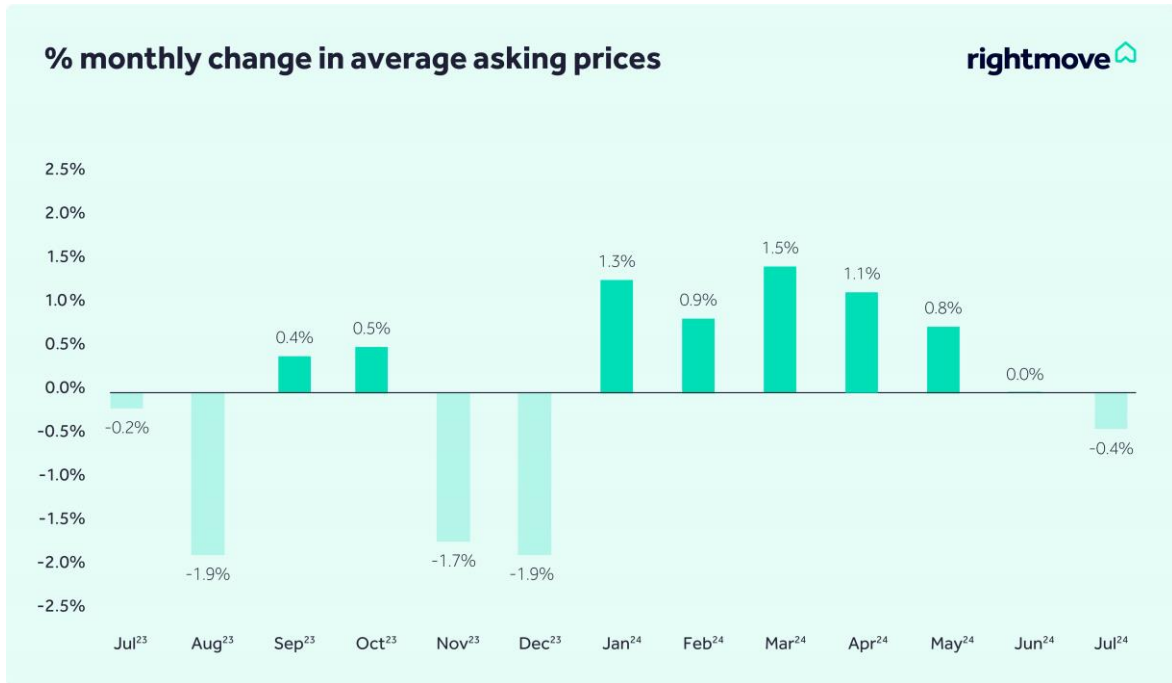
Affordability trends

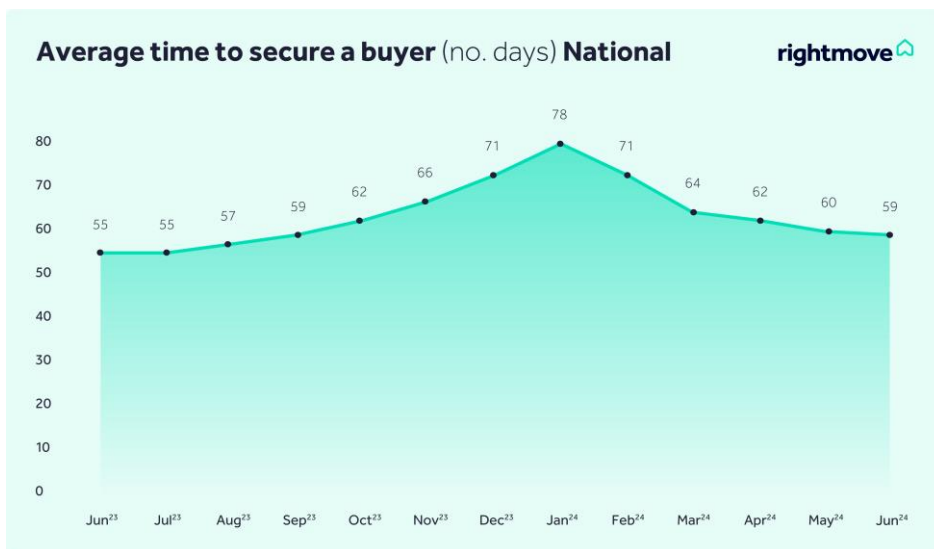
The first-time buyer monthly mortgage payment is based on Bank of England data of the averages for 90% LTV two-year fixed mortgages from lenders, and the average asking price of a typical first-time buyer home (two bedrooms or fewer) using the Rightmove House Price Index. The equivalent monthly rent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

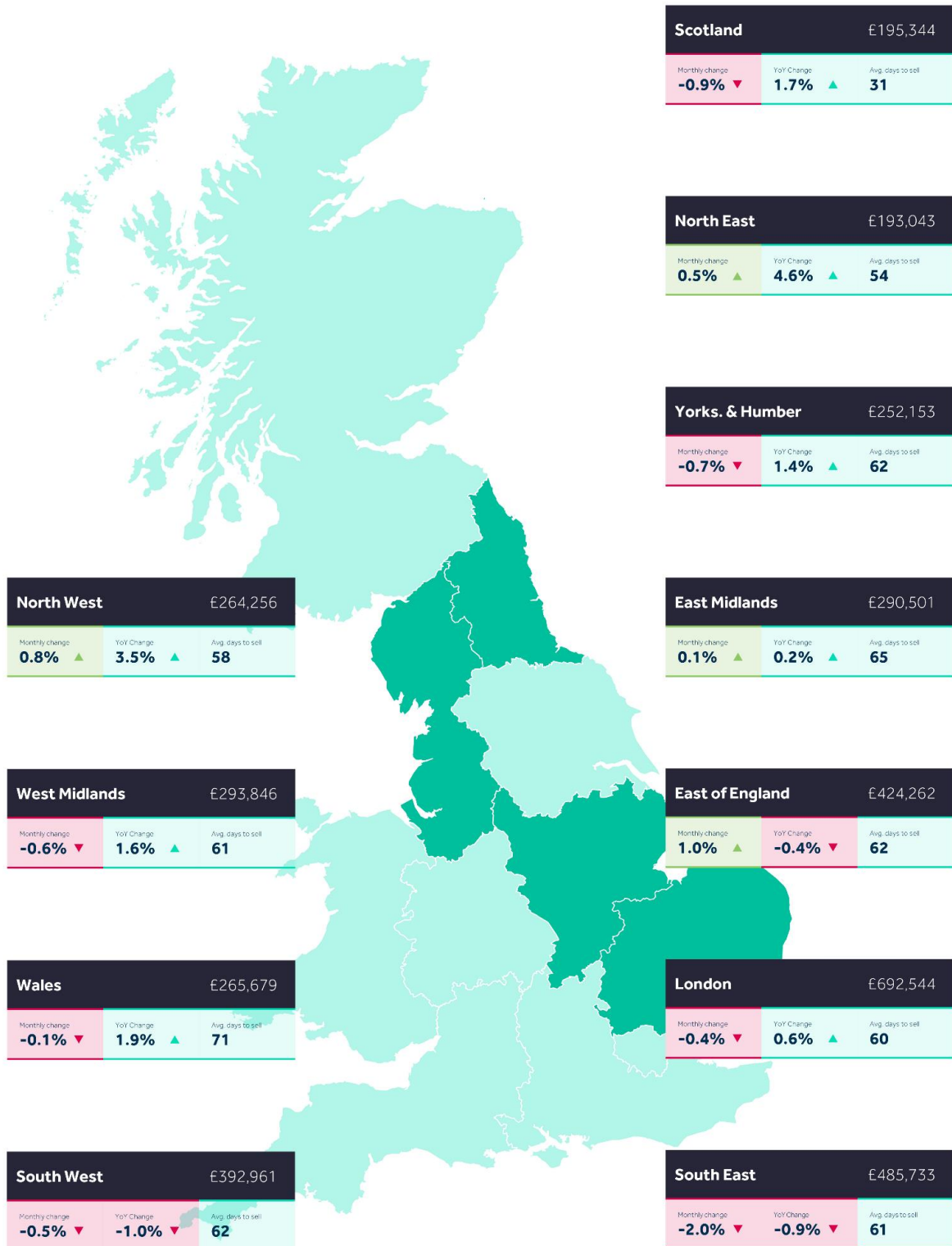


Price & activity trends





● 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 July 24	Monthly change	Annual change
Newham	£491,084	1.5%	5.6%
Camden	£1,112,497	-0.7%	5.4%
Ealing	£620,653	0.8%	5.1%
Merton	£767,666	-0.6%	4.4%
Lewisham	£535,793	0.6%	3.6%
Hammersmith and Fulham	£1,025,559	-1.2%	3.3%
Richmond upon Thames	£978,443	0.8%	3.2%
Islington	£817,543	-1.5%	2.4%
Southwark	£673,304	1.1%	2.4%
Waltham Forest	£572,500	-0.2%	1.8%
Haringey	£699,219	2.4%	1.7%
Havering	£485,819	0.6%	1.5%
Barnet	£728,581	-3.1%	1.3%
Bexley	£490,292	0.9%	0.6%
Enfield	£503,588	-0.6%	0.5%
Barking and Dagenham	£373,274	0.7%	0.4%
Hillingdon	£560,756	1.4%	0.2%
Redbridge	£518,500	-0.4%	0.2%
Harrow	£616,266	0.0%	0.2%
Hounslow	£605,117	-1.0%	0.2%
Kensington and Chelsea	£1,688,888	0.8%	0.1%
Wandsworth	£870,706	1.3%	-0.3%
Greenwich	£501,000	-0.4%	-0.7%
Bromley	£629,402	-0.3%	-0.8%
Hackney	£713,640	0.2%	-1.0%
Lambeth	£692,121	0.2%	-1.1%
Westminster	£1,521,985	-2.0%	-1.5%
Croydon	£485,106	-0.7%	-1.6%
Sutton	£544,892	0.5%	-1.6%
Kingston upon Thames	£708,169	-0.5%	-2.6%
Brent	£630,569	-0.1%	-2.7%
Tower Hamlets	£594,488	-0.2%	-3.5%

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.