

Rightmove House Price Index

The largest monthly sample of
residential property prices

August 2018
National edition

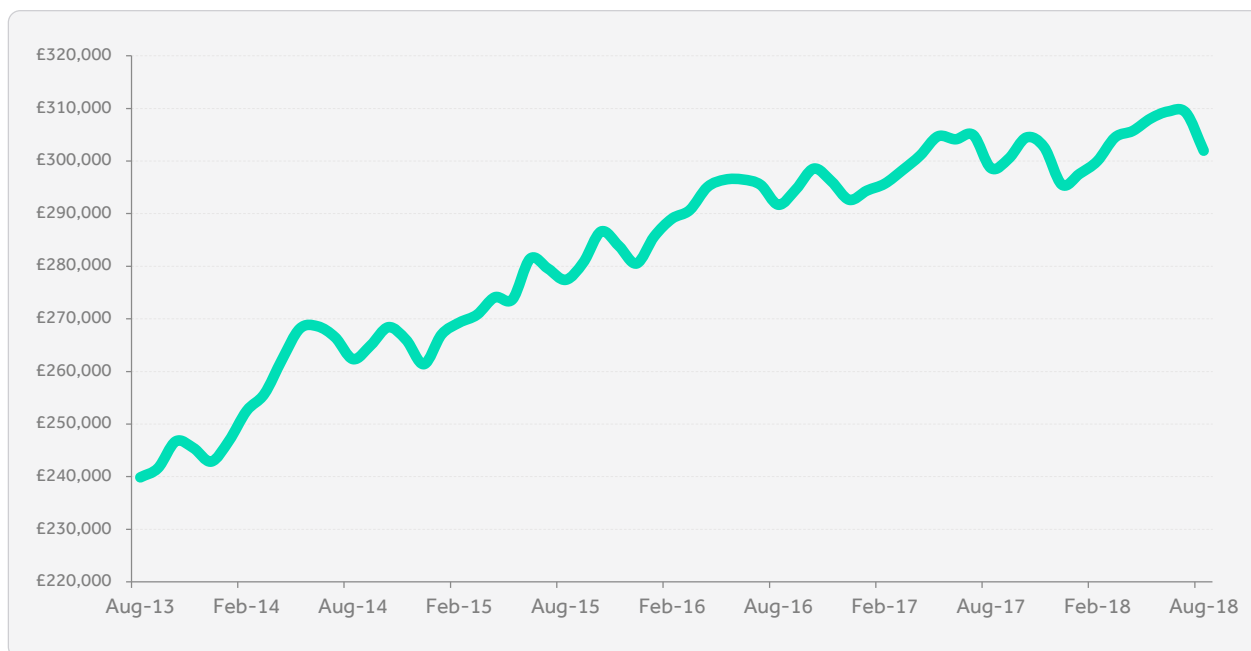


Home-movers need to act now to move by Christmas

- Average asking prices of newly-marketed property show seasonal drop of 2.3% (-£7,218) this month, as new sellers launch a 'late summer sale' to try and find a buyer more quickly
- Year-on-year sales agreed numbers (-0.8%) are holding steady with some upturn in prices and buyer activity expected in the Autumn, especially if buyers are tempted by sellers pricing cheaper
- Home-movers who want to move in by the traditional Christmas deadline, now only 18 weeks away, need to act now to do so:
 - Average time from agreeing a sale to moving in is 13 weeks¹ so prospective buyers should be active in the market right now and make sure they have necessary finances in place
 - For new-to-the-market sellers, finding a buyer adds on an average of eight weeks so they will need to find a buyer quicker than the average if they want to move in before Christmas

National average asking prices				
Month	Avg. asking price	Monthly change	Annual change	Index
August 2018	£301,973	-2.3%	+1.1%	233.5
July 2018	£309,191	-0.1%	+1.4%	239.0
National average asking prices by market sector (excluding Inner London)				
Sector	August 2018	July 2018	Monthly change	Annual change
First-time buyers	£189,451	£191,272	-1.0%	+1.4%
Second-steppers	£273,446	£276,805	-1.2%	+2.2%
Top of the ladder	£532,294	£551,602	-3.5%	+0.9%

Five year asking price trend



Rightmove measured 135,467 asking prices this month, circa 90% of the UK market. The properties were put on sale by estate agents from 8th July 2018 to 11th August 2018 and advertised on Rightmove.co.uk.

Overview

This month's 2.3% (-£7,218) fall in new seller asking prices maintains the historical trend of sellers coming to market in the peak summer holiday month pricing aggressively to try and secure quicker sales. The 2.3% drop is slightly bigger than the 2.1% fall in August 2017, with the major drag on the national average being the more subdued market in London and the commuter-belt region of the South East. If those two regions are excluded then the rest of the country has a monthly drop of 1.5%.

Miles Shippide, Rightmove director and housing market analyst comments: *"Sellers who come to market in the peak holiday month often have a pressing need to sell and price down accordingly, and are offering 'summer sale' prices to entice holiday-distracted buyers. The market started its most recent cyclical price upturn in 2010, and since then the average price of property coming to market has gone up by 32%, stretching buyer affordability. More substantial discounts are therefore required to tempt warier buyers, with higher house prices also tightening the purse-strings of lenders. With lacklustre average wage growth, more buyers are bumping up against the tighter lending criteria brought in four years ago following the Mortgage Market Review, which were intended to prevent another boom-and-bust cycle."*

A look at the year-on-year figures show that new seller asking prices are muted at 1.1% higher than a year ago, which helps buyer affordability. Sales agreed numbers are broadly flat, down by 0.8% compared to this time last year, and as 2018 progresses they are improving compared to their position earlier in the year.

Shippide notes: *"The 'beast from the east' weather was a factor in sales agreed numbers being down by 5.4% year-to-date when we reported back in May, but they are on an upward trajectory and are now 3.5% down year-to-date. Overall in spite of political uncertainty sales agreed are holding pretty steady and it is usual for there to be an upturn in prices and buyer activity as we head into the Autumn season, especially if sellers maintain their cheaper pricing to attract buyers."*

Any new sellers who want to find a buyer quickly, perhaps with a pre-Christmas move in mind, should note that buyers have more choice this month compared to last, with total available stock being up 2.1%. One outcome is that the average time to sell between first marketing on Rightmove and being marked as sale agreed has increased by 3% to just over eight weeks. Once a sale has been agreed both sellers and buyers should note that it then takes an average of 13 weeks to complete the legal transaction. With 18 weeks until Christmas, prospective buyers who have not yet found anywhere to buy therefore by the law of averages still have a few weeks left. However, anyone that has to sell before they can buy will either need to find a buyer much more quickly than the average eight weeks, or be faced with achieving a tighter than usual timescale to legal completion.

Shippide adds: *"The key measures affecting the chances of a successful sale all indicate a higher degree of difficulty, so for a seller to increase their odds and beat the average timescales they need to be more pro-active than other sellers. New sellers who are motivated by the 18-week Christmas deadline therefore need to agree a sale to a buyer much more quickly than the average eight weeks that it takes, and perhaps also compress the average 13 weeks between agreeing a sale to a buyer and moving in. That's a nail-biting total of 21 weeks that they need to try and cut down. Sellers and their agents who are pricing very attractively in order to beat the averages should also ensure that both the seller and equally importantly their buyer have the necessary financial and legal preparation in place. Lack of up-front preparation leads to mortgage or cash availability hold-ups, and failure to get legally required documents ready in anticipation of a sale can add weeks. Sale-ready sellers and the correct choice of a well-prepared buyer with a short or sound chain can still bring the turkey to the table in your new home in time for Christmas."*

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Miles Shippide, Rightmove director and housing market analyst

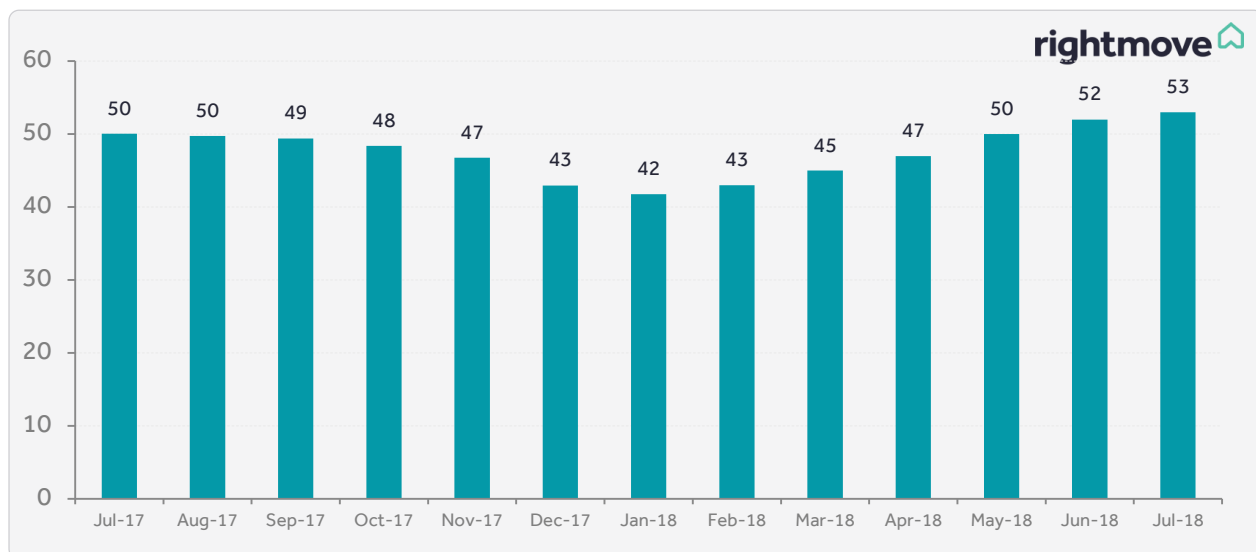


Agent's view

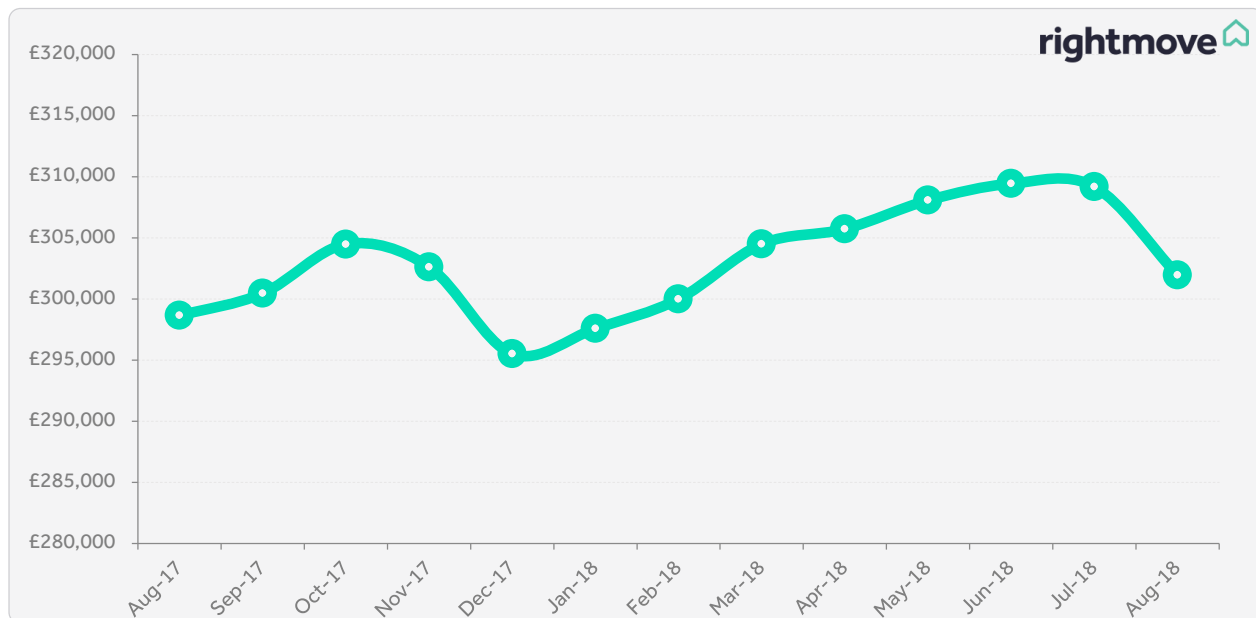
David Plumtree, Connells Group Estate Agency Chief Executive, says: *"Since the start of the summer, we have run sales campaigns across our branch network and have re-launched almost 5,000 properties to the market, all with meaningful price reductions. So far, we have agreed sales on 30% of those properties which goes to show that, despite subdued market conditions and the gloom in the wider economy, there remains decent levels of demand for well-priced stock. The truth is there are still good levels of buyers looking to move home and the UK's love of home ownership is as strong as ever. Our figures show that properties will continue to sell well as long as they are correctly priced and proactively marketed by an estate agent who is prepared to work hard to get results. We usually see a flurry of activity as the summer comes to a close and as thoughts turn to getting moved in time for Christmas and starting a new year in a new home. Sellers would do well to get their home on the market now in preparation to take advantage of this upturn in interest."*

Asking price trends

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

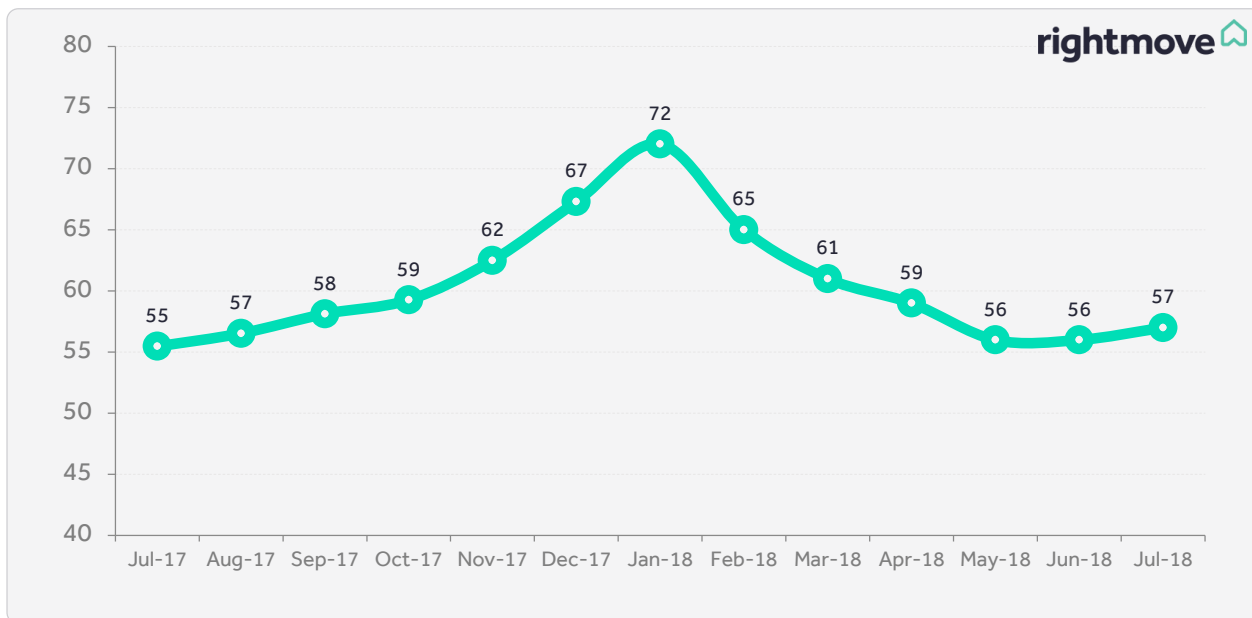


Monthly asking price trend

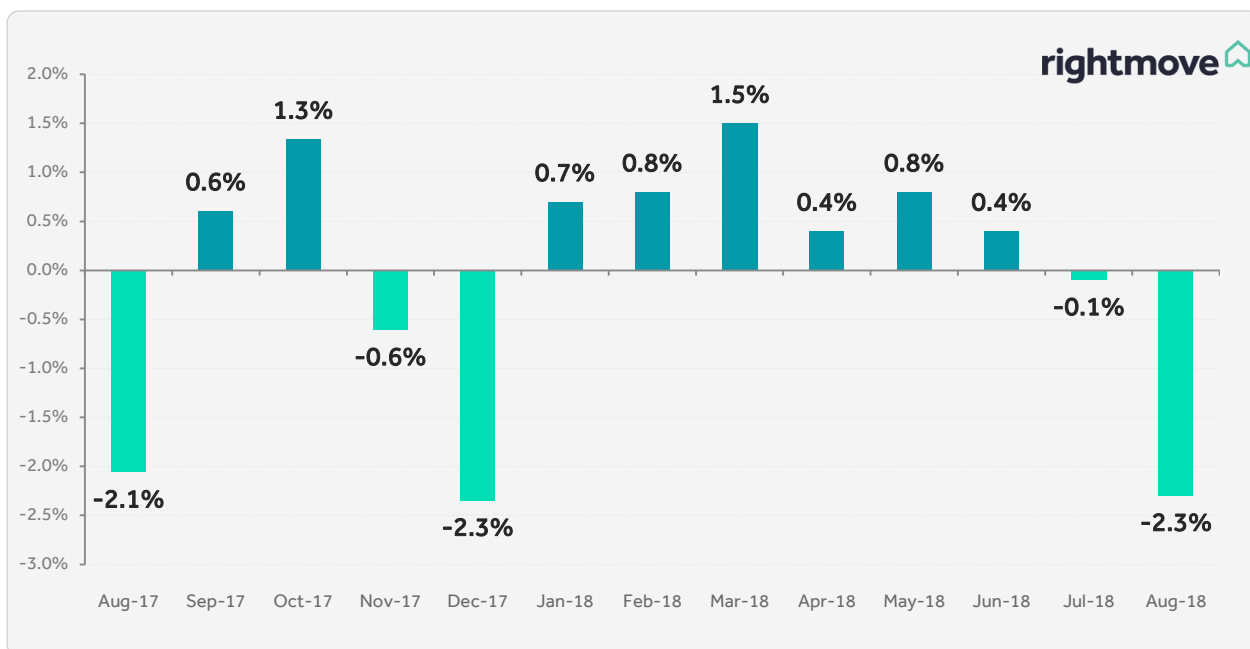


Average time to sell and stock

Average 'time to sell' (no. of days) - National



% monthly change in average asking prices



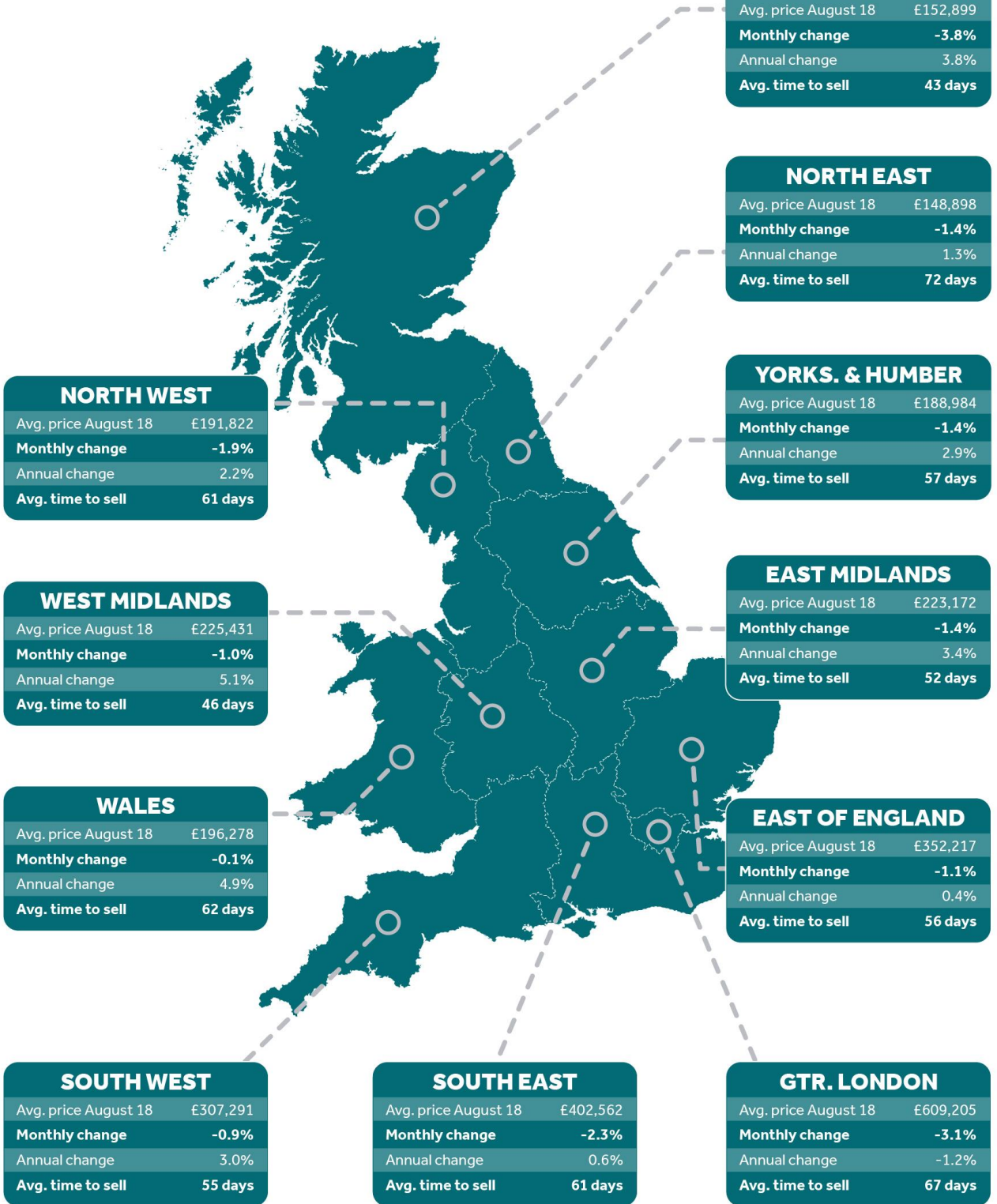
Regional trends



Increase from previous month



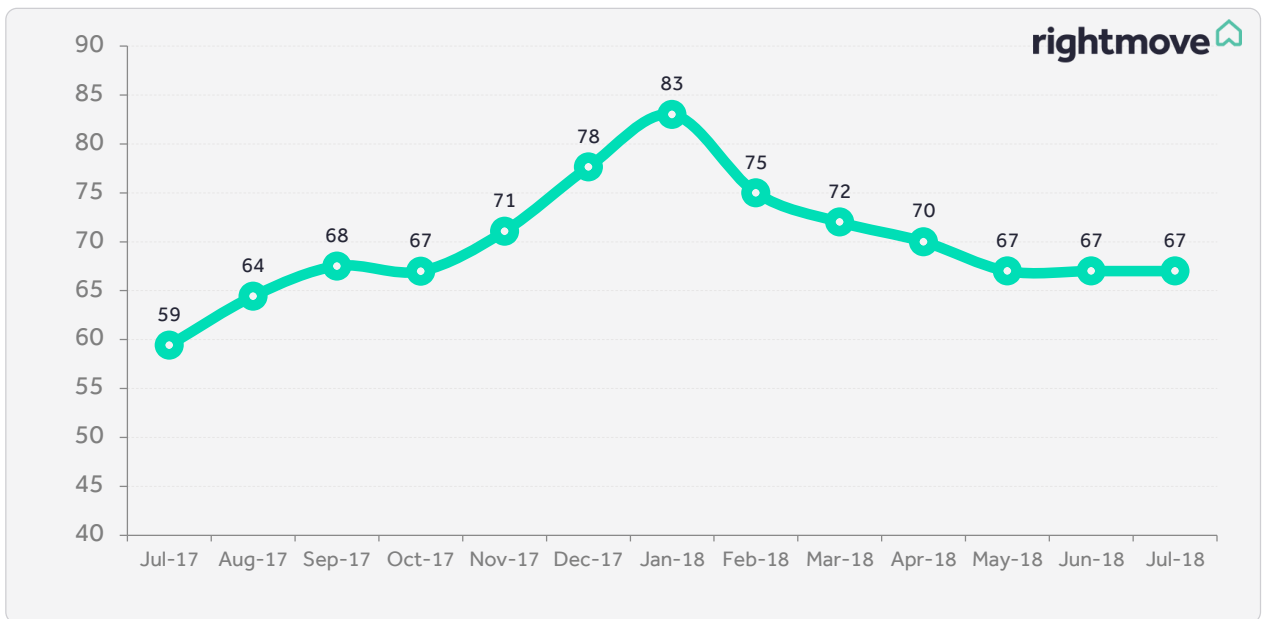
Decrease from previous month



London trends

Transport for London zones	Avg. price Aug 2018	Avg. price Jul 2018	Monthly change	Avg. price Aug 2017	Annual change
Zone 1	£1,266,350	£1,328,388	-4.7%	£1,313,266	-3.6%
Zone 2	£727,615	£752,675	-3.3%	£732,494	-0.7%
Zone 3	£576,709	£603,778	-4.5%	£585,735	-1.5%
Zone 4	£483,484	£489,312	-1.2%	£481,913	0.3%
Zone 5	£476,047	£480,733	-1.0%	£479,623	-0.7%
Zone 6	£488,820	£491,373	-0.5%	£490,135	-0.3%

Average 'time to sell' (no. of days) - London



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 Aug 2018	Monthly change	Annual change
Kensington and Chelsea	£1,612,067	-3.0%	2.4%
Barking and Dagenham	£317,574	0.1%	1.9%
Barnet	£644,479	-0.8%	1.8%
Greenwich	£445,513	0.2%	1.4%
Enfield	£466,153	0.6%	1.3%
Redbridge	£460,664	0.0%	1.1%
Sutton	£471,374	-1.0%	1.1%
Bexley	£411,473	0.4%	1.1%
Waltham Forest	£486,078	0.0%	0.9%
Havering	£410,422	0.5%	0.8%
Merton	£636,034	-1.1%	0.8%
Hillingdon	£491,772	-0.4%	0.4%
Hounslow	£542,693	-0.1%	0.1%
Camden	£996,741	-0.5%	-0.3%
Haringey	£608,006	-0.7%	-0.3%
Croydon	£437,865	-0.3%	-0.3%
Brent	£578,890	-0.4%	-0.5%
Islington	£751,665	0.9%	-0.5%
Bromley	£528,963	-0.3%	-1.1%
Newham	£410,155	-0.6%	-1.5%
Tower Hamlets	£589,281	-1.5%	-1.6%
Westminster	£1,433,733	-0.7%	-1.8%
Kingston upon Thames	£616,255	0.6%	-2.4%
Ealing	£548,319	-0.2%	-2.7%
Richmond upon Thames	£809,331	-2.0%	-2.8%
Harrow	£554,921	-1.2%	-2.9%
Lewisham	£469,128	-0.8%	-3.2%
Southwark	£630,121	-0.9%	-3.3%
Lambeth	£645,700	-0.6%	-3.4%
Wandsworth	£791,347	-1.2%	-3.7%
Hackney	£650,415	0.2%	-4.6%
Hammersmith and Fulham	£886,670	-2.0%	-6.0%

Editor's notes

1 Analysis of Rightmove and Land Registry data, verified by MyHomeMove.

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 90% 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 90% 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 over 130 million visits from home movers each month with time on site averaging over one billion minutes per month (Rightmove data, July 2017).