

The Rightmove House Price Index

The largest monthly sample of residential property prices

Under embargo for 00:01 hours: Monday, 21st October 2013

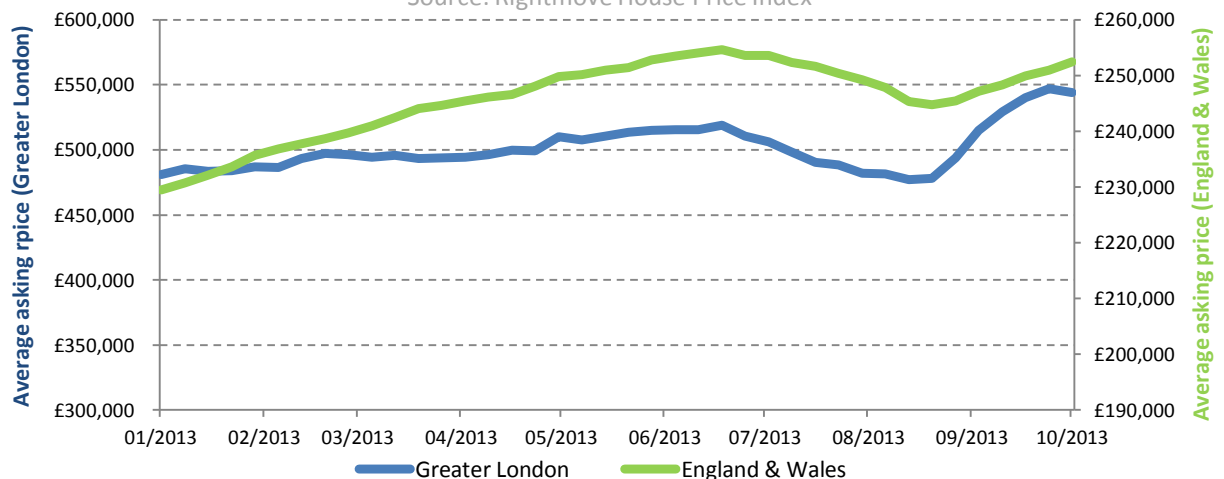
London prices rise unsustainably, beating previous high by nearly £30k

	October	September
Average Property Asking Price	£252,418	£245,495
% Change in Month	+2.8%	-1.5%
% Change in Past Year	+3.8%	+4.5%
Monthly Index (Jan 2002=100)	205.4	199.7

- Onset of autumn market sees national average asking prices rebound, up +2.8% (+£6,923)
- London storms back from summer of low listing activity and price falls, with new seller numbers up 15% and asking prices up +10.2% (+£50,484) on September – average asking price is now +5.6% (+£28,852) above July's record of £515,379, an average growth rate of c.2% a month over the quarter
- With affordability in London stretched, the 5% deposit incentive of phase two of Help to Buy is likely to have greater impact outside the capital as Londoners face income not deposit challenge:
 - Prices in outer London already more than double those in the rest of England & Wales (excluding London), though average wages only 60% higher
 - 80% of buyers in London improve their buying budget and mortgage rate with 10% or greater deposit, and 37% receive assistance from Bank of Mum and Dad.
- No risk of a price bubble outside London as two regions record monthly falls, five are negative year-on-year, and seven in ten regions have annual price rises lagging behind inflation

Average Asking Price in England & Wales and Greater London since Jan 2013

Source: Rightmove House Price Index



Rightmove measured 127,902 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 8th September 2013 to 12th October 2013 and advertised on Rightmove.co.uk.

Rightmove.co.uk is the UK's largest property web site, advertising around 90% of all homes for sale via estate agents across the UK. The site attracts over 40 million visits from home movers each month who view in excess of 400 million pages. Each month Rightmove uses asking price data of up to 200,000 properties coming onto the market to produce this House Price Index - the largest, most accurate and up-to-date monthly index.

Released 21st October 2013

Page 1 of 10

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Overview

Following two consecutive monthly falls in the price of property coming to market, October saw a rebound of +2.8% (+£6,923). The biggest turnaround was in London with an unsustainable +10.2% (+£50,484) jump in new sellers' average asking prices this month. The summer slowdown was most pronounced in the capital, resulting in falls of -2.8% and -1.5% in August and September respectively, and October sees a return to a growth trend which started in January this year. Such a significant monthly increase in the capital at this time of year is not without precedent. In October 2009, average asking prices in London rose by +6.5% following a similarly low level of activity from sellers over the summer months creating some volatility. This month's strong recovery means prices are now +5.6% (+£28,852) up on July's all-time high of £515,379, pushing the year-on-year increase in London to +13.8% (+£66,161).

Miles Shippside, Rightmove director and housing market analyst comments: *"Fewer sellers coming to market in the capital during the traditional summer recess resulted in total price falls of 4.3% over August and September. However, this month's rebound in the number of sellers brings the quarterly growth figure back into line with the recent trend at around 2% a month. Although not sustainable in the longer term, some agents currently report there is a buying frenzy in parts of prime inner London, with available stock so low that their shelves are now bare. Unsurprisingly, many of this month's best performers are boroughs in inner London"*.

To satisfy at least some of the demand, London needs an increase in supply from a combination of more new-build properties and more existing owners coming to market. The number of sellers in the capital this month is up 15% compared to last, though given that September was 12% down on August, the recovery is modest and from a low base. The situation is exacerbated by overseas investor demand swallowing up much of the new-build supply, adding to shortages and creating upwards price pressure.

Shippside explains: *"London is a world city where overseas investors see real estate as a safe asset, at a time when safe assets are increasingly scarce, and developers are building and marketing a lot of one and two bedroom flats to meet that demand. While they can achieve volume sales at premium prices, this eats up a much needed source of fresh supply and drags up existing property prices at an even faster rate"*.

There is a long-standing imbalance between supply and demand in London, and as a result both the average price and the entry price are high. Hence, phase two of the Government's Help to Buy scheme is likely to bypass many buyers in the capital and mainly benefit those in other regions. Average asking prices in even the more affordable outer London boroughs (£461,937) are more than twice the average in the rest of England and Wales excluding London (£226,861), and prime inner London property has reached stratospheric levels (£937,110), yet the average London wage is only 60%* higher than in the rest of the country. Due to the mismatch between average wage levels and the high price of property in the capital, Rightmove research indicates that 80% of those who intend to buy in the next 12 months will put down a deposit of 10% or more. While this widens their target range of property, it means that the current range of 5% deposit Help to Buy products is of no benefit to many Londoners for whom the income to service a mortgage is a greater challenge than the deposit required.

Shippside observes: *"In London, the buying power required to get onto or move up the housing ladder means you have to tap into the Bank of Mum and Dad rather than buy courtesy of a helping hand from Uncle George. Indeed, nearly two in five would be first-time buyers in the capital state that they expect to receive parental assistance. The added benefit of a larger deposit is that the interest rates on offer handsomely beat those available through Help to Buy phase two. Buyers on average wages who are restricted to a 5% deposit Help to Buy mortgage will be forced to test the upper end of their lenders' affordability ratios."*

While London grabs the headlines this month, it is also worth noting some significant patterns in other regions. A bubble seems a long way off in the majority of regions, with two having recorded monthly falls (West Midlands and Wales), five still negative year-on-year (North, North West, Wales, West Midlands, South West), and seven in ten regions recording annual price increases which lag behind inflation (all bar London, South East and East Midlands are below the 3.2% annual rate of RPI). The South East is the natural recipient of increased demand given the extreme supply shortages in London, as well as having its own needs to satisfy. Property is coming to market at +2.3% more than last month's asking prices, though it remains -2.1% behind the peak of £330,612 achieved in July this year.

Released 21st October 2013

Page 2 of 10

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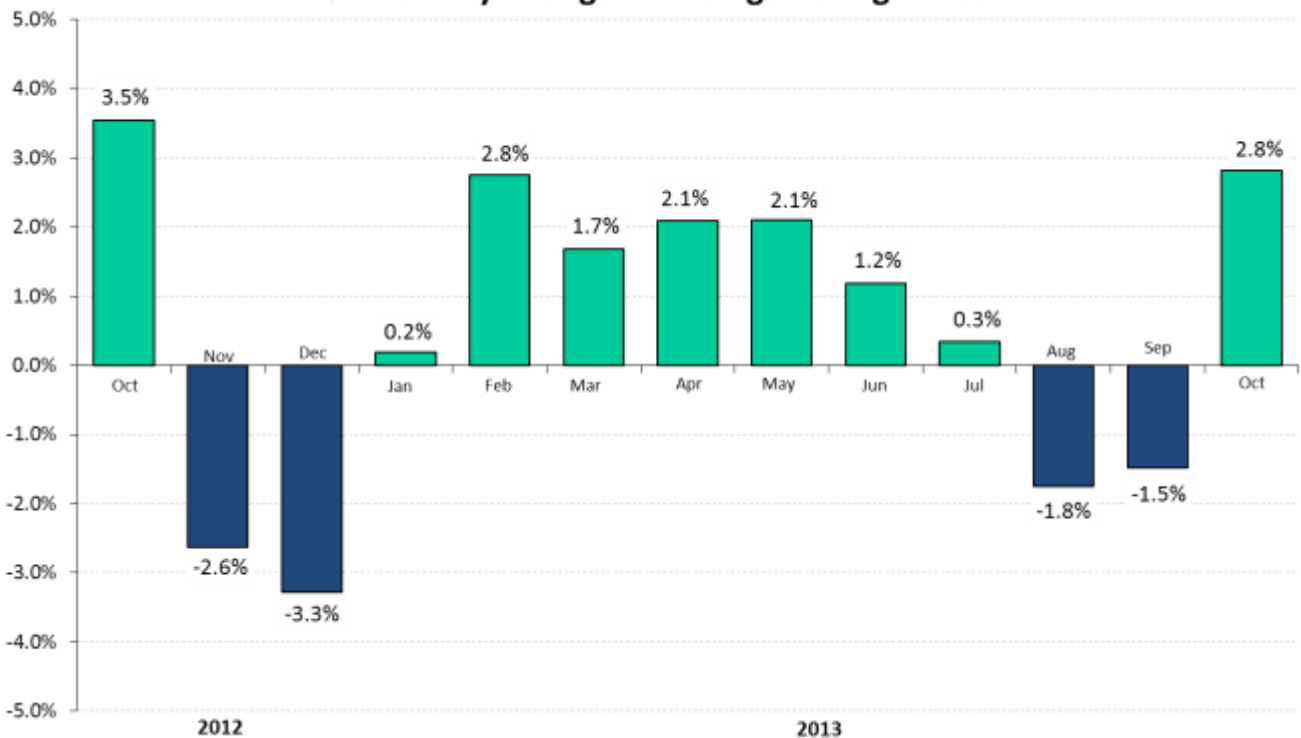
Shipside comments: *“With the London market failing to provide the range of affordable properties its growing population needs, the South East is experiencing upwards price pressure as demand spills over. With an average price of just over £300,000, a commuter-belt property is in the cross hairs of Help to Buy assisted purchasers unable to afford the London market. Help to Buy will give some people a leg up onto the South East’s property ladder, but it also needs to spur more first-time movers to trade up to increase property supply and temper future price rises”.*

* Annual Survey of Hours and Earnings 2012 provisional results, ONS

Rightmove Monthly Asking Price Trend



% Monthly Change in Average Asking Prices



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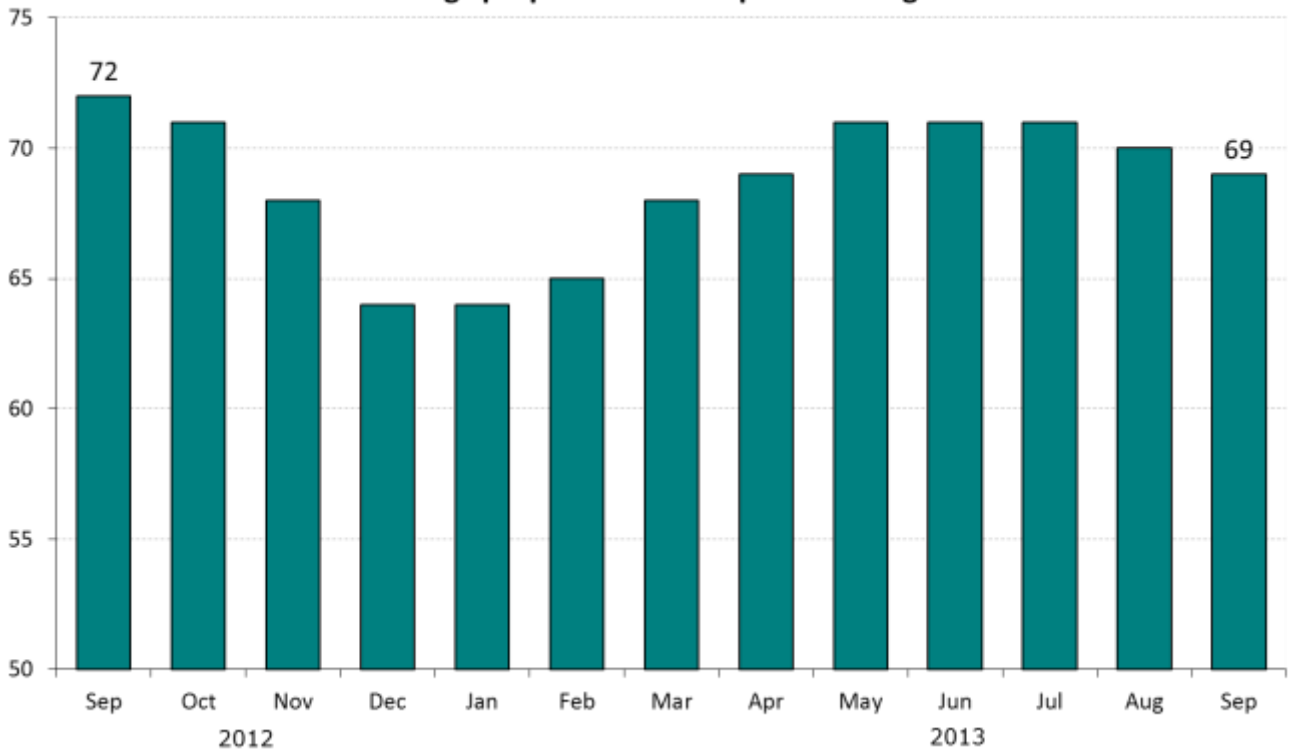
Page 4 of 10

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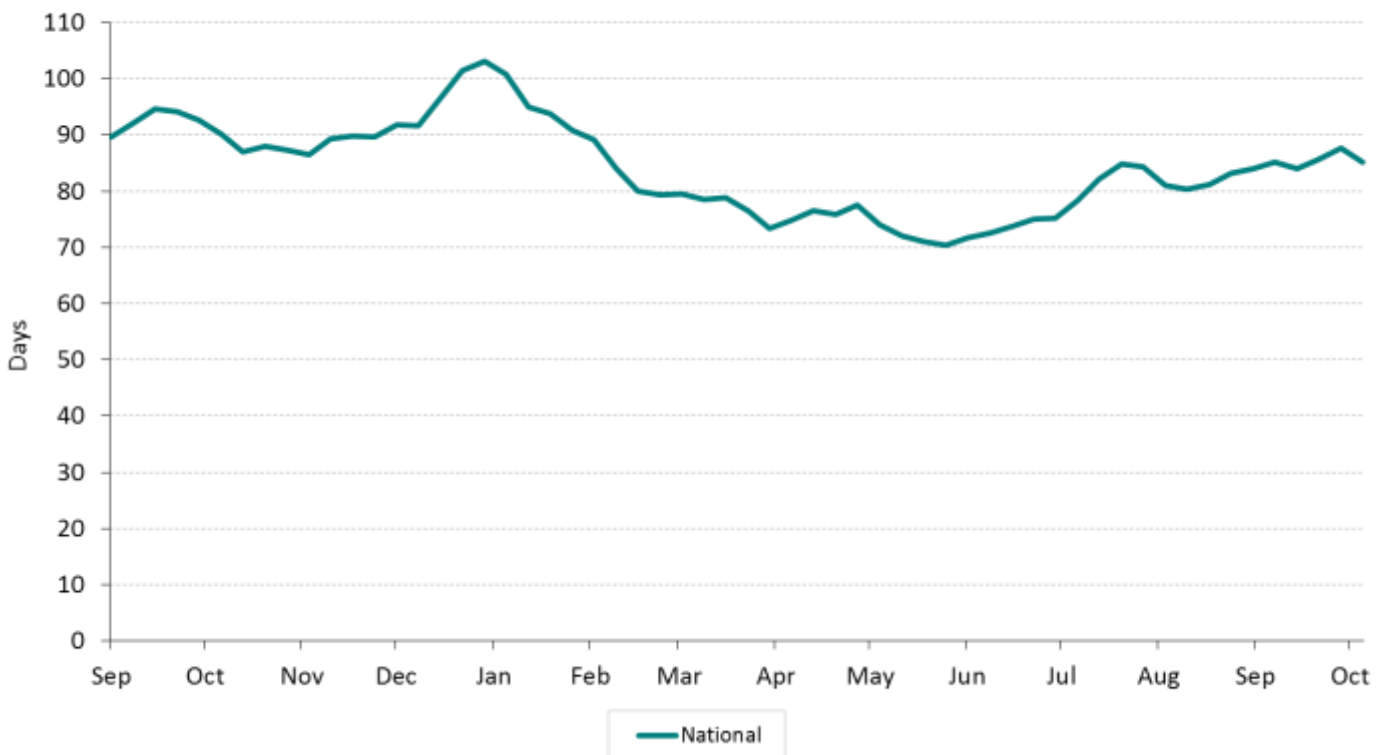
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Average properties for sale per Estate Agent



Time on Market Indicator (National)



Regions of England & Wales

 Increases
 Decreases
 from previous month

North	
Avg. Price Oct 13	£145,094
Avg. Price Sep 13	£144,768
Monthly Change	0.2%
Avg. Price Oct 12	£148,358
Annual Change	-2.2%

North West	
Avg. Price Oct 13	£164,417
Avg. Price Sep 13	£162,430
Monthly Change	1.2%
Avg. Price Oct 12	£165,865
Annual Change	-0.9%

Yorkshire & Humberside	
Avg. Price Oct 13	£154,767
Avg. Price Sep 13	£150,829
Monthly Change	2.6%
Avg. Price Oct 12	£153,536
Annual Change	0.8%

West Midlands	
Avg. Price Oct 13	£189,242
Avg. Price Sep 13	£195,429
Monthly Change	-3.2%
Avg. Price Oct 12	£190,124
Annual Change	-0.5%

East Midlands	
Avg. Price Oct 13	£171,913
Avg. Price Sep 13	£165,063
Monthly Change	4.1%
Avg. Price Oct 12	£162,199
Annual Change	6.0%

Wales	
Avg. Price Oct 13	£165,708
Avg. Price Sep 13	£168,594
Monthly Change	-1.7%
Avg. Price Oct 12	£168,045
Annual Change	-1.4%

East Anglia	
Avg. Price Oct 13	£236,321
Avg. Price Sep 13	£231,033
Monthly Change	2.3%
Avg. Price Oct 12	£230,057
Annual Change	2.7%

South West	
Avg. Price Oct 13	£264,058
Avg. Price Sep 13	£259,674
Monthly Change	1.7%
Avg. Price Oct 12	£264,087
Annual Change	0.0%

Greater London	
Avg. Price Oct 13	£544,232
Avg. Price Sep 13	£493,748
Monthly Change	10.2%
Avg. Price Oct 12	£478,071
Annual Change	13.8%

South East	
Avg. Price Oct 13	£323,546
Avg. Price Sep 13	£316,381
Monthly Change	2.3%
Avg. Price Oct 12	£311,438
Annual Change	3.9%

If you are a journalist and would like a further breakdown on these regional statistics please contact the Press Office on: press@rightmove.co.uk or call 0845 456 8439

National Asking Price Trend

Month	Index (Jan 2002 = 100)	% Change	Avg. Price
October 2012	197.8	+3.5%	£243,168
November 2012	192.6	-2.6%	£236,761
December 2012	186.3	-3.3%	£228,989
January 2013	186.7	+0.2%	£229,429
February 2013	191.8	+2.8%	£235,741
March 2013	195.0	+1.7%	£239,710
April 2013	199.1	+2.1%	£244,706
May 2013	203.3	+2.1%	£249,841
June 2013	205.7	+1.2%	£252,798
July 2013	206.4	+0.3%	£253,658
August 2013	202.8	-1.8%	£249,199
September 2013	199.7	-1.5%	£245,495
October 2013	205.4	+2.8%	£252,418
Annual Change	+7.6	+3.8%	+\$9,250

(National asking price includes other property types that are not classified below)

National Asking Price Trend by Property Type

Month	Detached	Semi-Detached	Terraced	Flats/Apartments
October 2012	£349,561	£196,995	£180,496	£198,012
November 2012	£345,138	£197,954	£181,633	£201,735
December 2012	£338,638	£193,365	£175,489	£196,819
January 2013	£333,054	£196,896	£180,824	£200,063
February 2013	£343,849	£199,232	£182,093	£200,813
March 2013	£354,003	£202,379	£187,489	£204,685
April 2013	£362,582	£205,691	£188,865	£202,867
May 2013	£369,582	£207,039	£191,161	£207,442
June 2013	£373,926	£206,670	£192,638	£208,792
July 2013	£374,370	£206,612	£192,710	£207,844
August 2013	£364,254	£204,392	£188,445	£209,652
September 2013	£359,051	£206,639	£188,777	£205,279
October 2013	£372,274	£207,581	£196,492	£220,539
Annual Change	+6.5%	+5.4%	+8.9%	+11.3%

Press enquiries regarding the methodology employed and access to further analysis of the data held by rightmove.co.uk should be directed to the Press Office on press@rightmove.co.uk or call 0845 456 8439.

London's Best Performers October 2013

London's Top 5	Avg. Price Oct 13	Avg. Price Sep 13	Monthly Change
City of Westminster	£1,602,980	£1,432,897	11.9%
Kensington and Chelsea	£2,410,474	£2,155,341	11.8%
Hammersmith and Fulham	£1,092,840	£977,466	11.8%
Wandsworth	£770,266	£692,077	11.3%
Tower Hamlets	£518,149	£469,552	10.3%

London's Worst Performers October 2013

London's Bottom 5	Avg. Price Oct 13	Avg. Price Sep 13	Monthly Change
Richmond-upon-Thames	£753,562	£735,360	2.5%
Hillingdon	£391,186	£375,902	4.1%
Camden	£1,014,457	£971,765	4.4%
Ealing	£537,991	£513,687	4.7%
Harrow	£384,378	£366,336	4.9%

London Time on Market

Time on Market Indicator (London)



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Page 8 of 10

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London Boroughs

Borough	Avg. Price Oct 13	Avg. Price Sep 13	Monthly Change	Avg. Price Oct 12	Annual Change
Kensington and Chelsea	£2,410,474	£2,155,341	11.8%	£2,207,472	9.2%
City of Westminster	£1,602,980	£1,432,897	11.9%	£1,439,788	11.3%
Hammersmith and Fulham	£1,092,840	£977,466	11.8%	£860,505	27.0%
Camden	£1,014,457	£971,765	4.4%	£963,733	5.3%
Wandsworth	£770,266	£692,077	11.3%	£655,869	17.4%
Islington	£769,122	£729,278	5.5%	£645,047	19.2%
Richmond-upon-Thames	£753,562	£735,360	2.5%	£670,197	12.4%
Brent	£728,401	£665,407	9.5%	£665,943	9.4%
Kingston-upon-Thames	£716,823	£675,354	6.1%	£626,760	14.4%
Barnet	£636,319	£596,028	6.8%	£570,245	11.6%
Hackney	£631,977	£599,577	5.4%	£551,054	14.7%
Haringey	£599,079	£560,123	7.0%	£544,062	10.1%
Hounslow	£591,954	£561,153	5.5%	£559,566	5.8%
Lambeth	£552,291	£514,945	7.3%	£462,439	19.4%
Ealing	£537,991	£513,687	4.7%	£478,722	12.4%
Southwark	£527,491	£493,363	6.9%	£437,349	20.6%
Tower Hamlets	£518,149	£469,552	10.3%	£450,244	15.1%
Merton	£505,811	£474,999	6.5%	£459,609	10.1%
Lewisham	£413,798	£388,508	6.5%	£365,923	13.1%
Hillingdon	£391,186	£375,902	4.1%	£373,294	4.8%
Sutton	£385,329	£352,545	9.3%	£343,246	12.3%
Harrow	£384,378	£366,336	4.9%	£346,926	10.8%
Bromley	£371,143	£351,986	5.4%	£342,020	8.5%
Enfield	£369,567	£350,625	5.4%	£344,273	7.3%
Waltham Forest	£349,391	£325,900	7.2%	£297,348	17.5%
Croydon	£348,780	£318,921	9.4%	£292,252	19.3%
Greenwich	£332,780	£308,930	7.7%	£294,072	13.2%
Redbridge	£328,197	£308,372	6.4%	£298,220	10.1%
Havering	£272,692	£259,045	5.3%	£261,401	4.3%
Newham	£268,407	£252,543	6.3%	£244,785	9.7%
Bexley	£241,995	£226,935	6.6%	£218,848	10.6%
Barking and Dagenham	£231,724	£218,242	6.2%	£221,754	4.5%

(City of London excluded due to small number of residential properties.)

Index Comparison

	Oct 2013		Sep 2013		Aug 2013	
	House Price	Monthly change	House Price	Monthly change	House Price	Monthly change
Rightmove	£252,418	+2.8%	£245,495	-1.5%	£249,199	-1.8%
Halifax	N/A *	N/A *	£170,733	+0.3%	£170,149	+0.3%
Nationwide	N/A *	N/A *	£172,127	+0.9%	£170,514	+0.7%

* Published at the beginning of next month for Halifax and at the end of this month for Nationwide

Rightmove: compiled from asking prices of properties as they come on the market via Rightmove's member estate agents over the previous month, covering over 90% the market. Not seasonally adjusted. (Seasonally adjusted figure used for the Halifax from Nov 2003, as no unadjusted figure has been published.)

Halifax: based on mortgage approvals of loans agreed by Halifax Bank of Scotland over the previous month, seasonally adjusted.

Nationwide: based on mortgage approvals of loans agreed by Nationwide Building Society over the previous month. Figure quoted for monthly change is seasonally adjusted.

Rightmove measures asking prices and does not seasonally adjust its figures, while Nationwide and Halifax both report data based on mortgage offers, seasonally adjusted. The index offered by the CLG (Department of Communities and Local Government) measure prices at completion stage, not seasonally adjusted.

Editors' notes

Advertising property for over 90% of all UK estate agents, Rightmove is in a unique position to identify any immediate changes in the market. Using a larger sample than any other house price reports, Rightmove's **House Price Index** is compiled from the asking prices of properties coming onto the market via the c.10,000 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 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. 95% of properties are sold via an agent, while only 75% are purchased with a mortgage. 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 of the housing market.

This month 17,818 properties have been excluded due to being anomalies.

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 has around 90% of all properties for sale and at any time displays a stock of over one million properties to buy or rent, worth around £270 billion. All eight corporate estate agents (those with 100 or more branches) list their properties on the site. The Rightmove.co.uk site receives over 30 million visits every month and is consistently ranked number one property website in the UK (source: Experian Hitwise).

For further information on methodology please contact the Press Office on press@rightmove.co.uk or call 0845 456 8439.