

House Price Index

January 2014 edition

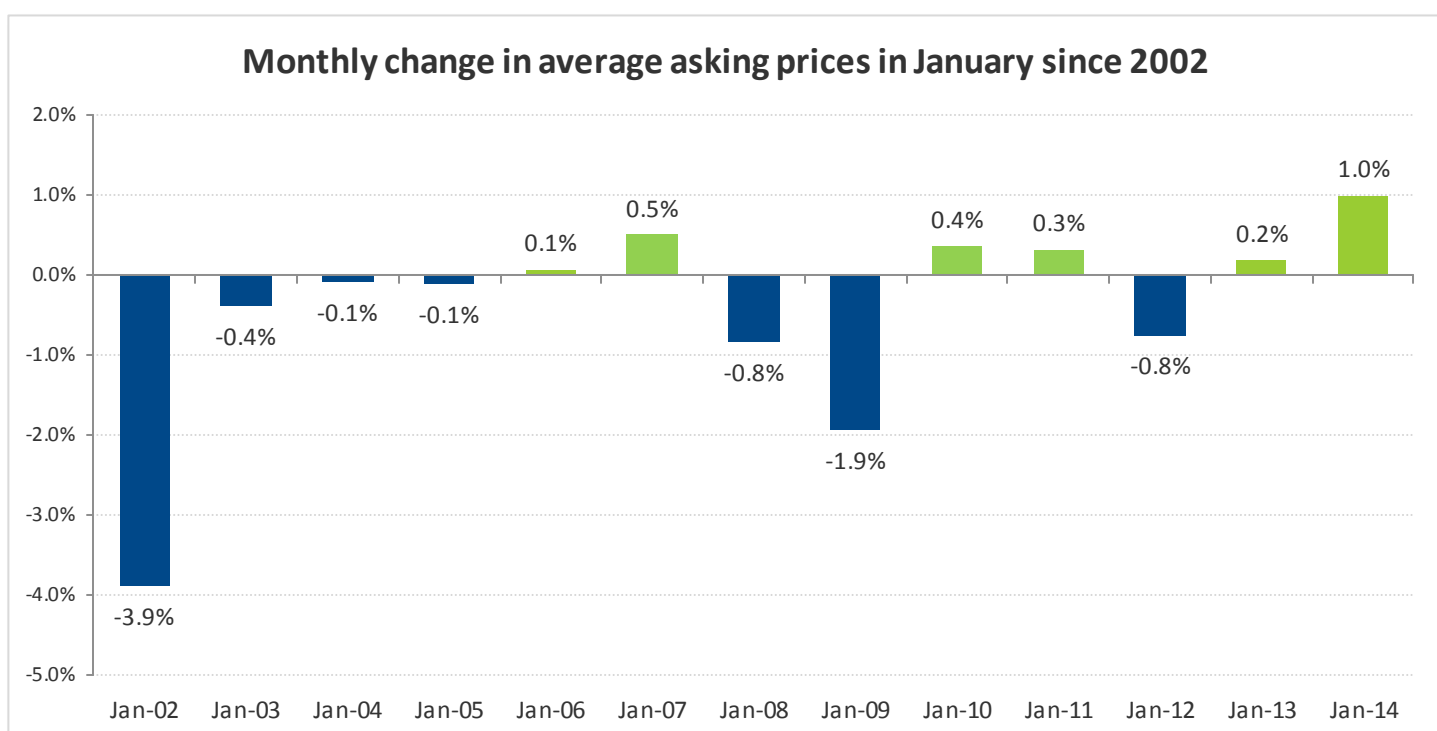
THE LARGEST MONTHLY SAMPLE OF RESIDENTIAL PROPERTY PRICES

Under embargo for 00:01 hours: Monday, 20th January 2014

Strongest ever start to a new year

Average property asking price:	
Jan 14	Dec 13
£243,861	£241,455
% change in month:	
Jan 14	Dec 13
+1.0%	-1.9%
% change in past year:	
Jan 14	Dec 13
+6.3%	+5.4%
Monthly index (Jan 2002 = 100)	
Jan 14	Dec 13
198.4	196.5

- Average asking prices up by 1% (+£2,406), the largest ever January rise in the price of property coming to market
- Year-on-year increase up to 6.3% (+£14,432), the highest since November 2007
- New sellers and their agents are optimistic on price expectations – but is this well-founded?
 - Over first two weeks of January 2014, both website traffic and email leads to agents and developers hit records for the time of year, up nearly 20% on 2013
 - At 58 properties per branch, lowest stock of property for sale since February 2007
- Are more making 2014 the year to move? Number of newly marketed properties rises 4% in the first week of January compared to the same period last year



Rightmove measured 61,562 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 9th December 2013 to 11th January 2014 and advertised on Rightmove.co.uk.

Rightmove.co.uk is the UK's largest property website, advertising around 90% of all homes for sale via estate agents across the UK. The site attracts over 80 million visits from home movers each month who view in excess of one billion pages (Rightmove data, Oct 2013). 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.

Overview

Early activity indicators suggest a strong 2014 for the housing market. The national average asking price has had its strongest ever start to a new year, indicating that seller and estate agent optimism is on the up, as are the number of properties coming to market and activity across Rightmove's sites. January's increase of just 1% (+£2,406) may appear modest at first but is in fact a record for this time of year. It also leaves the average asking price 6.3% (+£14,432) higher than it was a year ago, the highest annual rate of increase since November 2007, which was before the credit crunch started to bite.

Miles Shippside, Rightmove director and housing market analyst comments: *"The early statistics for any new year are keenly anticipated as they indicate the shape of things to come in the year ahead. With a very strong start in both the price of property coming to market and the number of people looking at what's on the market, it suggests that the new year resolution for many is to make 2014 their year to move."*

New sellers' optimism sets January record

The 1% increase this month compares to a rise of just 0.2% (+£439) in January 2013. Over the last ten years January has seen an average fall of -0.2%, which is depressed by seasonal factors as the period includes a significant proportion of December as well as early January. New sellers' and their agents' price expectations are a lead indicator of optimism, and the largest rise seen at the beginning of a year since the start of the Rightmove House Price Index in 2002 suggests the anticipated demand is here, and consequently prices are ticking upwards. As a result more home owners will find themselves in a position where their growth in equity may help to fund a move.

Shippside adds: *"This is the strongest start to a new year for house prices that Rightmove has ever recorded, and that will get some potential sellers salivating at the thought of better moving prospects. The sums have to stack up for most property owners before they will consider a sale; some will have to achieve a higher sales price to fund a move while others will have a figure in their heads that they're not prepared to go below. With buyer demand on the up and price levels having hardened, the likelihood of finding a buyer at an acceptable price will be a potential boost to new seller numbers, especially for those trading up and needing a decent deposit to access more competitive mortgage rates. Help to Buy phase two will assist new supply further by helping to increase the availability of low-deposit mortgages for existing home-owners, finally enabling 'trapped sellers' to move."*

New year high for site traffic and enquiries

In the first two weeks of 2014 the number of pages of property viewed on Rightmove rose by nearly 20% on the same period a year ago. This is a new high for this time of year, and with e-mail enquiries to agents and developers also up by nearly 20%, the interest is being followed up. Home-movers made more than 1.75 million enquiries in the first two weeks of the year, another new year record.

Shippside notes: *"Activity on Rightmove is a dependable barometer of demand with intending buyers and sellers sussing out their local market. As well as a significant increase in activity on the Rightmove website, the growth of home-hunting from mobile devices continues unchecked with a 40% rise in leads to agents from phones and tablets. People seem to have an increased urgency for information about property, and are using whatever device is closest to hand."*

Seven year low in stock of property for sale

Average stock for sale per estate agency branch fell to its lowest level since February 2007, having fallen from 64 properties a year ago to a current level of 58. With those coming to market in areas of short supply having additional pricing power and their estate agents looking to replenish their dwindling stocks, those considering a move in 2014 should note the potential for prices to be considerably higher within a few months.

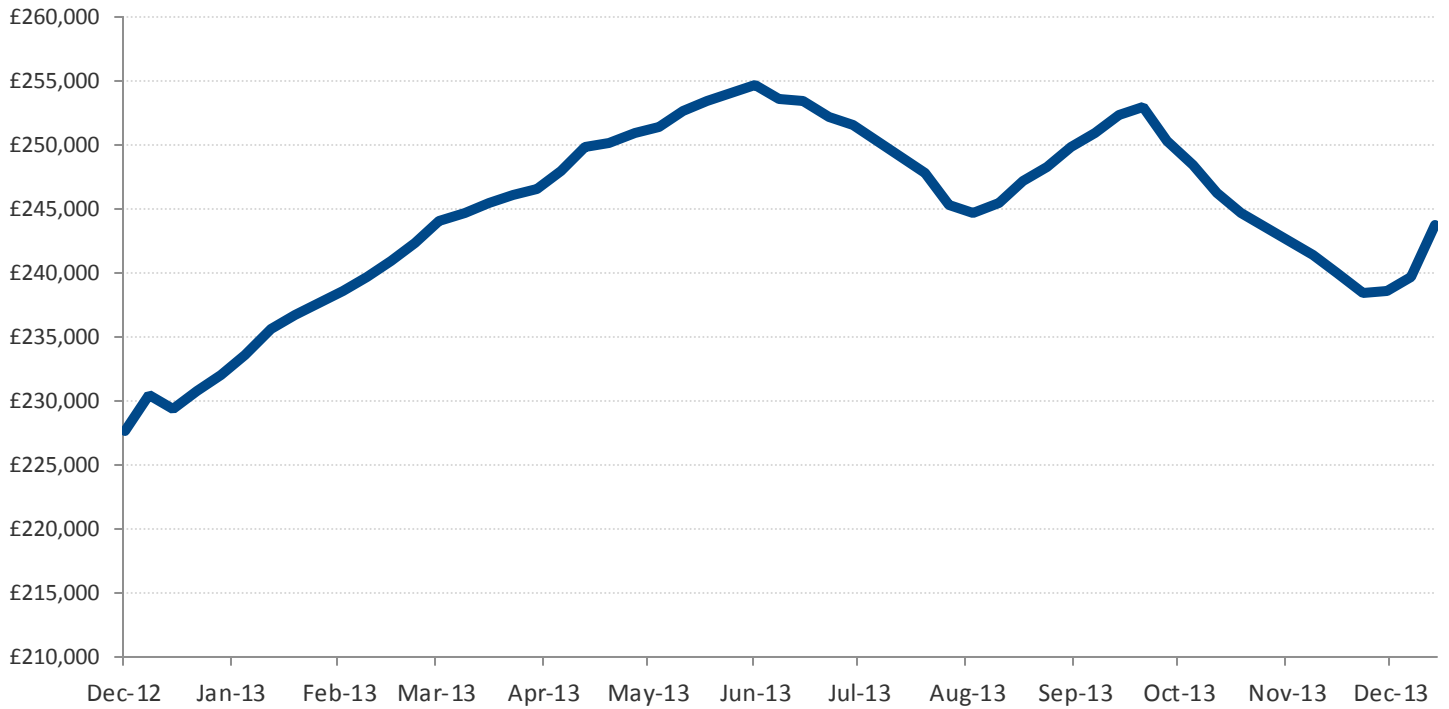
Shipside advises: *"Prospective movers in popular locations could find the price to enter the market or the difference to trade up a lot more enticing if they act sooner rather than later. With the lowest available stocks for sale on agents' books for seven years and the new year showing that the signals are set for a busy spring, buyers in those areas with some pricing legs left will benefit from acting early."*

Number of newly marketed properties up

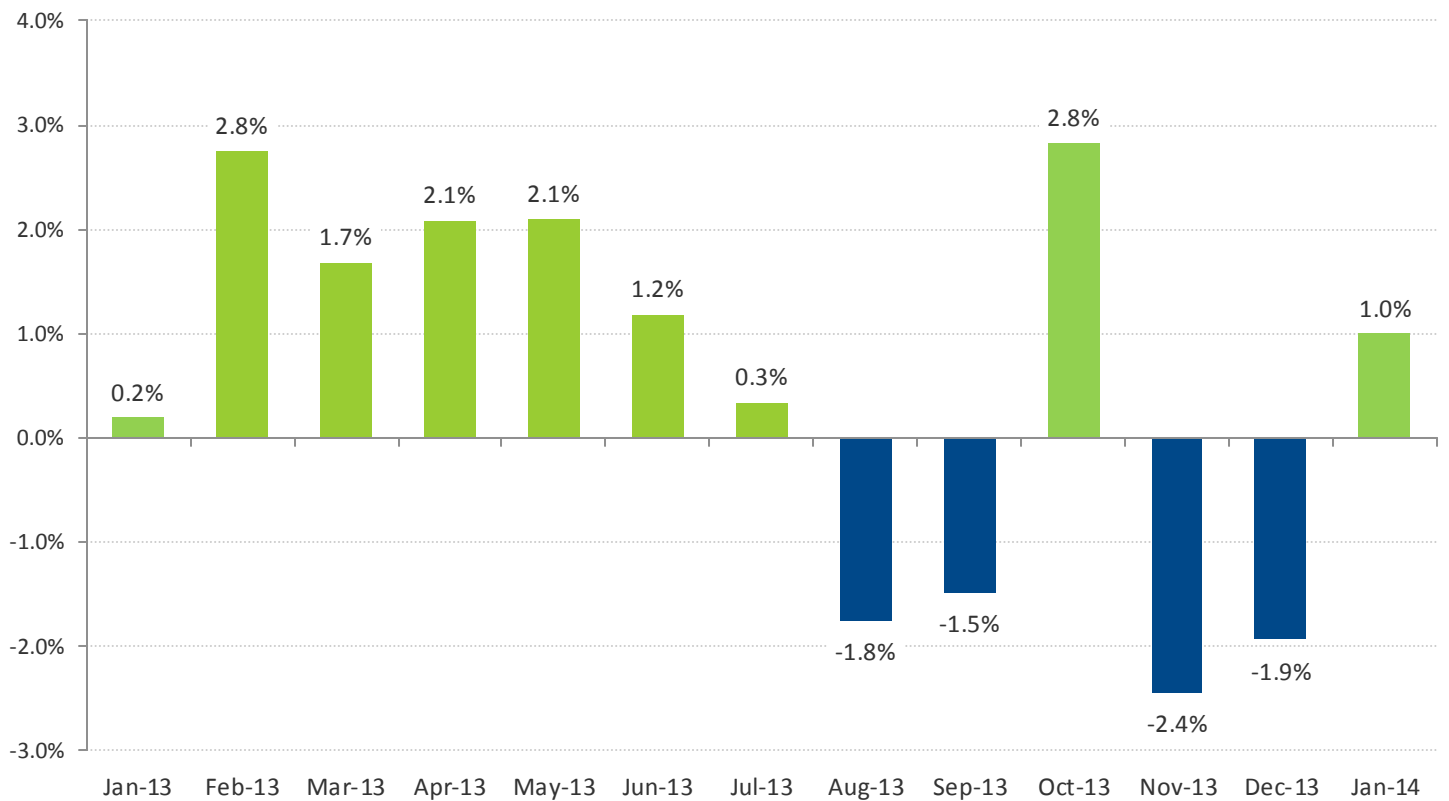
The need for extra supply of property to balance demand and lessen upwards price pressure is well documented, with more new build in both the private and social sectors and greater churn of the existing housing stock required. While home-owners have been unable or unwilling to come to market during the economic downturn, there are very early signs of greater supply of existing homes being a feature of 2014. Both the first week of 2014 and the most recent month saw increases in property coming to market compared to the same periods a year ago, up by 4% and 6% respectively. However, the number of new properties to market this month remains 31% down on the same month in 2008.

Shipside observes: *"Many home-owners' lives have been on hold as they have been unwilling or unable to trade up, down, or out, though it looks like more are now deciding to act. This upturn in new sellers coming to market needs to continue, so that each rung of the property ladder is busy and better balanced, with those trading up swapping places with those trading down or not buying again. This will help with the overall supply shortage where housing policy has failed to keep pace with the growth in number of households. Help to Buy phase one pulled forward more house building, kick-starting more private sector supply. Social housing also needs to increase in supply to lessen reliance on the private-sector rental and sale markets, and the resulting upwards price pressure."*

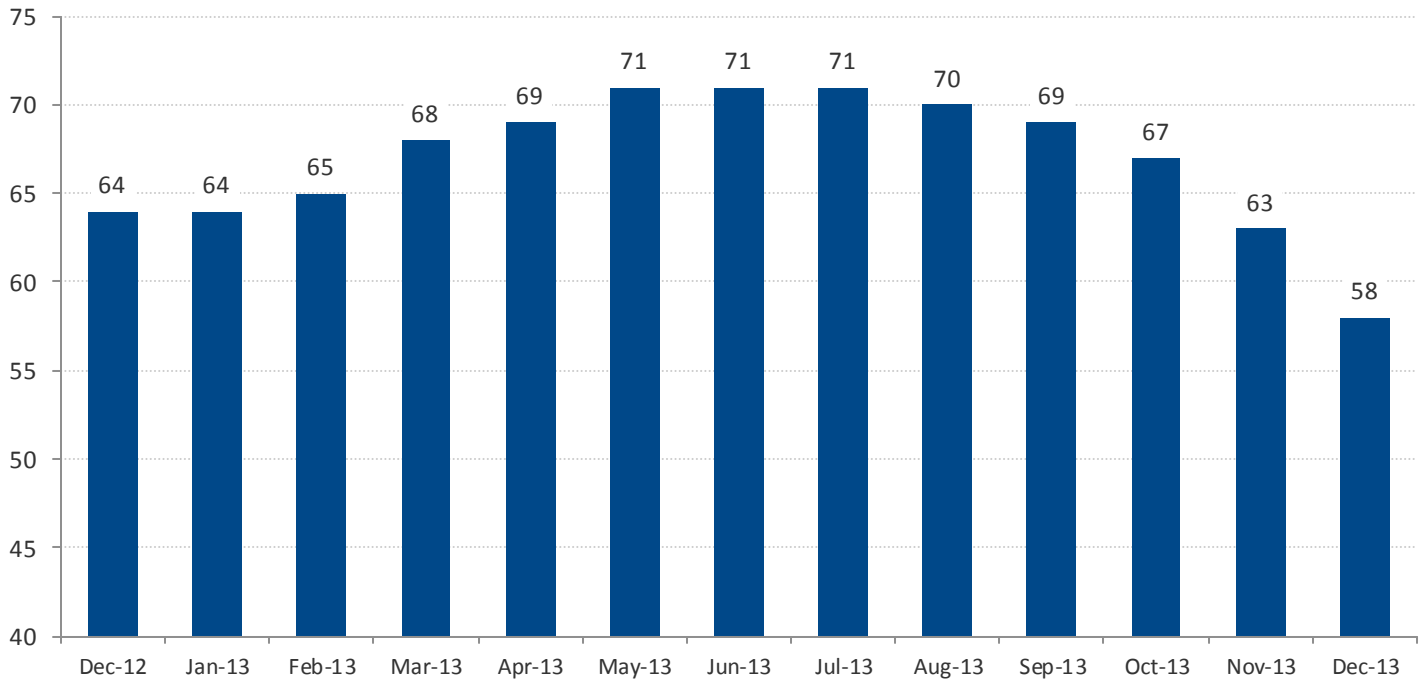
Rightmove monthly asking price trend



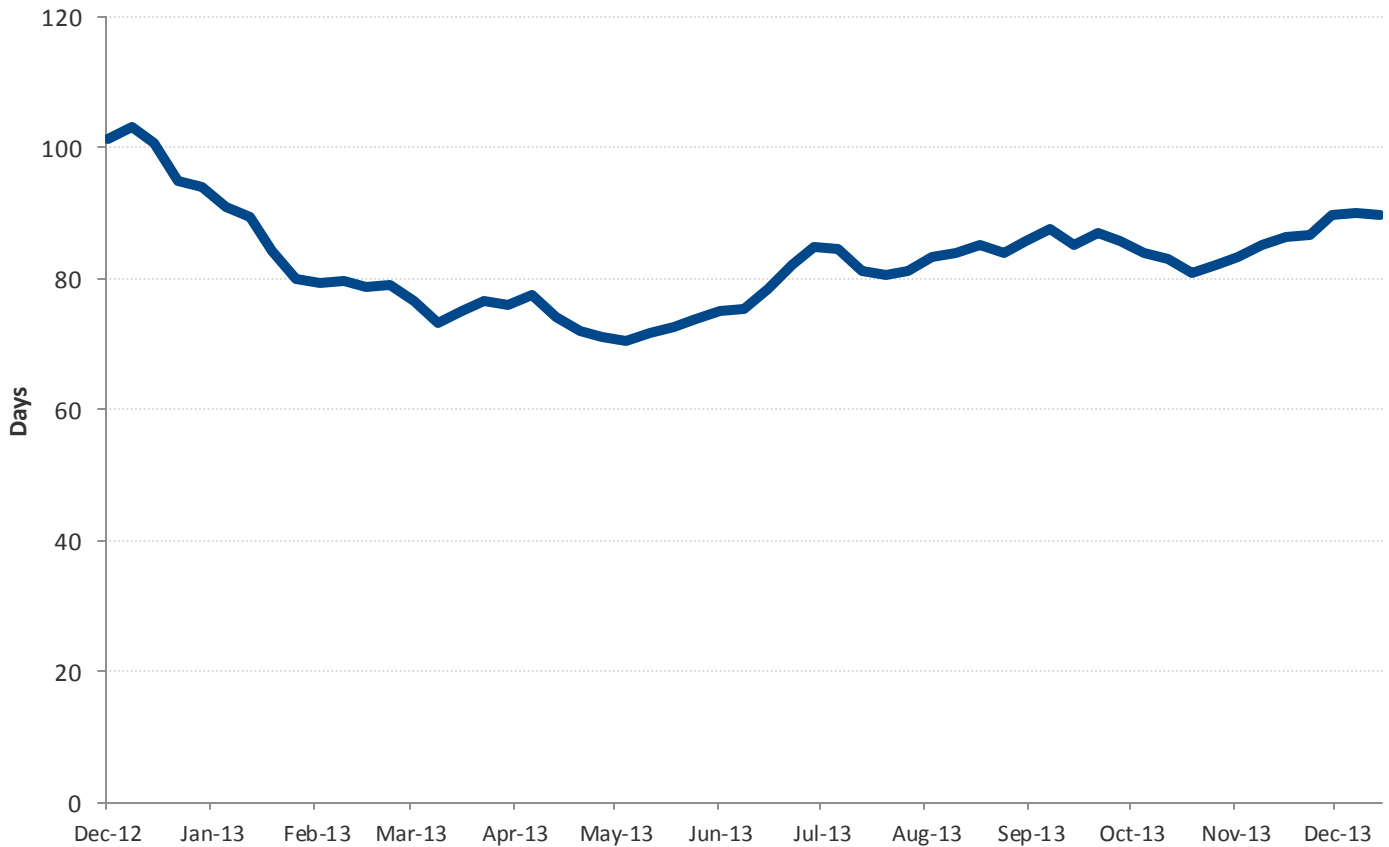
% monthly change in average asking prices



Average properties for sale per estate agent

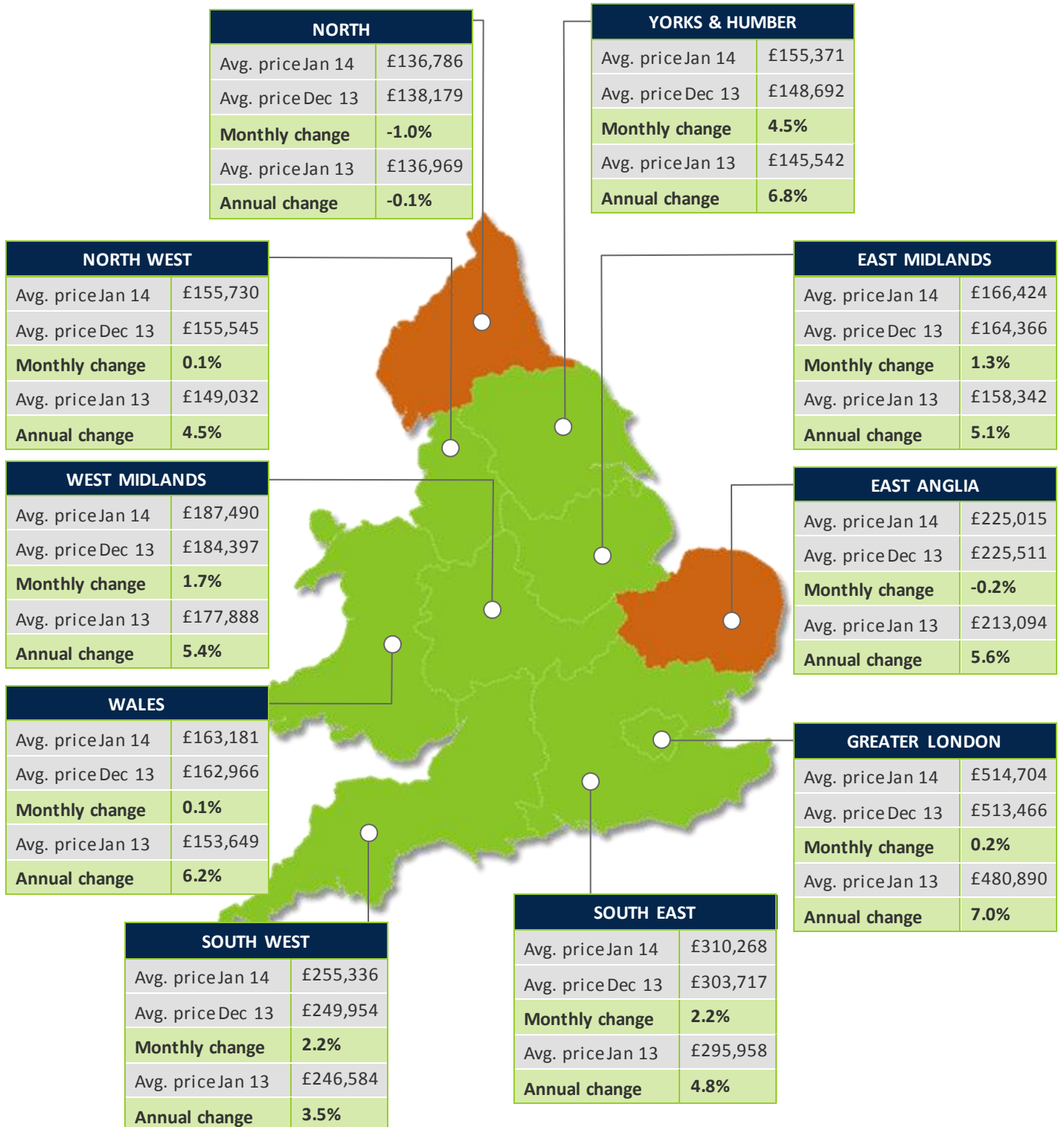


Time on market indicator - National



Regions of England and Wales

■ = increased from previous month ■ = decreased from previous month



National asking price trend

Month	Index (Jan 2002 = 100)	% change	Avg. asking price
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
November 2013	200.3	-2.4%	£246,237
December 2013	196.5	-1.9%	£241,455
January 2014	198.4	+1.0%	£243,861
Annual Change	+11.7	+6.3%	+£14,432

(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
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
November 2013	£361,465	£205,971	£193,730	£214,011
December 2013	£357,940	£205,671	£190,844	£213,977
January 2014	£361,672	£206,758	£191,384	£217,406
Annual Change	+8.6%	+5.0%	+5.8%	+8.7%

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: **T** | 020 7087 0605 **M** | 07894 255295 **E** | amy.funston@rightmove.co.uk

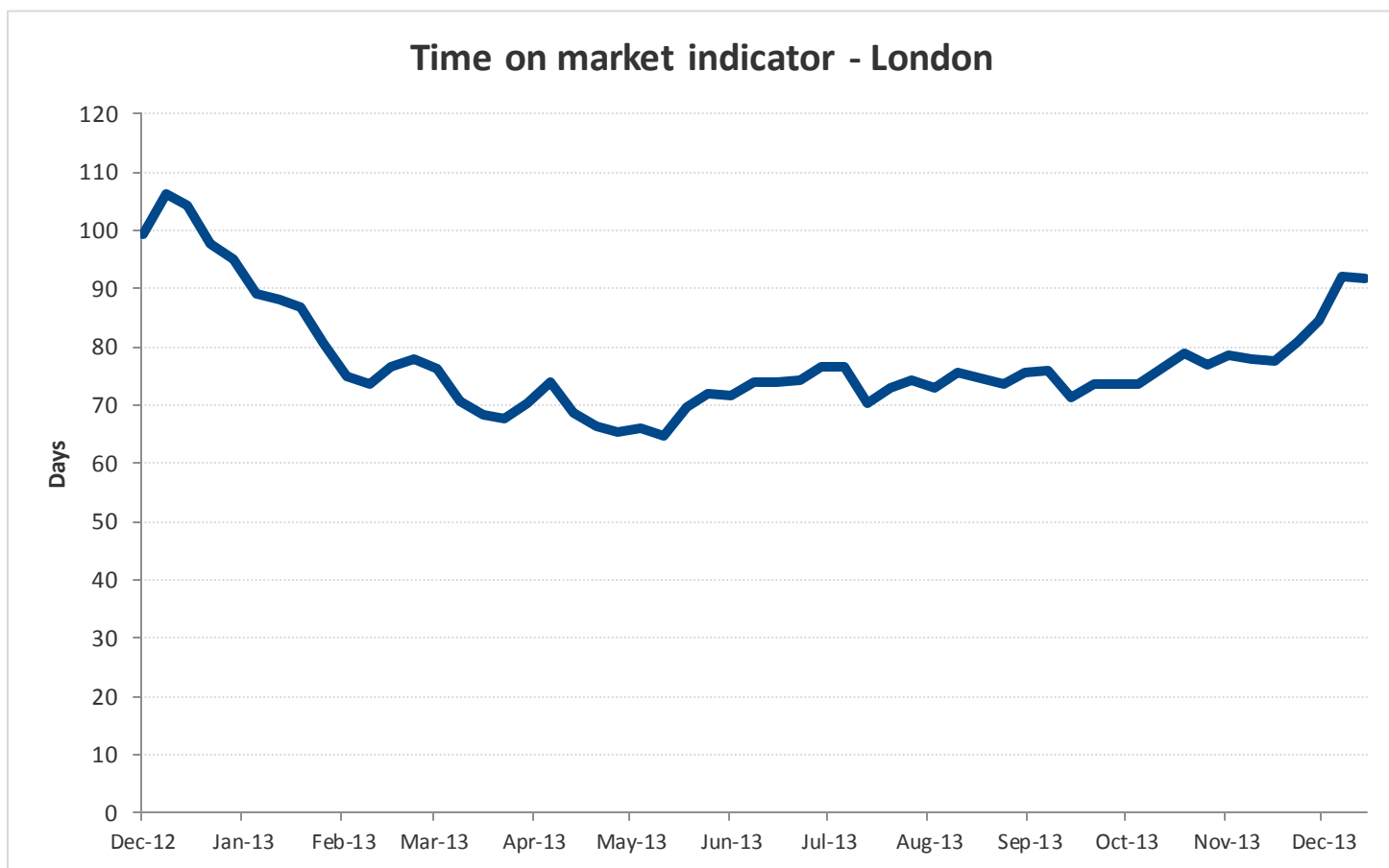
London's best performers: January 2014

London's top 5	Avg. price Jan 14	Avg. price Dec 13	Monthly change
Tower Hamlets	£531,917	£513,492	3.6%
Barking & Dag	£229,566	£221,964	3.4%
Richmond	£751,237	£728,651	3.1%
Merton	£526,104	£510,805	3.0%
Bexley	£233,448	£228,298	2.3%

London's worst performers: January 2014

London's bottom 5	Avg. price Jan 14	Avg. price Dec 13	Monthly change
Westminster	£1,392,055	£1,517,430	-8.3%
Kensington	£2,053,440	£2,204,821	-6.9%
Islington	£678,392	£712,530	-4.8%
Brent	£711,397	£746,354	-4.7%
Hammersmith	£1,026,372	£1,076,257	-4.6%

London Time on Market



London boroughs

Borough	Avg. price Jan 14	Avg. Price Dec 13	Monthly change	Avg. price Jan 13	Annual change
Kensington and Chelsea	£2,053,440	£2,204,821	-6.9%	£2,143,118	-4.2%
City of Westminster	£1,392,055	£1,517,430	-8.3%	£1,443,526	-3.6%
Hammersmith and Fulham	£1,026,372	£1,076,257	-4.6%	£949,619	8.1%
Camden	£972,221	£984,508	-1.2%	£942,478	3.2%
Wandsworth	£771,430	£776,559	-0.7%	£690,973	11.6%
Richmond-upon-Thames	£751,237	£728,651	3.1%	£698,091	7.6%
Brent	£711,397	£746,354	-4.7%	£719,967	-1.2%
Kingston-upon-Thames	£693,942	£704,163	-1.5%	£642,772	8.0%
Islington	£678,392	£712,530	-4.8%	£622,826	8.9%
Hackney	£598,370	£589,811	1.5%	£538,971	11.0%
Barnet	£577,501	£592,229	-2.5%	£575,855	0.3%
Hounslow	£551,794	£547,119	0.9%	£543,594	1.5%
Lambeth	£539,668	£543,144	-0.6%	£465,479	15.9%
Tower Hamlets	£531,917	£513,492	3.6%	£426,719	24.7%
Merton	£526,104	£510,805	3.0%	£457,211	15.1%
Ealing	£525,273	£514,798	2.0%	£475,555	10.5%
Haringey	£517,634	£541,726	-4.4%	£573,904	-9.8%
Southwark	£486,659	£492,264	-1.1%	£446,418	9.0%
Lewisham	£394,899	£390,715	1.1%	£369,515	6.9%
Sutton	£377,722	£374,683	0.8%	£344,629	9.6%
Hillingdon	£377,214	£370,118	1.9%	£377,254	0.0%
Harrow	£372,634	£364,895	2.1%	£353,182	5.5%
Bromley	£362,280	£357,298	1.4%	£347,708	4.2%
Enfield	£356,223	£349,458	1.9%	£343,418	3.7%
Croydon	£332,921	£331,896	0.3%	£283,531	17.4%
Waltham Forest	£329,068	£325,079	1.2%	£295,848	11.2%
Redbridge	£304,215	£304,847	-0.2%	£293,797	3.5%
Greenwich	£299,653	£307,447	-2.5%	£291,111	2.9%
Newham	£263,235	£257,746	2.1%	£237,166	11.0%
Havering	£261,631	£256,239	2.1%	£257,949	1.4%
Bexley	£233,448	£228,298	2.3%	£225,618	3.5%
Barking and Dagenham	£229,566	£221,964	3.4%	£215,500	6.5%

Index comparison

	House price	Monthly change
JANUARY 2014		
Rightmove	£243,861	+1.0%
Halifax	N/A*	N/A*
Nationwide	N/A*	N/A*
DECEMBER 2013		
Rightmove	£241,455	-1.9%
Halifax	£173,467	-0.6%
Nationwide	£175,826	+1.4%
NOVEMBER 2013		
Rightmove	£246,237	-2.4%
Halifax	£174,910	+1.1%
Nationwide	£174,566	+0.6%

*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 13,769 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 is consistently ranked number one property website in the UK (source: Experian Hitwise). 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 attracts over 80 million visits from home movers each month who view in excess of one billion pages (Rightmove data, October 2013).

For further information on methodology please contact the Press Office on T | 020 7087 0605 M | 07 894 255295 or E | amy.funston@rightmove.co.uk.