

House Price Index

■ **March 2014 – London edition**

THE LARGEST MONTHLY SAMPLE OF RESIDENTIAL PROPERTY PRICES

Under embargo for 00:01 hours: Monday, 17th March 2014

Prime boroughs fall but average asking prices still hit all-time high

GREATER LONDON	
Avg. price Mar 14	£552,530
Avg. price Feb 14	£541,313
Monthly change	2.1%
Avg. price Mar 13	£496,298
Annual change	11.3%

- Prices of property coming to market in London up by 2.1% (+£11,217) this month
- In spite of prime London slowdown, the capital sets a new record of £552,530 – up by 1.5% (+£8,298) on previous high achieved in October 2013
- The four most expensive boroughs, all with average new seller asking prices over £1 million, record an average fall of 1.3% this month
- Number of properties coming to market up by healthy 10% on last year
- Will boom London market lead to Budget cut of £600,000 upper limit of Help to Buy?

The prices of property coming to market in London are up by 2.1% (+£11,217) this month, to a new all-time high. While the price surge in the capital continues, it is no longer being driven by the prime London boroughs. In spite of the four most expensive boroughs recording an average fall of 1.3% this month, London overall is still up by 2.1% on the month as price rises continue to ripple out. The average price of property coming to the market in London is now £552,530. This new record is up 1.5% (+£8,298) on the previous high achieved in October 2013.

Miles Shippide, Rightmove director and housing market analyst comments: *“Another new record for the price of property coming to market in the capital will probably come as no surprise. However, what might surprise some people is that the last peak was achieved as long ago as October last year. Demand continues to outstrip supply in many areas and with the spring market approaching, further record highs are to be expected. Buyers seeking better value are pushing up demand and consequently prices in more affordable areas, causing a wave of new price peaks in areas before rolling on to the next cheaper location.”*

The four most expensive boroughs, all with average new seller asking prices over £1 million, saw an average month-on-month fall of 1.3%. Westminster dropped by 2.3%, Kensington and Chelsea by 2.4%, Camden by 1.4%, with the only borough holding steady being Hammersmith and Fulham with a marginal rise of 0.8%.

Shippide observes: *“The slack caused by prime London’s slowdown has been taken up by London boroughs further out. While the top-end locations remain sought after and highly valued, the slow-down in the pace of their rises was bound to happen after some very heady increases.”*

Increasing prices are luring more sellers back into the market as well, with a 10% year-on-year increase in the number of properties coming onto estate agents’ books. This appears to be a definite recovery in property supply to help meet buyer demand as more sellers are enticed to market. The current weekly run-rate of 4,494 newly advertised properties compares with 4,087 in the same period last year.

Shippide notes: *“There is a definite spring seller upturn which is great news for buyers who have been starved of fresh stock in popular locations. While the greater choice available to buyers will mitigate some of the upwards price pressure that many sellers have been able to exert, structural shortages remain in the housing supply in London.”*

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.

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With the Budget due on the 19th of March, the booming London housing market could be a target for the Chancellor's attention. There are some in the coalition who warn that Help to Buy is now too much of a stimulus, so could a reduction in the upper limit from £600,000 to say £400,000 be a possibility?

Shipside concludes: *"While Help to Buy is little used by purchasers at the upper price limits, it may be seen as a prudent anti-overheating message if the top limit of £600,000 is substantially reduced. It would be a mainly symbolic gesture however, as most people buying in London with a mortgage are stumping up deposits considerably greater than the 5% that the Help to Buy initiative is designed to promote."*

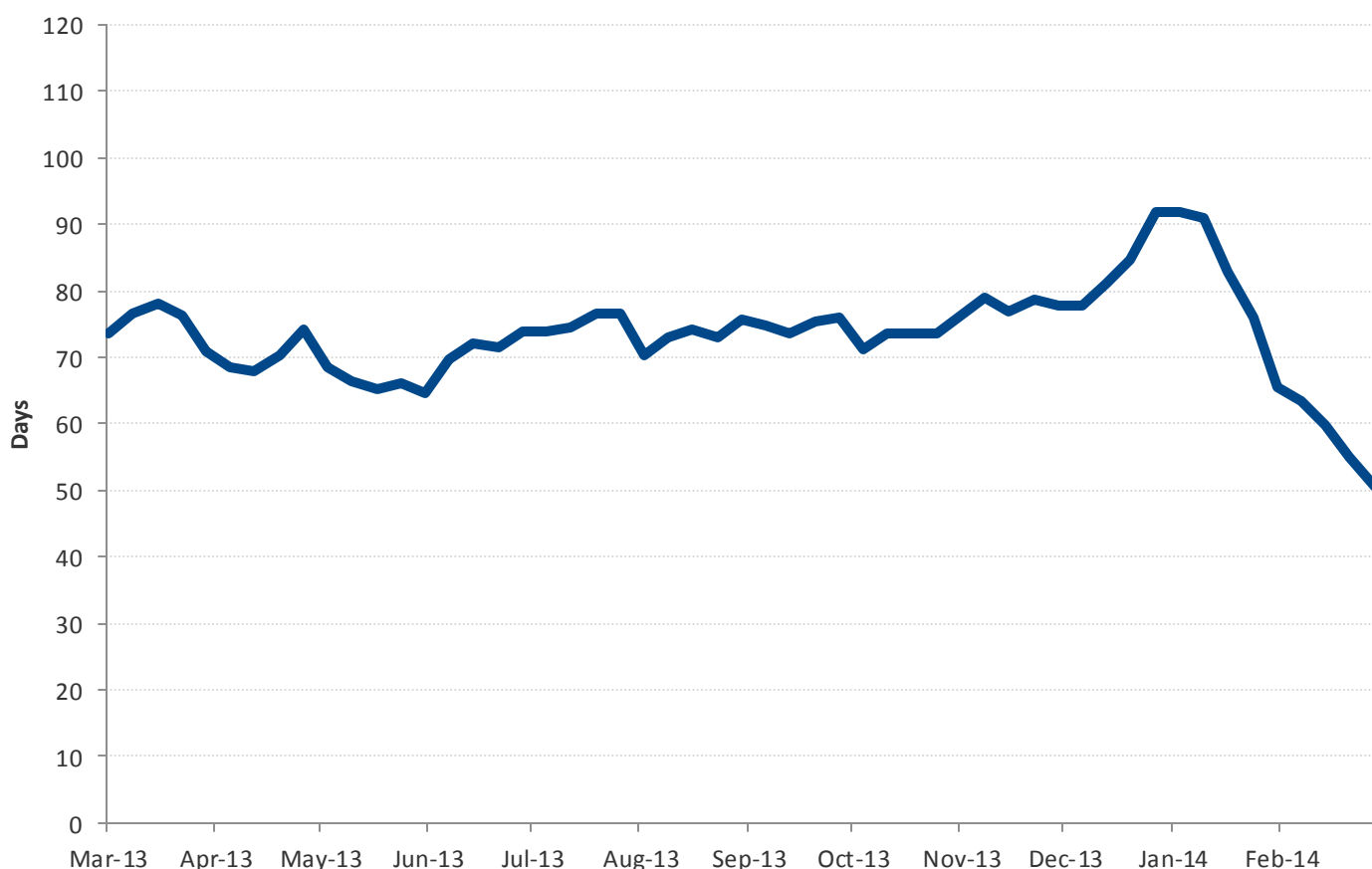
London's best performers: March 2014

London's top 5	Avg. price Mar 14	Avg. price Feb 14	Monthly change
Haringey	£597,634	£545,638	9.5%
Barnet	£648,330	£618,186	4.9%
Hounslow	£609,332	£581,986	4.7%
Kingston	£774,562	£741,305	4.5%
Redbridge	£334,920	£321,640	4.1%

London's worst performers: March 2014

London's bottom 5	Avg. price Mar 14	Avg. price Feb 14	Monthly change
K'ton & C'sea	£2,118,956	£2,170,691	-2.4%
Westminster	£1,468,013	£1,501,958	-2.3%
Merton	£523,669	£535,231	-2.2%
Camden	£1,016,050	£1,030,450	-1.4%
Harrow	£384,936	£389,665	-1.2%

Time on market indicator - London



London boroughs

Borough	Avg. price Mar 14	Avg. Price Feb 14	Monthly change	Avg. price Mar 13	Annual change
Kensington and Chelsea	£2,118,956	£2,170,691	-2.4%	£2,180,412	-2.8%
City of Westminster	£1,468,013	£1,501,958	-2.3%	£1,494,426	-1.8%
Hammersmith and Fulham	£1,073,163	£1,064,891	0.8%	£992,248	8.2%
Camden	£1,016,050	£1,030,450	-1.4%	£923,551	10.0%
Wandsworth	£834,843	£807,339	3.4%	£686,735	21.6%
Richmond-upon-Thames	£821,439	£805,271	2.0%	£676,086	21.5%
Kingston-upon-Thames	£774,562	£741,305	4.5%	£662,413	16.9%
Brent	£755,541	£761,583	-0.8%	£677,034	11.6%
Islington	£754,328	£724,527	4.1%	£651,540	15.8%
Hackney	£665,708	£640,733	3.9%	£559,023	19.1%
Barnet	£648,330	£618,186	4.9%	£588,327	10.2%
Hounslow	£609,332	£581,986	4.7%	£521,560	16.8%
Haringey	£597,634	£545,638	9.5%	£592,203	0.9%
Lambeth	£578,890	£573,813	0.9%	£473,793	22.2%
Tower Hamlets	£560,581	£545,773	2.7%	£420,727	33.2%
Ealing	£557,628	£542,438	2.8%	£464,199	20.1%
Southwark	£523,894	£517,734	1.2%	£452,635	15.7%
Merton	£523,669	£535,231	-2.2%	£477,462	9.7%
Lewisham	£422,596	£425,358	-0.6%	£374,597	12.8%
Hillingdon	£399,201	£396,343	0.7%	£364,001	9.7%
Bromley	£394,233	£391,521	0.7%	£353,232	11.6%
Harrow	£384,936	£389,665	-1.2%	£352,104	9.3%
Sutton	£384,793	£384,348	0.1%	£345,702	11.3%
Enfield	£382,944	£368,316	4.0%	£345,720	10.8%
Waltham Forest	£355,247	£350,506	1.4%	£301,948	17.7%
Croydon	£352,053	£344,715	2.1%	£294,058	19.7%
Greenwich	£335,015	£324,213	3.3%	£298,106	12.4%
Redbridge	£334,920	£321,640	4.1%	£302,375	10.8%
Newham	£289,656	£283,686	2.1%	£243,449	19.0%
Havering	£277,236	£277,727	-0.2%	£263,360	5.3%
Bexley	£252,981	£250,993	0.8%	£226,610	11.6%
Barking and Dagenham	£245,377	£243,788	0.7%	£218,960	12.1%

Index comparison

	House price	Monthly change
MARCH 2014		
Rightmove	£255,962	+1.6%
Halifax	N/A*	N/A*
Nationwide	N/A*	N/A*
FEBRUARY 2014		
Rightmove	£251,964	+3.3%
Halifax	£179,872	+2.4%
Nationwide	£177,846	+0.6%
JANUARY 2014		
Rightmove	£243,861	+1.0%
Halifax	£175,546	+1.1%
Nationwide	£176,491	+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.

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).

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