

Under embargo for 00:01 hours: Monday, 14th April 2014

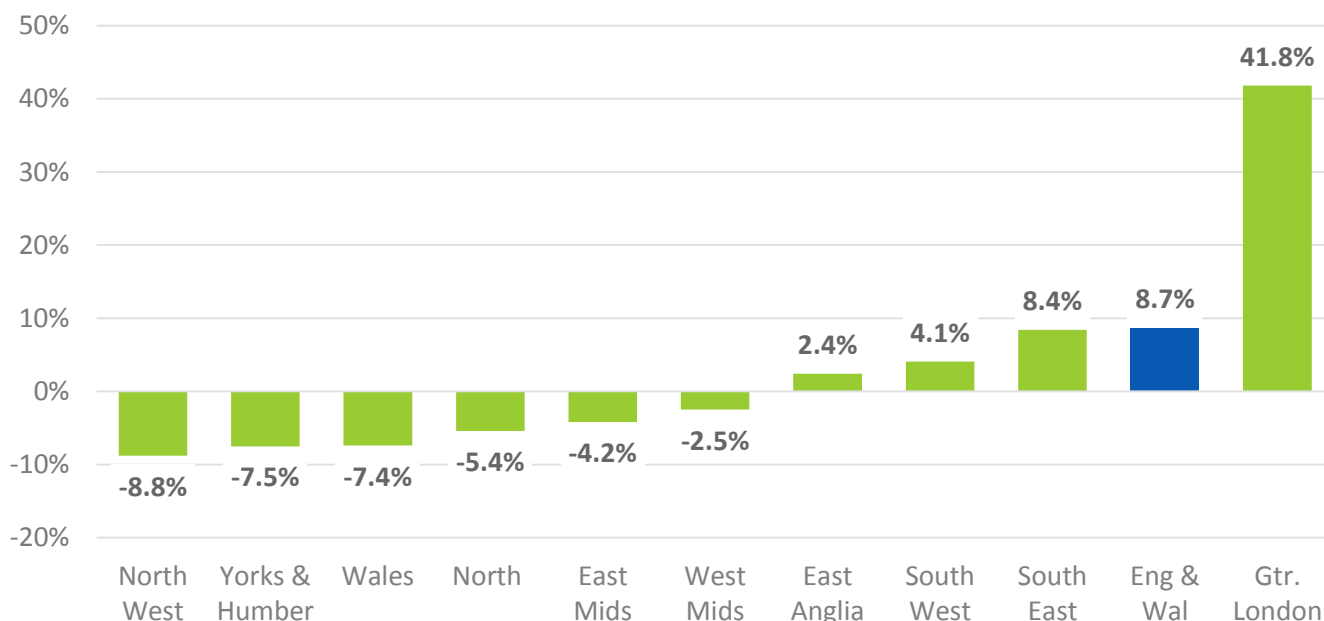
London ripple pushes all southern regions to new price records

Average property asking price:	
Apr 14	Mar 14
£262,594	£255,962
% change in month:	
Apr 14	Mar 14
+2.6%	+1.6%
% change in past year:	
Apr 14	Mar 14
+7.3%	+6.8%
Monthly index (Jan 2002 = 100)	
Apr 14	Mar 14
213.7	208.3

- 7.3% annual rate of increase in asking prices – highest since October 2007 and takes us back to pre-credit-crunch levels
- New seller asking prices hit record highs in all four southern regions contributing to a new national average all-time high of £262,594 – up 2.6% on last month
- By contrast, northern regions still an average of 6% behind October 2007 benchmark
- The number of properties coming to market so far in 2014 up 13% on last year but supply shortages are still fuelling prices in many areas in the south
- Will Mortgage Market Review take the heat out of demand, or will prices only top out when buyers 'borrow to the max'? Or will Financial Policy Committee use future powers to launch a pre-emptive strike to limit buyers' borrowing?

Change in average asking price since October 2007

Source: Rightmove House Price Index



Rightmove measured 120,750 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 9th March 2014 to 5th April 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

New seller asking prices hit record highs in all four southern regions, and help to push the national average to another all-time high for the second successive month. A national rise of 2.6% (+£6,632) this month pushes the average price of property coming to market to £262,594. This is 7.3% higher than a year ago, and is the highest annual rate of increase that Rightmove has recorded since October 2007.

Miles Shipside, Rightmove director and housing market analyst comments: *“Records are tumbling, with a new national asking price record being set for the second consecutive month. London’s asking prices are at their highest ever level, and the strong ripple effect from the capital has also caused a new wave of record prices for property coming to market in the South East, the South West and East Anglia.”*

The change in market conditions and pick-up in new seller pricing have pushed the annual rate of growth nationally to 7.3%, a level not seen since October 2007, before the credit-crunch. However, the north/south divide is still marked. All four of the southern regions (Greater London, South East, South West and East Anglia) are ahead of where they were in October 2007, with London the stand-out performer at +41.8%, and the only region to exceed the overall national average. By contrast, all the northern regions are still behind October 2007 levels by an average of 6%. This clearly illustrates the contrast in market conditions and time-lag between pick-up in the south versus the north.

Shipside observes: *“While much of the growth since October 2007 is down to the boom in London, the ripple effect from the capital means other southern regions are starting to play catch-up. This is evidenced by all of them now having property coming to market at average prices above the levels we recorded in October 2007, whereas all northern regions are still below that benchmark. While London’s new sellers are asking an eye-watering £168,711 more than six and a half years ago, the northern regions are actually down by an average of £10,653, with the North West still £16,049 adrift.”*

While the imbalance between supply and demand continues in some locations, upwards price pressures may begin to ease with a 13% national average uplift in the number of properties coming to market compared to the same period in 2013. This additional fresh choice for buyers has been much more pronounced in the north, with five out of six regions recording a supply boost of 18% or more. This has helped to cool price rises, with the average monthly rise in the northern regions being 0.8%. Conversely, stock shortages are far more prevalent in the southern regions, with high demand remaining unfulfilled by increases in supply of between 8% and 13% so far this year compared to last. This will be a major factor in new seller average asking prices in the south being up by an average of 3.5% this month.

Shipside summarises: *“Supply in much of the south is ridiculously tight, with for sale board black spots in many popular locations within easy commuting distance of London. There are vicious circles where there is so little property for sale that few local home-owners are willing to come to market to trade up, exacerbating the shortages and boosting sellers’ pricing power. While there are some hotspots emerging in the north, the momentum is not nearly as fast-paced and the better match between supply and demand means that the market is running at more sustainable levels.”*

There is speculation that the tighter lending criteria under the Mortgage Market Review (MMR), already implemented by many lenders and mandatory from 26th April, may lessen buyer demand by making it harder to get the required mortgage. If this affects a substantial number of potential purchasers then it could drive buyers out of the market and force sellers to moderate their prices. Indeed the latest Bank of England seasonally adjusted mortgage approval statistics for February showed an 8.8% drop in the total value of mortgages approved for property purchase compared to those in January.

While some prospective buyers will fail the more stringent checks, we suspect the drop off in approvals is more to do with slower processing by lenders as new systems are introduced to comply with the MMR requirements, and volumes will recover.

Shipside speculates: *“While lenders have had their cards marked and lending is far more responsible, many have big lending targets for 2014, and are in a more competitive arena with access to cheap money. Whilst a higher percentage of borderline mortgage applications will be weeded out, the overall numbers of those who are mortgage-worthy and wish to borrow and buy, combined with lenders who are flushed with funds, is still likely to result in increased buyer demand. It is encouraging that more home-owners are selling, increasing churn and supply and helping to moderate house price growth. However, because we should have built more in the past and are still not planning to build enough, prices will continue to rise in popular locations, further stretching affordability. Given the current absence of a rise in interest rates, it will be interesting to see whether the new MMR affordability tests will be reined in further by the Financial Policy Committee of the Bank of England, further reducing buyers’ borrowing and buying power and putting a brake on prices.”*

Agents’ views from around the country

South West (+5.2% MoM) more buyers than sellers:

James Butler of Woods Estate Agents in North Bristol reports:

“There has been a big imbalance between supply and demand in North Bristol, which means properties have been going for up to 3% over asking price, and there have been a number of block viewings and open houses. At the lower end of the market, more optimism has led to more first-time buyers coming into the market, competing with investors. As the market has picked up buyers have come in quicker than sellers, and this, coupled with a few months of bad weather recently, has delayed more properties coming on. However, listings have been on the up in the past few weeks and so we’re likely to see the imbalance ease over the next few months as we move in to the summer.”

East Anglia (+2.2% MoM) transactions still well behind 2007:

Jan Hytch of Arnolds Keys in Norwich comments:

“There is an acute shortage of properties coming to market, making for very competitive bidding, and some of the most desirable and unique properties are going for over the asking price. Although the number of properties coming to market is slightly up compared to the last quarter of 2013, and prices are also on the up, the transaction volumes are still nowhere near those of 2007. I can’t see that improving in the coming months, unless more potential sellers who are currently hesitating about putting their home on the market realise that now would be a good time to do so.”

North West (+1% MoM) – nice balance of supply and demand:

Andrew Regan of Regan & Hallworths in Wigan reports:

“The increased consumer confidence has helped more sellers come to market, and there is a nice balance of supply and demand for stock at the minute in Wigan. The market buoyancy has led to some sellers thinking they can list their property for more than its value, but we have been advising people to be realistic in order to help them get the best deal. The plans for more new-builds in Standish will only help the supply of stock further in our area.”

South East (+2.9% MoM) chronic commuter belt property shortage:

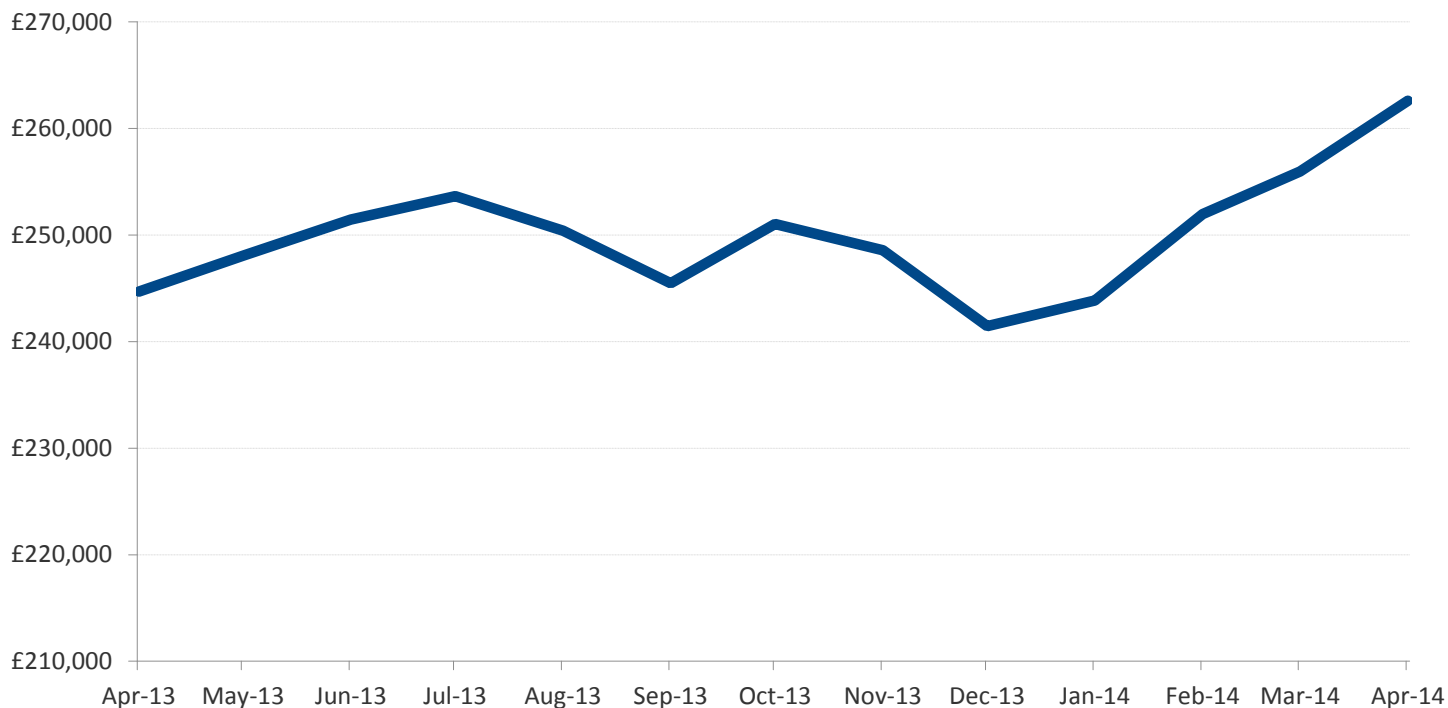
Douglas Sleeper of Townends in Surrey said:

“The imbalance between the number of buyers and sellers has never been greater with 12 buyers registering for every one new property that comes to the market. The severe shortage of new stock is driving prices up, in hotspots like Guildford and other prime markets.”

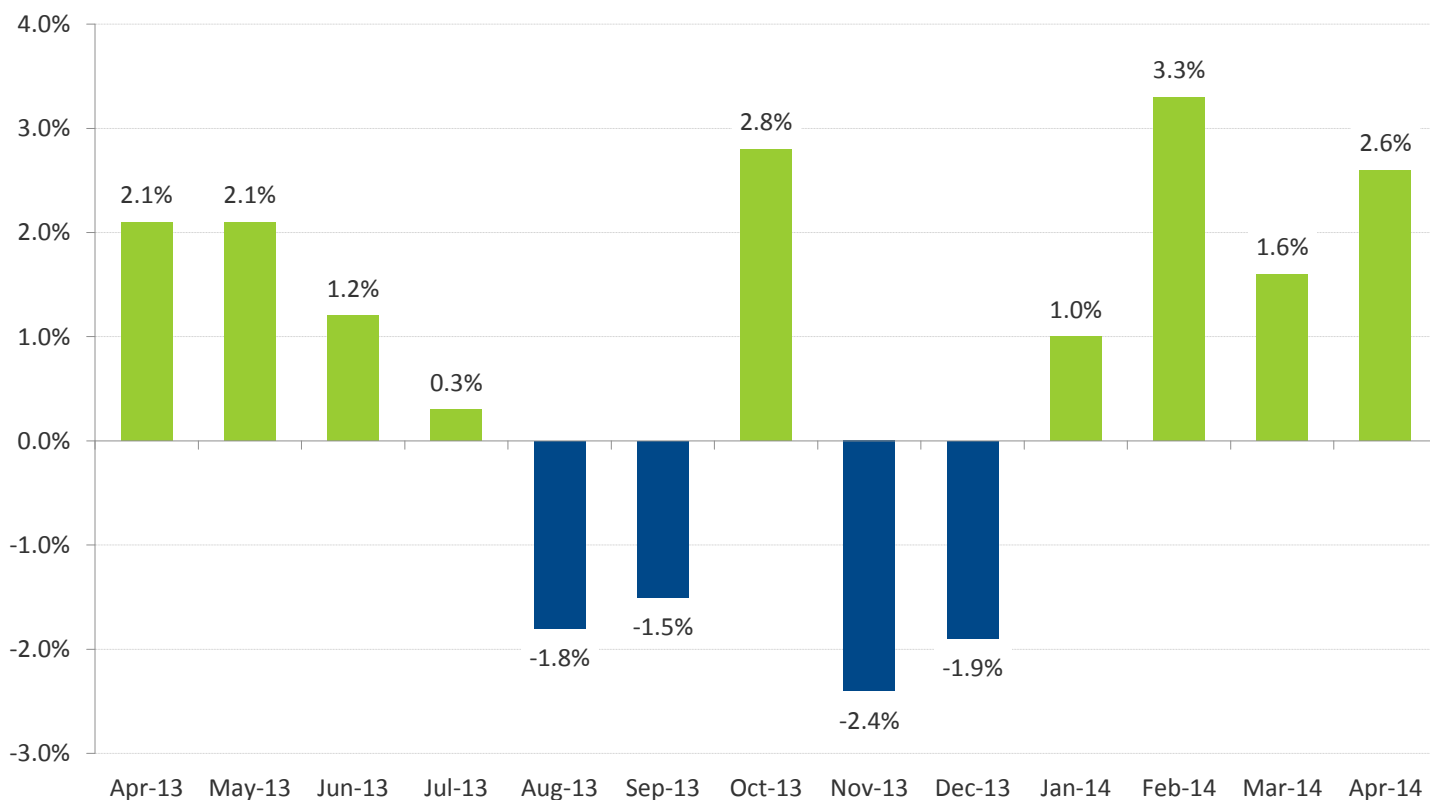
London (+3.6% MoM) the boom continues:

Andrew Weir of Foxtons said: *“It has been widely speculated that London is starting to see a slow return of stock to the property market, however, interest remains so high that properties are selling as quickly as they arrive, leaving many buyers as frustrated as before. Last month alone we saw an increase of 20% of new buyers registering with Foxtons compared to the same time last year and many prime London properties are attracting multiple offers and selling over the asking price. Because of this, buyers who had once focused upon properties in one particular area are more and more likely to have to expand their search. As a result, London is witnessing a ripple effect as the prices of property across zones 2, 3, and 4 are increasing with their new amplified demand. Perhaps unsurprisingly, New Homes are becoming an increasingly appealing option to buyers as they prove to be simpler and less emotional business transactions.”*

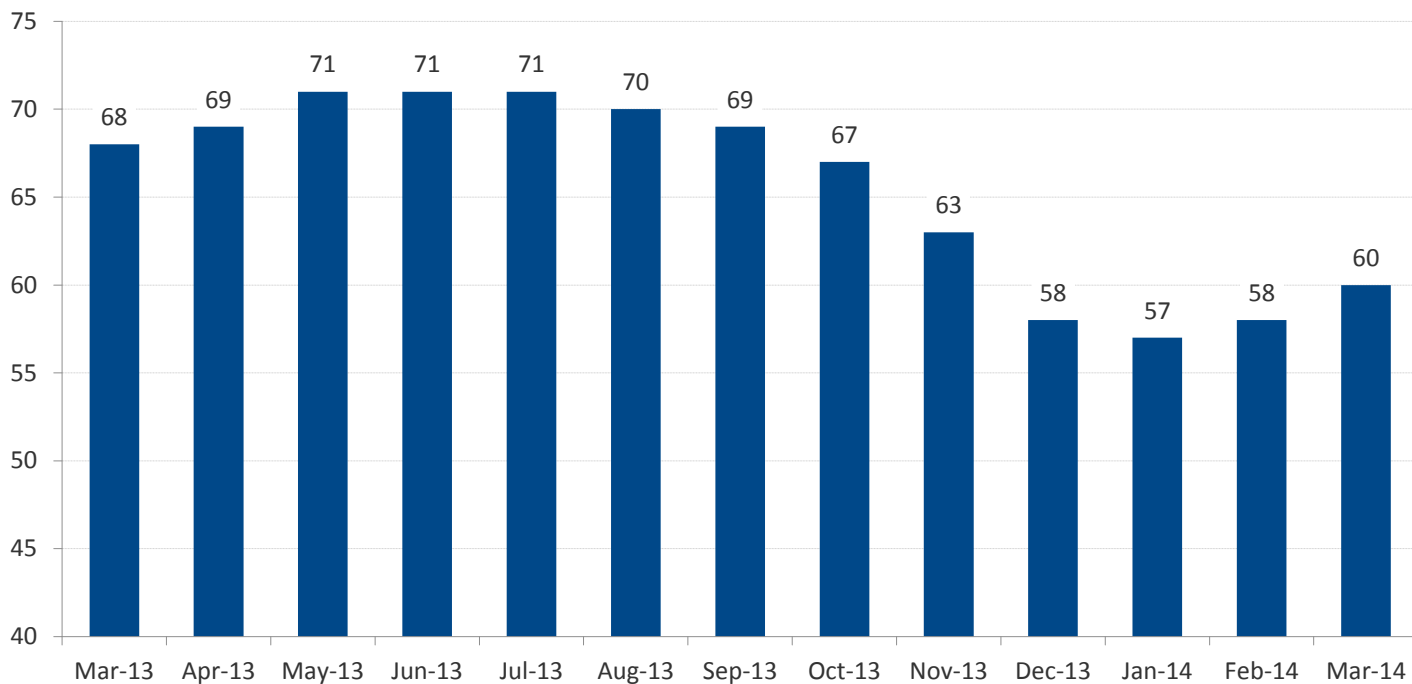
Rightmove monthly asking price trend



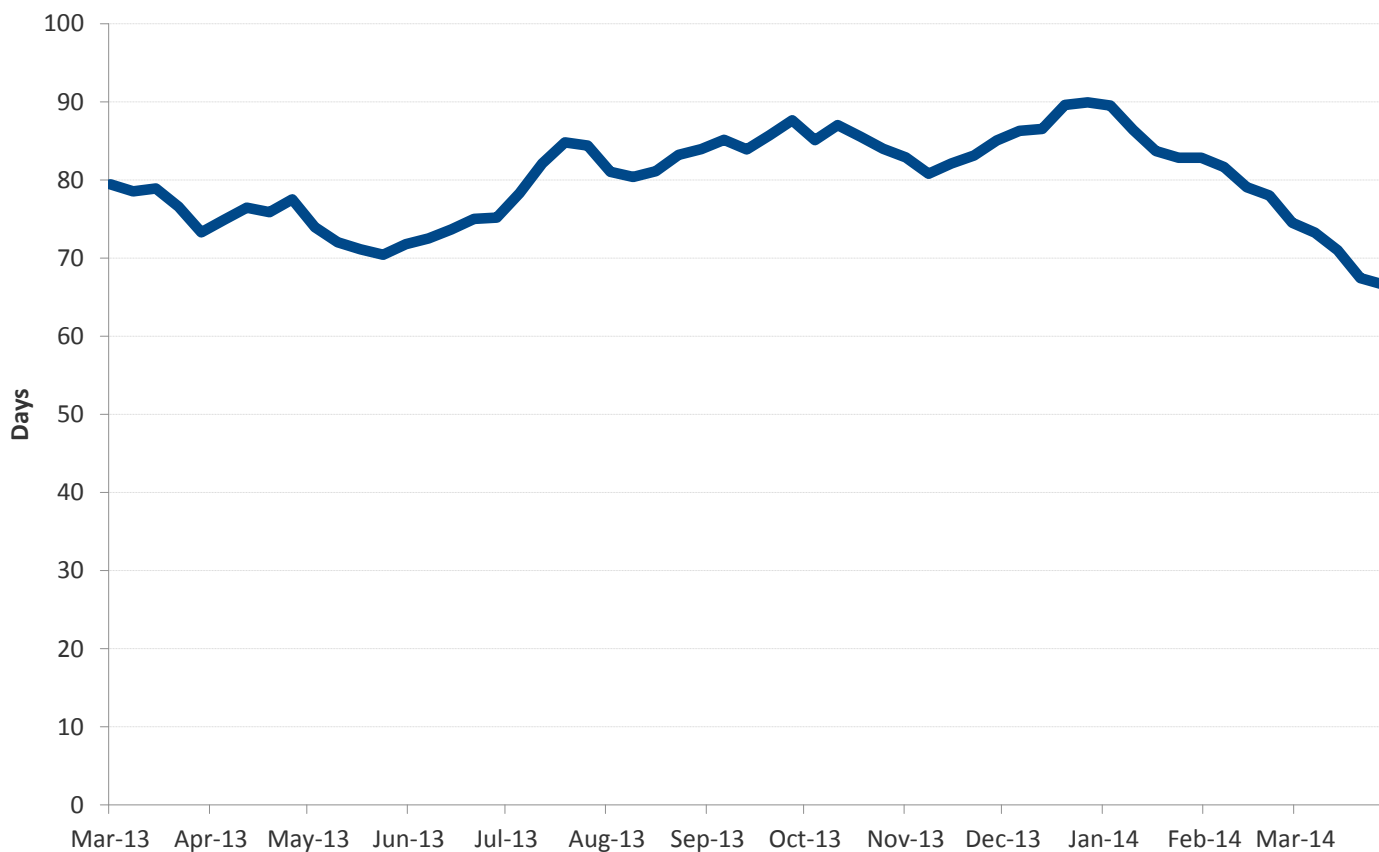
% monthly change in average asking prices



Average properties for sale per estate agent

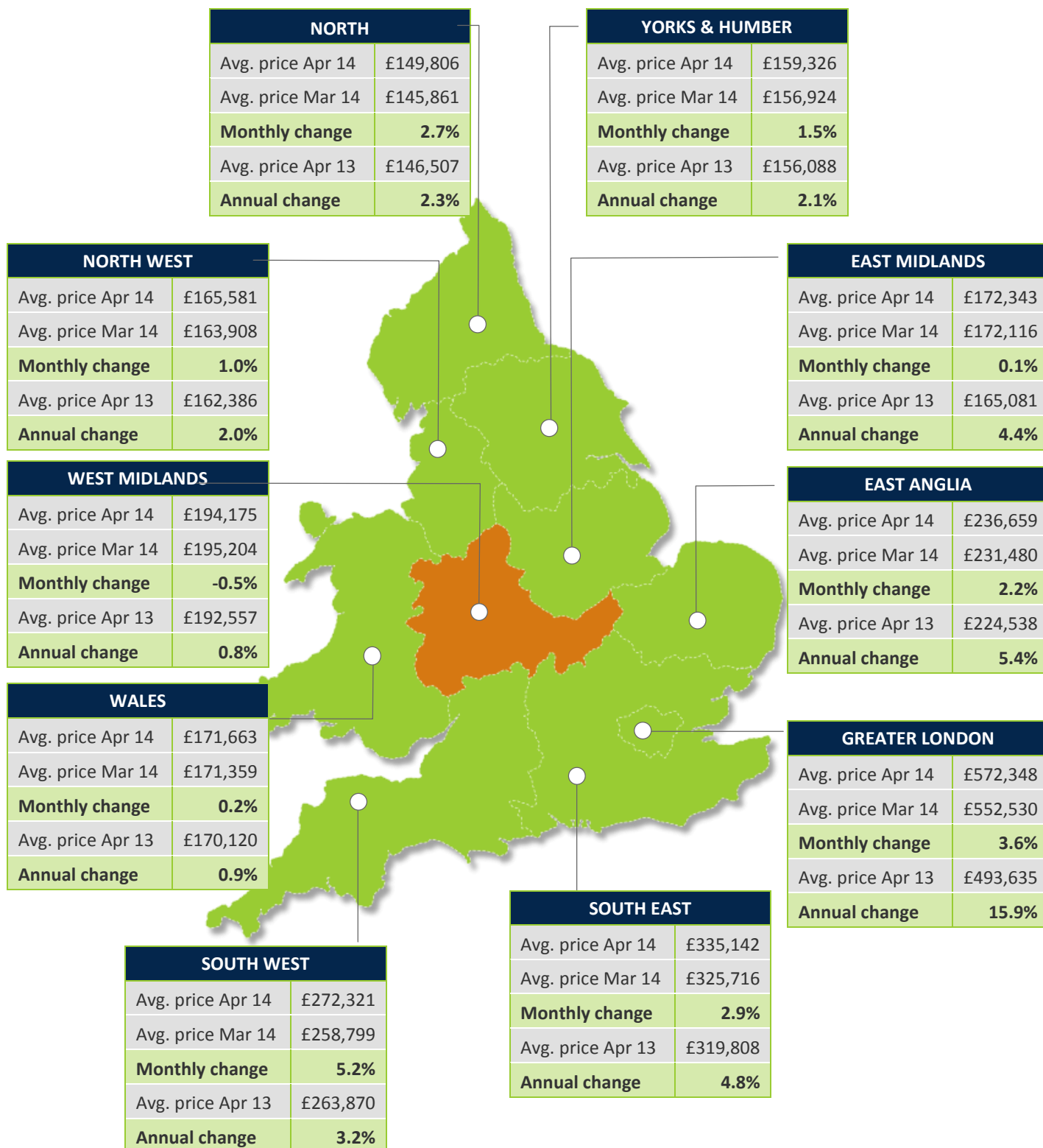


Time on market indicator - National



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
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
February 2014	205.0	+3.3%	£251,964
March 2014	208.3	+1.6%	£255,962
April 2014	213.7	+2.6%	£262,594
Annual Change	+14.6	+7.3%	+£17,888

National asking price trend by property type

Month	Detached	Semi-detached	Terraced	Flats/apartments
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
February 2014	£368,622	£213,021	£200,764	£221,492
March 2014	£373,514	£215,004	£203,064	£227,970
April 2014	£387,478	£217,831	£207,855	£229,755
Annual Change	+6.9%	+5.9%	+10.1%	+13.3%

London's best performers: April 2014

London's top 5	Avg. price Apr 14	Avg. price Mar 14	Monthly change
Brent	£815,126	£755,541	7.9%
Camden	£1,092,044	£1,016,050	7.5%
Haringey	£639,871	£597,634	7.1%
Tower Hamlets	£595,280	£560,581	6.2%
Merton	£555,469	£523,669	6.1%

London's worst performers: April 2014

London's bottom 5	Avg. price	Avg. price Mar 14	Monthly change
Richmond	£817,202	£821,439	-0.5%
Barking & D'ham	£247,173	£245,377	0.7%
Harrow	£391,951	£384,936	1.8%
Enfield	£390,233	£382,944	1.9%
Waltham Forest	£362,211	£355,247	2.0%

Time on market indicator - London



London boroughs

Borough	Avg. price Apr 14	Avg. Price Mar 14	Monthly change	Avg. price Apr 13	Annual change
Kensington and Chelsea	£2,233,471	£2,118,956	5.4%	£2,357,306	-5.3%
City of Westminster	£1,537,531	£1,468,013	4.7%	£1,617,732	-5.0%
Hammersmith and Fulham	£1,102,454	£1,073,163	2.7%	£972,175	13.4%
Camden	£1,092,044	£1,016,050	7.5%	£981,879	11.2%
Wandsworth	£867,746	£834,843	3.9%	£700,107	23.9%
Richmond-upon-Thames	£817,202	£821,439	-0.5%	£693,255	17.9%
Brent	£815,126	£755,541	7.9%	£692,067	17.8%
Kingston-upon-Thames	£800,609	£774,562	3.4%	£680,519	17.6%
Islington	£785,989	£754,328	4.2%	£694,333	13.2%
Hackney	£694,058	£665,708	4.3%	£590,551	17.5%
Barnet	£670,897	£648,330	3.5%	£594,222	12.9%
Haringey	£639,871	£597,634	7.1%	£588,564	8.7%
Hounslow	£625,283	£609,332	2.6%	£514,418	21.6%
Lambeth	£605,930	£578,890	4.7%	£501,300	20.9%
Tower Hamlets	£595,280	£560,581	6.2%	£426,865	39.5%
Ealing	£577,546	£557,628	3.6%	£478,566	20.7%
Merton	£555,469	£523,669	6.1%	£480,980	15.5%
Southwark	£542,257	£523,894	3.5%	£468,425	15.8%
Lewisham	£435,978	£422,596	3.2%	£375,352	16.2%
Bromley	£411,862	£394,233	4.5%	£355,560	15.8%
Hillingdon	£407,265	£399,201	2.0%	£365,227	11.5%
Sutton	£397,431	£384,793	3.3%	£351,447	13.1%
Harrow	£391,951	£384,936	1.8%	£350,722	11.8%
Enfield	£390,233	£382,944	1.9%	£348,671	11.9%
Croydon	£364,552	£352,053	3.6%	£294,646	23.7%
Waltham Forest	£362,211	£355,247	2.0%	£310,949	16.5%
Greenwich	£346,285	£335,015	3.4%	£309,921	11.7%
Redbridge	£342,715	£334,920	2.3%	£302,303	13.4%
Newham	£297,269	£289,656	2.6%	£244,297	21.7%
Havering	£283,711	£277,236	2.3%	£262,184	8.2%
Bexley	£264,653	£252,981	4.6%	£225,019	17.6%
Barking and Dagenham	£247,173	£245,377	0.7%	£216,183	14.3%

Index comparison

	House price	Monthly change
APR 2014		
Rightmove	£262,594	+2.6%
Halifax	N/A*	N/A*
Nationwide	N/A*	N/A*
MAR 2014		
Rightmove	£255,962	+1.6%
Halifax	£178,249	-1.1%
Nationwide	£180,264	+0.4%
FEB 2014		
Rightmove	£251,964	+3.3%
Halifax	£179,872	+2.4%
Nationwide	£177,846	+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 11,312 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** | 07894 255295 or **E** | amy.funston@rightmove.co.uk.