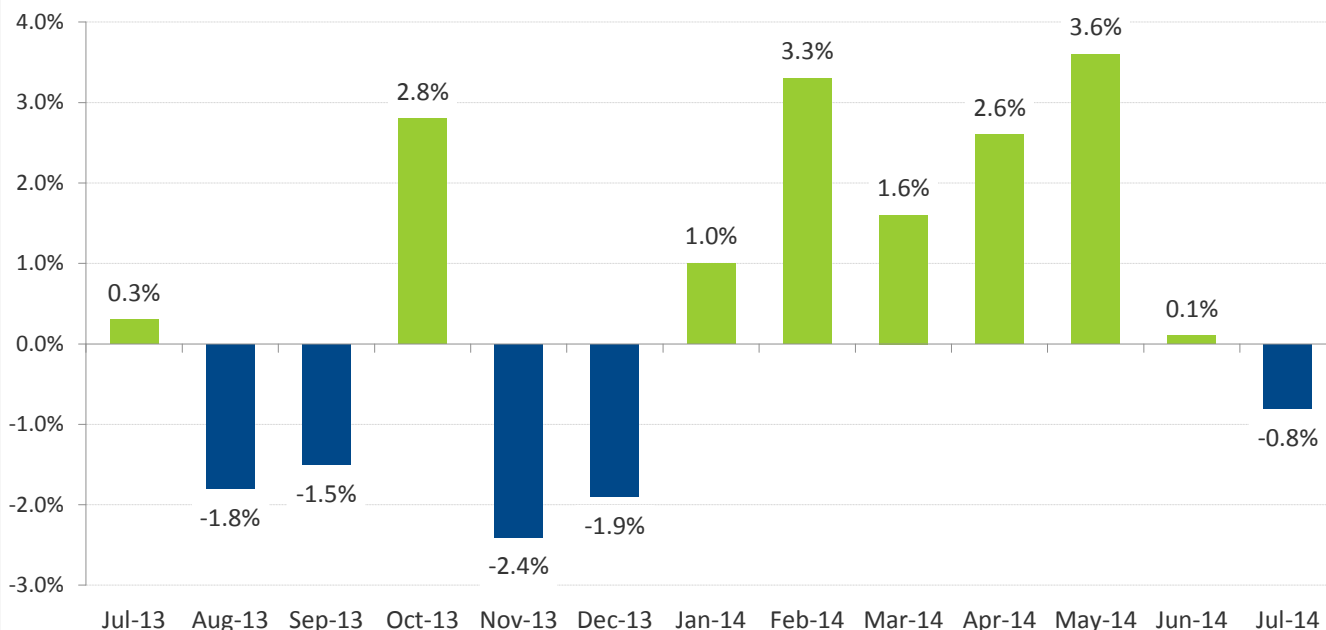


Year-end forecast revised to +8%, in spite of first fall of 2014

Average property asking price:	
Jul 14	Jun 14
£270,159	£272,275
% change in month:	
Jul 14	Jun 14
-0.8%	+0.1%
% change in past year:	
Jul 14	Jun 14
+6.5%	+7.7%
Monthly index (Jan 2002 = 100)	
Jul 14	Jun 14
219.8	221.5

- Price of property coming to market falls for the first time this year, down by 0.8% (-£2,116) this month, leading to fall in annual rate of growth from 7.7% to 6.5%
- 2014 still 'the year to move' in spite of seasonal slowdown and cautious tone from Bank of England:
 - Help to Buy success in unlocking higher deposit middle-market: while Mortgage Market Review tightening will restrain buyers in high loan-to-income brackets, nearly half of home-movers who expect to buy over next 12 months are 'equity-rich third-timers'
 - Speedier sales: average time to sell falls to 65 days from 75 days in same period last year
 - London ripple effect spreads, especially in southern regions: upwards price pressure remains where shortage of supply still fuels price growth
- Rightmove upgrades 2014 forecast: new seller asking prices will see an 8% annual increase at year end, hitting the top end of our original forecast of 6% - 8%

% monthly change in average asking prices



Rightmove measured 156,967 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 9th June 2014 to 12th July 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

The price of property coming to market has fallen for the first time in 2014, down by 0.8% (-£2,116). There is evidence that the frenetic activity seen in some areas during the first half of the year is cooling, in part due to stricter mortgage eligibility criteria and previously pent-up demand having now been partially satisfied. However, the significance of the first fall of the year in new seller asking prices should not be overstated in spite of the dampening effect of the more cautious tone from the Bank of England. July has seen price falls in six of the last ten years, with this drop largely reflecting a normal seasonal slowdown. Despite the summer lull Rightmove has reviewed its 2014 forecast made in December last year, and now predicts that prices will rise by 8% during 2014 as a whole, at the very top end of our original 6% to 8% range.

Miles Shippside, Rightmove director and housing market analyst comments: *"A price fall in July is not unexpected as prospective buyers turn their attention to the summer holidays, not to mention the added distraction of an engaging World Cup. Buyer confidence may also have taken a knock with suggestions that mortgages are becoming harder to get and repayments may get more costly sooner than originally anticipated should the rumours of an interest rate rise before the next election come true."*

2014 still 'the year to move'

The Bank of England is trying to cool some of the existing and potential excesses of the housing market, with affordability, personal debt and default risk all high on the agenda. The Mortgage Market Review (MMR) and additional high loan-to-income and stress-testing guidance, along with suggestions of earlier than expected interest rate rises have had a dampening effect. However, while lower than in the latter months of 2013, Bank of England mortgage approvals are still running at an average of over 60,000 a month, 23% higher in the year to date than during the same period in 2013, and 40% above the 48,162 monthly average between 2008 and 2012. It is also likely that current mortgage approval numbers are still being curtailed by the hangover from the implementation challenges of MMR.

Shippside says: *"Market conditions still compare favourably with this time last year, with growth in both the economy and employment, plus a comparative thaw in mortgage availability. The 'year to move' window looks likely to be open for a while longer yet, though we expect market activity will slow down in the run-up to the election in May next year."*

Help to Buy success in unlocking higher deposit middle-market

One of the desired outcomes for Help to Buy phase two was to help energise the all-important bottom-end of the housing market, thereby helping more home-owners move up the housing ladder and unlocking the middle market. Rightmove research of more than 27,000 potential home buyers looking to purchase in the next 12 months shows that by far the largest group are those who would be buying for at least the third time. Market activity often gets kick-started by first-time and second-time buyers, and while they make up 28% and 26% respectively of intending buyers, 46% are seasoned 'third-timers', who often benefit from decent equity and consequent greater buying power. Movers in this sector create knock-on activity in the wider economy, and those down-sizing free up larger homes which helps to create more efficient use of the UK's housing stock.

Shippside observes: *"First-time buyer numbers have been boosted since March 2013 by the two Help to Buy schemes, so this is an interesting shift in activity to higher up the housing ladder. The biggest and most active group of those looking for a new place to live are those with access to larger deposits, third-timers who have built up equity on at least two previous moves. They are home-owners who have often been holding back as the decision to move has considerable impacts on finances and family, but they now have increased chances of making a sale at their desired price and raising deposits that will get them through the MMR barriers. The unleashing of this more affluent group, plus good supporting acts from first-time and second-time buyers, will mean that the musical chairs of trading up and down will continue in the second half of the year having been kick-started by Help to Buy in the first half."*

Speedier sales

New Rightmove research into average 'time to sell' shows that it fell to 65 days in the second quarter of this year compared with 75 days in the same period last year. With a greater likelihood of a quicker sale, and with a national average appreciation in asking prices of over 6%, more are being tempted to move leading to a modest but encouraging increase in the supply of property coming to market.

Shipside notes: *“Faster turnover of property breeds confidence among potential sellers, bringing more to market. This is important to help satisfy pent-up buyer demand and it also helps to keep a lid on prices if there is more property choice for buyers and more competition among sellers.”*

London ripple effect spreads

Upwards price pressure continues where the supply of property coming to market remains tight, or the properties on the market are not of the quality that buyers are looking for. This is especially being felt in the London-driven southern regions. While the national average shows the number of properties coming to market is up by 9.4% this year compared to a year ago, supply remains more constrained in the high-demand commuter and second-home hotspot areas of East Anglia (+5.0%), the South East (+5.8%), and the South West (+5.9%). London itself has seen a boost in property coming to market, up by 15%, which will act as a brake on prices rising further in areas that buyers judge to have an excess of over-priced or poor quality supply.

Shipside adds: *“London has seen a jump of 28% in the number of properties coming to market this month alone compared to the same month in 2013 as some sellers are looking to cash-in, move out or commute. That will add to price-rise pressure in the outer London boroughs and neighbouring regions as the ripple effect continues to spill out, and property stocks remain sparse in their target areas.”*

Rightmove upgrades 2014 forecast

While the annual rate has fallen from 7.7% to 6.5% this month, continuing momentum leads Rightmove to predict new seller asking prices will see an 8% annual increase by the year end, hitting the top end of our original 2014 forecast of between 6% and 8%. While the number of properties coming to market has increased by nearly 10% year-to-date compared with 2013, the UK suffers from a structural deficit in housing stock, with the more popular areas still having an excess of demand compared to supply. Indeed demand as evidenced by enquiries sent from Rightmove to agents is up by 27% in the first half of 2014 compared with the same period in 2013, to an average of 3.7 million enquiries per month.

Shipside concludes: *“We have upped our forecast to the top of our range, because while there is more buyer choice due to increased property churn, the extra supply is not in the main “London ripple” areas of highest demand. In addition, momentum is building in other parts of the country, with the ripple effect having also reached the northern cities of Manchester, Leeds, York and Liverpool. We forecast a slower-paced second half of 2014, but with bigger-deposit third-time movers entering the fray and lenders still having lending targets to meet, there is still enough momentum to see an 8% national average increase in new seller asking prices. The fundamentals for making 2014 the year to the move still hold good.”*

Agent views

Simon Bradbury of Thomas Morris Estate Agents in Cambridgeshire, Bedfordshire and Hertfordshire said: *“The housing market is pausing to catch its breath after seeing continual increases this year. Recently there has been an increase in houses coming on the market and a slight reduction in demand, due to factors like the Mortgage Market Review and the wave of buyers who took advantage of Help to Buy having come and gone. Looking to the second half of 2014 I think prices will largely stay the same in our area, or even reduce slightly, and I also think that we’ll see transactions go down over the next six months.”*

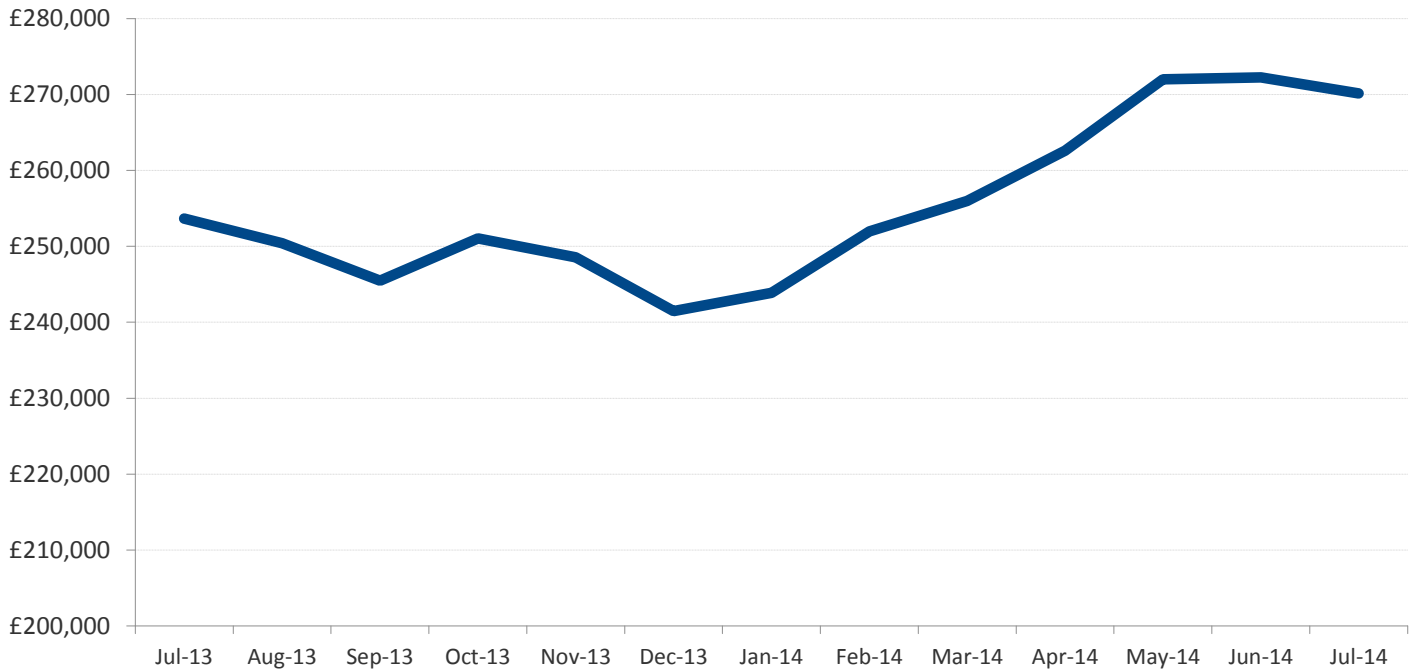
Mark Manning of Manning Stainton in Leeds, Harrogate and Wakefield said: *“During the first half of the year instructions were up by around 7% in our area, but sold volumes increased by 25%, creating an imbalance in supply and demand. A bigger challenge sellers have faced is the time from sale agreed to completion - the introduction of the Mortgage Market Review has meant that on average sales are taking around 3-4 weeks longer to go through, as lenders and solicitors struggle to keep up with the new process. In the next half of the year I think prices will settle down a bit and I would urge all sellers to ensure they have a good agent with the capacity to help push a sale through to completion.”*

Andrew Barry of Peter Alan Estate Agents in South Wales said: *“Prices have now started to cool which means sellers are going to need to be more realistic with the price they expect to get for their property, but it is still one of the best times to put a property on the market because the reduced demand means there is now more choice for those looking to trade up. Looking to the next six months I think activity will remain strong and our market will stay healthy, with hotspots like north Cardiff continuing to see an increase in demand.”*

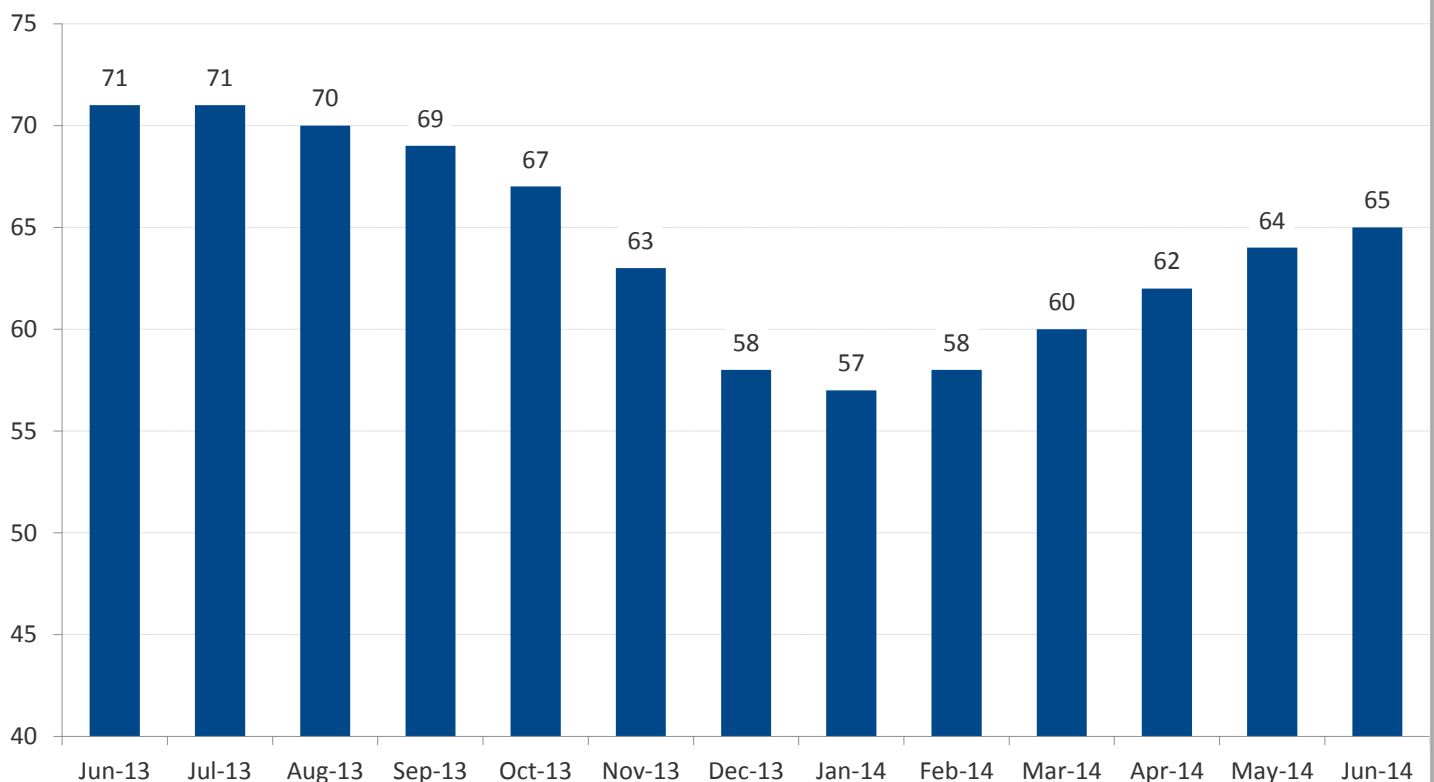
Daren Haysom, Foxtons Director in East London said: *“The period leading up to and including summer is often a calmer period for the property market and this year’s concentrated bank holidays in April and May, as well as the special occurrence of the World Cup, meant that there were a few extra distractions. Added to this was the speculation about interest rate increases, resulting in a slightly reduced pool of applicants, in particular first time buyers. We are still experiencing quick sales times though and it’s not uncommon to see great properties going under offer within a day or two of coming to the market. Following annual trends in the market though we expect to see a full return in strength, from September onwards. In east London, areas such as Hackney and Waltham Forest are still quite new to many first time buyers and it is often a big step to head to unknown territory, but those that do may find the better deals before everyone decides to follows suit.”*

Ed Mackenzie Smith of Mackenzie Smith Properties in Hampshire said: *“The earlier rapid increases in house prices has cooled but demand remains strong and accurately priced property is still selling very quickly. Vendors must remember that you can still overprice a property in a sellers’ market. The real issue is the continuing shortage of property coming to the market. More London buyers are targeting the North Hampshire area based on quality of location, schooling and better value for money which puts extra pressure on demand.”*

Rightmove monthly asking price trend



Average properties for sale per estate agent

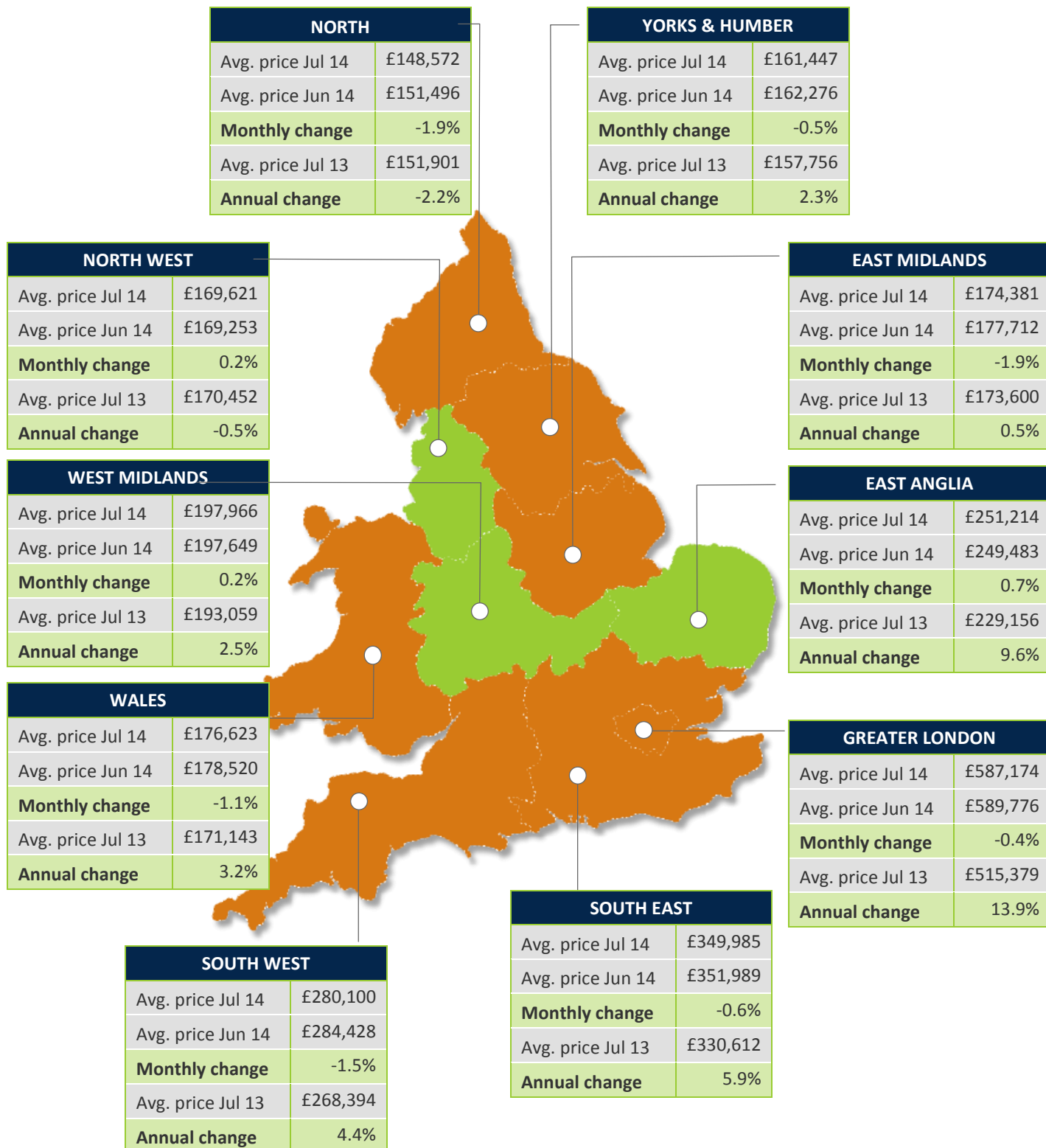


For media enquiries and interviews please contact the Rightmove press office:

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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
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
May 2014	221.3	+3.6%	£272,003
June 2014	221.5	+0.1%	£272,275
July 2014	219.8	-0.8%	£270,159
	+13.4	+6.5%	+£16,501

National asking price trend by property type

Month	Detached	Semi-detached	Terraced	Flats/apartments
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
May 2014	£400,698	£222,988	£212,344	£237,350
June 2014	£400,190	£225,323	£215,548	£237,498
July 2014	£397,842	£223,159	£209,474	£235,337
Annual Change	+6.3%	+8.0%	+8.7%	+13.2%

London's best performers: July 2014

London's top 5	Avg. price Jul 14	Avg. price Jun 14	Monthly change
Barking & D'ham	£257,891	£251,770	2.4%
Sutton	£408,763	£399,440	2.3%
Enfield	£406,333	£398,424	2.0%
Newham	£313,032	£307,573	1.8%
Westminster	£1,736,063	£1,706,823	1.7%

London's worst performers: July 2014

London's bottom 5	Avg. price Jul 14	Avg. price Jun 14	Monthly change
Wandsworth	£857,802	£891,753	-3.8%
Kingston	£789,321	£820,449	-3.8%
Islington	£790,591	£821,396	-3.8%
Haringey	£639,602	£656,512	-2.6%
Bromley	£413,559	£424,099	-2.5%

London boroughs

Borough	Avg. price Jul 14	Avg. Price Jun 14	Monthly change	Avg. price Jul 13	Annual change
Kensington and Chelsea	£2,362,908	£2,384,039	-0.9%	£2,338,034	1.1%
City of Westminster	£1,736,063	£1,706,823	1.7%	£1,629,761	6.5%
Hammersmith and Fulham	£1,150,600	£1,144,471	0.5%	£1,004,009	14.6%
Camden	£1,106,883	£1,128,139	-1.9%	£1,098,439	0.8%
Wandsworth	£857,802	£891,753	-3.8%	£728,306	17.8%
Brent	£845,000	£836,449	1.0%	£724,395	16.6%
Richmond-upon-Thames	£832,267	£841,017	-1.0%	£745,640	11.6%
Islington	£790,591	£821,396	-3.8%	£756,325	4.5%
Kingston-upon-Thames	£789,321	£820,449	-3.8%	£677,999	16.4%
Hackney	£719,800	£734,564	-2.0%	£607,227	18.5%
Barnet	£650,346	£659,870	-1.4%	£617,105	5.4%
Hounslow	£639,733	£644,750	-0.8%	£562,599	13.7%
Haringey	£639,602	£656,512	-2.6%	£574,188	11.4%
Lambeth	£620,966	£634,081	-2.1%	£548,134	13.3%
Tower Hamlets	£620,923	£630,760	-1.6%	£446,548	39.0%
Ealing	£603,242	£606,016	-0.5%	£513,070	17.6%
Merton	£578,594	£590,750	-2.1%	£475,786	21.6%
Southwark	£566,354	£566,829	-0.1%	£508,885	11.3%
Lewisham	£465,049	£462,171	0.6%	£389,306	19.5%
Hillingdon	£414,999	£414,507	0.1%	£374,841	10.7%
Bromley	£413,559	£424,099	-2.5%	£367,377	12.6%
Sutton	£408,763	£399,440	2.3%	£359,469	13.7%
Enfield	£406,333	£398,424	2.0%	£358,808	13.2%
Harrow	£403,790	£401,477	0.6%	£358,679	12.6%
Croydon	£394,024	£388,875	1.3%	£311,941	26.3%
Waltham Forest	£376,041	£372,071	1.1%	£324,119	16.0%
Greenwich	£358,428	£358,002	0.1%	£317,869	12.8%
Redbridge	£351,613	£354,288	-0.8%	£312,023	12.7%
Newham	£313,032	£307,573	1.8%	£250,367	25.0%
Havering	£287,295	£290,040	-0.9%	£261,544	9.8%
Bexley	£266,954	£273,481	-2.4%	£224,371	19.0%
Barking and Dagenham	£257,891	£251,770	2.4%	£219,522	17.5%

Index comparison

	House price	Monthly change
JUL 2014		
Rightmove	£270,159	-0.8%
Halifax	N/A*	N/A*
Nationwide	N/A*	N/A*
JUN 2014		
Rightmove	£272,275	+0.1%
Halifax	£183,462	-0.6%
Nationwide	£188,903	+1.0%
MAY 2014		
Rightmove	£272,003	+3.6%
Halifax	£184,464	+3.9%
Nationwide	£186,512	+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).

This month 6,344 properties have been excluded due to being anomalies.

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.