

House Price Index

September 2014 edition

THE LARGEST MONTHLY SAMPLE OF RESIDENTIAL PROPERTY PRICES

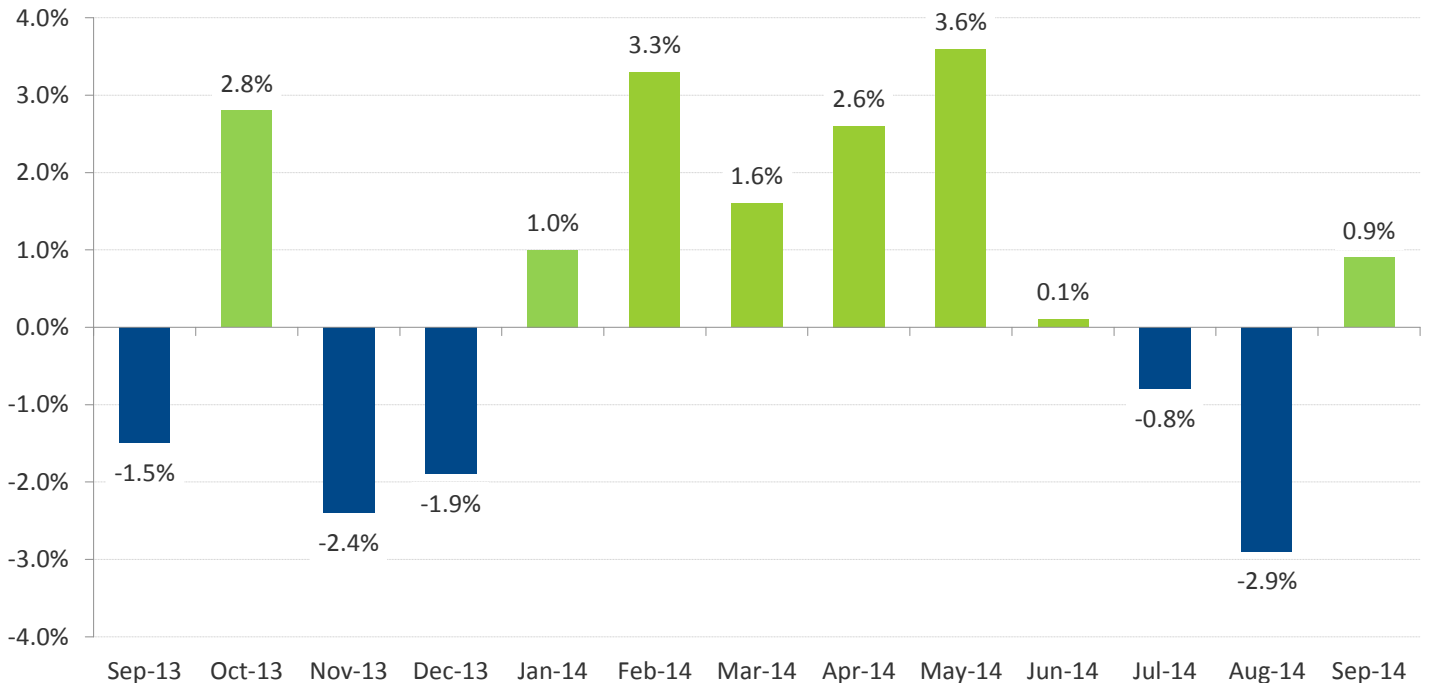
Under embargo for 00:01 hours: Monday, 15th September 2014

Autumn upturn starts earlier than usual with 0.9% rise

Average property asking price:	
Sept 14	Aug 14
£264,875	£262,401
% change in month:	
Sept 14	Aug 14
+0.9%	-2.9%
% change in past year:	
Sept 14	Aug 14
+7.9%	+5.3%
Monthly index (Jan 2002 = 100)	
Sept 14	Aug 14
215.5	213.5

- Earlier than usual signs of autumn activity picking up as September's new listings come to market with asking prices 0.9% (+£2,474) higher than last month, the first rise at this time of year since 2011
- Indications that pent-up demand remains in spite of summer lull:
 - Enquiries to agents overall up by 16% year-on-year, at second highest ever monthly level
 - Upturn aided by holidaying home-hunters being constantly in touch, with 45% growth in enquiries from mobile devices in August compared to last year
- 2014 'window to move' may be compromised by economic uncertainty if Scotland votes for independence – markets do not like uncertainty

% monthly change in average asking prices



Rightmove measured 105,517 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 10th August 2014 to 6th September 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 asking prices of property coming to market this month are up by 0.9% (+£2,474), the first rise at this time of year since September 2011. The average change for September over the last ten years has been a fall of 0.5%, so this bucking of the trend heralds a quicker than usual upturn as autumn's market gets going after the summer holiday downturn. Enquiries sent to agents are good lead indicators of demand and Rightmove generated over 4 million enquiries in August, the second highest level ever recorded, with only January this year being marginally higher. Enquiries from mobile devices are up by 45% this August compared to last, as home-movers' ability to be constantly in touch means that the property market can now pick up momentum more quickly.

Miles Shipside, Rightmove director and housing market analyst comments: *"We usually see a price fall at this time of year as potential home-movers are generally still in holiday mode. However, it looks like there are early signs of a bounce-back in demand after the summer lull, leaving those estate agents with a shortage of stock at a potential disadvantage and therefore eager to attract new instructions. While there is more property coming to market this year, it has been more than swallowed up by increased sales. There is already 10% less property available per estate agency branch compared to this time a year ago, and with enquiries by phone and email to agents up by 16% compared to August last year, and at near record levels, you can see why there has been an earlier than usual price pick-up. The ability of potential buyers to remain on-watch and in-touch and react more quickly is also a factor. While you may be switched off from work during the summer break, many people's mobile devices are still switched on to the internet to see what's coming to market."*

Risk of less certain consumer outlook for remainder of 2014

2014 has proved to be the 'year to move', with consumer confidence buoyed by consistently low interest rates and improving economic data after several years of an uncertain outlook. The number of housing transactions recorded by HMRC in England and Wales for the year is currently on course to be between 1.1 and 1.2 million, which would be a significant improvement on the 970,000 transactions last year and the 800,000 average of the previous five years. HMRC's transaction numbers for completed sales in the year to July are up by 22% on the same period in 2013, and Rightmove has measured an average 12% increase in new seller asking prices over the same seven month period in 2014. After a very hectic first half the momentum driving the rises in transaction volumes and house prices was bound to pause, as buyers, lenders, and regulators questioned value, affordability and sustainability. Whilst our latest data suggests the market is poised for a resumption of strong activity, albeit at a less heady pace, some analysts are forecasting a return to a less certain economic outlook should there be a vote for Scottish independence. Events that cause uncertainty have historically been a dampener on housing market sentiment and activity.

Shipside observes: *"Even the very debate around Scottish independence and possible implications for the economic outlook for the rest of the UK could cause uncertainty in the minds of potential home-movers contemplating a large long-term financial commitment. Speculation amongst economic forecasters on topics such as upwards pressure on interest rates, availability of wholesale funding for lenders, and the geographic location of major financial institutions are potentially destabilising influences on consumer sentiment. Should the independence vote win the day, then there could be months of uncertainty with the forthcoming general election causing further disruption. From a buyer perspective when other home-movers are nervous it can be a good time to act, as harder bargains can be driven. Those who are buying and selling in the same transaction may have to drop their selling price but could be able to make up the difference by paying a lower price for their onward move. Locking into a fixed rate mortgage would help*

guard against any increased interest rate volatility. The other point to remember is that waiting and pin-pointing the best time to move can leave your life and future property enjoyment on hold for years, so if the sums stack up and the property suits your needs then it might be best to ignore the what-ifs and maybes."

Agents' views:

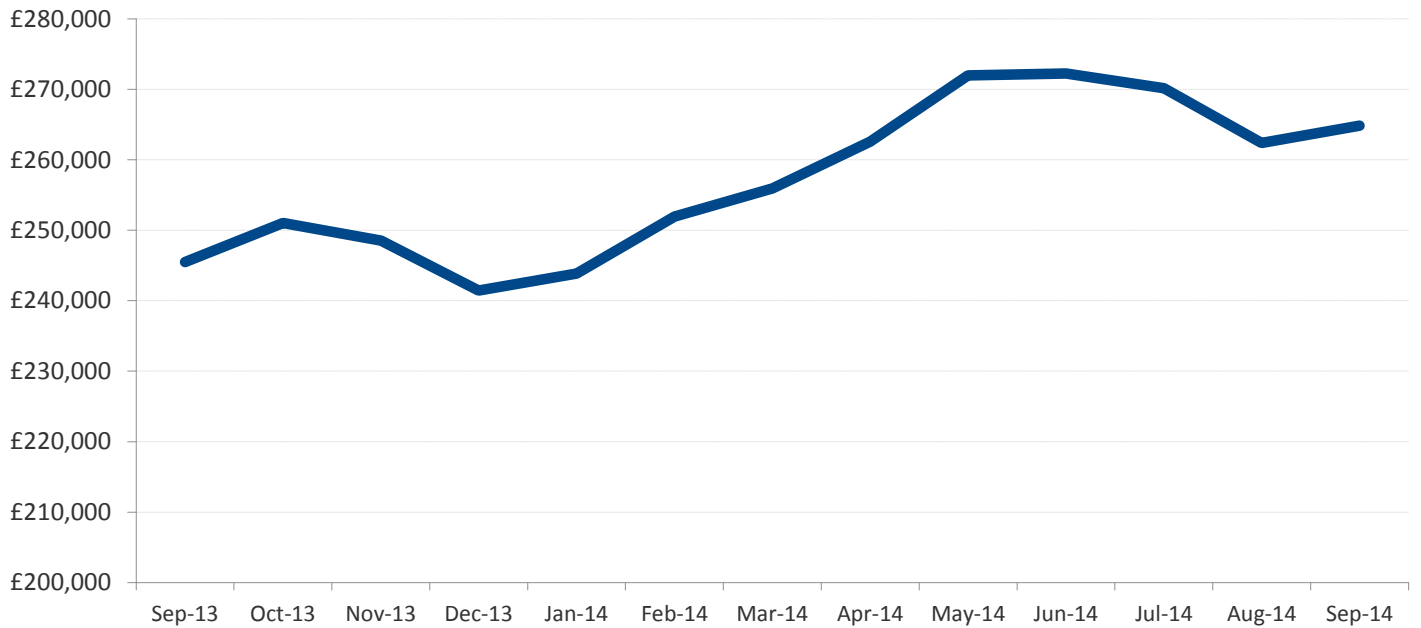
Simon Wilkinson of Wilkinson Estate Agents in Milton Keynes, Winslow and Leighton Buzzard says: *"With the relatively benign economic conditions, the influencing factor in the market has reverted to a strong seasonal one, with a surge in activity already this autumn. The prospects for an expansion in supply look good with many more home owners considering a move before Christmas and we expect to see the stock of property for sale increase and provide more choice, and with it should come a softening in house price inflation and stabilisation in the market. A naturally occurring return to economic normality is most welcome albeit this is likely to be short lived as there remains a fundamental imbalance of supply, specifically in the delivery of new homes to meet the needs of population growth and changing lifestyles."*

Ian Cope of Leaders in Hampshire says: *"We successfully sold the family homes we had available earlier in the year and then as usual families who had not yet made the decision to sell held off until after the holiday season. But now we have seen renewed interest from vendors looking to get moving ahead of Christmas. Demand levels have stayed quite consistent but obviously the increase in new instructions is giving buyers a good choice of suitable property."*

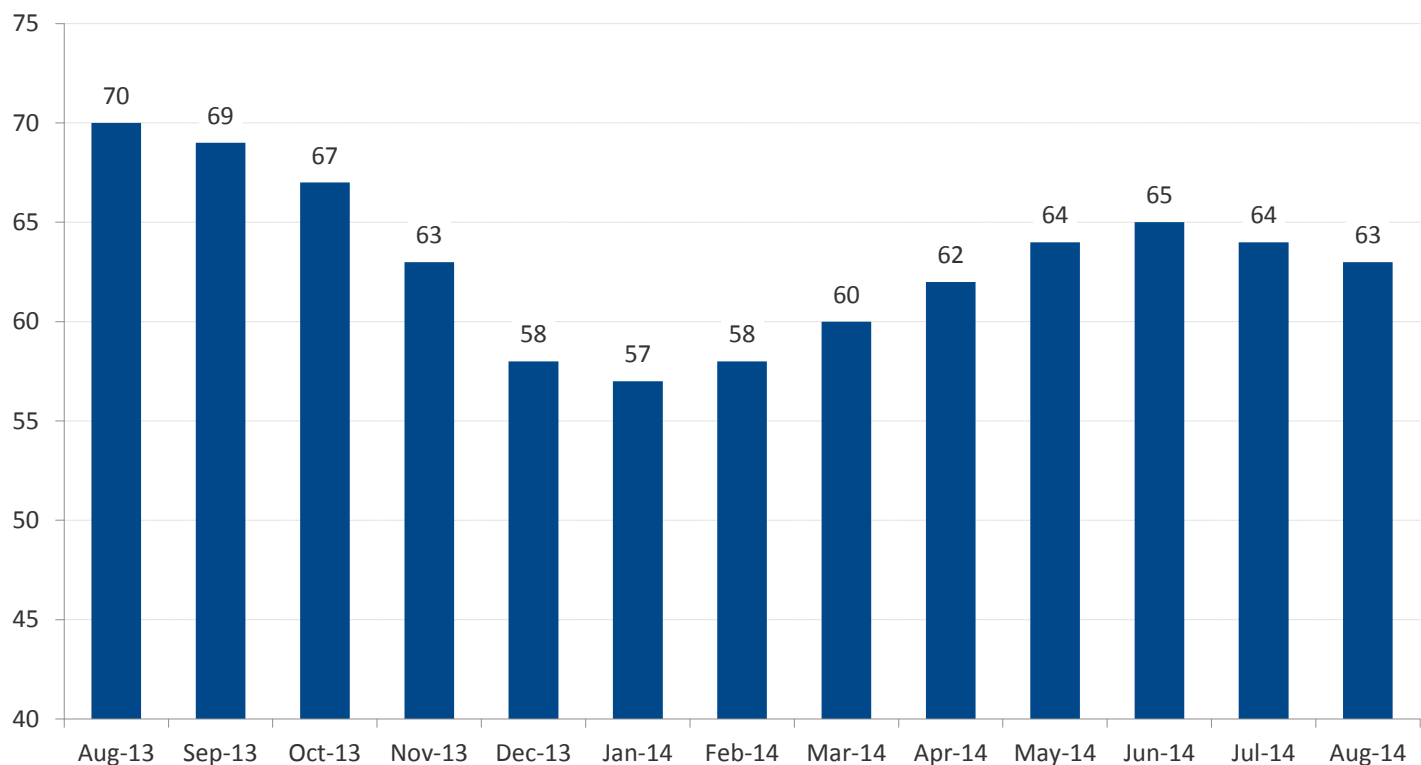
Tony Morris Eyton, Savills head of country house sales in the northern region, says: *"Even if values aren't rising, activity and general sentiment are much more positive than earlier in the year. Buyers are still cautious and savvy but they are demonstrating far more commitment, particularly in the market below £400,000 and specifically in towns and more urban areas. Nottingham is as an example of a large regional centre in the Midlands where activity is thriving and in Shrewsbury the market has picked up significantly."*

Nick Hougham, Operations Director of haart London said: *"In the past few weeks there's been a surge in prospective buyers registering with us, alongside more properties coming to market now that people are back from holiday and kids are back to school. September is a key month for those who definitely want to move by the end of the year to act. There are still more applicants than sellers in many parts of London with some recent in-demand hotspots including Brixton, Streatham and Croydon, as well as Ilford and Romford. Areas at the end of commuter lines such as Stratford are also becoming more popular as new money and regeneration drives demand."*

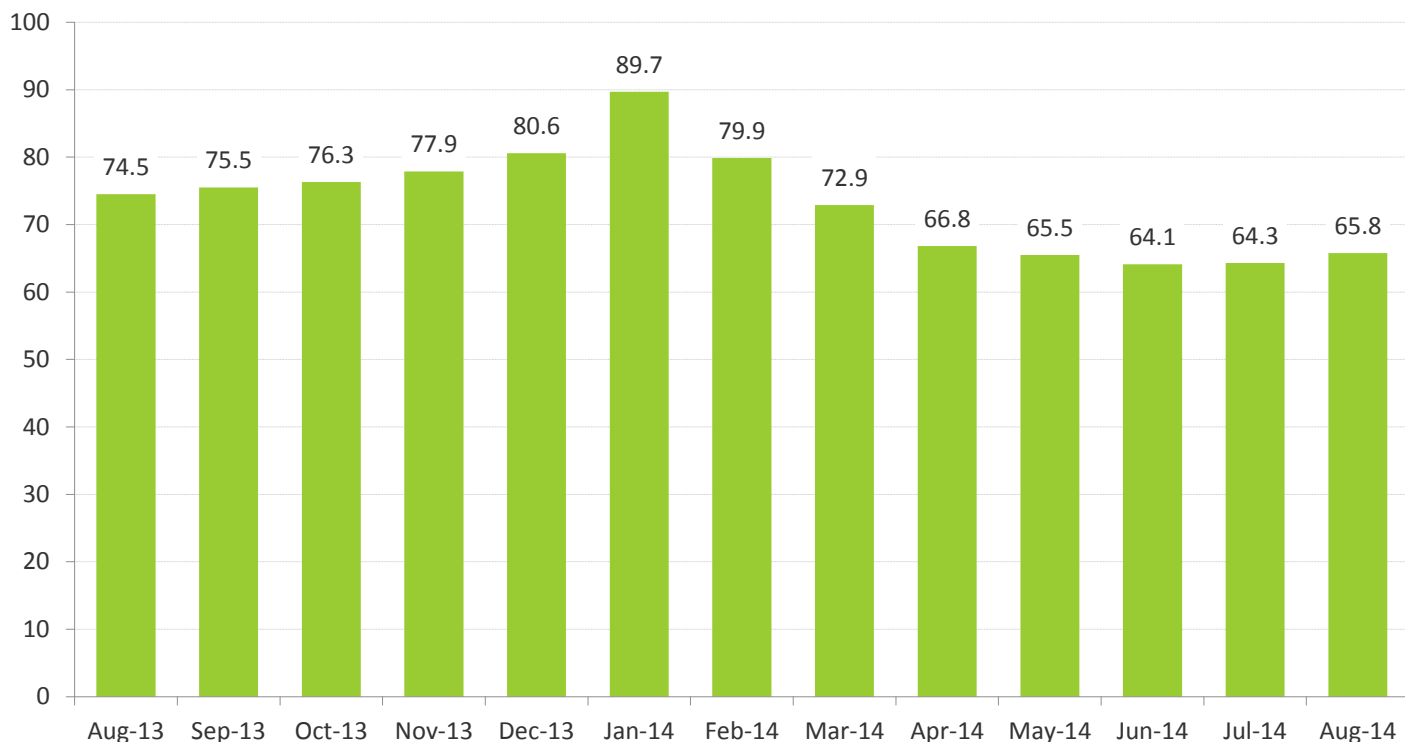
Rightmove monthly asking price trend



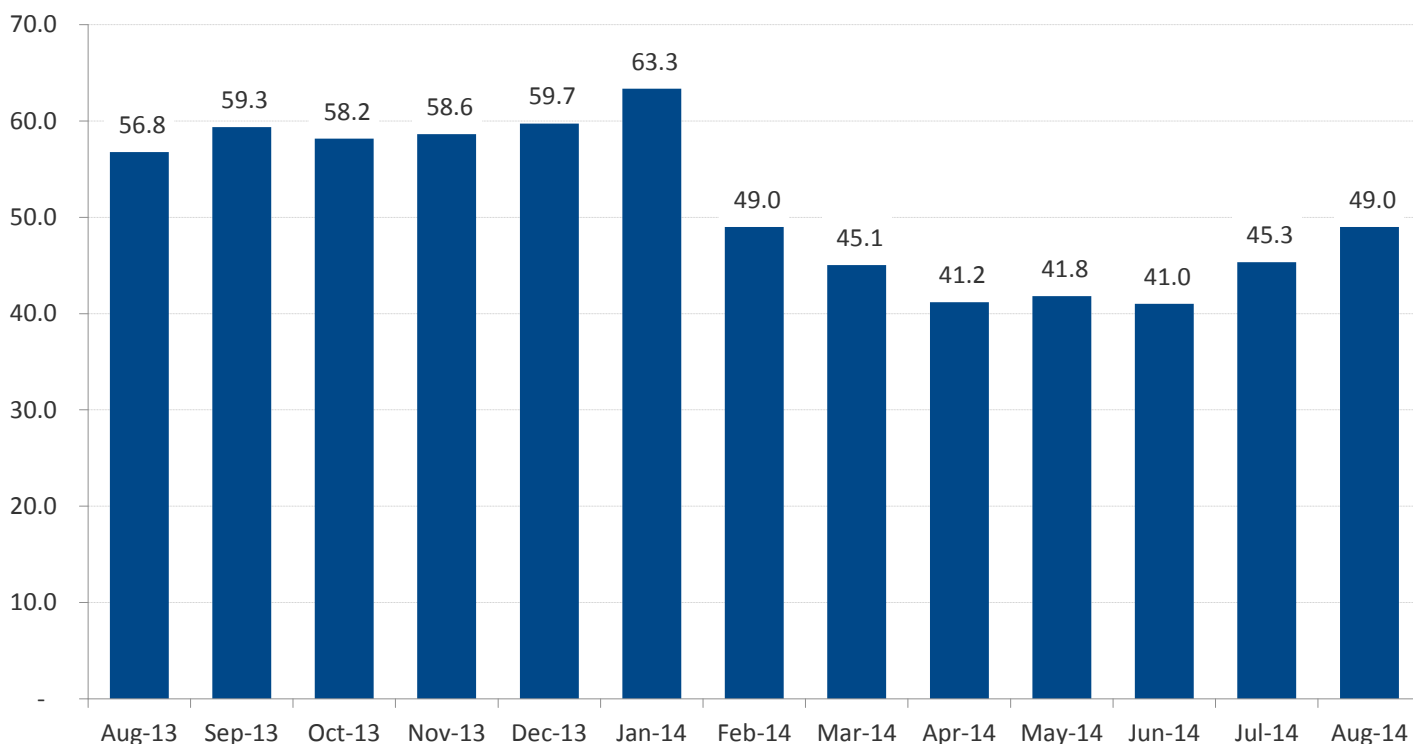
Average properties for sale per estate agent



Average 'time to sell' - National

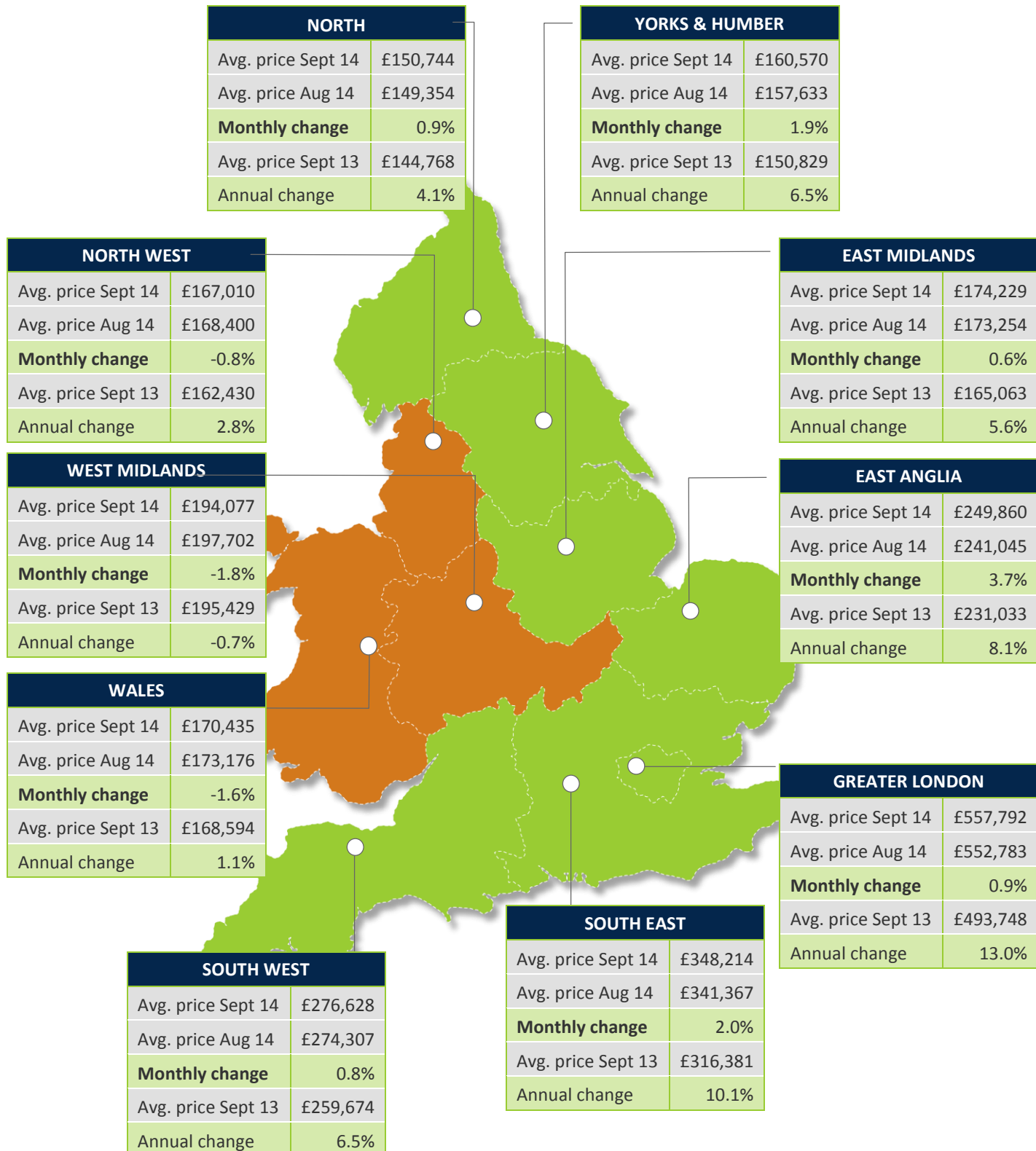


Average 'time to sell' - London



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
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
August 2014	213.5	-2.9%	£262,401
September 2014	215.5	+0.9%	£264,875
Annual change	+15.8	+7.9%	+£19,380

National asking price trend by property type

Month	Detached	Semi-detached	Terraced	Flats/apartments
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
August 2014	£382,622	£220,622	£206,606	£230,465
September 2014	£392,698	£221,599	£207,864	£232,793
Annual Change	+9.4%	+7.2%	+10.1%	+13.4%

London's best performers: September 2014

London's top 5	Avg. price Sept 14	Avg. price Aug 14	Monthly change
Enfield	£400,834	£385,908	3.9%
Haringey	£620,917	£597,854	3.9%
Sutton	£414,444	£400,390	3.5%
Southwark	£560,171	£541,579	3.4%
Hackney	£705,079	£681,876	3.4%

London's worst performers: September 2014

London's bottom 5	Avg. price Sept 14	Avg. price Aug 14	Monthly change
K'ton & Chelsea	£2,115,470	£2,197,263	-3.7%
Brent	£769,902	£794,224	-3.1%
Westminster	£1,583,338	£1,617,391	-2.1%
Richmond	£761,472	£776,816	-2.0%
Tower Hamlets	£596,941	£606,403	-1.6%

London boroughs

Borough	Avg. price Sept 14	Avg. Price Aug 14	Monthly change	Avg. price Sept 13	Annual change
Kensington and Chelsea	£2,115,470	£2,197,263	-3.7%	£2,155,341	-1.8%
City of Westminster	£1,583,338	£1,617,391	-2.1%	£1,432,897	10.5%
Hammersmith and Fulham	£1,075,255	£1,069,553	0.5%	£977,466	10.0%
Camden	£1,012,654	£1,026,896	-1.4%	£971,765	4.2%
Wandsworth	£774,826	£785,775	-1.4%	£692,077	12.0%
Islington	£774,641	£755,675	2.5%	£729,278	6.2%
Brent	£769,902	£794,224	-3.1%	£665,407	15.7%
Richmond-upon-Thames	£761,472	£776,816	-2.0%	£735,360	3.6%
Kingston-upon-Thames	£729,629	£734,360	-0.6%	£675,354	8.0%
Hackney	£705,079	£681,876	3.4%	£599,577	17.6%
Barnet	£633,416	£615,718	2.9%	£596,028	6.3%
Haringey	£620,917	£597,854	3.9%	£560,123	10.9%
Tower Hamlets	£596,941	£606,403	-1.6%	£469,552	27.1%
Hounslow	£589,009	£595,596	-1.1%	£561,153	5.0%
Lambeth	£583,590	£580,538	0.5%	£514,945	13.3%
Ealing	£577,674	£570,810	1.2%	£513,687	12.5%
Southwark	£560,171	£541,579	3.4%	£493,363	13.5%
Merton	£552,149	£542,166	1.8%	£474,999	16.2%
Lewisham	£454,985	£446,108	2.0%	£388,508	17.1%
Sutton	£414,444	£400,390	3.5%	£352,545	17.6%
Hillingdon	£411,975	£405,617	1.6%	£375,902	9.6%
Bromley	£404,843	£397,292	1.9%	£351,986	15.0%
Harrow	£402,402	£392,154	2.6%	£366,336	9.8%
Enfield	£400,834	£385,908	3.9%	£350,625	14.3%
Croydon	£385,016	£378,748	1.7%	£318,921	20.7%
Waltham Forest	£373,342	£365,286	2.2%	£325,900	14.6%
Greenwich	£353,548	£348,659	1.4%	£308,930	14.4%
Redbridge	£345,739	£340,433	1.6%	£308,372	12.1%
Newham	£311,500	£302,370	3.0%	£252,543	23.3%
Havering	£283,268	£275,429	2.8%	£259,045	9.4%
Bexley	£267,937	£261,943	2.3%	£226,935	18.1%
Barking and Dagenham	£251,727	£247,116	1.9%	£218,242	15.3%

Index comparison

	House price	Monthly
SEPT 2014		
Rightmove	£264,875	+0.9%
Halifax	N/A*	N/A*
Nationwide	N/A*	N/A*
AUG 2014		
Rightmove	£262,401	-2.9%
Halifax	£186,240	+0.1%
Nationwide	£189,306	+0.8%
JUL 2014		
Rightmove	£270,159	-0.8%
Halifax	£186,322	+3.6%
Nationwide	£188,949	+0.1%

*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 4,678 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.