

House Price Index

October 2014 edition

THE LARGEST MONTHLY SAMPLE OF RESIDENTIAL PROPERTY PRICES

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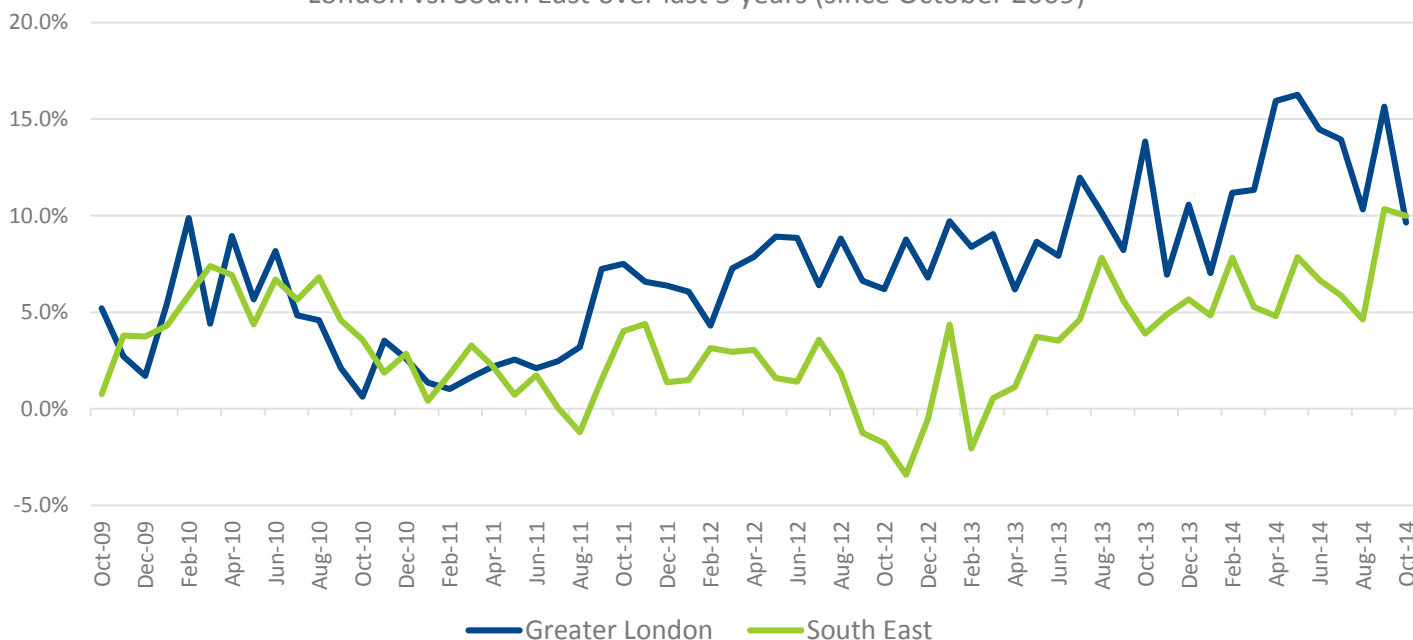
London loses its 'boom-town crown' to the South East

Average property asking price:	
Oct 14	Sept 14
£271,669	£264,875
% change in month:	
Oct 14	Sept 14
+2.6%	+0.9%
% change in past year:	
Oct 14	Sept 14
7.6%	+7.9%
Monthly index (Jan 2002 = 100)	
Oct 14	Sept 14
221.0	215.5

- Price of property coming to market up by 2.6% (+£6,784) this month, though annual rate drops from 7.9% to 7.6% as pace of rises slows
- South East (+10.0%) overtakes London (+9.6%) as highest annual riser
 - Buyers seeking better affordability and value 'out of London town'
 - Upwards price pressure fuelled by shortage of home owners willing to sell
 - Largest ever data-driven analysis predicts South East will be fastest rising region in next five years, up 37%
 - Forecast cites Southampton, Luton and Brighton as the country's best property bets
- With time to sell and property supply both increasing is the traditional autumn price flurry sustainable? New seller numbers up 10% compared to October 2013 giving buyers more choice and negotiating power

Annual rate of asking price growth

London vs. South East over last 5 years (since October 2009)



Rightmove measured 139,282 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 7th September 2014 to 11th October 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 this month has increased by 2.6% (+£6,784) continuing the usual October trend of a substantial uplift in new sellers' price expectations. While this is the lowest rise at this time of year for six years, sellers may still find that their asking prices are too optimistic in parts of the country where the supply of property exceeds buyer demand. However, there appear to be few signs of a slowing market in the South East, which is now the strongest performing region in the country over the last 12 months. New seller asking prices in the South East are 10% up on a year ago, and higher than London's current annual rate of 9.6%.

Miles Shippside, Rightmove director and housing market analyst comments: *"The ripple effect of buyers priced out of London combined with those cashing in and moving out of the capital means that the South East has taken London's boom-town crown. Upwards price pressure is being further fuelled by a reluctance of home owners in the hotspots of the South East to come to market. Some can see the value in holding onto their fast-appreciating property asset, whilst others cannot find anything for sale locally on the market that tempts them to sell and move on. While the South East's new seller numbers this month are up on last year's, at just 3% increase this is the lowest pick-up in properties coming to market in any region in the face of the highest increase in demand."*

Analysis by Rightmove and Oxford Economics forecasts that the South East will be the region with the highest increase in property values in the next five years, driven by a continuation of this supply/demand imbalance in the medium term. While the national average is a 30% uplift, the South East is forecast to be up by 37%, ahead of London at 33%.

Shippside observes: *"The South East has kick-started its journey on the five-year road to the highest growth in values by overtaking London in this month's index. Those looking for the best price appreciation in the country should seriously consider the South East, and some may wish to fine-tune their search to the top three locations of Southampton, Brighton and Luton. This is not an opinion-based prediction but the most comprehensive data-driven forecast ever produced, and it shows gains of over 40% in those areas. They are either due a price over-spill from neighbouring areas, have good transport links with London, or both."*

The question for property movers in the rest of the country is whether the traditional autumn price flurry is sustainable given that demand is showing signs of cooling and new supply is increasing in some areas. New seller numbers are up by an average of 10% compared to October 2013, giving buyers in some locations more fresh choice and negotiating power, yet the average price of property coming to market increased in every region this month. One reason for this is that there is still less property on the market due to the increased number of transactions, though with demand showing some signs of slowing in pace, and with buyer numbers traditionally more subdued during the winter, this price increase may prove to be too optimistic. Rightmove's national time to sell index is up from 65.8 days to 67.8 days this month, indicating that sales are taking longer and buyers are in less of a rush to buy.

Shippside advises: *"Demand has been on the up in most locations so far this year, but agents in many parts of the country report a slowing in that pace with an initial post-summer pick-up failing to gain momentum. The market is still active, but with prices having increased in many locations, interest rate rises expected in 2015 and an election on the horizon, buyers are a bit more wary and more value-conscious. There are more sellers giving it a go with newly-marketed listings on the up, and it seems that they recognise there is a window to sell now. However, to sell their property more quickly they should make it the most attractive in terms of price and preferably presentation if they are serious about selling within weeks rather than months."*

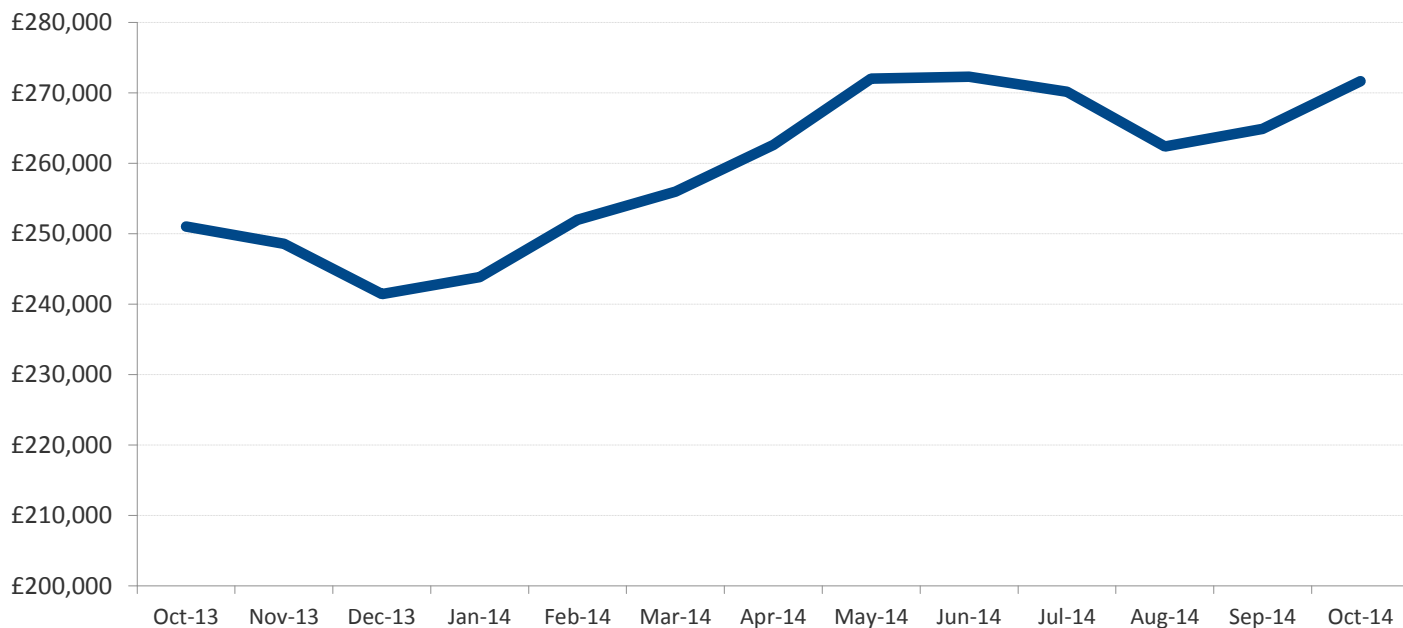
Agents' Views

Marc Cox, Director of Mishon Mackay in Brighton, says: *"Brighton benefits from being only a 50 minute commute into London which means that price rises in the capital have always had a knock on effect on prices here. In the past year prices have gone up around 20% and the demand from non-residents means we're now seeing one bed flats going for £200,000. We recently sold subject to contract a three bed terraced house in an area right next to Hove station for nearly £500,000, which twenty years would have sold for about £35,000. So while the demand is there from buyers, the uncertainty*

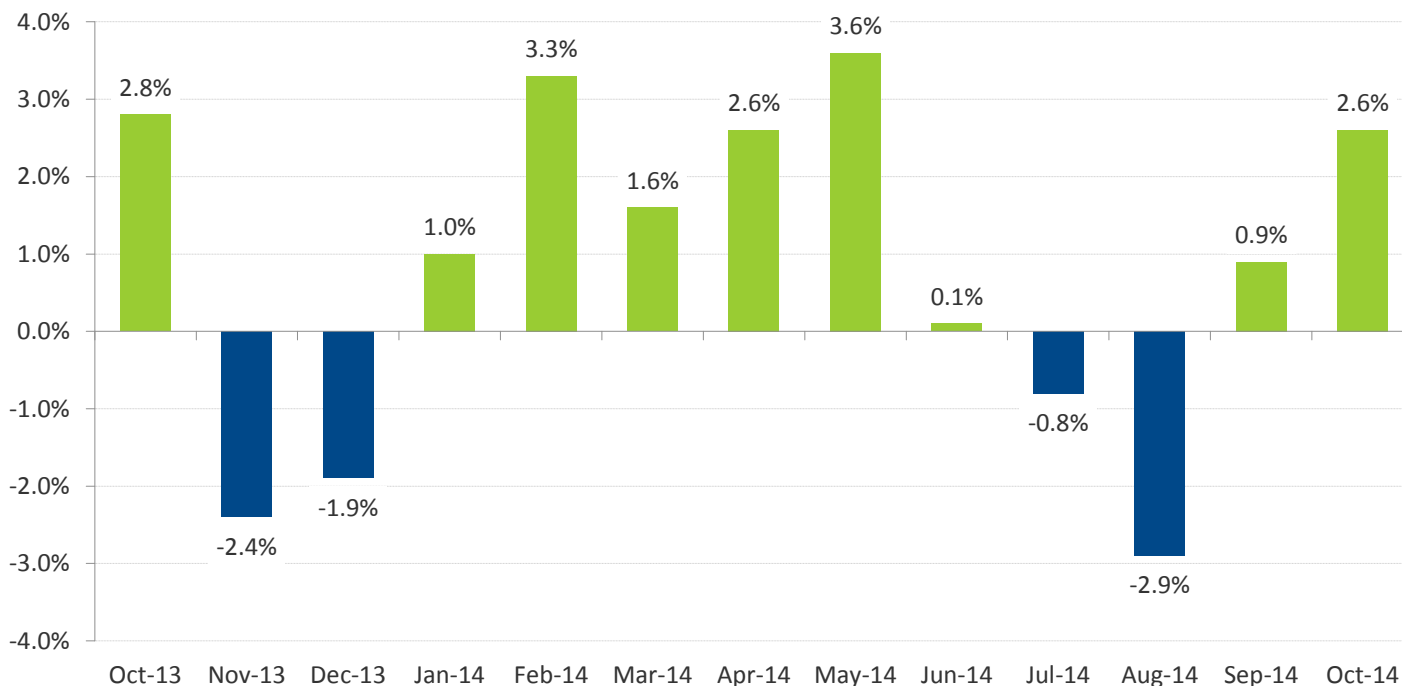
of interest rate rises, the upcoming election and how tough it is to get a mortgage mean that supply is only slightly up on last year and there's still only around half the stock that we had back in 2006/2007."

Geoff Graham, Managing Director of J W Wood in Durham, says: *"While we've not seen big price rises in the same way as the South there is still a lot of demand for good quality properties, especially those within catchment areas of good schools, and stock levels in our area are actually 13% down on last year. So while nothing much has changed in what people are looking for, factors such as the Mortgage Market Review have reduced the number of aspirational moves taking place and there are a number of potential sellers staying put."*

Rightmove monthly asking price trend

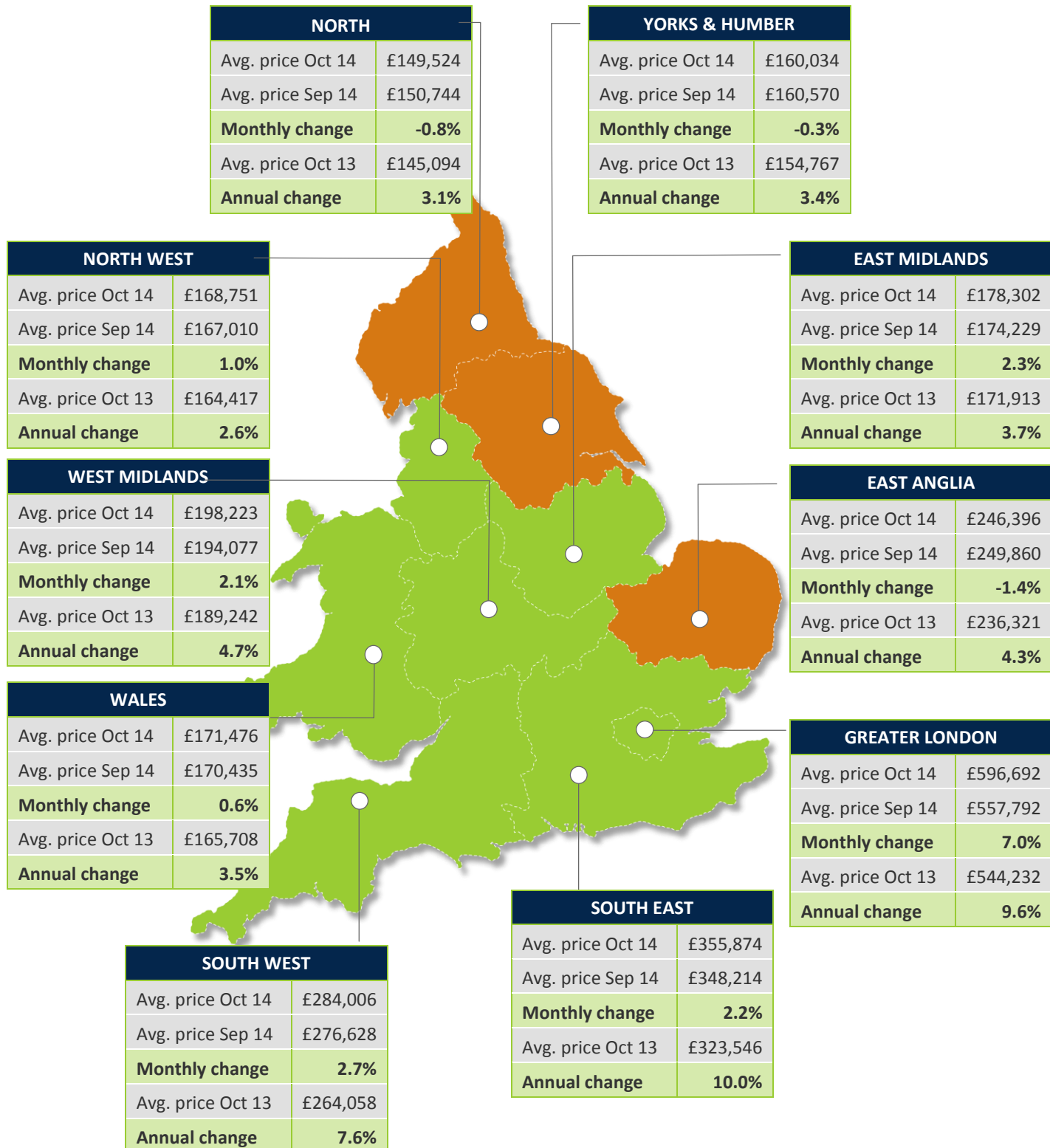


% monthly change in average asking prices



Regions of England and Wales

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



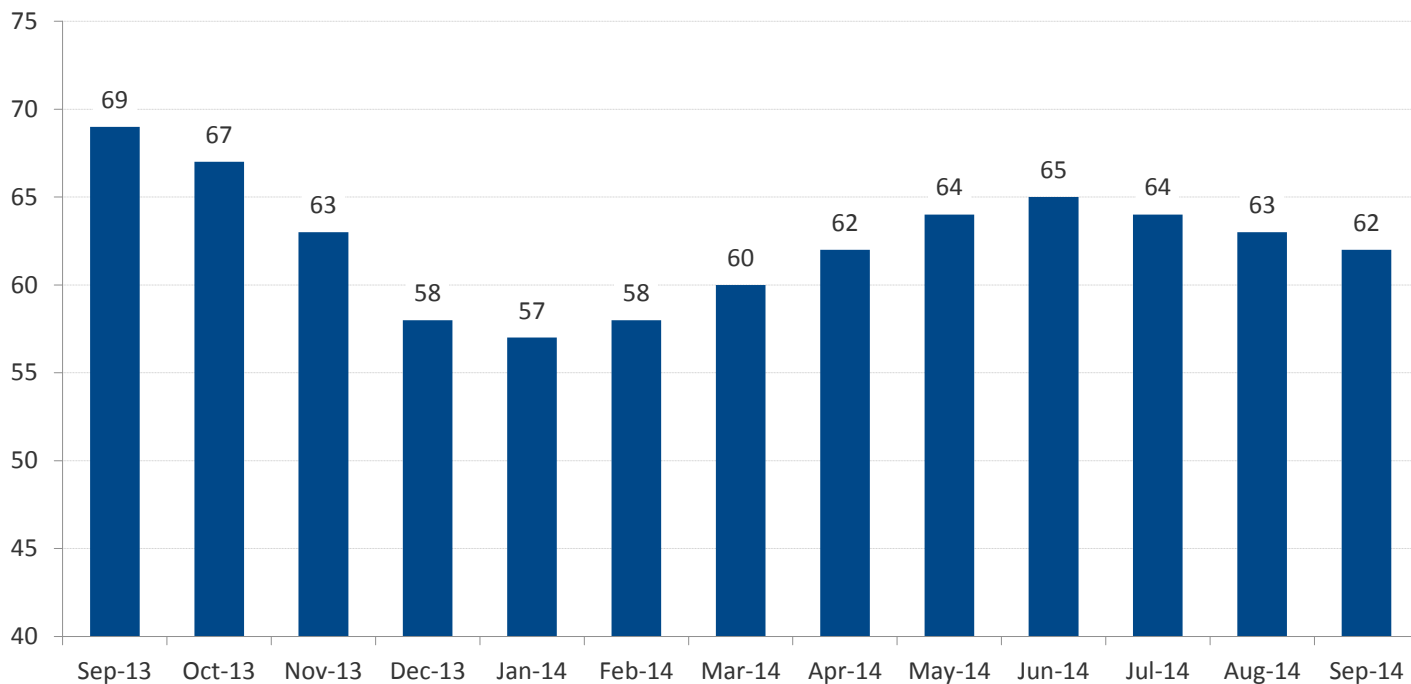
National asking price trend

Month	Index (Jan 2002 = 100)	% change	Avg. asking price
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
October 2014	221.0	+2.6%	£271,669
	+15.6	+7.6%	+£19,251

National asking price trend by property type

Month	Detached	Semi-detached	Terraced	Flats/apartments
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
October 2014	£397,736	£226,422	£216,711	£243,174
Annual Change	+6.8%	+9.1%	+10.2%	+10.3%

Average properties for sale per estate agent



London's best performers: October 2014

London's top 5	Avg. price Oct 14	Avg. price Sep 14	Monthly change
Islington	£841,978	£774,641	8.7%
Hounslow	£629,478	£589,009	6.9%
Ealing	£615,990	£577,674	6.6%
Kingston-upon-Thames	£776,054	£729,629	6.4%
Haringey	£660,107	£620,917	6.3%

London's worst performers: October 2014

London's bottom 5	Avg. price Oct 14	Avg. price Sep 14	Monthly change
Brent	£735,899	£769,902	-4.4%
Tower Hamlets	£595,339	£596,941	-0.3%
Camden	£1,018,009	£1,012,654	0.5%
Newham	£317,256	£311,500	1.8%
Barking and Dagenham	£258,036	£251,727	2.5%

London boroughs

Borough	Avg. price Oct 14	Avg. Price Sep 14	Monthly change	Avg. price Oct 13	Annual change
Kensington and Chelsea	£2,187,343	£2,115,470	3.4%	£2,410,474	-9.3%
City of Westminster	£1,657,282	£1,583,338	4.7%	£1,602,980	3.4%
Hammersmith and Fulham	£1,121,567	£1,075,255	4.3%	£1,092,840	2.6%
Camden	£1,018,009	£1,012,654	0.5%	£1,014,457	0.4%
Islington	£841,978	£774,641	8.7%	£769,122	9.5%
Wandsworth	£816,779	£774,826	5.4%	£770,266	6.0%
Richmond-upon-Thames	£807,703	£761,472	6.1%	£753,562	7.2%
Kingston-upon-Thames	£776,054	£729,629	6.4%	£716,823	8.3%
Hackney	£742,304	£705,079	5.3%	£631,977	17.5%
Brent	£735,899	£769,902	-4.4%	£728,401	1.0%
Haringey	£660,107	£620,917	6.3%	£599,079	10.2%
Barnet	£658,342	£633,416	3.9%	£636,319	3.5%
Hounslow	£629,478	£589,009	6.9%	£591,954	6.3%
Ealing	£615,990	£577,674	6.6%	£537,991	14.5%
Lambeth	£610,654	£583,590	4.6%	£552,291	10.6%
Tower Hamlets	£595,339	£596,941	-0.3%	£518,149	14.9%
Southwark	£582,370	£560,171	4.0%	£527,491	10.4%
Merton	£566,498	£552,149	2.6%	£505,811	12.0%
Lewisham	£470,436	£454,985	3.4%	£413,798	13.7%
Hillingdon	£429,393	£411,975	4.2%	£391,186	9.8%
Sutton	£424,945	£414,444	2.5%	£385,329	10.3%
Harrow	£415,252	£402,402	3.2%	£384,378	8.0%
Enfield	£411,624	£400,834	2.7%	£369,567	11.4%
Bromley	£422,264	£404,843	4.3%	£371,143	13.8%
Croydon	£398,724	£385,016	3.6%	£348,780	14.3%
Waltham Forest	£387,610	£373,342	3.8%	£349,391	10.9%
Greenwich	£365,629	£353,548	3.4%	£332,780	9.9%
Redbridge	£361,587	£345,739	4.6%	£328,197	10.2%
Newham	£317,256	£311,500	1.8%	£268,407	18.2%
Havering	£297,551	£283,268	5.0%	£272,692	9.1%
Bexley	£278,719	£267,937	4.0%	£241,995	15.2%
Barking and Dagenham	£258,036	£251,727	2.5%	£231,724	11.4%

Index comparison

	House price	Monthly
OCT 2014		
Rightmove	£271,669	+2.6%
Halifax	N/A*	N/A*
Nationwide	N/A*	N/A*
SEPT 2014		
Rightmove	£264,875	+0.9%
Halifax	£187,188	+0.6%
Nationwide	£188,374	-0.2%
AUG 2014		
Rightmove	£262,401	-2.9%
Halifax	£186,240	+0.1%
Nationwide	£189,306	+0.8%

*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 7,816 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.