

Rightmove House Price Index

The largest monthly sample of
residential property prices

September 2019
National edition

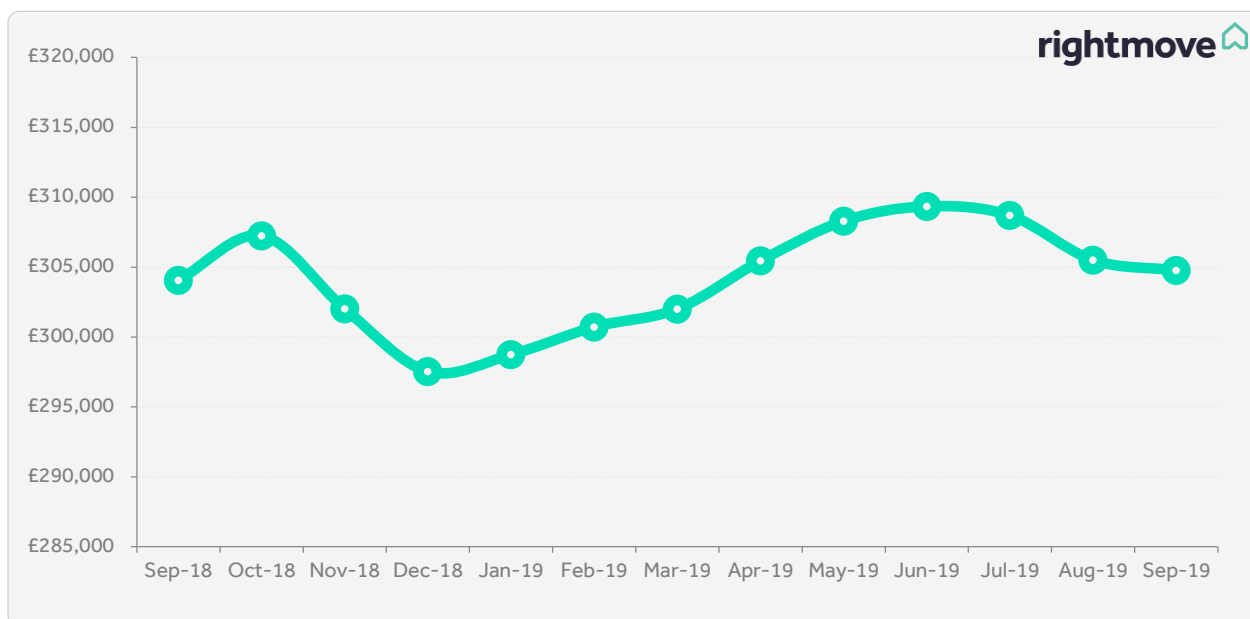


Autumn opportunity for 'keep your nerve' buyers as uncertainty bites again

- The price of property coming to market falls by 0.2% (-£730) this month, the first fall at this time of year since 2010
- No sign of autumn bounce yet, with signs that heightened political uncertainty is causing some to hesitate, giving a better negotiating opportunity to autumn buyers who can keep their nerve:
 - Number of sales agreed is down in all regions compared to a year ago, with the 5.5% drop a marked reversal from the +6.1% sales agreed flurry that we reported a month ago
 - Number of properties coming to market is down by 7.8% this month compared to the same period a year ago, again with all regions down on the prior year
 - Annual rate of price increase drops to just 0.2%, buoyed by the north and dragged down by parts of the south

National average asking prices				
Month	Avg. asking price	Monthly change	Annual change	Index
September 2019	£304,770	-0.2%	0.2%	235.6
August 2019	£305,500	-1.0%	1.2%	236.2
National average asking prices by market sector (excluding Inner London)				
Sector	September 2019	August 2019	Monthly change	Annual change
First-time buyers	£192,221	£191,009	0.6%	0.7%
Second-steppers	£275,870	£276,109	-0.1%	0.9%
Top of the ladder	£537,965	£539,504	-0.3%	0.2%

Monthly asking price trend



Rightmove measured 97,208 asking prices this month, circa 95% of the UK market. The properties were put on sale by estate agents from 11th August 2019 to 7th September 2019 and advertised on Rightmove.co.uk.

Overview

The average price of property coming to market falls by 0.2% (-£730) this month. September is usually the start of an autumn bounce in housing market activity, yet this is the first price fall recorded at this time of year since September 2010, with rises recorded every year for the last eight years. While the underlying housing market fundamentals remain sound, uncertainty is causing some to hesitate and this heightens as we get closer to a Brexit deadline. However, this also gives autumn buyers who keep their nerve a better negotiating opportunity.

Miles Shippside, Rightmove director and housing market analyst comments: *"Many have got used to living in the jaws of uncertainty since the referendum over three years ago, and have been getting on with their lives and housing moves. However, as we approach yet another Brexit deadline, there are signs that the increasing gnashing of teeth is causing some to hesitate. The autumn bounce normally kicks off at the same time as kids go back to school, but this year it's a late starter at best, and if uncertainty persists then the autumn term could be missed altogether and its activities be delayed until the new year. Those who are planning to buy or trade up and can keep their nerve whilst others hesitate may find that they are in a stronger negotiating position to get a favourable deal."*

The number of sales agreed is down this month in all regions compared to the same period a year ago, indicating that this is widespread hesitation rather than being restricted to some geographic areas. The 5.5% national drop is a marked contrast and large turnaround to the +6.1% sales agreed flurry that we reported a month ago. This is only a monthly snapshot, however, and a look year-to-date figure shows that the average sales agreed numbers are only down by 3.4% on a year ago.

Shippside observes: *"In August we reported a pre-Brexit buying spree with the number of sales agreed up by over 6% compared to the prior year, as buyers and sellers decided to get deals secured well before the next Brexit deadline. A month later, as the deadline gets closer and tensions heighten, there has been a big swing the other way with sales agreed numbers now over 5% below those of a year ago. Buying activity is still at nearly 95% of what it was a year ago, but sellers in all regions are seeing fewer sales go through, so should be more willing to negotiate with prospective buyers if they want or need to get a deal done."*

Fewer property owners seem to have the need or desire to put their property on the market, again likely to be influenced by the backdrop of increased uncertainty as well as lack of suitable choice of properties for them to buy. The number of newly-marketed properties is down by 7.8% this month compared to the same period a year ago, again with all regions down on the prior year. This is influenced by what's happening in London, where there is a drop of more than 20% in new properties coming to market as some owners await a Brexit outcome and market recovery.

Shippside notes: *"All regions are down on their numbers for both sales agreed and properties coming to market. Some regions are just marginally behind the previous year, but they are all seeing less activity in these two key metrics, showing that hesitation is now more widespread rather than being localised to just some parts. However, some of that will be due to difficulty in finding the right property to buy, as activity still remains brisk in some locations, evidenced by continuing upwards pricing pressure in some parts of Great Britain. Uncertainty is clearly not just about the political situation, with finding the right property to buy being a bigger worry for many."*

While the average annual rate of price increases drops to just 0.2%, this is buoyed by the north and dragged down by parts of the south. London has properties now coming to the market at an average of 2.1% cheaper than a year ago, with the South East region also in negative territory at -1.1%. All other regions have new seller asking prices up compared to a year ago, with the North West being the most buoyant at +3.5%.

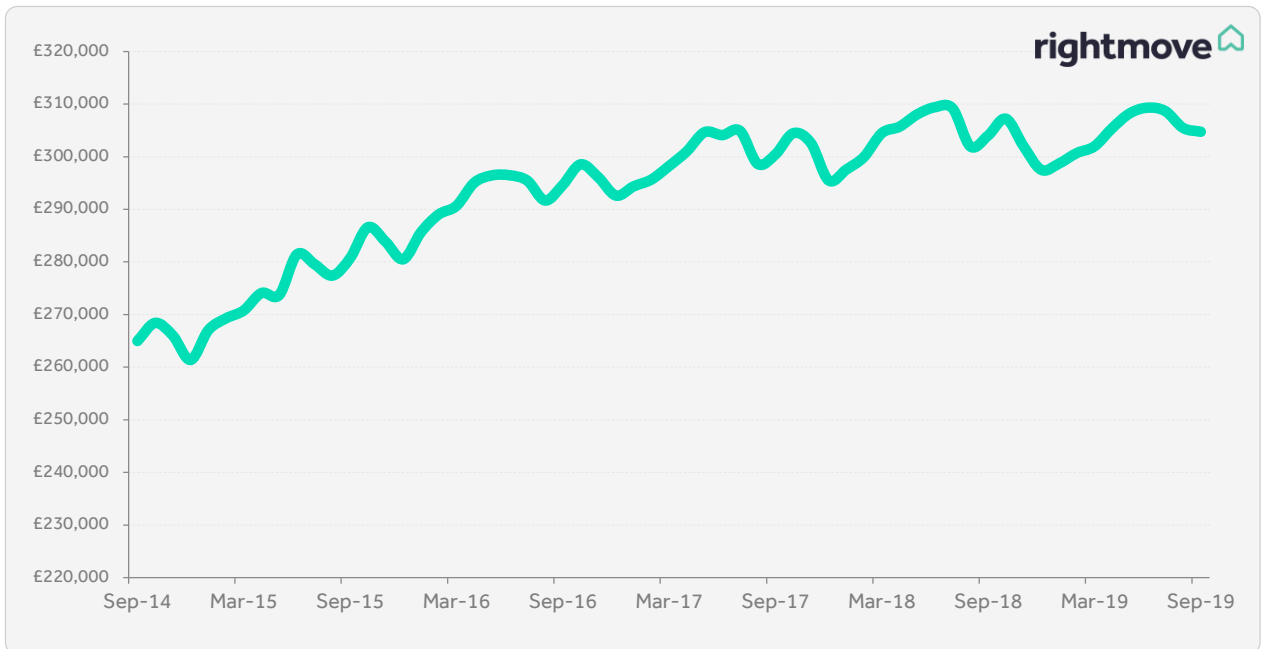
Shippside adds: *"There's obviously some year-on-year bounce occurring in prices in the North West, and also in the North East, Yorkshire & the Humber and Wales, which all have new sellers asking at least 3% more than at this time last year. Buyer affordability and investor activity create and maintain market momentum, but these factors are lacking in parts of the south."*

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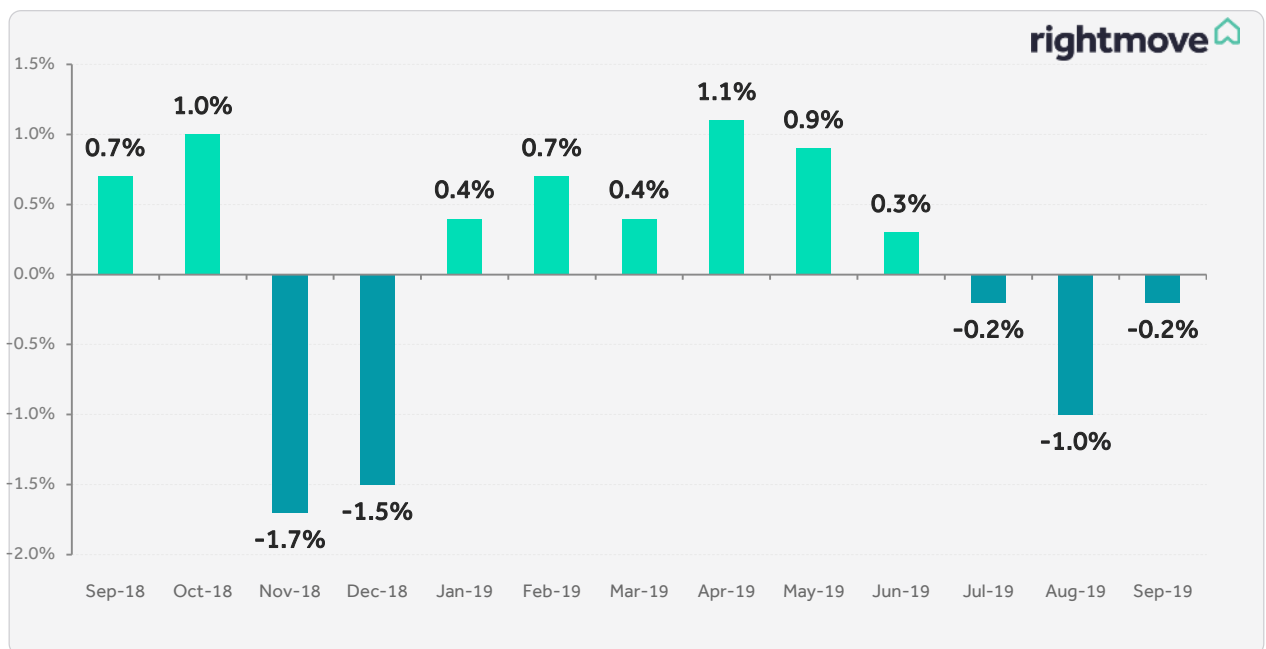


Asking price trends

Five year asking price trend

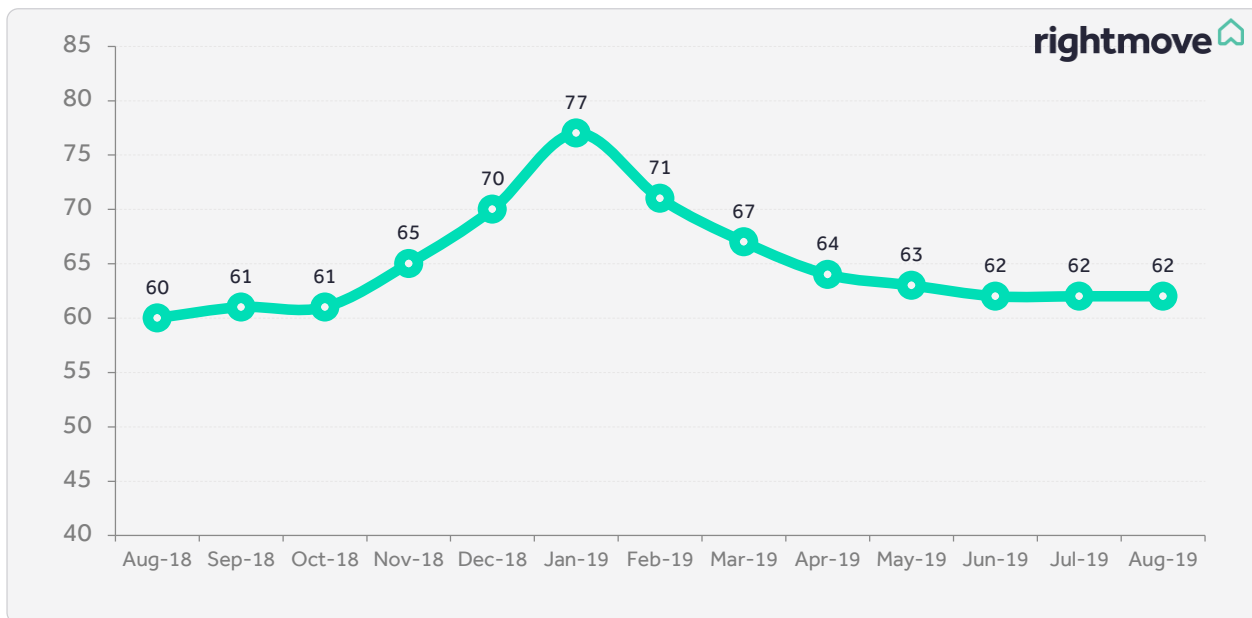


% monthly change in average asking prices

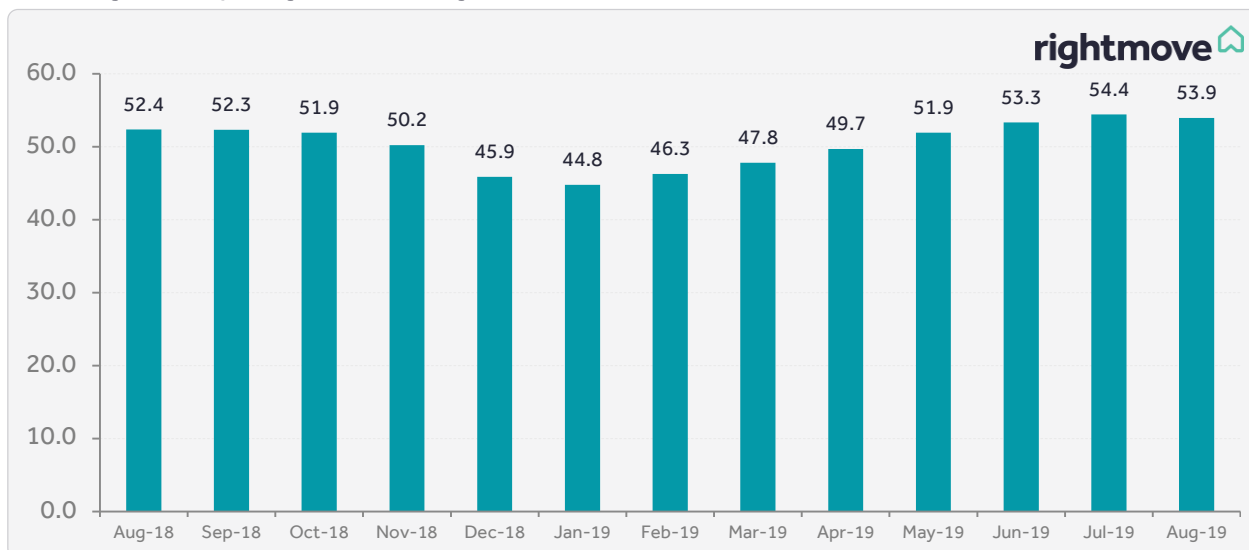


Average time to sell and stock

Average 'time to secure a buyer' (no. of days) - National



Average stock per agent (including Under Offer/Sold STC)



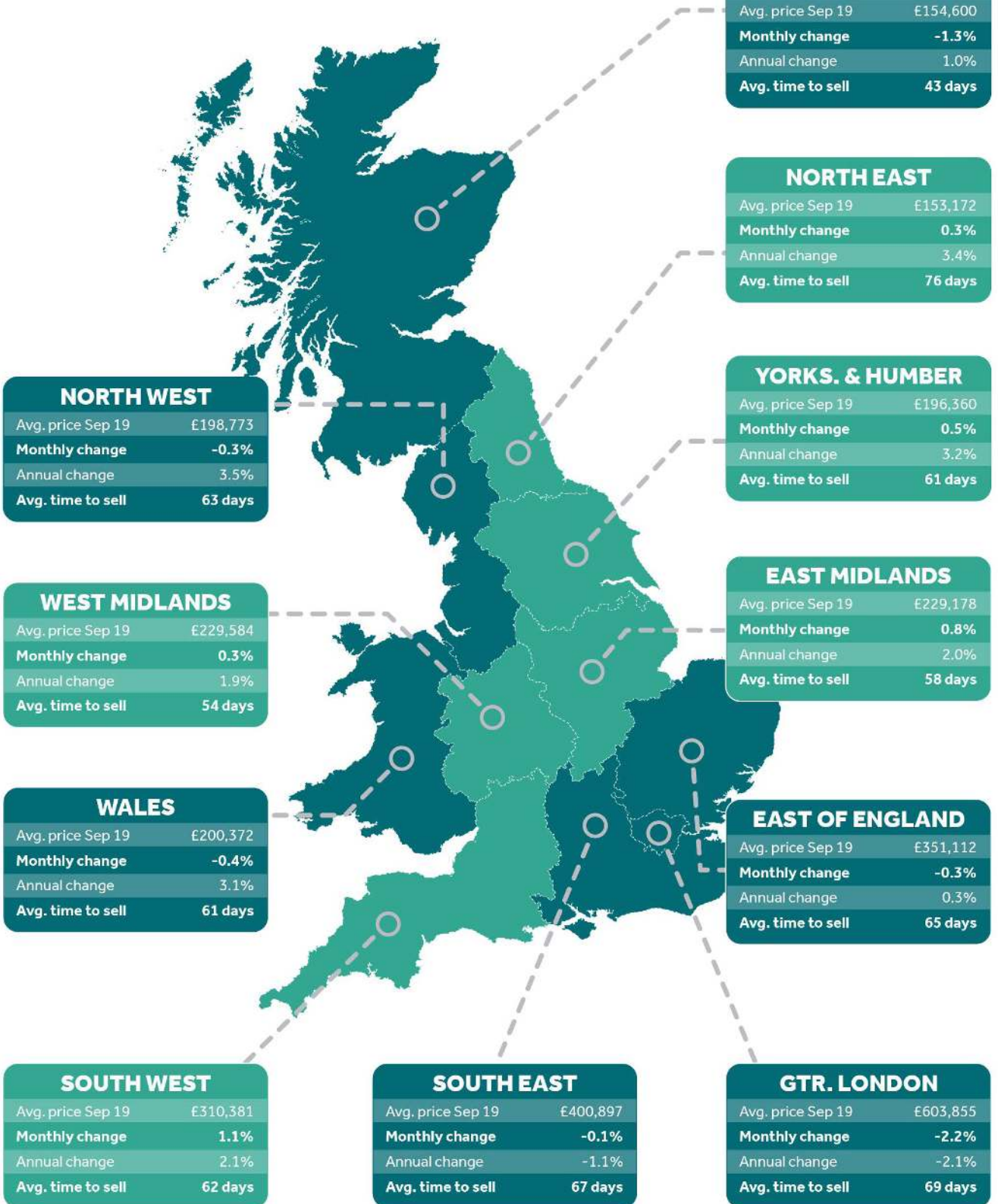
Regional trends



Increase from previous month

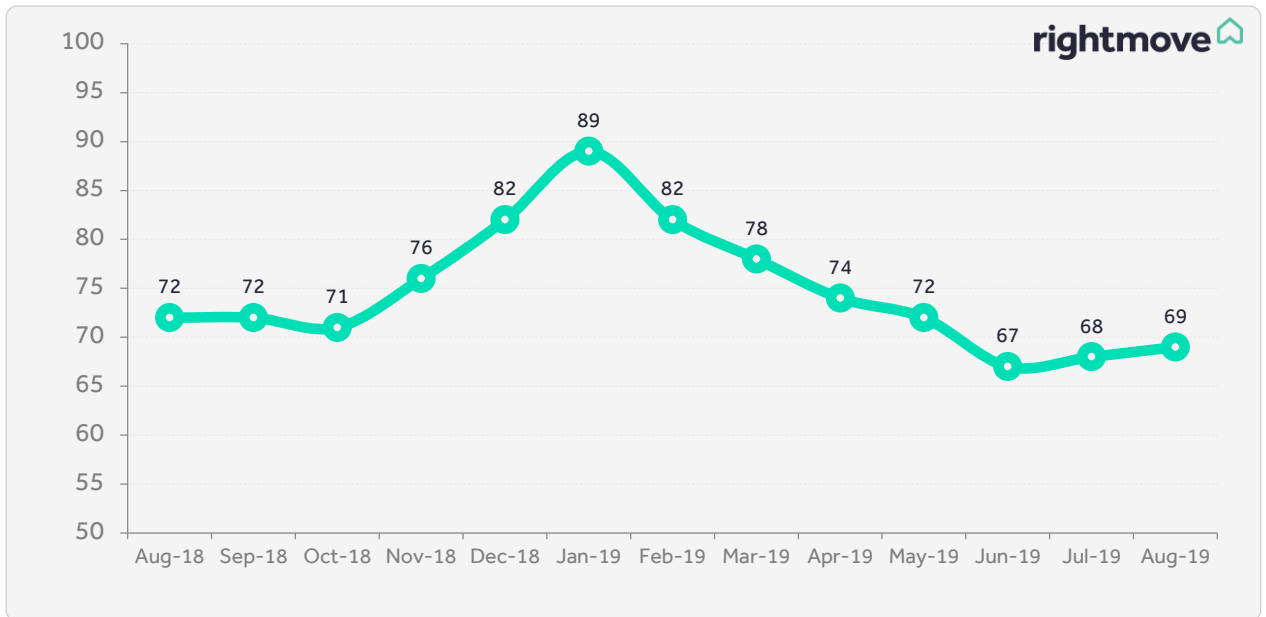


Decrease from previous month



London trends

Average 'time to secure a buyer' (no. of days) - London



London trends

Borough data is based on a three-month rolling average and can be used as an indicator of overall price trends in each borough over time. It is not directly comparable with the overall London monthly figures.

Borough	Avg. price September 2019	Monthly change	Annual change
Southwark	£654,779	0.9%	3.9%
Newham	£418,290	-0.2%	2.1%
Hammersmith and Fulham	£896,356	-1.1%	1.8%
Kensington and Chelsea	£1,605,483	-1.7%	1.1%
Bromley	£535,404	-0.4%	1.0%
Greenwich	£447,785	-0.2%	0.9%
Waltham Forest	£491,935	0.6%	0.7%
Hackney	£652,833	-0.3%	0.6%
Lewisham	£465,459	-1.4%	0.4%
Havering	£408,335	0.1%	0.0%
Ealing	£548,162	0.0%	0.0%
Sutton	£468,474	1.0%	0.0%
Brent	£572,198	-2.0%	-0.2%
Barking and Dagenham	£316,691	-0.2%	-0.3%
Redbridge	£457,571	0.3%	-0.4%
Haringey	£604,330	-1.6%	-0.4%
Croydon	£436,400	0.2%	-0.4%
Harrow	£551,984	-1.1%	-0.6%
Islington	£749,230	1.1%	-0.6%
Hillingdon	£483,484	1.2%	-0.6%
Wandsworth	£789,143	-1.1%	-1.0%
Bexley	£406,302	0.4%	-1.4%
Hounslow	£532,796	-2.1%	-1.4%
Barnet	£628,542	-0.9%	-1.7%
Tower Hamlets	£570,707	0.7%	-1.7%
Kingston upon Thames	£605,330	-2.5%	-2.0%
Enfield	£453,251	-0.6%	-2.4%
Richmond upon Thames	£808,833	-1.6%	-2.8%
Lambeth	£632,716	-0.9%	-2.8%
Westminster	£1,394,268	-0.6%	-4.1%
Camden	£942,126	-4.1%	-4.9%
Merton	£605,020	1.4%	-5.7%

Editor's notes

About the Index:

The Rightmove House Price Index methodology was updated in January 2018. The report now includes data for Scotland and a number of measures have been refined. The stock per agent figure now calculates the average based on the number of properties an agent has on Rightmove each day across the month, rather than the average of the total number of properties each agent advertised in the month. London asking prices are now broken down into travel zones. For the purpose of historical comparisons, the historical figures have been restated based on the new methodology.

The Index includes asking price breakdowns in the housing market to offer trends at three different sectors of the market: first-time buyer, second-stepper and top of the ladder. Inner London prices have been excluded from this categorisation as the normal housing ladder is not really applicable.

Advertising property for over 90% of all UK estate agents, Rightmove is in a unique position to identify any immediate changes in the market. Rightmove's House Price Index is compiled from the asking prices of properties coming onto the market via over 13,000 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 asking prices of properties currently on the market. The sample includes up to 200,000 homes each month – representing circa 95% of the market, the largest and most up-to-date monthly sample of any house price indicator in the UK. 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 in the housing market.

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Market sectors explained:

First-time buyer: This figure represents the typical property a first-time buyer would purchase, covering all two bed properties and smaller that come to market (houses and flats).

Second-stepper: This figure represents the typical property of a person moving from their first home, covering all three and four bed properties that come to market (houses and flats) excluding four bed detached houses.

Top of the ladder: This figure represents asking prices at the top end of the market, covering all five bed properties and above (houses and flats), as well as four bed detached houses.

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 the number one property website in the UK (source: Experian Hitwise). It has circa 95% of all properties for sale and at any time displays a stock of over one million properties to buy or rent. The Rightmove.co.uk site attracts over 141 million visits from home movers each month with time on site averaging nearly 1.1 billion minutes per month (Rightmove data, July 2019).