

Rightmove House Price Index

The largest monthly sample of
residential property prices

January 2020
National edition

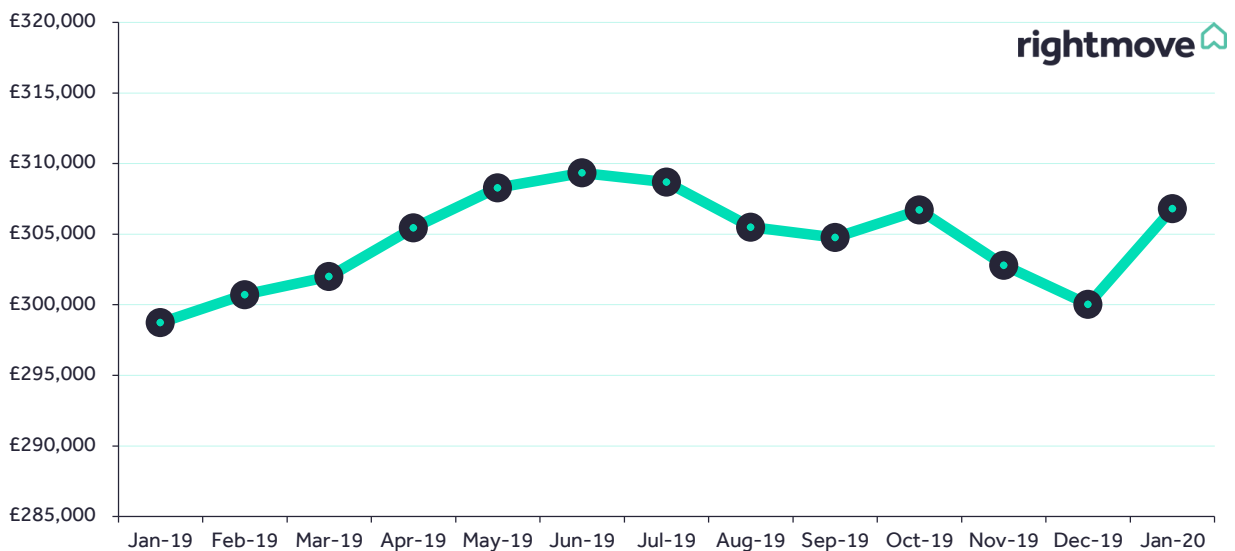


Post-election bounce as optimism returns

- 2.3% (+£6,785) surge in the price of property coming to market, the largest monthly rise we have ever recorded at this time of year
- Increased optimism also releasing pent-up demand as would-be buyers judge the election result gives a window of stability
 - Over 1.3 million buyer enquiries since election, up 15% compared to same period a year ago, suggesting an active spring market ahead
 - 7.4% growth in number of sales agreed, as early birds act quickly
 - Strong desire to get onto the housing ladder results in first-time buyers facing all-time highs in the price of properties with two bedrooms or fewer

National average asking prices				
Month	Avg. asking price	Monthly change	Annual change	Index
January 2020	£306,810	2.3%	2.7%	237.2
December 2019	£300,025	-0.9%	0.8%	231.9

National average asking prices by market sector (excluding Inner London)				
Sector	January 2020	December 2019	Monthly change	Annual change
First-time buyers	£193,103	£190,009	1.6%	1.6%
Second-steppers	£275,947	£271,394	1.7%	1.9%
Top of the ladder	£538,221	£522,095	3.1%	3.9%



Rightmove measured 64,629 asking prices this month, circa 95% of the UK market. The properties were put on sale by estate agents from 8th December 2019 to 11th January 2020 and advertised on Rightmove.co.uk.

Overview

There has been a 2.3% (+£6,785) monthly surge in the average price of property coming to market. Nearly 65,000 properties were marketed between the 8th December and the 11th January, so most of them came to market after the 12th December election. Given that this is the largest monthly rise we have ever recorded at this time of year, it would appear that many of these new sellers are feeling a surge of optimism. Buyers are also optimistic, with a jump in demand since the election. In the period from 13th December to 15th January, immediately after the election, enquiries to estate agents were up by 15% compared to the same period a year ago. This then led to a 7.4% increase in the number of sales agreed over the same period.

Miles Shippside, Rightmove director and housing market analyst comments: *“These statistics seem to indicate that many buyers and sellers feel that the election result gives a window of stability. The housing market dislikes uncertainty, and the unsettled political outlook over the last three and a half years since the EU referendum caused some potential home-movers to hesitate. There now seems to be a release of this pent-up demand, which suggests we are in store for an active spring market. The early birds are on it, with over 1.3 million buyer enquiries to agents since the election, up 15% on the same period a year ago. Some buyers are even further ahead and have snapped up a property already, with the number of sales agreed up by 7.4% on this time last year.”*

This month's 2.3% rise in new seller asking prices is the largest that Rightmove has recorded at this time of year since we started our House Price Index in 2002. The previous highest January rise was the 2.2% recorded in January 2015. This has helped to push the annual rate of increase to 2.7%, the highest level since July 2017.

Shippside notes: *“Whilst a substantial rise is the norm in January, buoyed by the start of a new year, this is the biggest new-year price surge that we have ever recorded. However it is still a price-sensitive market, with stretched buyer affordability, so sellers should be careful not to get carried away with their pricing and miss out on this window of increased activity. One factor behind the upwards price pressure has been the shortage of property coming to market in many areas of the country, with some would-be sellers postponing their moves until they judge the outlook to be more certain. While there may well be more twists and turns to come in the Brexit saga, there is now an opportunity for sellers to get their property on the market for a spring move unaffected by Brexit deadlines. For those who can afford to move and have been putting it off, now would appear to be a good time to get a view from a local estate agent on their property's value, and a mortgage quote for the great fixed-rate deals that are currently available.”*

One of the positive features of the market last year was the high percentage of first-time buyers. However, their strong desire to get onto the housing ladder and the lack of supply coming to market have now resulted in this year's first-time buyers facing all-time highs in the price of properties in their favoured sector. Newly-marketed properties with two bedrooms or fewer now have a national average asking price of £193,103.

Shippside adds: *“First-time-buyer activity has remained strong, buoyed by cheap interest rates and the high costs of renting. The downside of this high demand is upwards price pressure, with the average price of typical first-time-buyer property hitting a new record high. However, the annual rate of increase remains fairly modest at 1.6%, less than the rate of growth in average earnings, so affordability has actually improved a little for first-time buyers.”*

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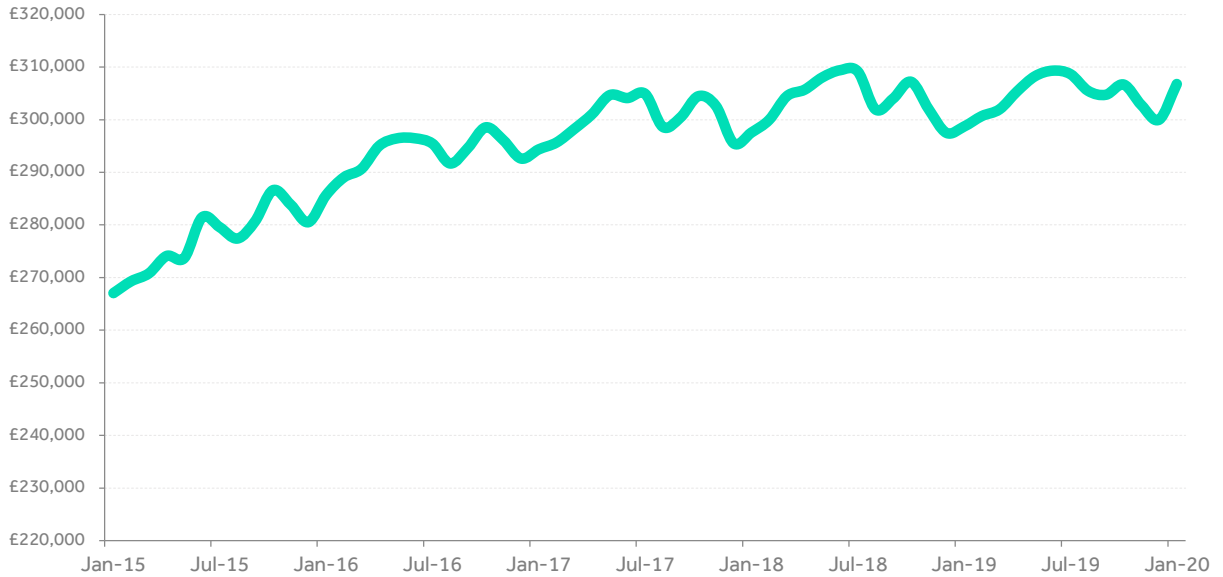
Agents' views

Mark Manning, managing director of Yorkshire-based Manning Stainton, said: *"There is renewed optimism because the political situation is seemingly settled; there's a clear path forward where before there was uncertainty. There is more confidence now and the market is springing into life. Regionally, we have solid foundations, so our market is in a really good position and we're expecting our sales agreed figures to be very good. The signs are there that the New Year is starting very quickly and we've come out of the blocks with quite a bit of life. We didn't really see much buyer urgency throughout 2019 and we desperately needed new listings, but then in December just gone, we sold more properties than in any other December since 2004, which was huge. We've now seen a 15% increase in home-owners looking to sell and things are picking up."*

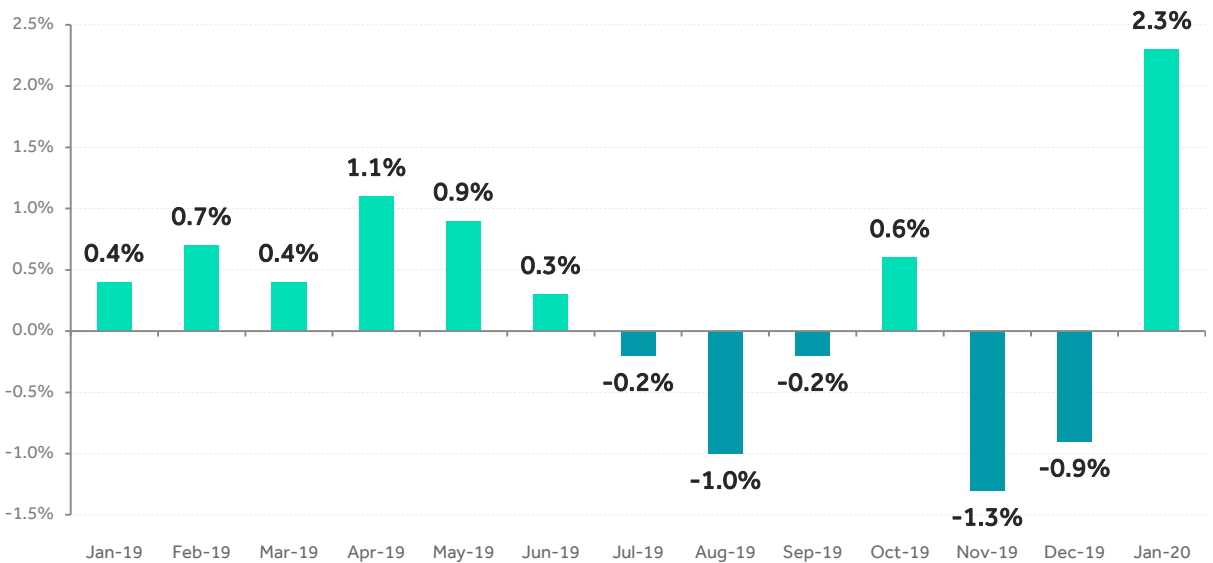
Marc von Grundherr, a director at Benham & Reeves in London, said: *"We have absolutely seen a post-election bounce, quite substantially actually. Things usually quieten down before Christmas, but we had three times the number of offers in the last two weeks of December than the first two weeks. People have been waiting for stability, and the moment it arrived, confidence in the market has increased significantly. There has been a dramatic Boris bounce, so to speak, with real optimism among buyers still getting good value. But it's also not a bad time for sellers as stock levels are still relatively low."*

Asking price trends

Five year asking price trend

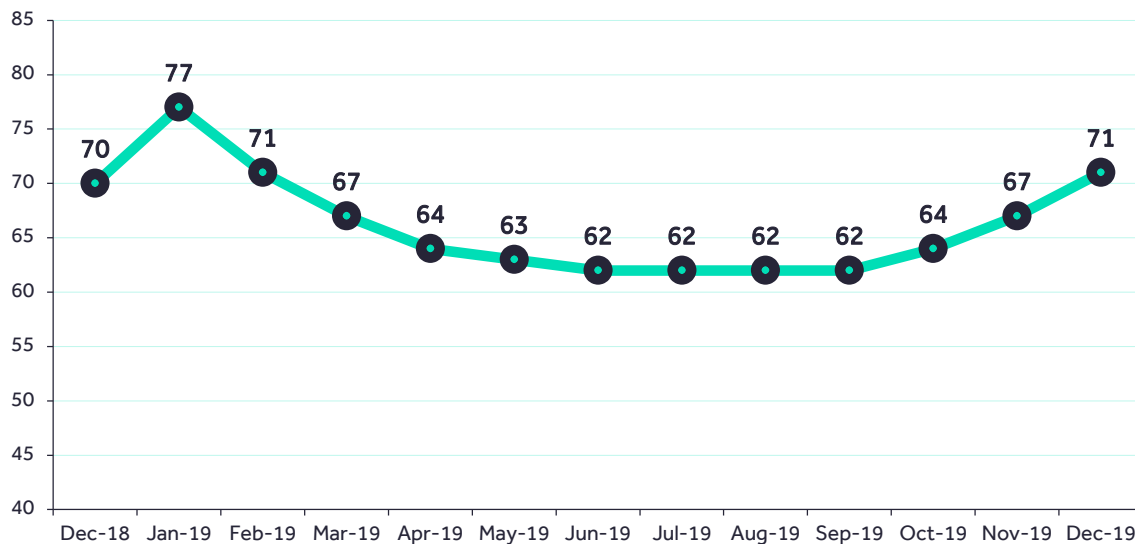


% monthly change in average asking prices

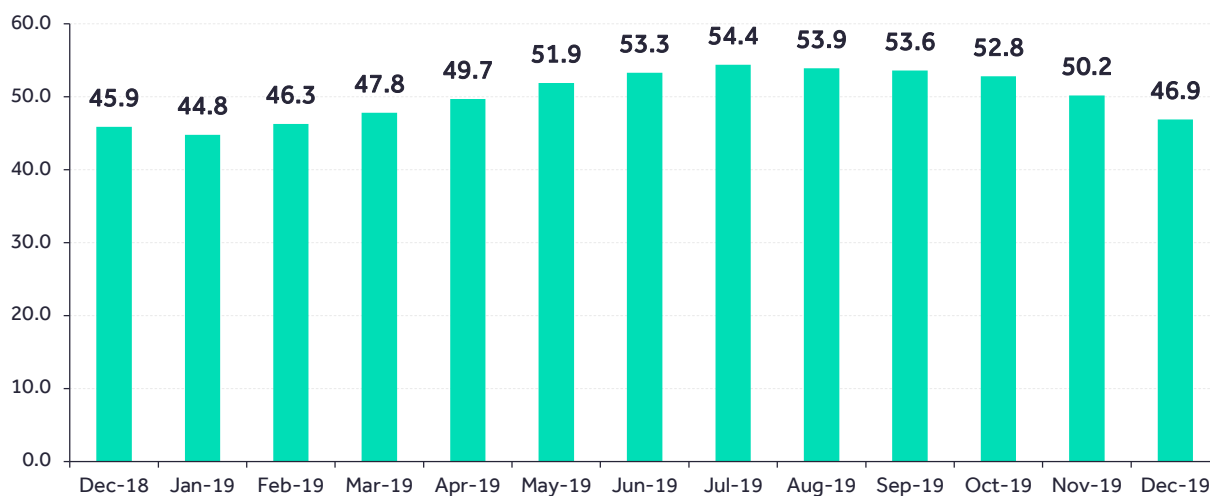


Average time to sell and stock

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

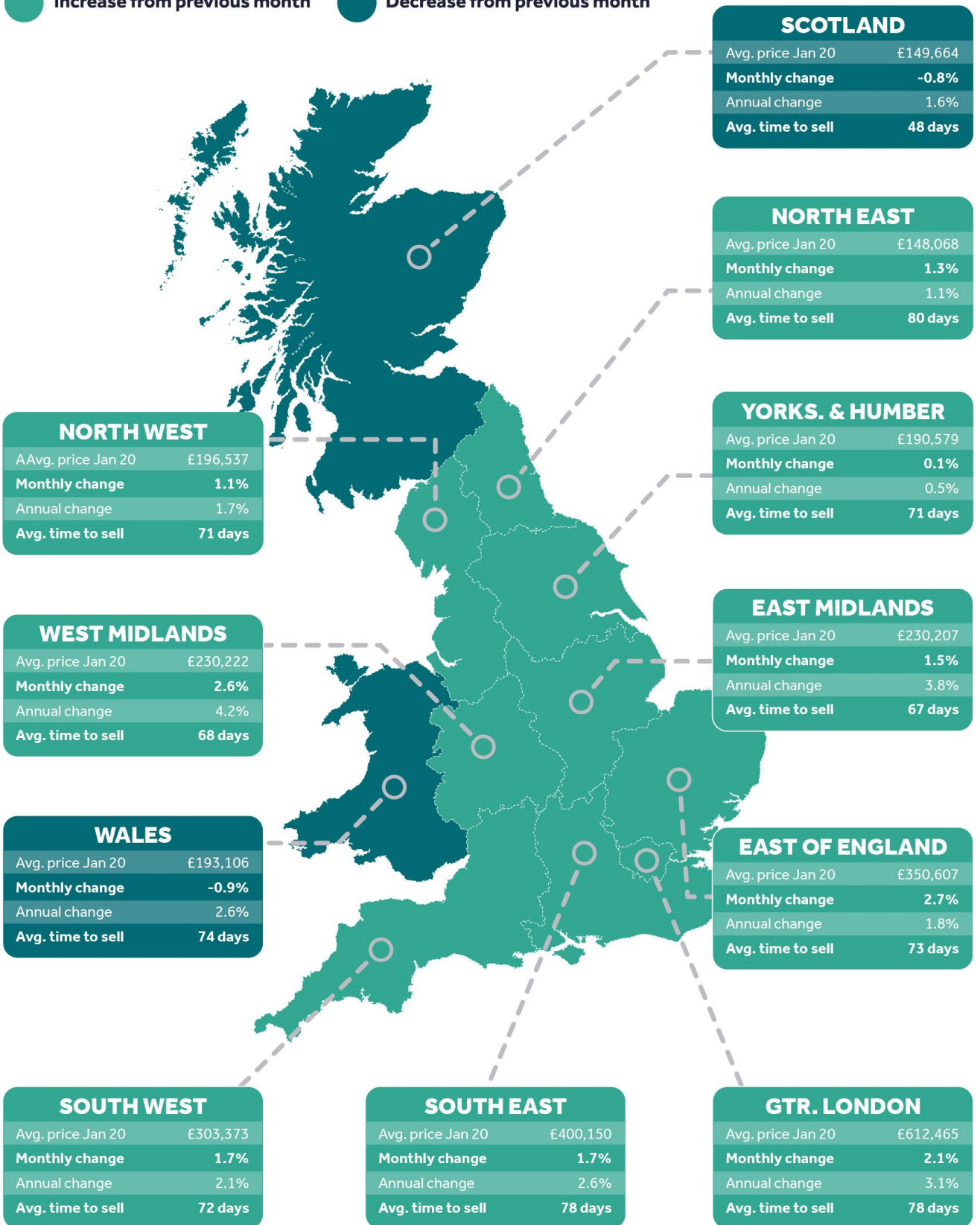


Average stock per agent (including Under Offer/Sold STC)



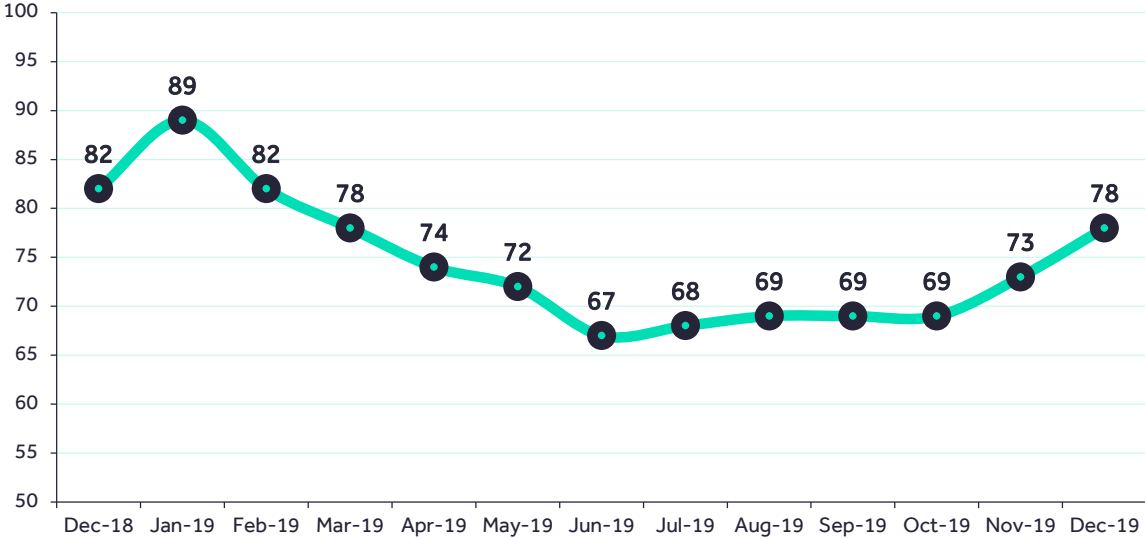
Regional trends

● 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 January 2020	Monthly change	Annual change
Hounslow	£531,759	1.6%	4.0%
Tower Hamlets	£598,751	1.3%	3.8%
Barnet	£622,784	-2.5%	2.9%
Islington	£754,755	0.1%	2.7%
Lambeth	£628,249	0.0%	2.7%
Sutton	£460,274	-0.2%	2.3%
Newham	£414,064	0.7%	1.3%
Southwark	£632,388	-2.5%	1.2%
Waltham Forest	£480,643	0.3%	1.2%
Barking and Dagenham	£312,010	-1.1%	0.7%
Harrow	£548,571	0.5%	0.6%
Hackney	£622,468	0.0%	0.4%
Lewisham	£458,302	0.1%	0.4%
Havering	£405,981	-0.2%	0.3%
Croydon	£423,341	-0.9%	0.2%
Bromley	£533,716	-0.1%	0.1%
Westminster	£1,447,028	1.8%	0.1%
Redbridge	£448,553	-0.7%	0.0%
Hammersmith and Fulham	£910,063	-0.5%	0.0%
Bexley	£402,823	-1.7%	-0.1%
Greenwich	£431,318	-0.5%	-0.2%
Kingston upon Thames	£595,469	1.8%	-0.2%
Wandsworth	£757,972	0.0%	-0.5%
Brent	£557,527	0.9%	-0.8%
Ealing	£540,036	-1.0%	-0.8%
Haringey	£576,675	-1.9%	-1.5%
Hillingdon	£479,485	-0.1%	-1.8%
Enfield	£443,516	0.1%	-2.1%
Merton	£600,482	-3.5%	-2.5%
Kensington and Chelsea	£1,502,349	-3.7%	-4.3%
Richmond upon Thames	£788,004	-2.4%	-4.5%
Camden	£968,276	-1.6%	-4.7%

Editor's notes

About the Index:

Buyer enquiries are for the period of 13th Dec 2019 to 15th Jan 2020 vs 14th Dec 2018 to 16th Jan 2019.

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 nearly 141 million visits from home movers each month with time on site averaging 1.1 billion minutes per month (Rightmove data, July 2019).