

Rightmove House Price Index

The largest monthly sample of
residential property prices

July 2020
National edition

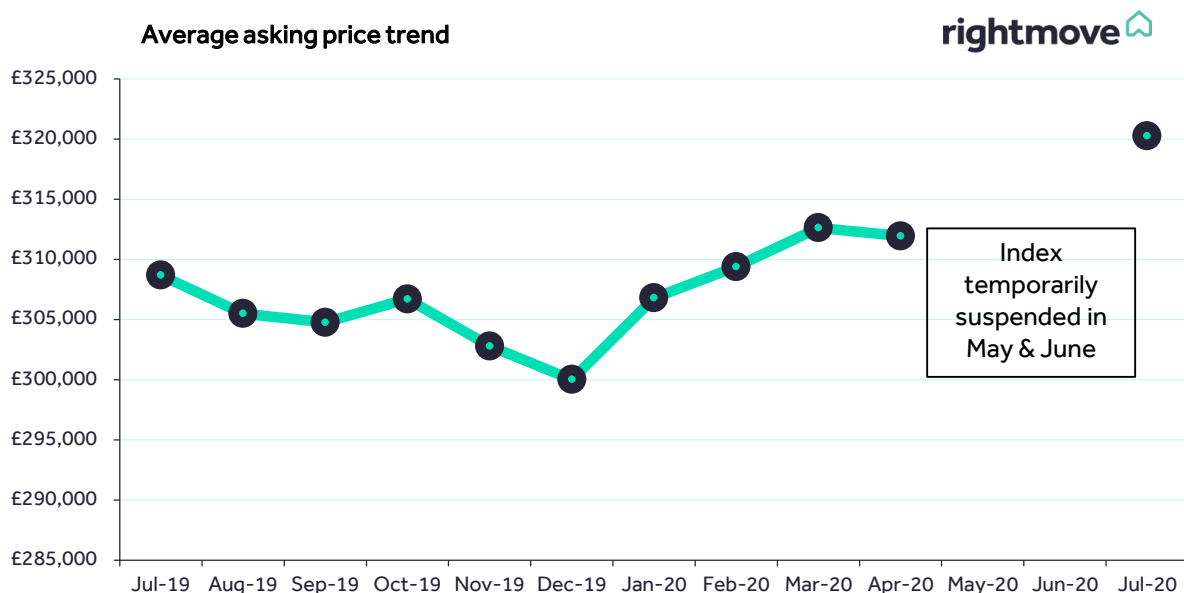


Britain gets moving - unexpected mini-boom pushes prices to record high

- Average asking price of property coming to market in Britain hits a record this month, 2.4% (+£7,640) higher than in March pre-lockdown, and the 3.7% annual rate of increase is the highest since December 2016
- Mini-boom gathers momentum as all nations reopen and Britain gets moving again:
 - Year-on-year buyer enquiries up 75% in Britain since the start of July
 - 44% of new listings that came up for sale in the first month after the English market opened on 13th May have already been marked as sale agreed, compared to 34% for the equivalent dates last year
 - Number of monthly sales agreed is up 15% in England on last year, and in the five days after the stamp duty announcement it jumped to 35% up on the same days a year ago
- Total available stock has now recovered to being just 13% down in Great Britain, and the stamp duty holiday may encourage more to market to ensure they have plenty of time to move before the March deadline
- Further boost to market activity - and especially for first-time buyers - with more low deposit mortgages available for up to 90% of the purchase price

National average asking prices				
Month	Avg. asking price	Change since March	Annual change	Index
July 2020	£320,265	+2.4%	+3.7%	247.6
March 2020	£312,625	n/a	+1.1%	n/a

National average asking prices by market sector (excluding Inner London)				
Sector	July 2020	Mar 2020	Change since March	Annual change
First-time buyers	£199,340	£195,463	+2.0%	+4.2%
Second-steppers	£288,526	£280,818	+2.7%	+3.7%
Top of the ladder	£571,005	£549,081	+4.0%	+4.3%



Overview

Properties throughout Britain are finally able to come to market again, and they are doing so at a new record average asking price due to an unexpected mini-boom. The average price of property coming to market is £320,265 this month, up by an average of 2.4% (+£7,640) compared to March before the housing market was put on hold. Last month's report could only refer to English prices, but there is now sufficient new seller asking price data for Scotland and Wales to restart Rightmove's national index, and the new all-time high follows on from March's £312,625 record in the busy market before lockdown. The price of property coming to market is an accurate early indicator of demand, evidenced by unique buyer enquiries currently being up by 75% so far this month compared to the same period a year ago. The number of sales being agreed so far this month is also exceeding the prior year's figures in all three nations.

Miles Shippside, Rightmove director and housing market analyst comments: *"The unexpected mini-boom continues to gather momentum as more nations reopen. Overall buyer enquiries are up by an incredible 75% year-on-year in Britain and we expect activity will increase even further as Scotland has not yet been open for a full month, and Wales still has some housing market restrictions in place. The busy until interrupted spring market has now picked up where it left off and has been accelerated by both time-limited stamp duty holidays and by homeowners reappraising their homes and lifestyles because of the lockdown. The strength of buyer demand has contributed to record prices, with the 3.7% annual rate of increase being the highest for over three and a half years. These figures are the earliest indicator of house price trends. They show on average prices gently rising not falling, and this will be reflected in the coming months in other house price reports."*

Current activity levels clearly show that Britain is getting moving again, with the number of properties coming to market up by 11.1% this month compared to a year ago despite Scotland and Wales not contributing for the full period, and total available stock recovering to now being just 13% down. The market is now in full flow with 40,741 (44%) of the 92,085 newly listed properties in the first month after the English market reopened having already found a buyer, compared to 34% for the equivalent dates last year. The stamp duty holidays, which are now expected to run until 31st March in all regions of the UK, are a further incentive to come to market now.

Shippside adds: *"There is a window of opportunity for sellers to come to market and to find a buyer who is tempted by the stamp duty savings. Although March next year may sound like a long time away, in reality sellers need to find a buyer before Christmas, to allow a further three months for completion of the legal process to beat the deadline. While property is selling much faster than a year ago, it's important not to over-price and miss this window. It's still a price sensitive market with buyers having limits on what they are able to borrow, and the uncertain economic outlook making them more cautious."*

The immediate effect of the stamp duty cut in England has been to amplify the buyer surge. The number of sales agreed in the five days after the announcement (between the 8th and 12th July) was up by 35% on the same days a year ago. This is significantly higher than the 15% increase in sales agreed numbers in England measured in the month of June before the announcement.

Shippside notes: *"While most first-time buyers will not benefit from the stamp duty holiday, as they were already exempt from stamp duty on purchases of up to £300,000, many will benefit from lenders now starting to bring back first-time buyer mortgages for up to 90% of the purchase price. Lower-deposit lending helps to boost buyer activity on the all-important first rung of the ladder, which in turn helps to boost the numbers of second-steppers who are able to trade up, and so also enables others higher up the chain to move."*

Agents' views

Martin Walshe, Director at Cheffins in Cambridge, says: *"Post-lockdown we're as busy as we have been at any time in the past five years and demand is at such a level that we have had over 25 properties go to sealed bids in the past four weeks. Lockdown made those who were already considering a house move almost frantic with anticipation for estate agency doors to reopen and the increase we've seen in enquiries since rules were relaxed has overtaken any other peak I've ever experienced. We haven't seen a market this competitive in years and we expect it to get busier still as the stamp duty slash starts to take effect. It can't be denied that lockdown really emphasised the need to move for many, particularly those who were considering upsizing or leaving London for the commuter belt and we expect this to continue, particularly as workers are told they may not be going back into the office until next year. There has been a misconception among sellers that the market is quiet and depressed when in fact it really is completely the reverse."*

Roger Wilkinson of Wilkinson Grant & Co. in Exeter says: *"The welcome surge in activity, following the easing of restrictions in the estate agency sector, continues unabated here in Exeter and the wider local area. The "Exe(ter) Factor" is drawing a high proportion of out-of-area buyers competing in a highly motivated local market. With demand and confidence high, in the last nine weeks our Exeter and East Devon offices have agreed, exchanged or completed on over £50 Million worth of sales. Many of our new listings have attracted multiple offers within a week or so of launch and many have been agreed in excess of pre-lockdown valuation guides."*

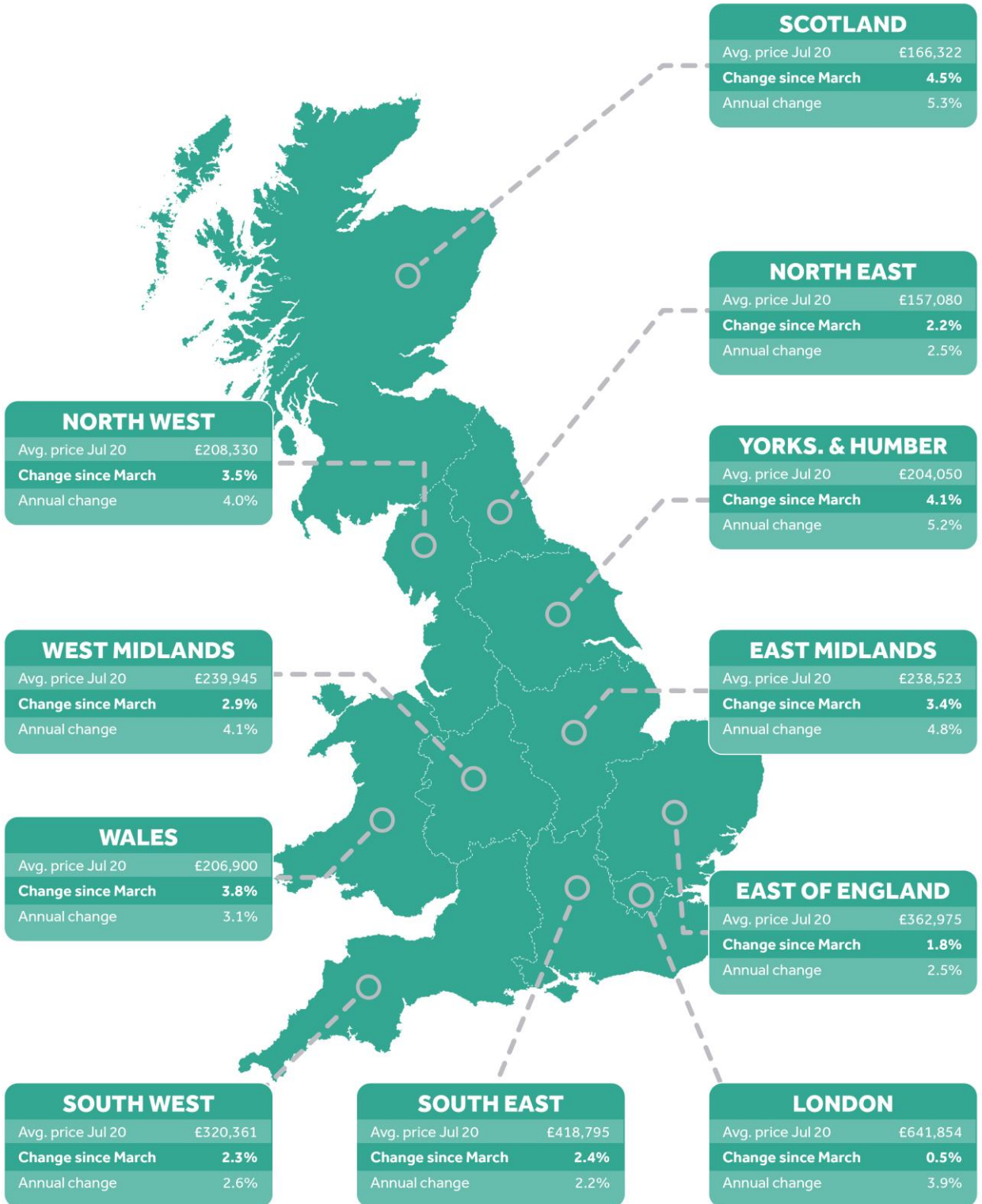
Regional trends



Increase since March



Decrease since March



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.

Rightmove measured 151,607 asking prices this month in England, circa 95% of the UK market. The properties were put on sale by estate agents from 7th June to 11th July and advertised on Rightmove.co.uk.

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).