

# House Price Index

The largest monthly sample of residential property prices

## Mass-market prices hit new record as upper end cools

- New record highs in price of property coming to market in the mass-market sectors, made up of first-time buyer properties, up by £1,328 (+0.6%) in the month, and second-stepper properties, up by £975 (+0.3%) in the month
- Cooling of the upper-end four-bedroom-plus sector, down by £4,699 (-0.8%) in the month, with buyers no longer making larger stamp duty savings
- Overall result is that the national average falls £1,076 (-0.3%) this month, the first price drop recorded in 2021
- Buyer demand remains strong, suggesting an Autumn bounce in prices and seller activity:
  - Demand stats for the first week in August are up 56% on the same period in 2019, and down just 17% on frenzied post-lockdown 2020
  - With homes selling faster than ever, there's a strong incentive for owners to come to market with "sell before you buy" proving the best tactic for many to secure their next home in this fast-moving market

### National average asking price

Month	Avg. asking price	Monthly change	Annual change	Index
August 2021	£337,371	-0.3%	+5.6%	260.8
July 2021	£338,447	+0.7%	+5.7%	261.7

### National average asking price by market sector (excluding inner London)

Sector	August 2021	July 2021	Monthly change	Annual change
First time buyers	£208,714	£207,386	+0.6%	+3.7%
Second-steppers	£309,643	£308,668	+0.3%	+6.6%
Top of the ladder	£616,421	£621,120	-0.8%	+9.4%

Rightmove measured 88,303 asking prices this month nationally, circa 95% of the UK market. The properties were put on sale by estate agents from 11th July to 7th August 2021 and advertised on Rightmove.co.uk.

Summer holiday distractions normally lead to an August slowdown in activity and lessening of price pressure, and although we have seen the first overall monthly fall in the average price of property coming to market so far in 2021, this is predominantly due to a cooling at the higher end of the market. The average price of property coming to market falls by 0.3% (-£1,076) this month, driven by a 0.8% drop in the upper-end typically four-bedroom-plus sector. In contrast there are new record price highs in the mass-market sectors made up of two bedroom and fewer first-time-buyer-type properties, up by £1,328 (+0.6%) and three to four bedroom second-stepper-type properties, up by £975 (+0.3%), where activity remains very strong. These lower-priced sectors are much less affected by the withdrawal of most stamp duty incentives and may have housing higher up their summer agenda than usual as more are holidaying closer to home.

**Tim Bannister, Rightmove's Director of Property Data comments:** *"New sellers dropping their asking prices can ring economy alarm bells, especially when it's the first time so far this year, so it's important to dig underneath the headline figures. Firstly, we are in the holiday season which means that sellers have traditionally tempted distracted buyers with lower prices, though that might well be less applicable this year with many buyers having to stay a lot closer to home. Indeed, our analysis shows that average prices have only fallen in the upper-end sector, which is usually more affected by seasonal factors such as the summer holidays and has also seen the greatest withdrawal of stamp duty incentives. The mass-market of properties that cater for first-time buyers and second-steppers is still seeing high demand and upwards price pressure leading to new record high average prices in those sectors. In England there remains a smaller stamp duty saving of up to £2,500, though the window to take advantage of this saving by buying now and completing by the end of September is pretty much closed."*

Buyer demand remains strong despite the relative summer pause, and Rightmove predicts that there will be an autumn bounce in both seller activity and prices. In the first week of August, individual buyer enquiries to agents are up by 56% on the same period in the pre-Covid year of 2019, and down by just 17% on the frenzied post-lockdown 2020 numbers. This snapshot also shows that the number of sales agreed is up by 9% on the same period in 2019. Available stocks for sale still at record lows, with buyer demand hoovering up new supply leading to more properties selling, and selling more quickly.

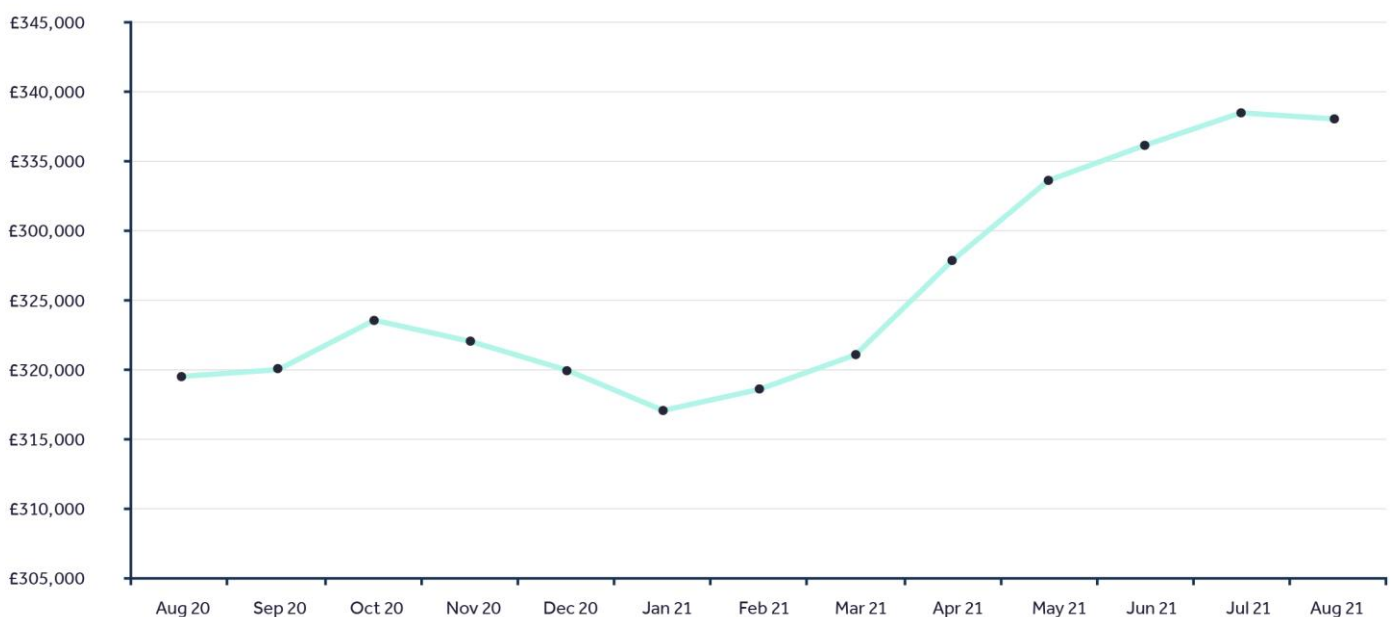
These market conditions mean that home-owners who have yet to come to market and address their new housing needs should act soon to get a better chance of a quick sale at a good price and be in their new home before Christmas. Rightmove's analysis shows that the likelihood of sellers finding a buyer remains at, or close to, an all-time high. The average time for a newly listed property to be marked sold subject to contract is the quickest ever at 36 days, which is a whole month faster than in February 2020, which was the last month before the first lockdown. However, given the fierce competition to buy property even these impressive statistics leave a high risk of losing out to another buyer who is in a better position to proceed. As a result many sellers are choosing to have a buyer lined up subject to contract before entering the race to secure their own purchase. "Selling before you buy" puts them in the best position to be at the front of the queue to buy suitable properties as soon as they come to market.

**Bannister says:** *"Sell before you buy is a successful tactic in fast moving markets, especially the current one where any new listings popular in both specification and location are selling in days rather than weeks. Your own buyer will have to show a degree of patience while you wait for the right property to come to market, though the pedestrian speed of the normal legal process often creates the opportunity to play catch-up later if it takes a few weeks to find the right property. Some sellers are even completing their sale and going into intermediate rented accommodation and then buying, though this takes extra resolve and time. Having operated in a very fast moving market for over a year now, estate agents know the best tactics to secure the best properties, so it's well worth sounding them out with a discussion on selling before buying. If you then can't find anything suitable to buy it's important to know where you stand on any costs and fees, though agents do report that most who employ this tactic successfully move due to being bolder than some others. We also anticipate that more property will come to market when those owners have more clarity over their employers' long-term balance of home and office working. Their future housing needs are hard to scope out if it's still uncertain whether the daily commute is soon going to return. If it's going to be less restrictive in the long term then that means less need to live close to transport networks, and a greater need for home working space."*

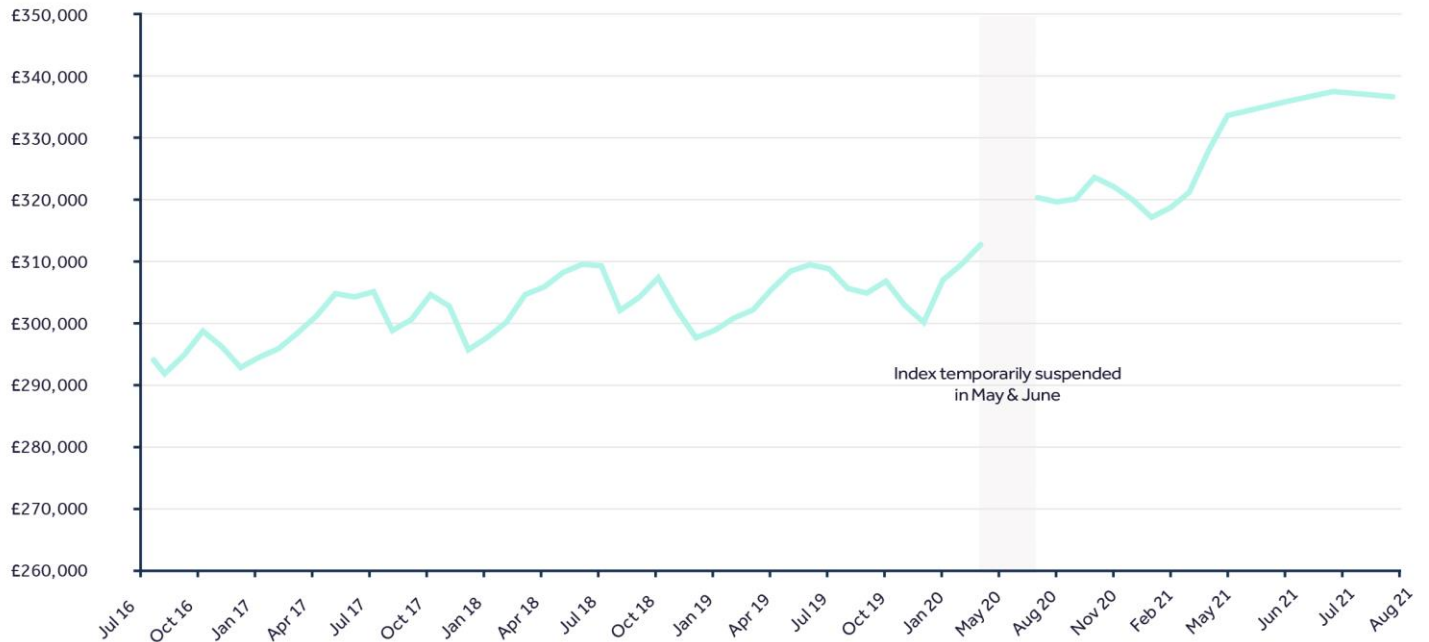
## Agent's View

Toby Philips, Managing Director for Countrywide, said: *"The UK property market continues to defy expectation, with houses continuing to sell faster than ever. Although we're seeing glimmers of a downturn in house prices as a result of the tapered stamp duty holiday deadline, we're seeing this predominantly in the premium end of the market. Across our Southern region in particular we're seeing a continued surge in the volume of new buyers looking to purchase the limited housing stock available. This is creating a fast moving, favourable market for sellers. We can see little sign of this abating and would go as far as predicting an Autumn bounce in prices if buyer demand continues as it is. At Bairstow Eves, we've never seen a seller's market quite like this. We would encourage anyone thinking of selling to take advantage of this window of opportunity, now."*

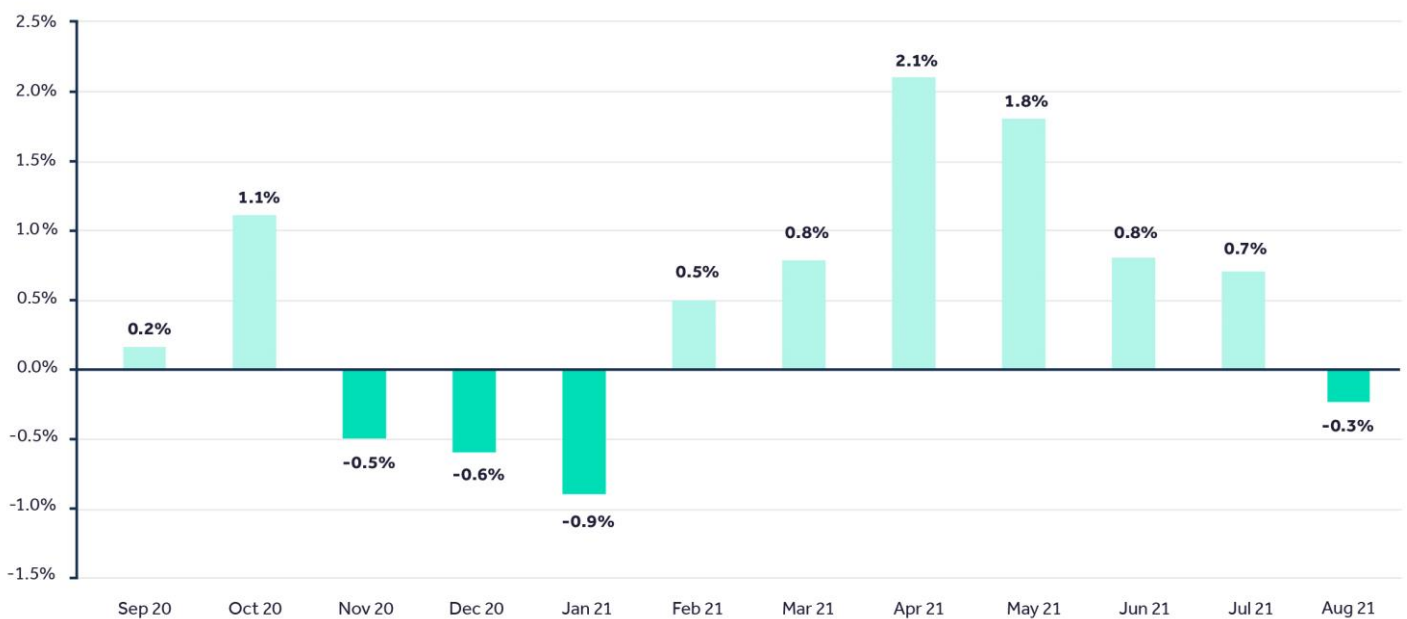
## Average asking price trend



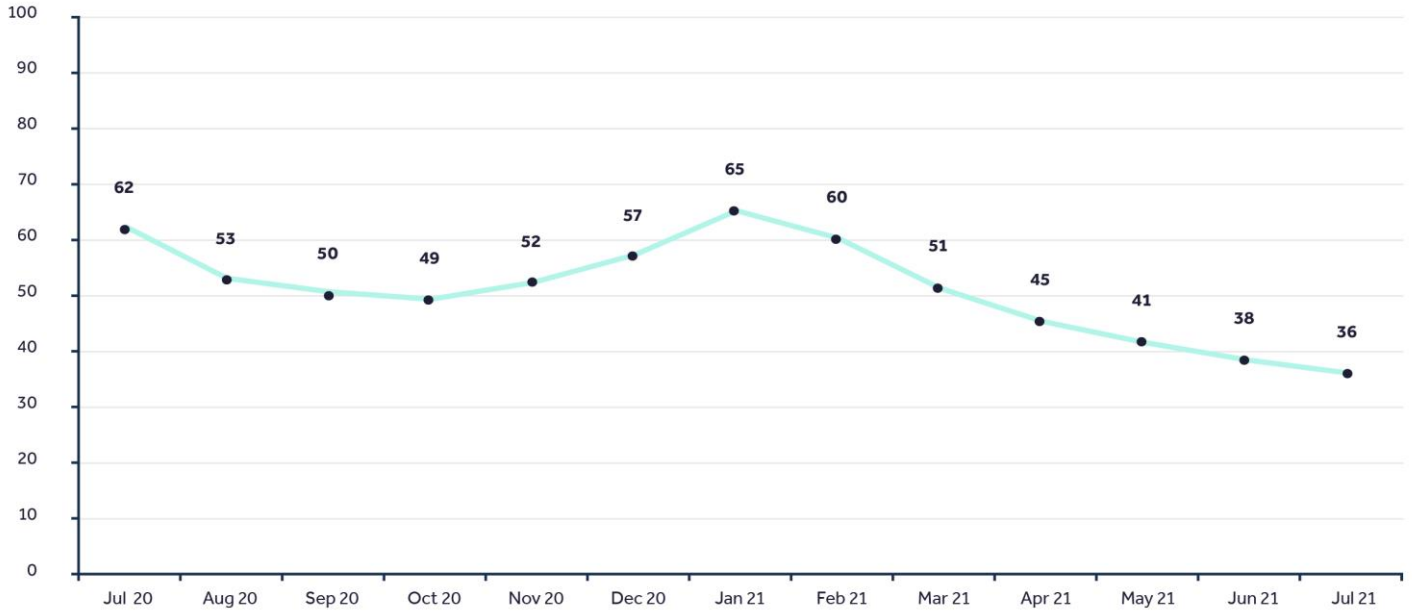
## Five year asking price trend



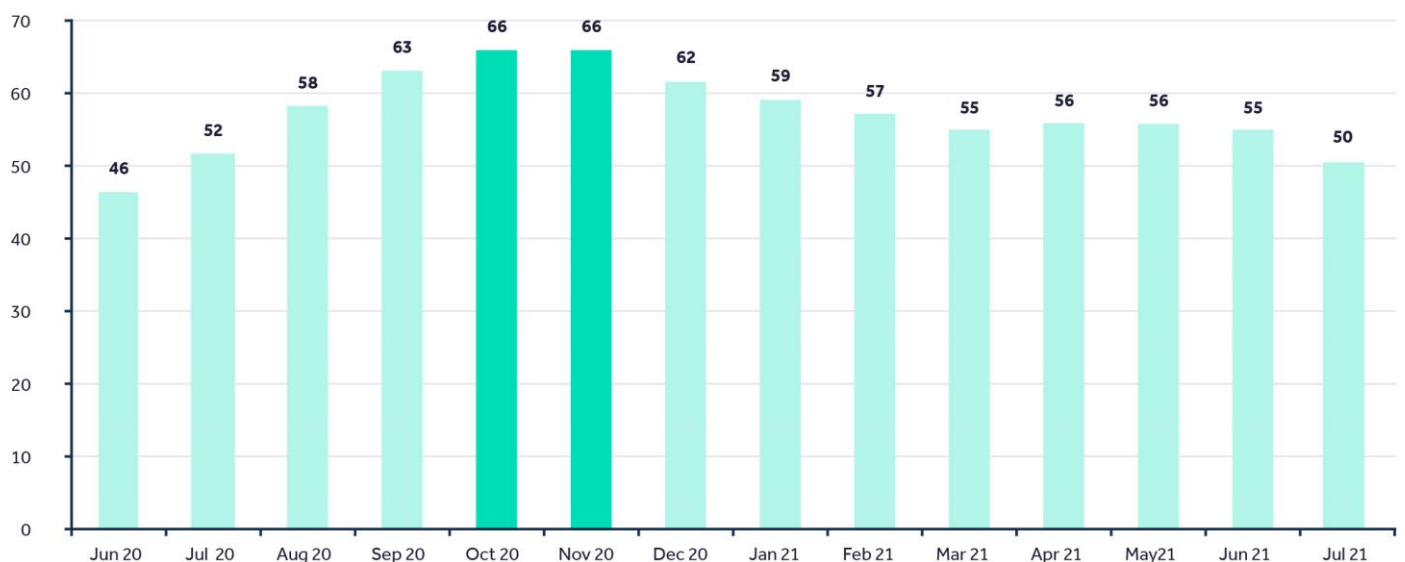
## % monthly change in average asking prices



## Average time to secure a buyer (no. days) National

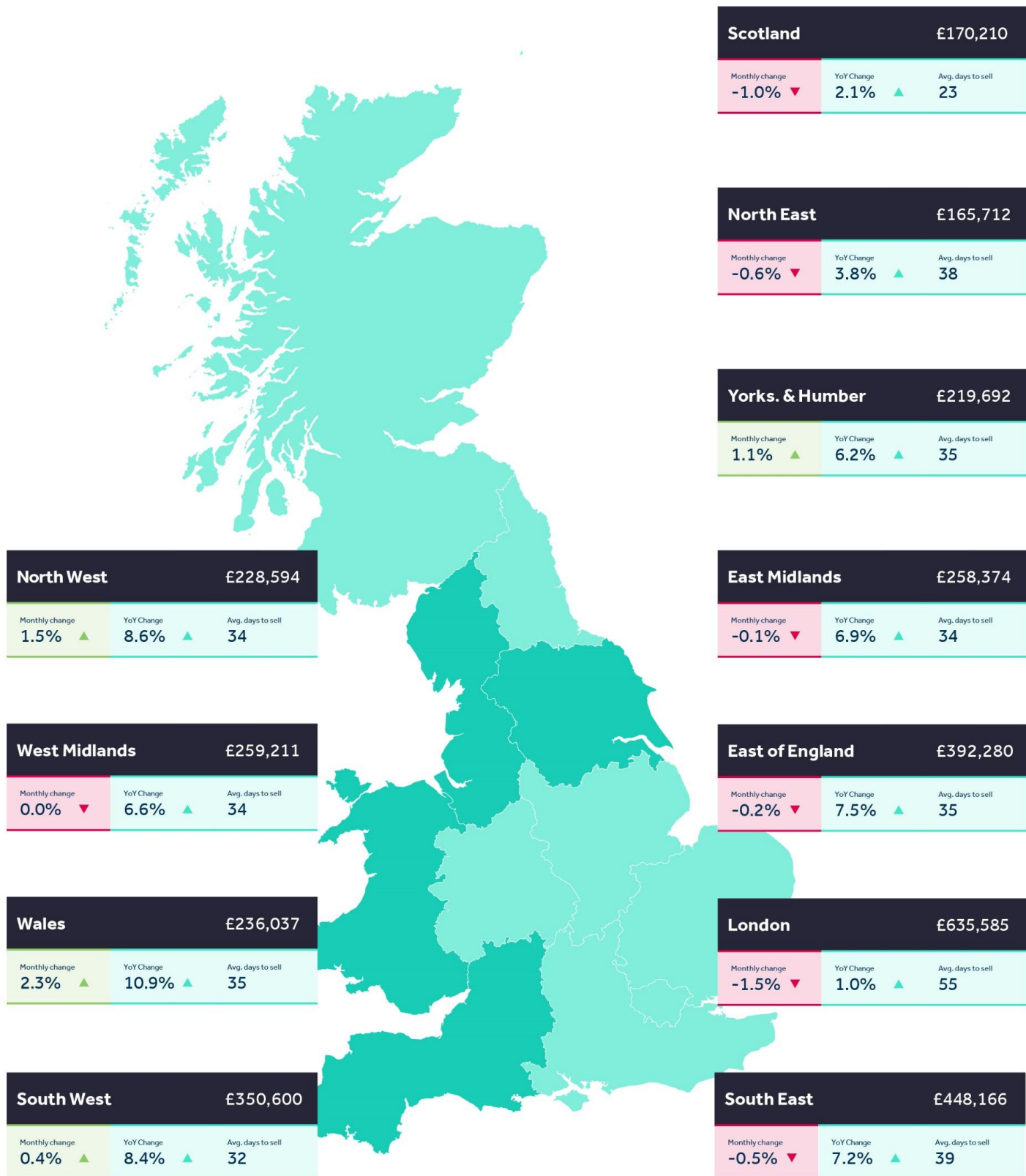


## Average stock per agent (including Under Offer/Sold STC)

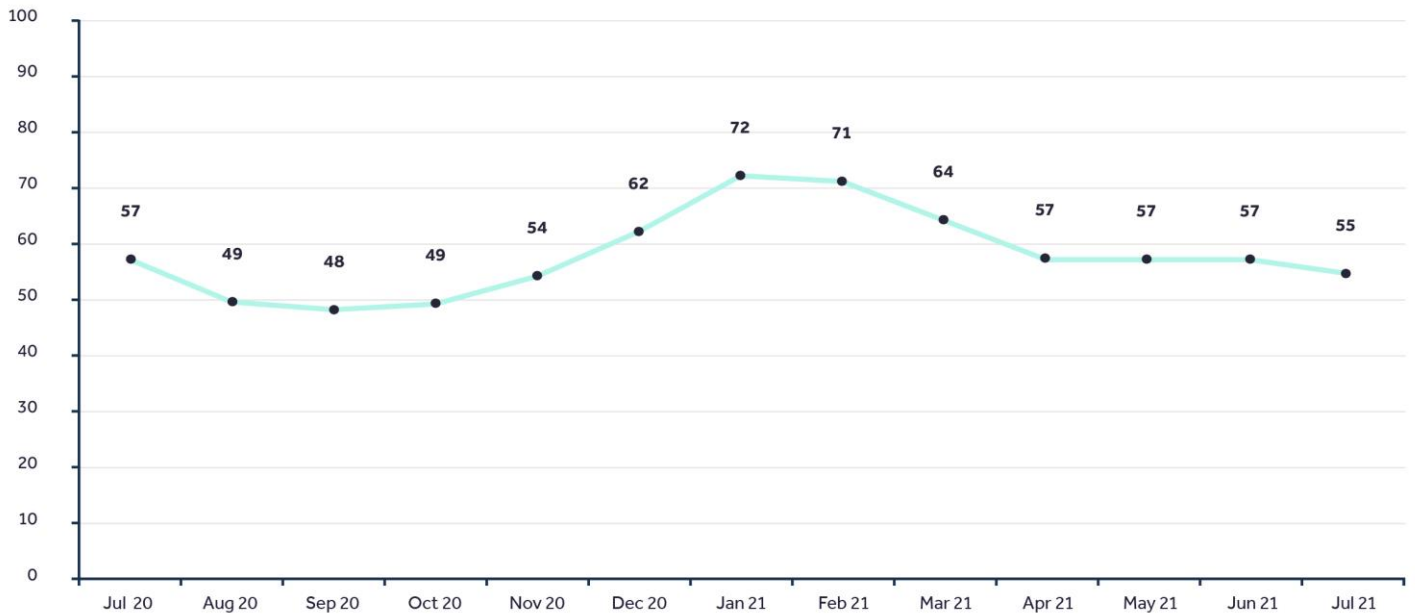


# House Price Index

● Increase from previous month    ● Decrease from previous month



## Average time to secure a buyer (no. days) London





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 Aug 2021	Monthly change	Annual change
Barking and Dagenham	£345,272	0.7%	7.3%
Kingston upon Thames	£652,251	-1.2%	7.1%
Kensington and Chelsea	£1,672,619	-1.0%	6.6%
Westminster	£1,418,997	-1.3%	5.8%
Harrow	£594,710	1.2%	5.2%
Bromley	£578,026	0.2%	5.0%
Redbridge	£483,242	0.4%	4.9%
Bexley	£451,200	0.7%	4.4%
Sutton	£507,545	-0.2%	4.3%
Enfield	£488,345	0.8%	4.2%
Croydon	£466,242	0.1%	4.1%
Barnet	£670,074	-0.5%	3.2%
Newham	£436,440	-0.5%	2.8%
Greenwich	£472,572	0.8%	2.7%
Hammersmith and Fulham	£953,774	1.4%	2.2%
Hillingdon	£510,526	-0.1%	2.1%
Waltham Forest	£520,876	-0.1%	2.0%
Havering	£432,782	-1.2%	1.9%
Hounslow	£563,770	0.2%	1.0%
Brent	£590,634	-2.1%	0.7%
Richmond upon Thames	£892,867	-0.7%	0.5%
Merton	£686,122	1.0%	0.4%
Ealing	£574,973	1.3%	0.3%
Hackney	£660,593	0.2%	-0.4%
Lambeth	£655,375	1.2%	-0.5%
Southwark	£638,521	-0.4%	-0.7%
Wandsworth	£806,281	0.4%	-0.7%
Haringey	£629,195	-1.1%	-0.9%
Lewisham	£487,489	-0.6%	-1.8%
Tower Hamlets	£563,682	-0.1%	-2.3%
Islington	£745,781	0.5%	-4.9%
Camden	£981,438	-0.2%	-5.3%



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## 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.

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## 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).