

House Price Index

The largest monthly sample of residential property prices

2021 buyer frenzy reveals 225,000 shortfall in number of homes for sale

- Busiest ever first half of a year pushes average price of property coming to market to a new record high for fourth consecutive month, and £21,389 higher (+6.7%) in just six months
- With the first half of 2021 seeing 140,000 more sales being agreed and 85,000 fewer new listings than the long-term average, this surge in activity has revealed a shortfall of 225,000 homes for sale which, if available, would have corrected this stark imbalance between supply and demand, and would have stabilised price growth:
 - Homes with four beds and more facing biggest imbalance with 39% surge in sales and 15% fall in numbers coming to market versus 2019, resulting in an average price hike of 6.7% in the last six months
 - Mass-market three bed sector sees 28% jump in sales while suffering 10% drop in new supply versus 2019, with prices jumping up by 6.9% so far in 2021
 - First-time buyers faring best as sector of two beds and fewer has unchanged new seller numbers with sales up by a slightly smaller 26%, resulting in a smaller average price rise of 3.4% for the half year
- With the ongoing need for housing, high activity levels despite the June stamp duty deadline now passing, and with residential property prices appreciating better than many other asset classes, we expect positive sentiment to continue

National average asking price

Month	Avg. asking price	Monthly change	Annual change	Index
July 2021	£338,447	+0.7%	+5.7%	261.7
June 2021	£336,073	+0.8%	+7.5% (vs. March)	259.8

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

Sector	July 2021	June 2021	Monthly change	Annual change
First time buyers	£207,386	£205,540	+0.9%	+4.0%
Second-steppers	£308,668	£305,263	+1.1%	+7.0%
Top of the ladder	£621,120	£616,475	+0.8%	+8.8%

Rightmove measured 95,164 asking prices this month nationally, circa 95% of the UK market. The properties were put on sale by estate agents from 13th June to 10th July 2021 and advertised on Rightmove.co.uk.

The busiest first half of a year ever recorded by Rightmove pushes the average price of property coming to market to a new record high for the fourth consecutive month, and £21,389 higher (+6.7%) in just six months. The new all-time high of £338,447 is due to a monthly rise of 0.7% (+£2,374). This is the largest monthly rise at this time of year since July 2007. Rightmove analysis has identified a shortfall of 225,000 homes for sale which, if available, would have helped to maintain a more normal level of property stock for sale and would have helped stabilise prices. This stark shortfall, along with frenzied buyer activity, is fuelling record high prices and leading to record lows in available stock for sale. With high activity levels continuing despite the June stamp duty deadline now passing, there is an urgent need for these low stocks of property for sale to be rebuilt in order for price stability to return.

Tim Bannister, Rightmove's Director of Property Data, comments: *"We predict that the number of completed sales will be the highest ever seen in a single month when June's data is released by HMRC later this week. This means it's likely that the first half of 2021 has seen a record number of moves when compared with the first six months of any other year, induced by the pandemic's side-effect of a new focus on what one's home needs to provide. That is one of the driving forces behind four consecutive months of new record average property prices. Demand has also been boosted by the ongoing creation of new households, and property being seen as an asset to hold, with historically low returns from many other forms of investment. New stamp duty deadlines in England and Wales for sales completed by the end of June have also helped to exhaust the stock of property for sale and concentrate activity. This has left prospective purchasers with the lowest choice of homes for sale that we've ever recorded, continuing price rises, and stretched affordability."*

Rightmove expects that the number of sales completed in the first six months of the year and due to be reported by HMRC later this week is on course to be around 800,000, which could just beat the previous record of 795,000 set in 2007. The 2007 record was set under very different circumstances, at a time when mortgage lending criteria were much less stringent than in today's more controlled market. Our analysis shows that the shortfall of 225,000 homes for sale comes from 140,000 more sales being agreed and 85,000 fewer new listings than the long-term (2014-2019) average for the first half of a year. The net result of this major imbalance between supply and demand is that the average number of available properties for sale per estate agency branch is at a new record low of 16 properties, compared with the previous low before 2021 of 25 properties and a longer-term average for this time of year of 31.

The boom in sales demand and consequent greatest ever imbalance with supply have been most notable in the more expensive sectors of the market. Rightmove's "top of the ladder" sector mainly includes homes which are detached with four bedrooms or more. These have seen a surge of 39% in the number of sales being agreed, and a drop of 15% in the number coming to market when compared to the first six months of 2019. This massive swing has seen average prices for this sector up by 6.7% in the last six months. Rightmove's "second-stepper" category, mainly made up of three bedroom homes, have also seen a marked swing, with 29% more sales agreed and a fall in new listing numbers of 10%. Heady price rises averaging 6.9% over the first half of the year are the result. On a slightly more positive note, hard-pressed first-time buyers will find that their typical sector of two bedrooms and fewer has virtually the same supply as in 2019, down just 1%. Their sales agreed numbers are also less buoyant, though still 26% up on the same period in 2019. The stock shortage is therefore less acute, and with prices up by a more modest 3.4%, this could be a relative buying opportunity for those looking to get onto the property ladder.

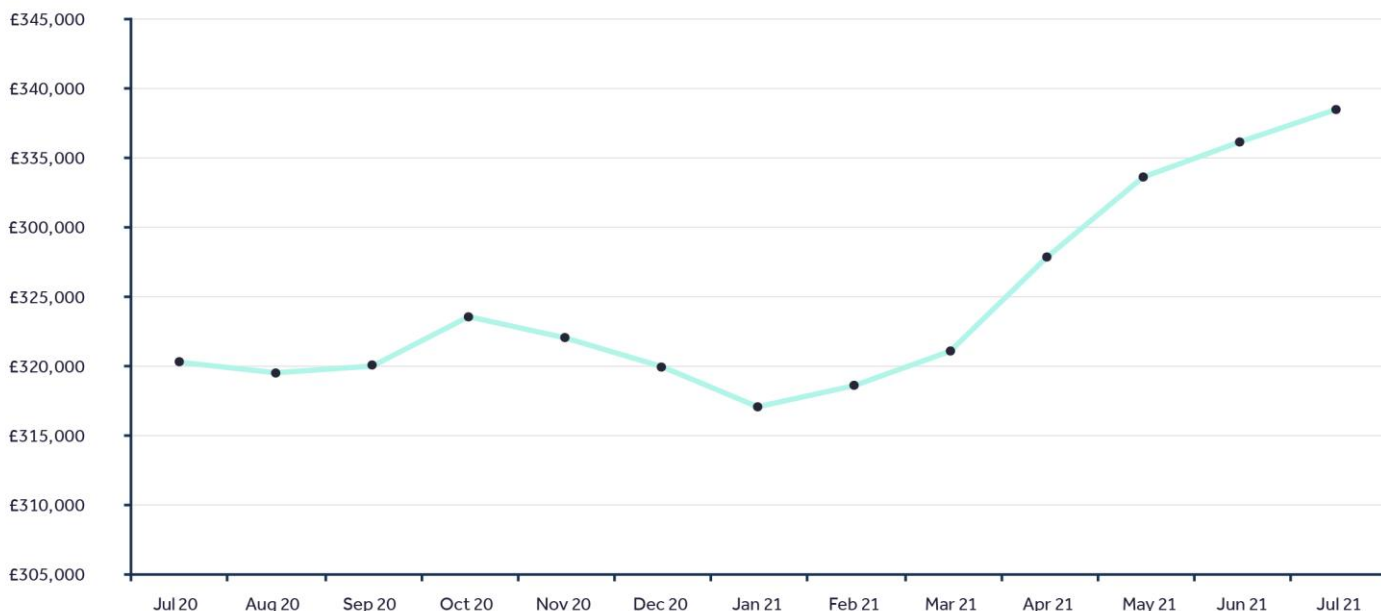
Bannister says: *"First-time buyers are currently benefitting from their sector having the most buyer-friendly conditions. Choice is still more limited when compared to the same period in 2019, but price rises are the most subdued of any sector. Saving a deposit is still very hard, but 5% is now an option, and with many paying rising rents, buying your own home on a lower deposit is becoming an opportunity again. The opportunity is also there for property owners to come to market, as it's still a great sellers' market despite the recent end of the tax holiday in Wales and its scaling back in England. We've also seen a much more efficient housing market over the past year, with the strong buyer demand and faster churn of homes leading to a much higher percentage of sellers finding a buyer for their home, and fewer unsold homes being withdrawn from the market. Buyer sentiment remains strong, and the growth in new households combined with people living longer and having changed housing needs is exacerbating long-term housing stock shortages."*

Agents' Views

Rob Sabin, Group Director at Miles & Barr Group, said: "East Kent's property market continues to be very active over the first six months of 2021 with buyers continuing to purchase the limited housing stock available. The number of sellers coming to market has slowed as the year has progressed, which means we've seen the level of new listings coming to the market significantly decrease year on year, whilst in turn total available stock levels across the market is at the lowest we have seen in a number of years. While the number of new listings has dropped, our results remained strong with 945 homes listed accepting an offer. East Kent has also seen the number of buyers looking to relocate to either the countryside or by the coast increase with a fifth of applicants registered coming from Greater London."

Marc von Grundherr, Director of Benham and Reeves, said: "The UK property market continues to defy expectation, with house prices reaching yet another record high despite whispers of a decline in values as a result of the tapered stamp duty holiday deadline. There's no doubt the stamp duty holiday has been the catalyst for this impressive market performance. However, it isn't the driving factor behind the intent to purchase for UK homebuyers and so a robust level of activity will remain long after it has expired. When you couple heightened demand with a severe shortage of stock, it's very likely that property values will remain buoyant for the remainder of the year, at the very least."

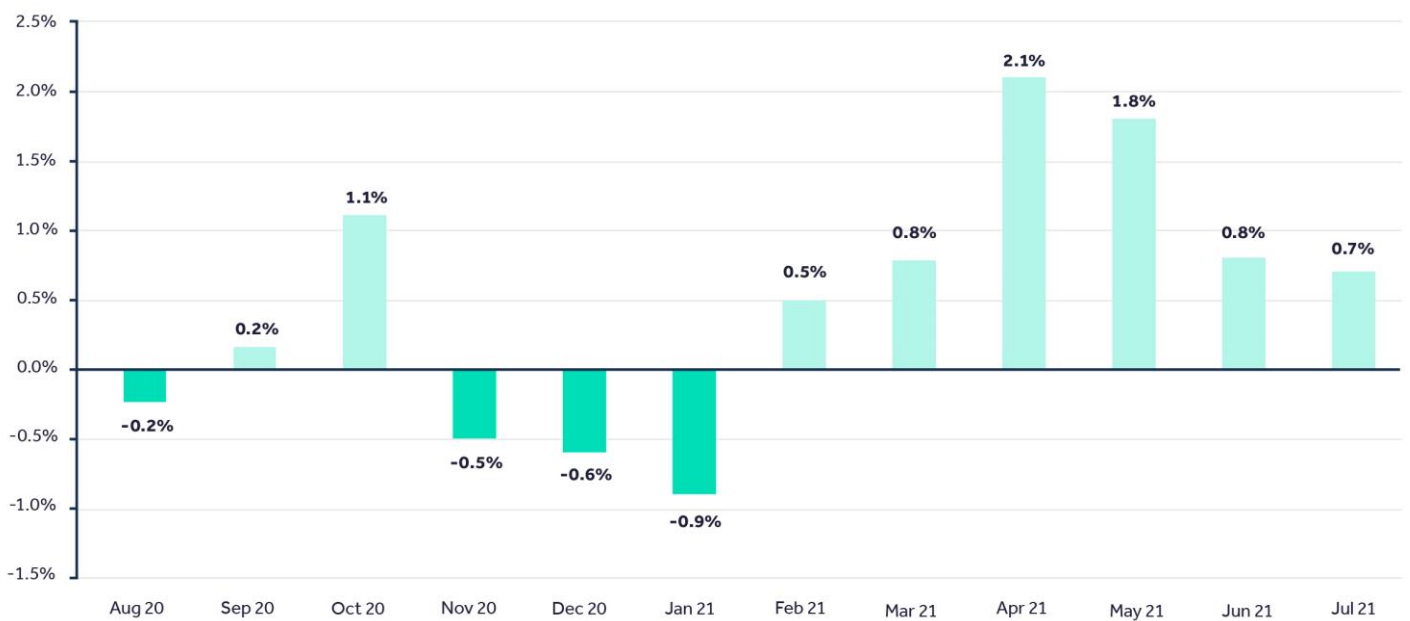
Average asking price trend



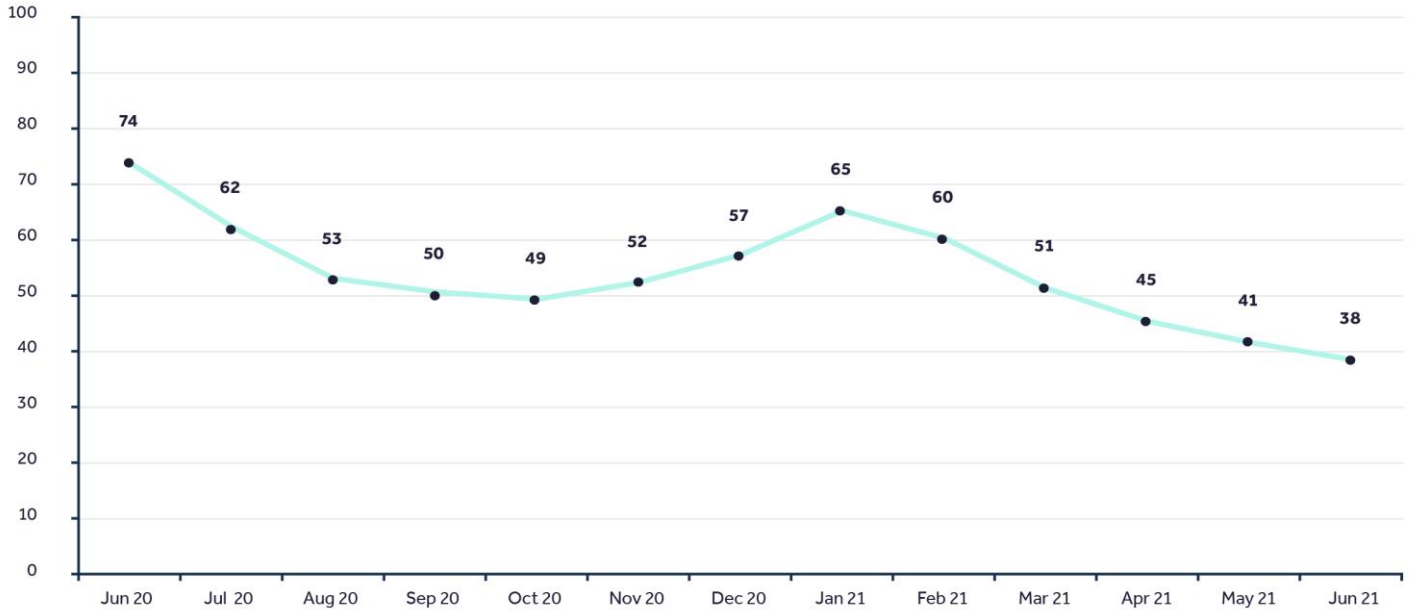
Five year asking price trend



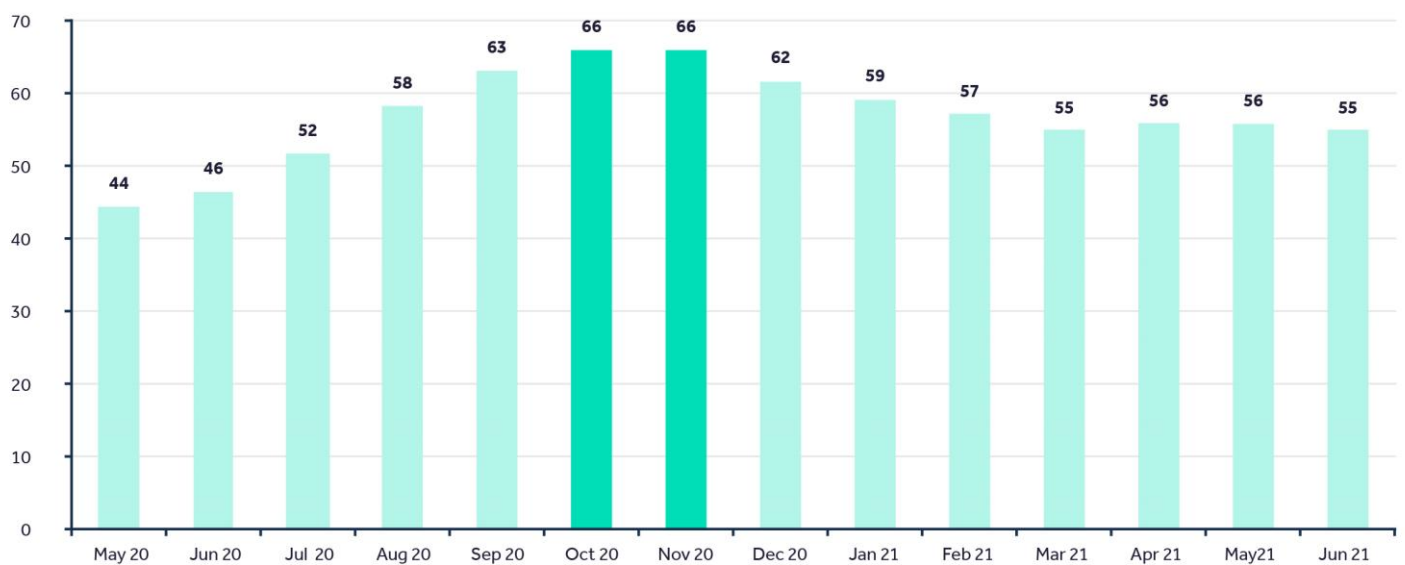
% monthly change in average asking prices



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

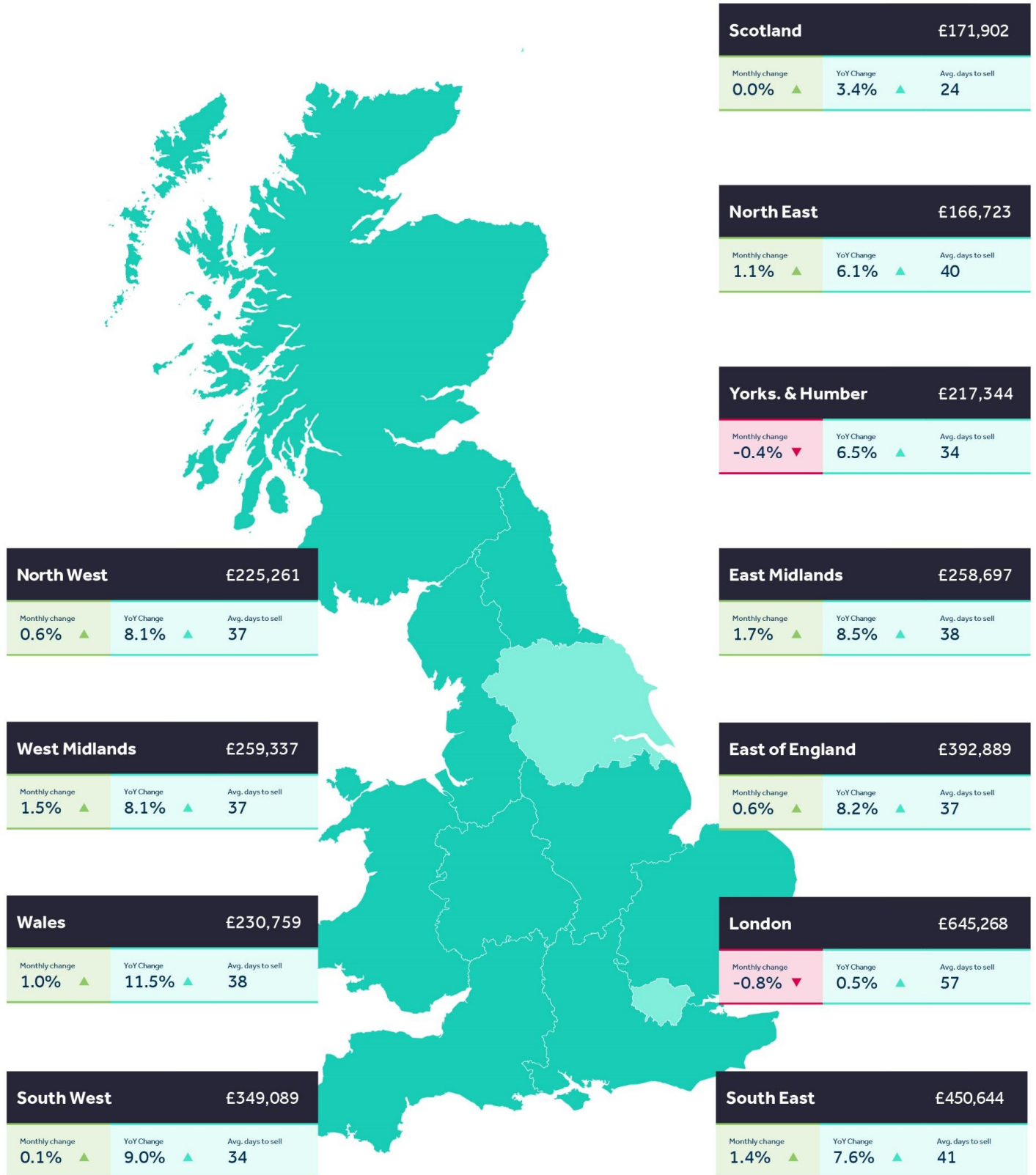


Average stock per agent (including Under Offer/Sold STC)

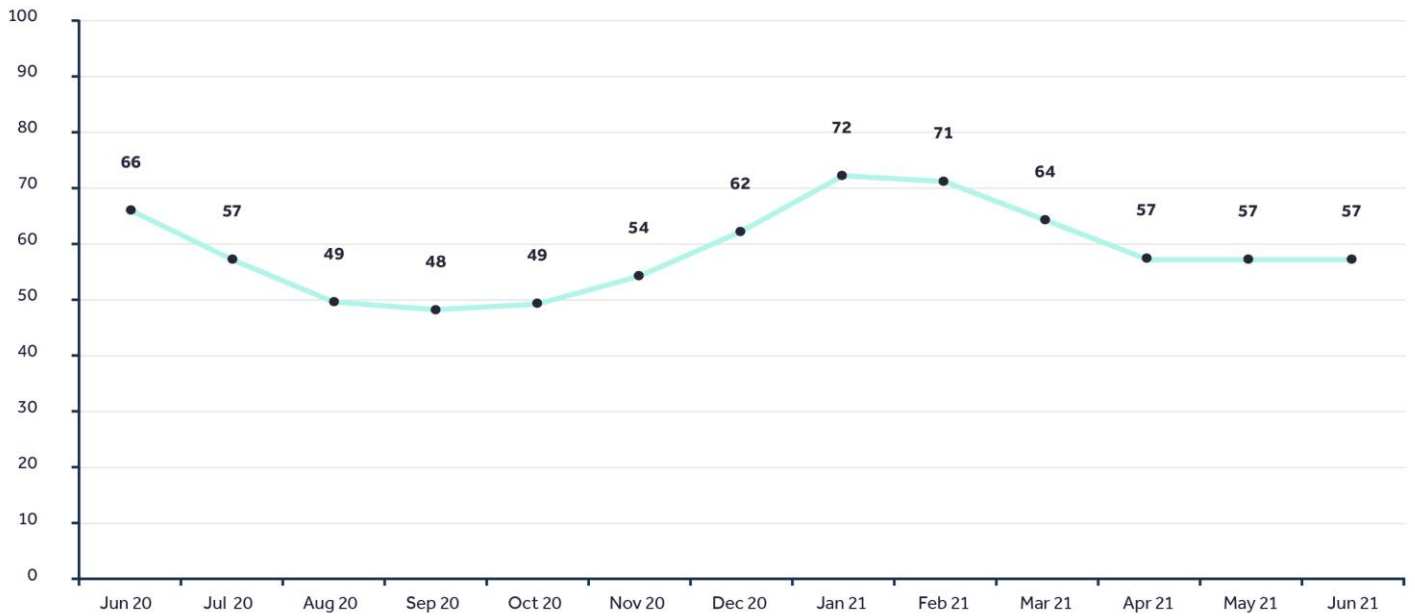


House Price Index

● 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 July 2021	Monthly change	Annual change
Kingston upon Thames	£659,999	-0.6%	9.7%
Barking and Dagenham	£342,870	0.6%	7.3%
Bromley	£577,039	1.3%	7.0%
Redbridge	£481,396	-0.5%	6.7%
Kensington and Chelsea	£1,689,368	2.4%	6.7%
Sutton	£508,803	0.3%	5.3%
Barnet	£673,158	-1.2%	5.1%
Westminster	£1,437,811	5.0%	5.0%
Enfield	£484,587	-0.5%	4.7%
Newham	£438,594	-0.4%	4.4%
Croydon	£465,731	1.0%	3.9%
Havering	£438,249	0.2%	3.9%
Bexley	£448,169	0.1%	3.8%
Harrow	£587,898	0.2%	3.8%
Brent	£603,362	-0.1%	3.8%
Hillingdon	£511,099	-0.2%	3.8%
Waltham Forest	£521,642	0.2%	2.0%
Greenwich	£468,893	0.8%	2.0%
Haringey	£636,186	-0.3%	1.1%
Hounslow	£562,906	-0.5%	0.6%
Ealing	£567,323	-0.9%	0.1%
Richmond upon Thames	£899,380	0.3%	-0.2%
Lewisham	£490,645	-0.3%	-0.7%
Hammersmith and Fulham	£940,796	0.3%	-0.9%
Hackney	£659,029	0.5%	-0.9%
Lambeth	£647,792	-1.3%	-1.9%
Southwark	£640,975	0.4%	-2.2%
Merton	£679,462	0.3%	-2.3%
Wandsworth	£803,434	1.2%	-2.6%
Tower Hamlets	£564,231	-0.8%	-2.6%
Camden	£983,370	1.1%	-3.9%
Islington	£741,972	1.0%	-5.0%



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.

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).