

House Price Index

The largest monthly sample of residential property prices and housing market activity

+0.9%

Monthly asking price increase

+7.8%

Annual price growth

+20%

Increase in buyer demand vs 2019

Some new movers pause while agreed deals rush to complete

- The average price of property coming to the market rises by 0.9% (+£3,398) in the month to a new record of £371,158:
 - This 0.9% rise is a softening from the five-year average rise in October of 1.2%
 - There is little sign of downwards price pressure on existing properties for sale. The number of homes seeing a reduction in the month creeps up by 2% to 23%
- Rapid mortgage rate rises understandably cause some new movers to pause their plans and wait to see how the next few weeks unfold:
 - Buyer demand is still 20% higher than the more normal market of 2019, but it is down by 15% in the last two weeks compared with the same two weeks last year
 - The first-time buyer sector appears hardest hit by interest rate increases, with demand in the last two weeks dropping by 21% compared to the same two weeks last year, though it is 24% higher than 2019
- The vast majority of agreed sales are still going ahead:
 - Only 3.1% of sales agreed have fallen through in the two weeks since the mini-budget, which is in line with the 3.0% over the same two weeks during 2019
 - Agents report that buyers are rushing to complete before their lower fixed-rate mortgage offers expire

National average asking price

Month	Avg. asking price	Monthly change	Annual change	Index
October 2022	£371,158	+0.9%	+7.8%	286.9
September 2022	£367,760	+0.7%	+8.7%	284.3

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

Sector	October 2022	September 2022	Monthly change	Annual change
First time buyers	£224,713	£224,479	+0.1%	+6.7%
Second-steppers	£339,984	£340,513	-0.2%	+7.8%
Top of the ladder	£684,460	£674,228	+1.5%	+8.5%

Rightmove measured 100,046 asking prices this month nationally, circa 95% of the UK market. The properties were put on sale by estate agents from 11th September to 8th October 2022 and advertised on Rightmove.co.uk.

Overview

The average price of property coming to market rises by 0.9% (+£3,398) this month to a new record of £371,158, as shortages of property for sale continue to underpin prices. A new asking price record may seem surprising given the market uncertainty that followed the government's mini-budget in late September, but it will take time for any impact to filter through to house prices. There is also little sign of downwards price pressure on existing properties for sale, with the number of reductions up 2% on last month to 23% of all properties reduced, which is still much lower than the pre-pandemic five-year average of 32%. It is very likely that asking prices will drop in November and December as they normally do, and it will be important to distinguish these seasonal price changes from market changes caused by other factors. Though we understand that price forecasts are at the front of mind for many, there are more economic events to play out before we can make a prediction for 2023.



What's going to happen to house prices is understandably on the minds of many home-movers right now, especially following the market uncertainty after the government's mini-budget. There has been no immediate effect on prices, but the trend of a slight softening in the pace of growth continues. New sellers coming to market in the month have been pricing strongly, and the number of homes that were already on the market seeing a reduction in price is still well below the long-term average. It will take a bit of time for the market to settle in to a new, more 'normal' level of activity following over two years of market frenzy, especially with new developments happening almost daily at the moment.

Tim Bannister Rightmove's Director of Property Science



The rapid rise in average mortgage interest rates has understandably caused some would-be home-movers to pause their plans and wait to see how the next few weeks and months unfold. Overall demand is down by 15% in the last two weeks compared with the same two weeks last year, but it is still 20% higher than the more normal market of 2019. Looking at the different market sectors, it appears that first-time buyers have been the hardest hit, as higher rates may prove to be a step too far for those who were already stretching their finances. Demand in the first-time buyer sector is down by 21% in the last two weeks compared to the same two weeks last year, though it is still up 24% compared to the more normal market of 2019.

But despite this hiatus affecting some would-be buyers as they wait for a steadier outlook, those who have already agreed their purchase are not losing their resolve. Only 3.1% of sales agreed have fallen through in the two weeks since the mini-budget, which is in line with the 3.0% over the same two weeks during 2019. Agents are reporting that those who managed to secure a mortgage offer at a lower rate are rushing to complete their purchase before that lower rate offer expires.



The vast majority of buyers who had already agreed their purchase are still going ahead. Some aspiring first-time buyers will have had their plans dashed by the sudden nature of the mortgage rate rises, and now face a difficult situation with rents also rising, and a shortage of available homes to rent. Buyer demand was already starting to soften and higher interest rates were anticipated, but they've been brought forward sharply due to market uncertainties. Agents report that many of those who managed to secure a mortgage offer at a lower rate before lenders quickly increased them are now rushing through their agreed deal to avoid their offer expiring and facing a higher rate when they come to reapply. It's understandable that some new movers who have the option to wait, may want a clearer view than they're getting right now before they proceed with a major purchase such as a home. With uncertainty over where mortgage interest rates will go, those who can still afford to proceed may decide that waiting too long could come at an even higher cost than taking action to move now, especially if the level of demand continues to outstrip supply and supports prices.

Tim Bannister Rightmove's Director of Property Science



Agent's views



The last few weeks have proved interesting. The increase in household energy bills, whilst not coming as a surprise, has become an unwanted realisation. The long-term repercussions of the mini-budget announcement are probably still too early to see in real time, although they had a dramatic and almost immediate impact on mortgage interest rates. Those with transactions underway are keen to see them through and complete their deal quickly with the rates already secured. Some buyers are actively having to re-evaluate their borrowing options quickly, and while we haven't seen the appetite to buy dwindle too much, some buyers' ability to proceed has been thrown into question. That being said, demand is still outstripping supply for the time-being, so as long as properties are priced correctly, activity levels are still strong.

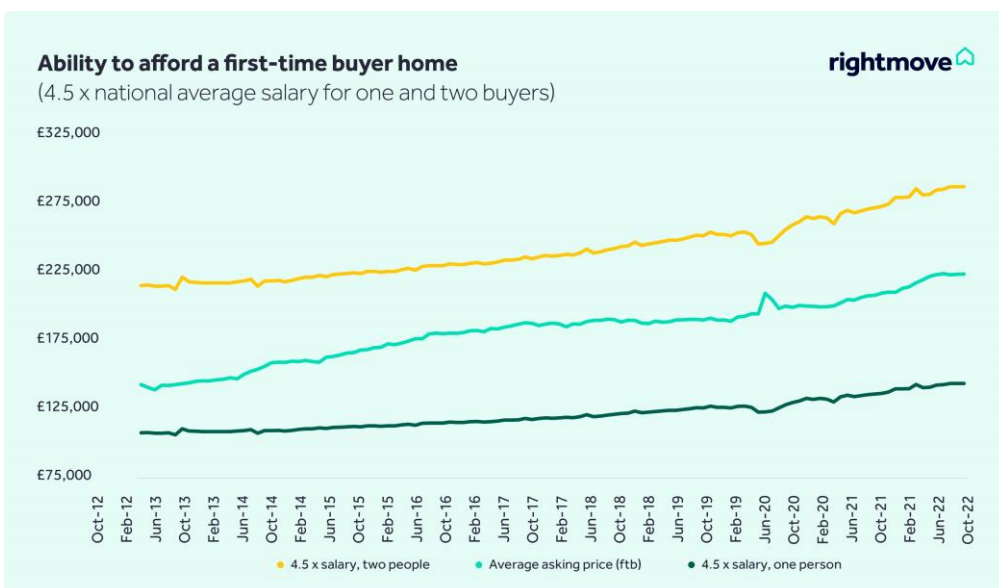
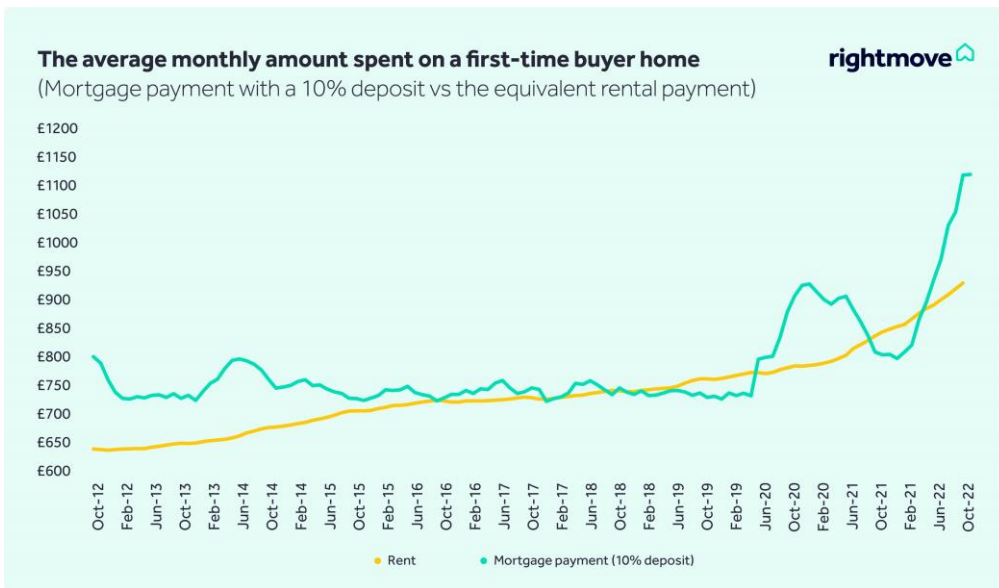
Matt Powell, Branch Manager at Royston Lund in Nottingham



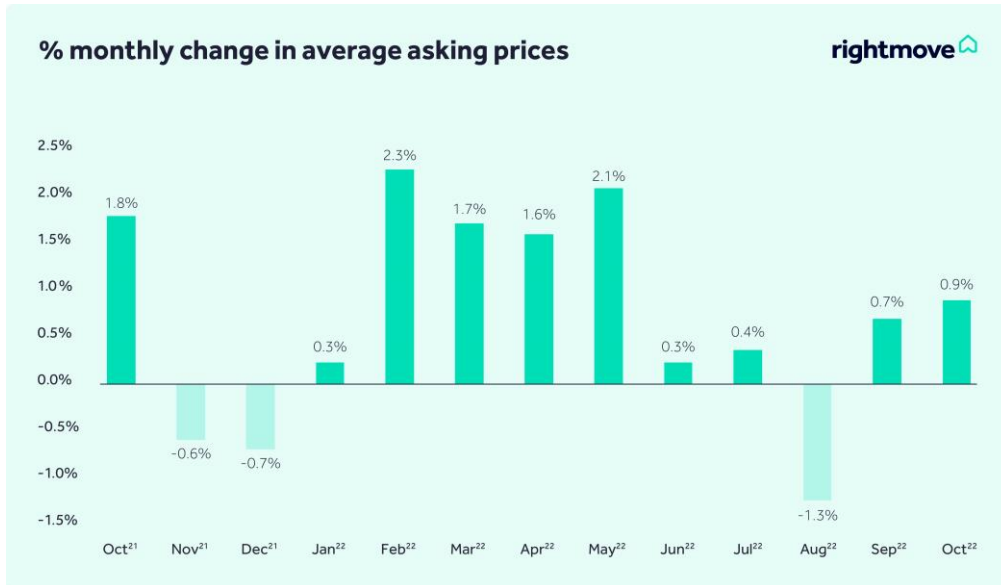
Affordability trends

The first-time buyer monthly mortgage payment is based on Bank of England data of the averages for 90% LTV two-year fixed mortgages from lenders, and the average asking price of a typical first-time buyer home (two bedrooms or fewer) using the Rightmove House Price Index. The equivalent monthly rent is calculated using the same property types (two bedrooms or fewer).

The affordability to buy a first home is based on the Average Weekly Earnings (AWE) dataset from ONS multiplied by 4.5 to get the typical maximum that a person can borrow from a lender. The average asking price of a typical first-time buyer home is taken from the Rightmove House Price Index.



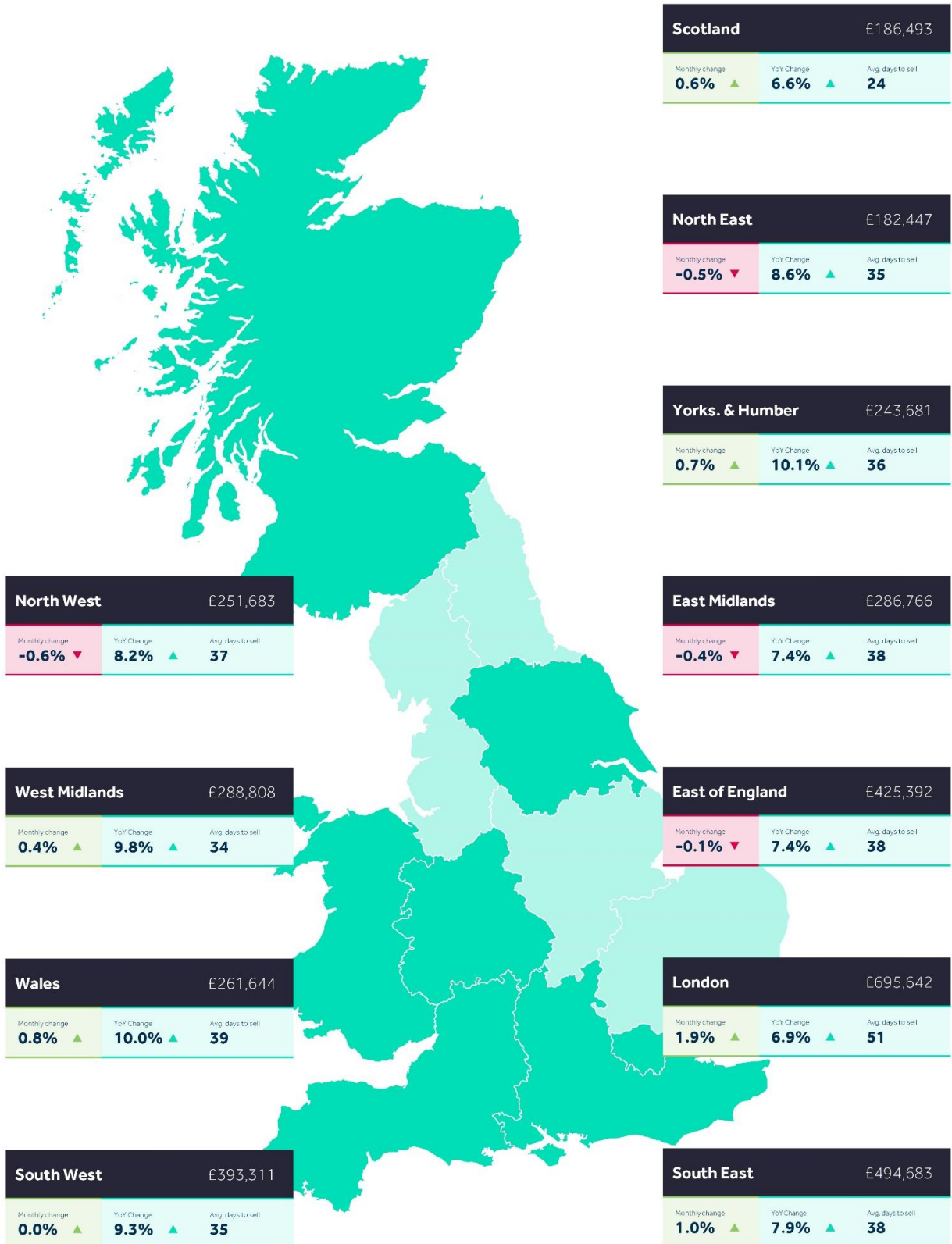
Price & activity trends





Regional trends

● Increase from previous month ● Decrease from previous month



London boroughs

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 October 22	Monthly change	Annual change
Islington	£816,890	2.0%	11.1%
Camden	£1,056,583	2.0%	10.9%
Merton	£741,589	0.3%	9.8%
Havering	£486,622	0.6%	9.4%
Ealing	£619,148	1.4%	9.2%
Bromley	£637,273	0.2%	8.7%
Waltham Forest	£563,503	0.4%	8.6%
Hackney	£709,647	-0.4%	8.6%
Hillingdon	£559,265	1.0%	8.4%
Barking and Dagenham	£378,830	0.5%	8.3%
Kensington and Chelsea	£1,681,000	1.5%	8.2%
Newham	£472,829	0.8%	8.0%
Redbridge	£524,290	0.0%	7.8%
Kingston upon Thames	£702,065	1.6%	7.7%
Barnet	£720,213	-0.2%	7.6%
Harrow	£641,006	1.5%	7.3%
Hounslow	£610,803	0.5%	7.0%
Sutton	£539,280	-1.1%	6.3%
Bexley	£482,306	-0.1%	6.1%
Enfield	£511,024	0.4%	5.6%
Lewisham	£521,596	-0.4%	5.5%
Brent	£647,578	0.5%	5.3%
Croydon	£497,255	0.6%	5.0%
Haringey	£676,563	1.1%	5.0%
Hammersmith and Fulham	£973,350	-1.4%	4.7%
Westminster	£1,425,260	-2.8%	4.1%
Greenwich	£496,484	-1.3%	3.9%
Tower Hamlets	£590,741	-0.6%	3.7%
Wandsworth	£834,581	-1.3%	3.2%
Lambeth	£674,297	-0.1%	2.6%
Southwark	£646,985	-0.8%	2.6%
Richmond upon Thames	£908,220	-0.1%	1.6%

About the Index

The Rightmove House Price Index methodology was updated and restated in January 2018. 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.

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.

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 attracted 2.5 billion visits in 2021 with time on site totalling 18.3 billion minutes (Rightmove data, 2021).