

House Price Index

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

+0.8%

Monthly price rise in May as sellers continue to show confidence this spring

+0.6%

Prices are 0.6% higher than a year ago as the market remains price-sensitive

+17%

Increase in sales agreed during the first four months of this year versus last year

Record asking prices driven by pent-up demand

- The average price of property coming to the market for sale reaches a new record of £375,131, rising by 0.8% (+£2,807) in the month, as the momentum of the Spring selling season exerts some modest upwards price pressure:
 - The market remains price-sensitive with average asking prices just 0.6% higher than a year ago
 - The top-of-the-ladder sector is still leading price growth, with average prices up by 1.3% compared with last year
- Pent-up demand from would-be buyers who paused their plans last year is a key driver behind increased home-mover activity despite mortgage rates remaining elevated for longer than anticipated:
 - The number of sales being agreed during the first four months of the year is 17% higher than last year, outstripping the 12% increase in the number of new sellers coming to market
- Despite these positive lead indicators for higher transaction levels this year, the painful average of 154 days between agreeing a sale and legal completion remains a challenge for both agents and movers:
 - With 62 days on average needed to find a buyer before the legal process even begins, would-be sellers hoping to be in a new home for Christmas need to be taking action now
 - Rightmove's analysis shows that properties that need an asking price reduction take more than three times longer to find a buyer as those that do not, giving sellers who price right from the outset the edge to sell more quickly

National average asking price

Month	Avg. asking price	Monthly change	Annual change	Index
May 2024	£375,131	+0.8%	+0.6%	290.0
April 2024	£372,324	+1.1%	+1.7%	287.8

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

Sector	May 2024	April 2024	Monthly change	Annual change
First time buyers	£228,003	£227,110	+0.4%	+0.7%
Second-steppers	£343,268	£342,501	+0.2%	+0.5%
Top of the ladder	£693,791	£682,661	+1.6%	+1.3%

Rightmove measured 117,760 asking prices this month nationally, circa 95% of the UK market. The properties were put on sale by estate agents from 14th April – 11th May 2024 and advertised on Rightmove.co.uk.

Overview

The average price of property coming to the market for sale rises by 0.8% this month (+£2,807) to a new record of £375,131 as the momentum of the Spring selling season exerts some modest upwards price pressure. May is typically a strong month for price growth, with new price records having been set in May in 12 of the previous 22 years. Price growth is still led by the largest-homes, top-of-the-ladder sector, with prices in this sector up by an average of 1.3% compared with last year. However, since the last price record set a year ago in May 2023, average prices are only 0.6% higher overall, a reminder that the market remains very price-sensitive.



Some predicted that property prices would suffer sharp falls and take a while to recover following the Bank of England increasing the Base Rate up to 5.25%, where it has remained since August 2023. However, the momentum of the Spring selling season has exerted enough upwards price pressure to reach a new record asking price. The top-of-the-ladder sector is still leading the way, while from a regional perspective the North East, with the cheapest average prices in Great Britain, has seen the strongest price growth. However, it's important to remember that prices overall are still only 0.6% ahead of this time last year. The market remains price-sensitive, and with prices reaching new records in the majority of regions and mortgage rates remaining elevated, affordability for many home-buyers is still stretched.

Tim Bannister Rightmove's Director of Property Science



Pent-up demand is a key driver behind increased buyer and seller activity, despite mortgage rates remaining elevated for longer than anticipated. In the first four months of the year, the number of sales being agreed between buyers and sellers is 17% higher than in the same period in 2023, outstripping the 12% increase in the number of new sellers coming to market. Like pricing activity, these trends are being driven most by the top-of-the-ladder sector, made up of four bedroom detached and five bedroom plus properties. A lack of available homes for sale in this sector during the pandemic years, together with the rapid rise, and subsequent volatility of mortgage rates in the post-mini-Budget period, meant that activity in this sector was particularly susceptible to some potential movers taking a step back. Now, with mortgage rates more stable albeit still high, and greater buyer choice, many who had postponed their moving plans in this sector appear to be returning.

We anticipate the number of completed sales transactions this year to reach around 1.1 million. Rightmove's key lead indicators, powered by the UK's largest selection of properties for sale and real-time data, suggest positive progress towards reaching this number of transactions. However, the lengthy time to complete a sale after finding a buyer remains a challenge for both agents and movers. The average time between agreeing a sale and legal completion is a painful five months, or 154 days. In total, it is taking over 7 months on average from a seller coming to market to completing their move, meaning that as early as it may seem, would-be sellers hoping to celebrate Christmas in a new home need to be coming to the market about now.

The sluggish completion process in England is something that parliament is reviewing as part of its inquiry into improving the home buying and selling process. When compared with international markets, England's average completion times are significantly slower, highlighting the substantial room for improvement. The creation of a more seamless process, which includes providing more accurate information about a home earlier to potential buyers, and better connecting the parties involved in the transacting process through technology, are two areas of improvement that Rightmove suggests would be most beneficial to movers.

One strategy that Rightmove's market-leading data has identified as providing sellers with the edge to speed up a sale, is to work with an estate agent to price competitively from the outset and avoid the need to reduce the asking price after coming to market. It takes on average 32 day for a sale to be agreed for a property that is priced right from the outset, less than a third of the 112 days that it takes if the home requires an asking price reduction before it has found a buyer.



We expect that the improved market activity levels and conditions this year will result in higher transaction numbers at the end of 2024 than last year. However, the extremely lengthy legal completion process is a frustrating barrier to home-movers converting agreed sales into completed transactions more quickly. It may seem surreal to be thinking about Christmas in May, but we know that many would-be sellers picture celebrating the festivities in a new home, and to achieve that, now is the time to be coming to market. One strategy that is still giving some sellers the edge in this price-sensitive market, is working closely with an estate agent to price attractively right at the start of marketing, to give themselves the best chance of finding a buyer quickly.

Tim Bannister Rightmove's Director of Property Science



Experts' views



Seasonal demand and an uptick in listings has helped to boost spring transactions, although some may still be waiting in the wings for an elusive interest rate drop to ease affordability constraints. With inflation falling, there is hope the wait may come to an end soon as the Bank of England may look for an economic boost before the General Election.

The message here is that lifestyle changes and supply are still the dominating market forces for most, anchoring house prices for the foreseeable future to provide much needed stability and assurance. The more positive macro-economic outlook in recent weeks has even led some to revise house price forecasts for the year upwards from decline to growth; consumer confidence that will likely trickle into a busy summer ahead.

In particular, demand for detached homes and prime country properties are attracting the highest competition from buyers, as beauty spots come into their own, with the sun finally out and people aiming to move by the end of the year. Places like the Cotswolds, Essex and Hampshire have seen a remarkable uptick in buyer enquiries in the past six weeks, notably from families looking for top schools.

Nick Leeming, Chairman of Jackson-Stops

Whilst long completion times have been a fact of life for years, it remains painful for home-movers, and we see it as something technology can and will solve. At the heart of it, the delays are caused by problems of communication, and the difficulty in rapidly obtaining accurate data in a secure way. There's certainly a lot of progress that can be made, and whilst there's no silver bullet, we hope to eventually see some dramatic improvements in the current time to complete.

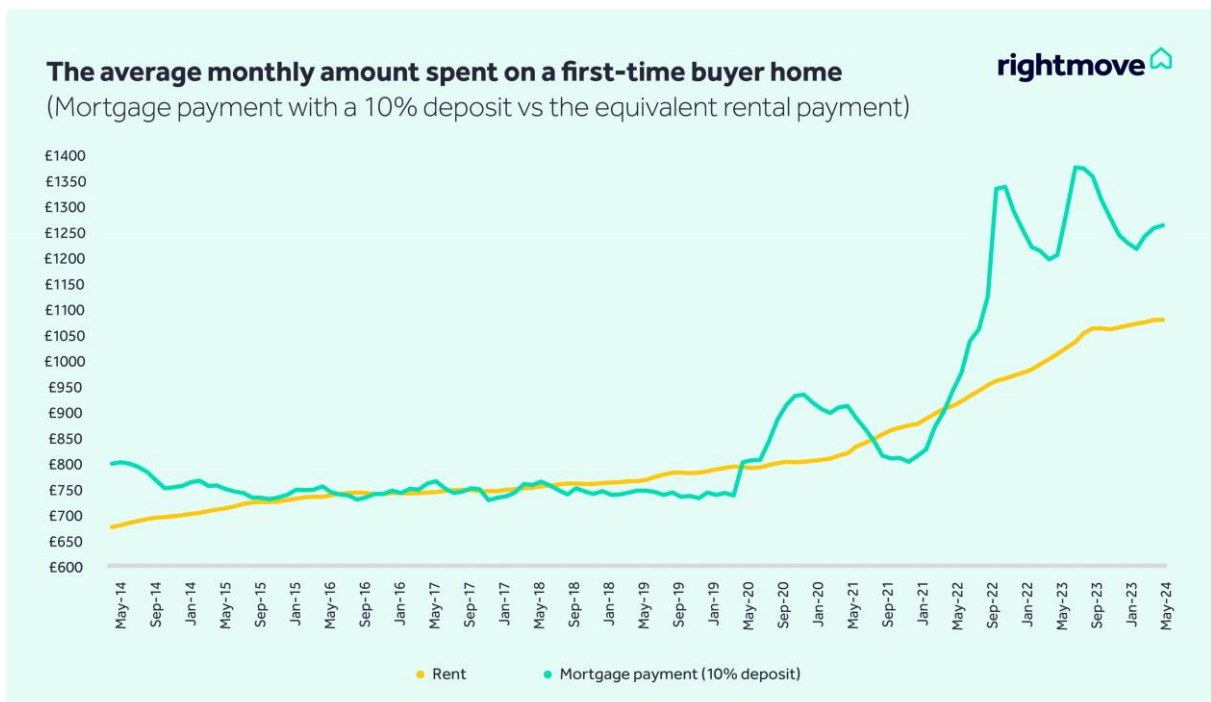
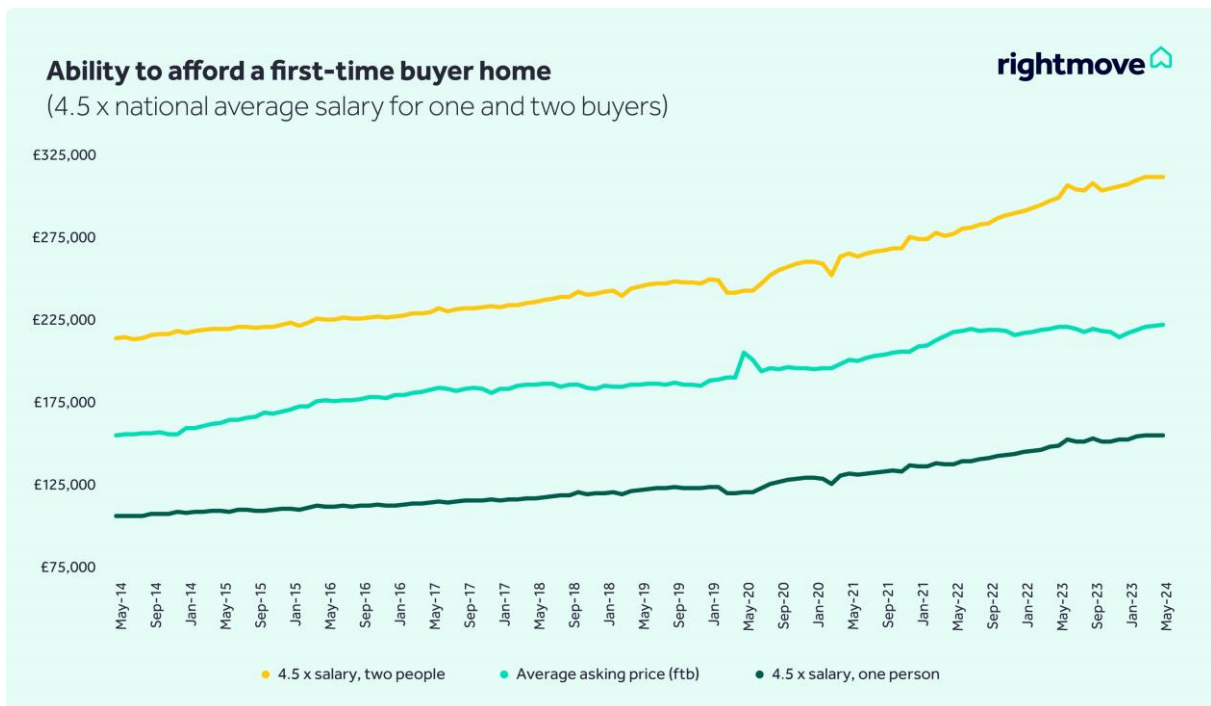
Dan Salmons, CEO at property technology company Coadjute



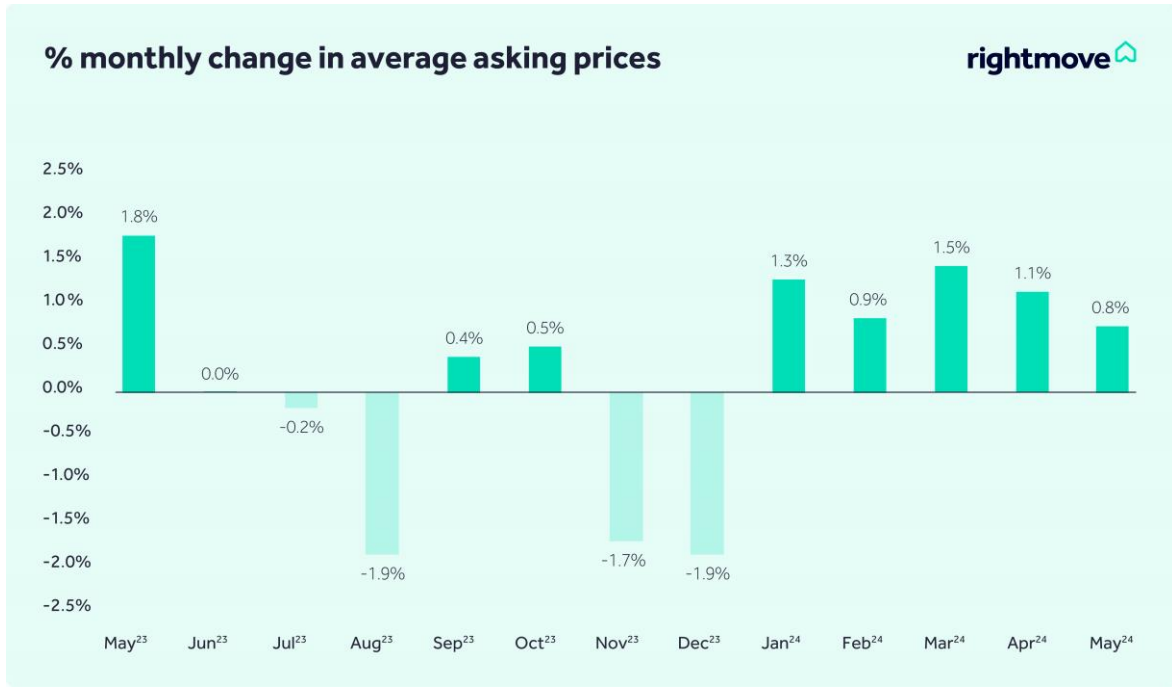
Affordability trends

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.



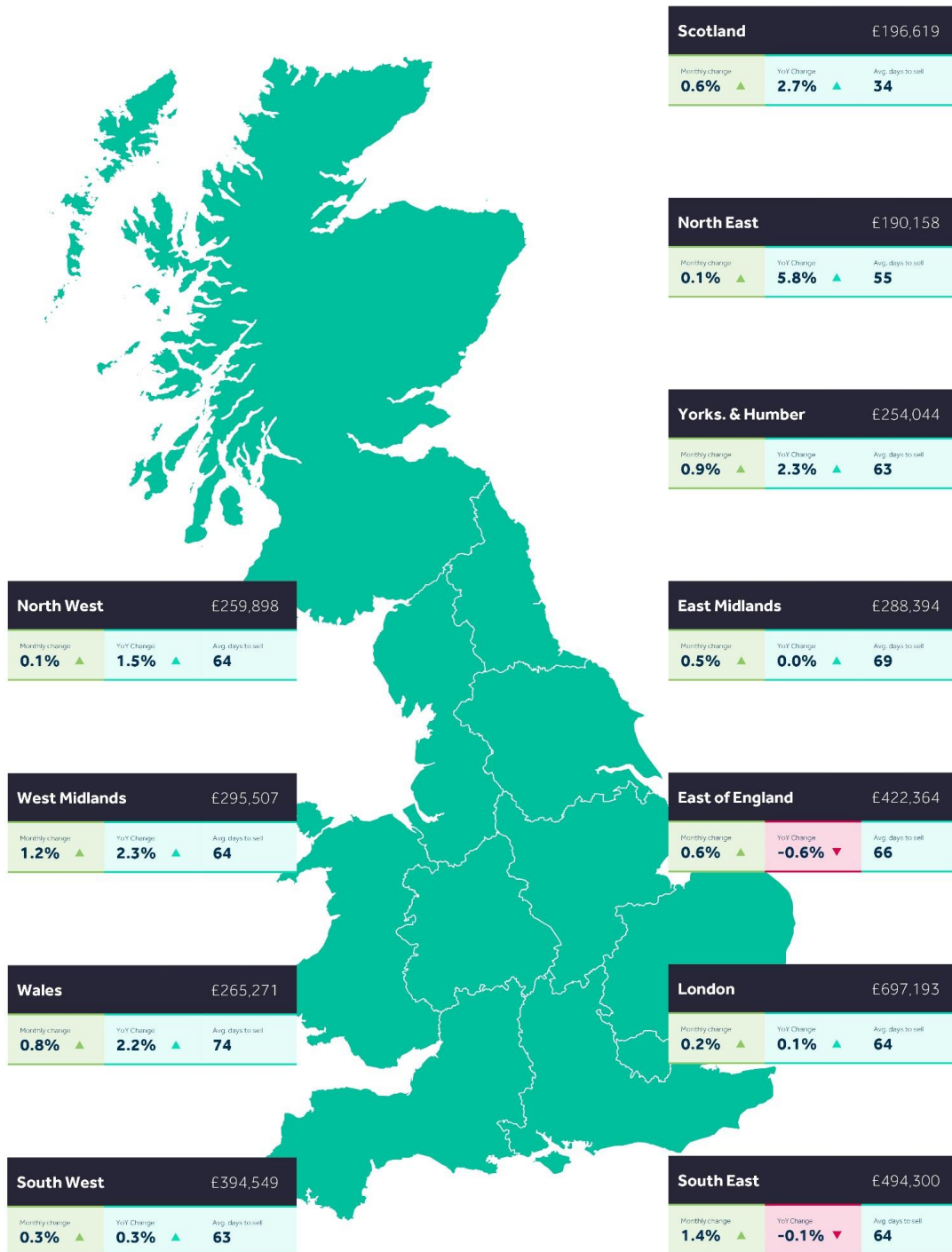
Price & activity trends





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 May 24	Monthly change	Annual change
Hammersmith and Fulham	£1,029,747	0.1%	6.6%
Camden	£1,108,224	1.4%	6.5%
Merton	£763,280	3.6%	6.3%
Barnet	£760,387	0.9%	4.7%
Newham	£482,943	4.2%	3.4%
Hillingdon	£557,739	0.1%	3.1%
Islington	£820,815	2.0%	2.6%
Hounslow	£608,818	1.2%	2.5%
Westminster	£1,538,294	-2.6%	2.0%
Waltham Forest	£569,406	0.7%	1.9%
Lewisham	£527,316	1.0%	1.7%
Richmond upon Thames	£963,557	1.4%	1.6%
Ealing	£612,132	1.6%	1.2%
Brent	£639,026	1.2%	0.9%
Haringey	£670,266	0.6%	0.6%
Southwark	£676,126	1.4%	0.4%
Croydon	£488,175	0.0%	0.2%
Greenwich	£503,068	1.2%	0.1%
Enfield	£506,374	0.4%	0.0%
Kensington and Chelsea	£1,658,499	0.1%	-0.1%
Kingston upon Thames	£708,846	0.4%	-0.1%
Havering	£480,160	-0.1%	-0.2%
Sutton	£551,134	0.2%	-0.2%
Bromley	£629,414	0.3%	-0.3%
Redbridge	£518,768	1.4%	-0.3%
Tower Hamlets	£600,990	-0.6%	-0.4%
Lambeth	£688,311	2.4%	-0.4%
Bexley	£483,793	0.9%	-0.9%
Harrow	£619,068	0.2%	-0.9%
Barking and Dagenham	£366,945	0.4%	-1.1%
Wandsworth	£851,560	0.3%	-1.6%
Hackney	£699,964	-0.9%	-3.3%

About the Index

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

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 providing real-time data, 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 (Rightmove data, 2021).

Average mortgage rates to be credited to Rightmove. The data is provided by specialist mortgage technology provider Podium Solutions. The data covers 95% of mortgage lending, to exclude specialist lenders. If you would like further data on different LTVs or fixed terms, please contact us.