

# The Rightmove House Price Index

The largest monthly sample of residential property prices

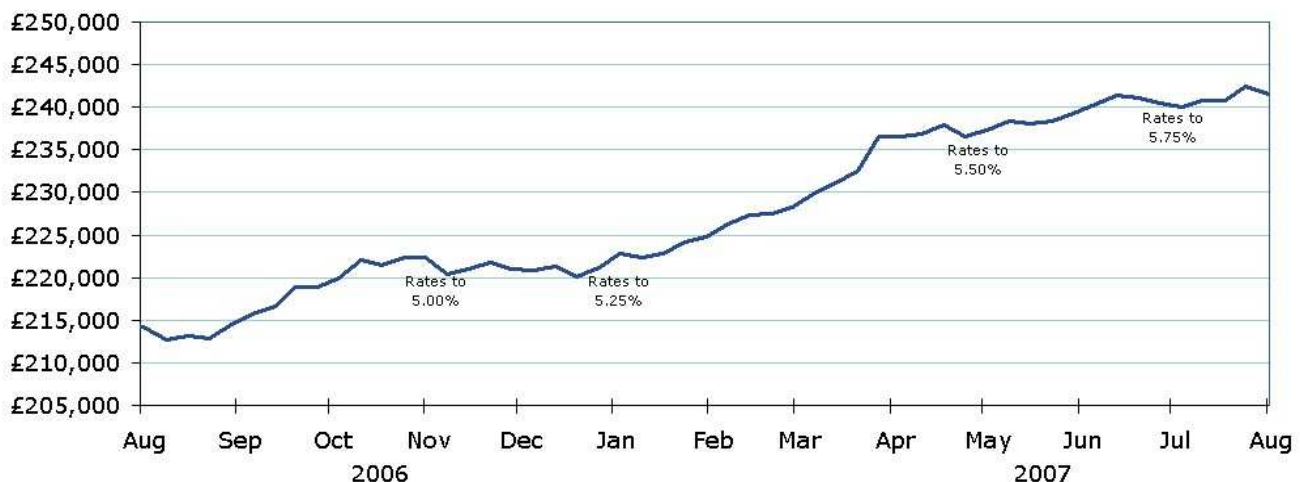
**Under embargo for 0001 hours: Monday 20<sup>th</sup> August 2007**

## Fourth consecutive month of modest rises

	August	July
<b>Average Property Asking Price</b>	<b>£241,474</b>	£240,001
<b>% Change in Month</b>	<b>0.6%</b>	0.3%
<b>% Change in Past Year</b>	<b>12.8%</b>	10.3%
<b>Monthly Index (Jan 2002=100)</b>	<b>196.5</b>	195.3

- Modest monthly increases continue as average asking prices rise by 0.6% (£1,473)
- London asking prices fall for the first time since August 2006 as capital continues to cool
- Sellers having to realign prices as affordability limits are finally reached
- Current trend consistent with house prices increasing more in line with wage inflation for the foreseeable future.

## Rightmove Monthly Asking Price Trend



Rightmove measured 148,824 asking prices – circa 80% of the UK market. The properties were put on sale by estate agents from 15<sup>th</sup> July to 11<sup>th</sup> August 2007 and advertised on Rightmove.co.uk.

Rightmove.co.uk is the UK's largest property web site, advertising around 80% of all homes for sale via estate agents across the UK. The site attracts over 29 million visits from home movers each month who view in excess of 440 million pages. Each month Rightmove uses asking price data of up to 200,000 properties coming onto the market to produce this House Price Index - the largest, most accurate and up-to-date monthly index.

Released 20<sup>th</sup> August 2007

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## Overview

We have now seen sellers adopting more reasonable pricing expectations over the last four months. This month's rise of 0.6% is the fourth time sellers have pitched their prices at less than 1% above the previous month, a pattern not seen since January 2006. Should this trend continue, it would be consistent with the annual rate of house price inflation becoming more closely aligned with annual wage inflation, currently running at around 3% to 4%.

Rightmove measures the asking prices of circa 90% of properties that come onto the market with estate agents in England and Wales, giving the largest and earliest indicator of current market conditions. We have seen four months of modest house price growth and, combined with the wider economic data, this suggests that overall inflation is easing back and leads to the conclusion that the pressure on the Bank of England to raise interest rates again is reducing significantly.

Miles Shippside, Commercial Director of Rightmove comments: "This is the first time for over a year and a half that we have seen four consecutive months of such moderate increases. This much slower rate is consistent with prices and the market starting to adjust to the increased costs of home ownership. It finally paves the way for a return to a sustainable market without the need for further interest rate rises, though many buyers will still face affordability problems".

A further early indicator of the future direction of the property market is the first monthly fall in London's average asking prices since August 2006. The fall was slight at just 0.1% (£462), but is put into context by the fact that London prices have risen by an average of 2% a month for the last 12 months. The strength of the London market has been one of the main driving forces behind the rise in national average prices. London's annual rate of increase is currently 23.4%, and is nearly double the national rate of increase which stands at 12.8% this month.

Miles Shippside comments: "This fall is the first we have seen for some time and is an early warning signal that even the buoyant London economy is susceptible to market forces. The capital and international status of London means that prices are likely to be more resilient in the longer term, unless the current turmoil in the financial market undermines employment and wealth creation."

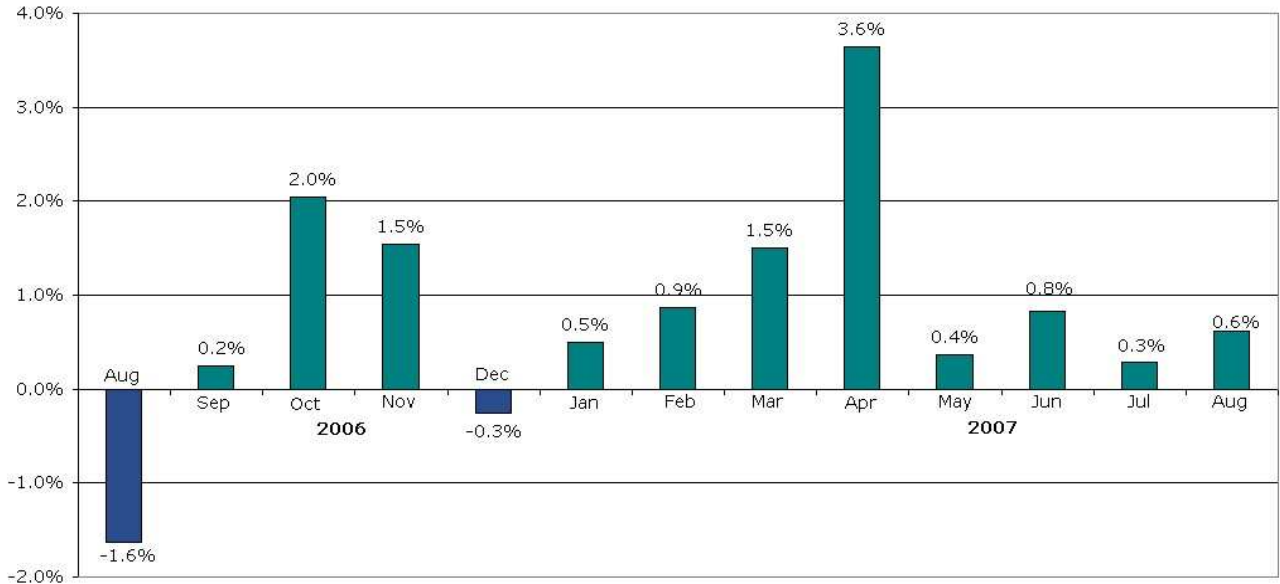
Asking prices appeared to have peaked in July 2004, but the London 'mini boom' helped drive average national prices up by a further 23%, an average of £45,262, over the next three years. The latest evidence seems to indicate that we have now genuinely reached the limit of buyers' ability to afford higher prices in current market conditions.

Sellers now have to set asking prices to reflect local buyers' affordability restrictions. This is resulting in some fluctuations in monthly regional prices as sellers have to gauge local supply and demand to find the new levels at which buyers can afford or will be tempted to purchase. In spite of only 148,000 properties coming onto the market in this month's survey, the lowest since the beginning of the year, stock levels per estate agent have remained static. This indicates a correspondingly low level of property coming off the market due to subdued sales. A further indication of the slowing market is the average time on the market that has jumped from 80 to 85 days this month.

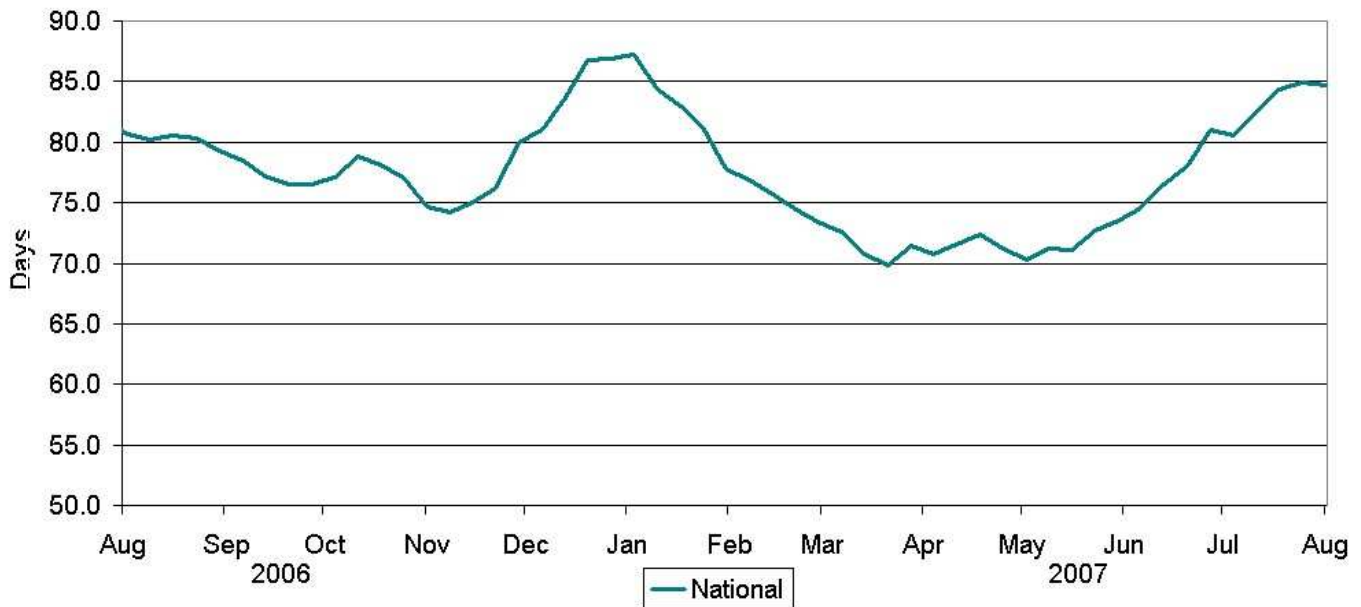
Miles Shippside adds: "Whilst a slower market is to be expected in the summer holiday season, it shows that the balance of power has switched from seller to buyer in most parts of the country. This could swing even further in buyers' favour if the current credit tightening reduces lenders' ability to provide mortgages at the rates achieved in recent months. This may lead to slight increases in mortgage rates even without another rate rise by the Bank of England."



### Monthly Change



### Time on Market Indicator



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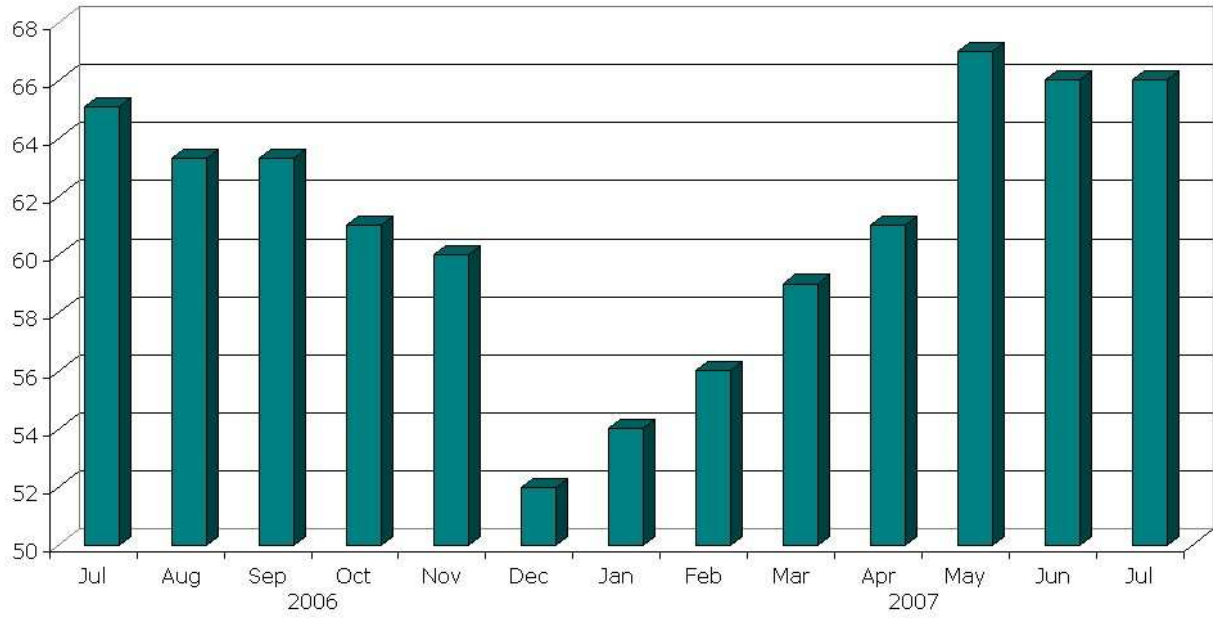
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Average properties for sale per Estate Agent



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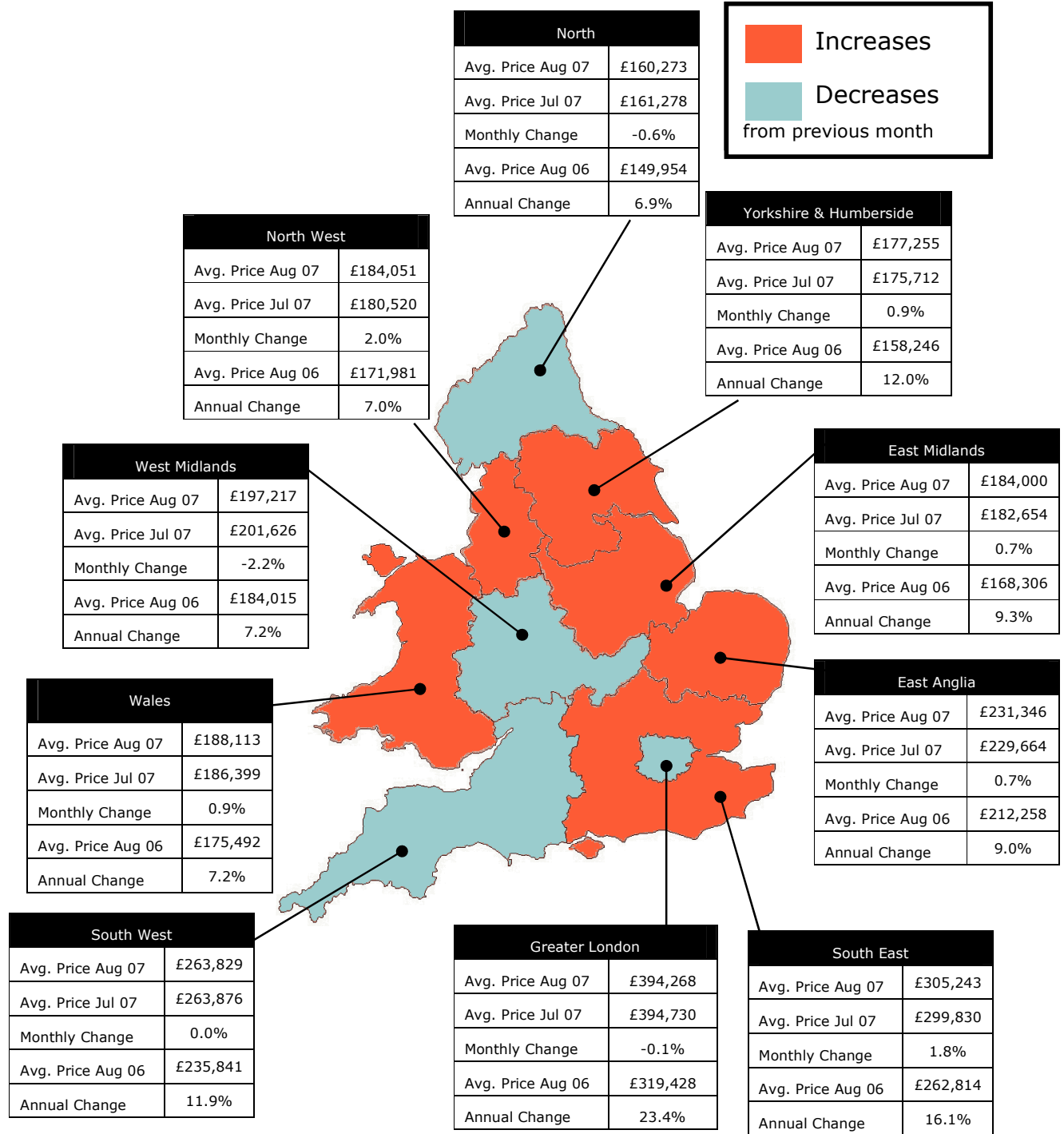
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## Regions of England & Wales



If you are a journalist and would like a further breakdown on these regional statistics please contact Maud Rousseau on: [maud.rousseau@rightmove.co.uk](mailto:maud.rousseau@rightmove.co.uk) or call 0207 087 0603.

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## National Asking Price Trend

Month	Index (Jan 2002 = 100)	% Change	Avg. Price
August 2006	174.1	-1.6%	£214,040
September 2006	174.6	+0.2%	£214,566
October 2006	178.1	+2.0%	£218,954
November 2006	180.9	+1.5%	£222,333
December 2006	180.4	-0.3%	£221,751
January 2007	181.3	+0.5%	£222,859
February 2007	182.9	+0.9%	£224,802
March 2007	185.7	+1.5%	£228,183
April 2007	192.4	+3.6%	£236,490
May 2007	193.1	+0.4%	£237,361
June 2007	194.7	+0.8%	£239,317
July 2007	195.3	+0.3%	£240,001
August 2007	196.5	+0.6%	£241,474
<b>Annual Change</b>	<b>+22.4</b>	<b>+12.8%</b>	<b>+£27,434</b>

(National asking price includes other property types that are not classified below)

## National Asking Price Trend by Property Type

Month	Detached	Semi-Detached	Terraced	Flats/Apartments
August 2006	£310,317	£191,537	£166,343	£169,977
September 2006	£311,807	£192,367	£169,234	£173,719
October 2006	£319,089	£194,476	£169,834	£177,632
November 2006	£321,315	£195,757	£171,012	£185,053
December 2006	£316,003	£196,846	£173,372	£187,434
January 2007	£316,734	£195,564	£175,339	£189,265
February 2007	£318,772	£200,303	£177,942	£186,522
March 2007	£327,068	£201,018	£177,928	£192,196
April 2007	£336,264	£205,798	£182,632	£194,294
May 2007	£342,087	£207,898	£181,519	£196,813
June 2007	£342,865	£207,751	£184,385	£196,452
July 2007	£344,401	£208,460	£186,240	£200,109
August 2007	£349,848	£210,833	£186,573	£200,852
<b>Annual Change</b>	<b>12.7%</b>	<b>10.1%</b>	<b>12.2%</b>	<b>18.2%</b>

Press enquiries regarding the methodology employed and access to further analysis of the data held by rightmove.co.uk should be directed to the Press Office on [press@rightmove.co.uk](mailto:press@rightmove.co.uk) or call 0207 087 0603.

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## London's Best Performers August 2007

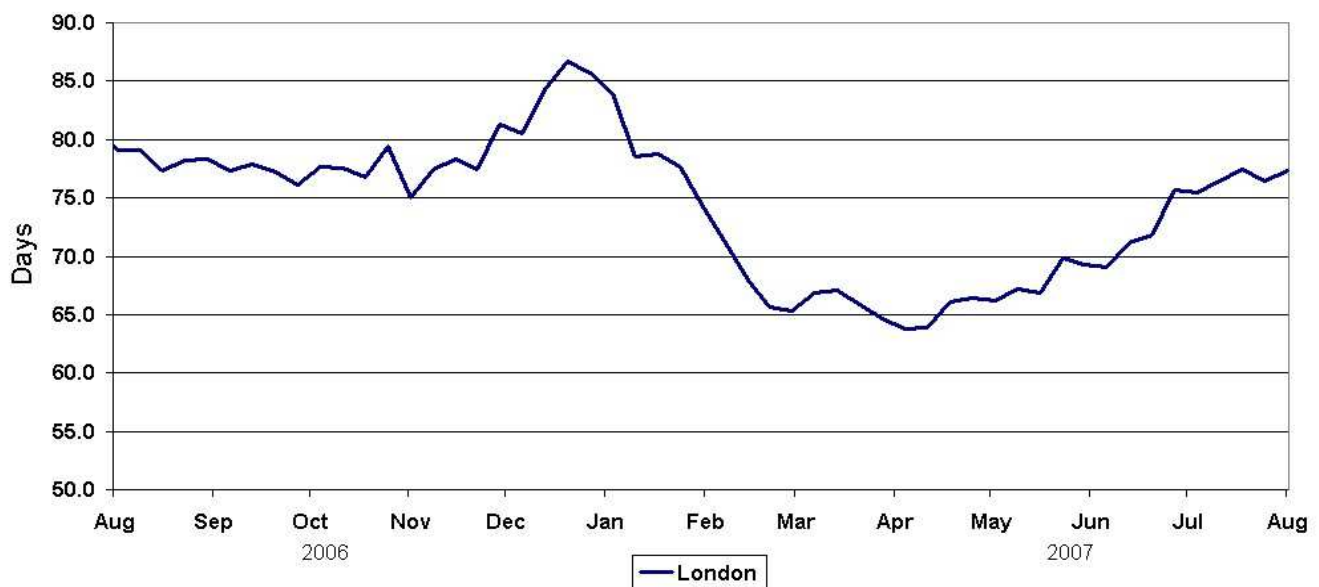
London's Top 5	Avg. Price Aug 07	Avg. Price Jul 07	Monthly Change
Islington	£516,306	£503,563	2.5%
Kingston-upon-Thames	£530,738	£521,057	1.9%
Hillingdon	£347,188	£342,094	1.5%
Hounslow	£430,864	£424,858	1.4%
City of Westminster	£919,436	£910,629	1.0%

## London's Worst Performers August 2007

London's Top 5	Avg. Price Aug 07	Avg. Price Jul 07	Monthly Change
Hackney	£429,681	£434,813	-1.2%
Hammersmith and Fulham	£624,013	£641,440	-2.7%
Brent	£516,104	£535,422	-3.6%
Camden	£662,649	£689,184	-3.9%
Tower Hamlets	£404,449	£434,525	-6.9%

## London Time on Market

Time on Market Indicator



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## London Boroughs

Borough	Avg. Price Aug 07	Avg. Price Jul 07	Monthly Change	Avg. Price Aug 06	Annual Change
Kensington and Chelsea	£1,449,385	£1,463,696	-1.0%	£836,361	73.3%
City of Westminster	£919,436	£910,629	1.0%	£614,807	49.5%
Camden	£662,649	£689,184	-3.9%	£481,011	37.8%
Hammersmith and Fulham	£624,013	£641,440	-2.7%	£488,620	27.7%
Richmond-upon-Thames	£549,419	£555,366	-1.1%	£393,229	39.7%
Kingston-upon-Thames	£530,738	£521,057	1.9%	£390,827	35.8%
Islington	£516,306	£503,563	2.5%	£398,325	29.6%
Brent	£516,104	£535,422	-3.6%	£389,495	32.5%
Wandsworth	£508,842	£504,528	0.9%	£397,778	27.9%
Barnet	£439,389	£438,979	0.1%	£362,027	21.4%
Hounslow	£430,864	£424,858	1.4%	£364,490	18.2%
Hackney	£429,681	£434,813	-1.2%	£356,734	20.4%
Tower Hamlets	£404,449	£434,525	-6.9%	£320,524	26.2%
Merton	£394,810	£392,471	0.6%	£322,303	22.5%
Ealing	£389,271	£387,549	0.4%	£318,025	22.4%
Haringey	£384,398	£384,714	-0.1%	£307,133	25.2%
Lambeth	£384,071	£382,193	0.5%	£307,499	24.9%
Southwark	£362,745	£361,078	0.5%	£301,115	20.5%
Hillingdon	£347,188	£342,094	1.5%	£308,085	12.7%
Sutton	£346,362	£344,328	0.6%	£305,388	13.4%
Harrow	£325,460	£323,714	0.5%	£286,714	13.5%
Lewisham	£325,204	£322,890	0.7%	£269,296	20.8%
Bromley	£319,576	£319,732	0.0%	£271,480	17.7%
Enfield	£317,261	£317,607	-0.1%	£271,168	17.0%
Waltham Forest	£299,649	£297,882	0.6%	£264,288	13.4%
Redbridge	£293,753	£292,002	0.6%	£258,452	13.7%
Croydon	£283,736	£283,998	-0.1%	£242,800	16.9%
Newham	£265,287	£265,199	0.0%	£222,300	19.3%
Havering	£262,288	£260,870	0.5%	£232,954	12.6%
Greenwich	£248,262	£247,413	0.3%	£219,696	13.0%
Barking and Dagenham	£228,926	£228,383	0.2%	£202,039	13.3%
Bexley	£223,121	£221,847	0.6%	£201,323	10.8%

(City of London excluded due to small number of residential properties.)

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## Index Comparison

	August 07		July 07		June 07	
	House Price	Monthly change	House Price	Monthly change	House Price	Monthly change
Rightmove	<b>£241,474</b>	<b>0.6%</b>	<b>£240,001</b>	<b>0.3%</b>	<b>£239,317</b>	<b>0.8%</b>
Halifax	N/A*	N/A*	£198,915	0.7%	£197,461	0.4%
Nationwide	N/A*	N/A*	£184,270	0.1%	£184,070	1.1%

\* Published at the beginning of next month for Halifax and at the end of this month for Nationwide

Rightmove: compiled from asking prices of properties as they come on the market via Rightmove's member estate agents over the previous month, covering half the market.

Halifax: based on mortgage approvals of loans agreed by Halifax Bank of Scotland over the previous month, seasonally adjusted. Seasonally adjusted figure used for the Halifax from Nov 2003, as no unadjusted figure has been published.

Nationwide: based on mortgage approvals of loans agreed by Nationwide Building Society over the previous month, seasonally adjusted.

**Rightmove measures asking prices and does not seasonally adjust its figures**, while Nationwide and Halifax both report data based on mortgage offers, seasonally adjusted. The index offered by the DCLG (Department of Communities and Local Government) measure prices at completion stage, not seasonally adjusted.

### Editors' notes

Rightmove's **House Price Index** is compiled from the asking prices of properties coming onto the market via Rightmove.co.uk's 12,000 estate agency branches. It is produced from factual data of actual prices of actual properties, rather than being a survey of opinions as with some other indexes. The sample includes up to 200,000 homes each month – representing circa 80% of the market, the *largest and most up-to-date monthly sample* of any house price indicator in the UK. 95% of properties are sold via an agent, while only 75% are purchased with a mortgage. 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 of the housing market. This month 22,478 properties have been excluded due to being anomalies.

### About Rightmove.co.uk:

Rightmove.co.uk is the UK's Number One property website, displaying details of homes for sale or rent to the largest online audience. It has around 80% of all properties for sale and at any time displays a stock of over 1 million properties to buy or rent, worth around £240 billion. All eight corporate estate agents (those with 100 or more branches) list their properties on the site. The Rightmove.co.uk site receives over 25 million visits every month and is regularly ranked in the top 10 most viewed UK website (source: Hitwise).

For further information, please contact the Press Office on [maud.rousseau@rightmove.co.uk](mailto:maud.rousseau@rightmove.co.uk) or call Maud Rousseau on 0207 318 9095.

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