

The Rightmove House Price Index

The largest monthly sample of residential property prices

Under embargo for 0001 hours: Monday 22nd January 2007

Lowest New Year stock levels for 3 years

	January	December
Average Property Asking Price	£222,859	£221,751
% Change in Month	+0.5%	-0.3%
% Change in Past Year	+13.5%	+13.0%
Monthly Index (Jan 2002=100)	181.3	180.4

- Supply shortages push national average asking prices to a new record high of £222,859
- Property stocks at the lowest level for this time of year since 2004
- Flats and terraces show the biggest rise during the last quarter as demand from new households outstrips stock replacement
- Long term excess of demand over supply is likely to mitigate impact of latest interest rate rise

Rightmove Monthly Asking Price Trend



Rightmove measured 109,750 asking prices – circa 80% of the UK market. The properties were put on sale by estate agents from 03rd December to 13th January 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 17 million visits from home movers each month who view in excess of 350 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.

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For media enquiries and interviews please contact:

Maud Rousseau: 07713 116 602 or press@rightmove.co.uk

DDI : 02073189095

Overview

Average national asking prices reach a new all time high of £222,859. The 0.5% monthly increase is further evidence of demand continuing to outstrip supply in many parts of the country, with record asking prices for newly marketed properties in 7 out of 10 regions.

One of the key factors that influence price movements in the year ahead is the supply of properties for sale as the market enters the New Year. The average property stock for sale per estate agency branch currently stands at 52. This is the lowest figure for this time of year for three years. It is also the lowest monthly figure since April 2004. Some robust sales during the later months of 2006 have compounded the effect of a traditional fall in new instructions at the end of the year. The unusually high net flow of properties off the market gives prices a potential spur as we start 2007. The annual rate of increase rises from 13% to 13.5%, the highest since October 2004.

Miles Shipside, Commercial Director of Rightmove comments: "Stock levels per estate agent at the start of the year have not been this low for three years, and are 18% lower than at this time last year. Where there are shortages of property, prices will keep increasing and properties will keep selling, in spite of the latest interest rate rise".

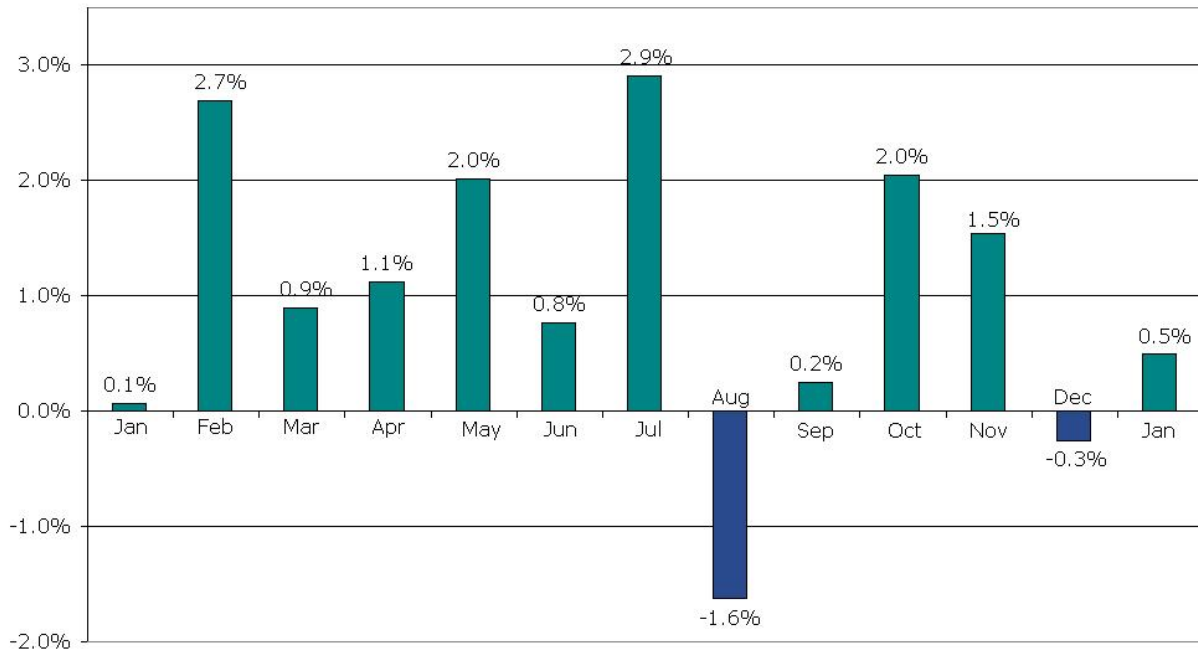
The two interest rate rises late last year did not choke demand in the housing market. Indeed, the overall price trend continued strongly upwards. Asking prices stood at £214,000 in August when rates rose to 4.75%, and have risen by a further £9,000 to stand at nearly £223,000 now with the rates at 5.25%. Despite the unexpected January rate rise and poor inflation figures, we stand by our 2007 forecast of a rise in property prices of 6%, most of which we expect to see in the first half of the year.

Despite the three interest rate rises in the last six months, there is evidence that newly formed households are a major contributor to rising prices. The average asking prices of flats and terraces, the type of properties sought by first time buyers, each rose by over £4,000 during the last 3 months, compared to detached properties falling by nearly £5,000. New households often have an urgent requirement for a home, and whilst three interest rate rises will cause financial pain, many are still finding the means to get on the property ladder. As with previous rate rises, the Bank of England cannot address the long term demand and supply imbalance, and indeed monetary policy is a particularly blunt tool in this respect. Property prices will continue their upward trend, and fuel long term inflationary pressures, until we see the fruits of positive Government action to improve the supply, and consequently the affordability, of housing.

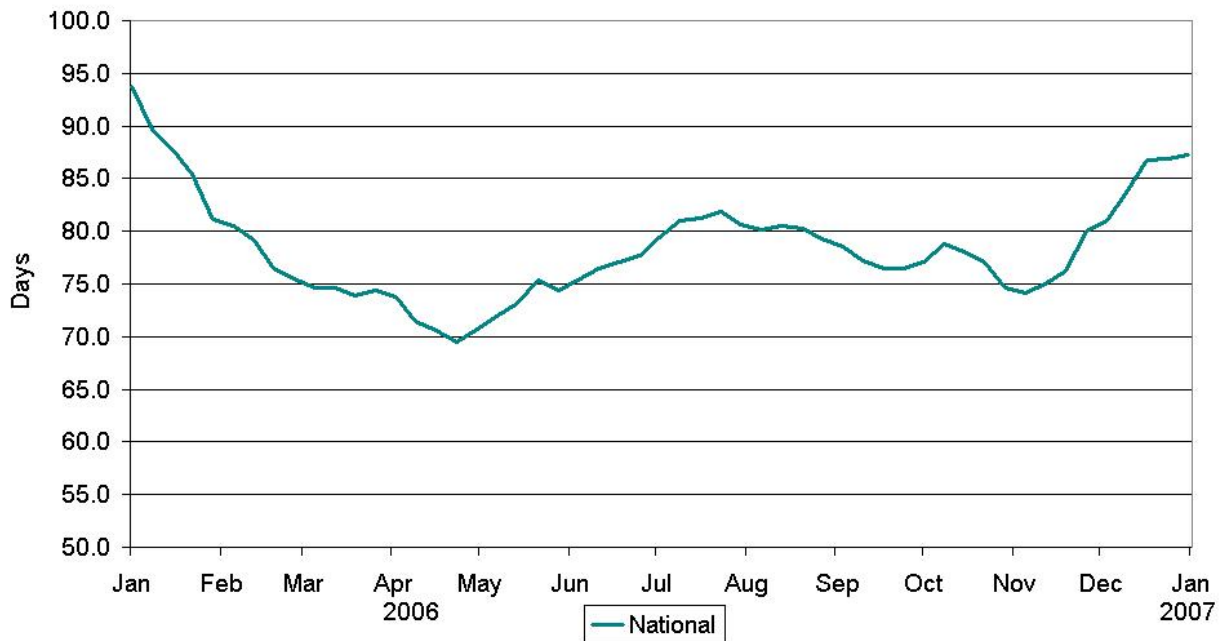
Miles Shipside comments: "The reason house prices are defying the gravity of a six year high in interest rates is because the number of new households is growing by 50,000 a year, more than the supply of new build. Slowing property prices by raising interest rates several times in quick succession is not only incredibly painful for existing and potential homeowners' mortgage payments, it's a high risk strategy for the economy given the possibility of rates going too high."

While demand remains strong in London and the south, in the less buoyant areas where available property already exceeds demand, the increased costs of home ownership will result in sellers having to compete on price. Those sellers who refuse to trim their price expectations will not attract the attentions of buyers whose affordability has further diminished following the latest rise in the cost of borrowing.

Monthly Change 2006-2007



Time on Market Indicator



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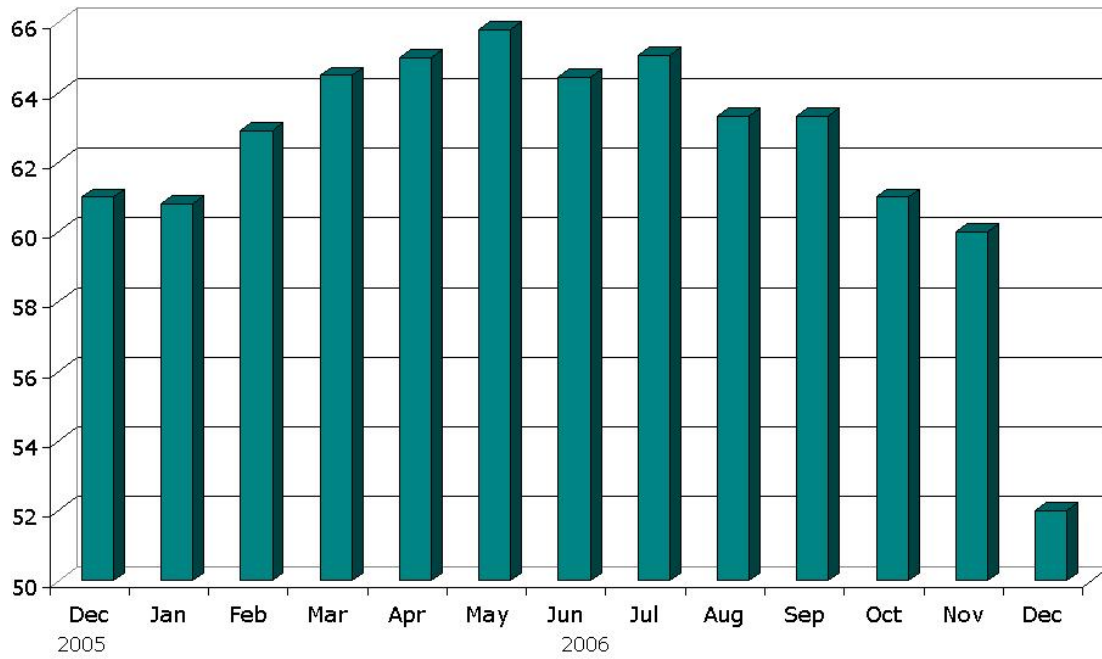
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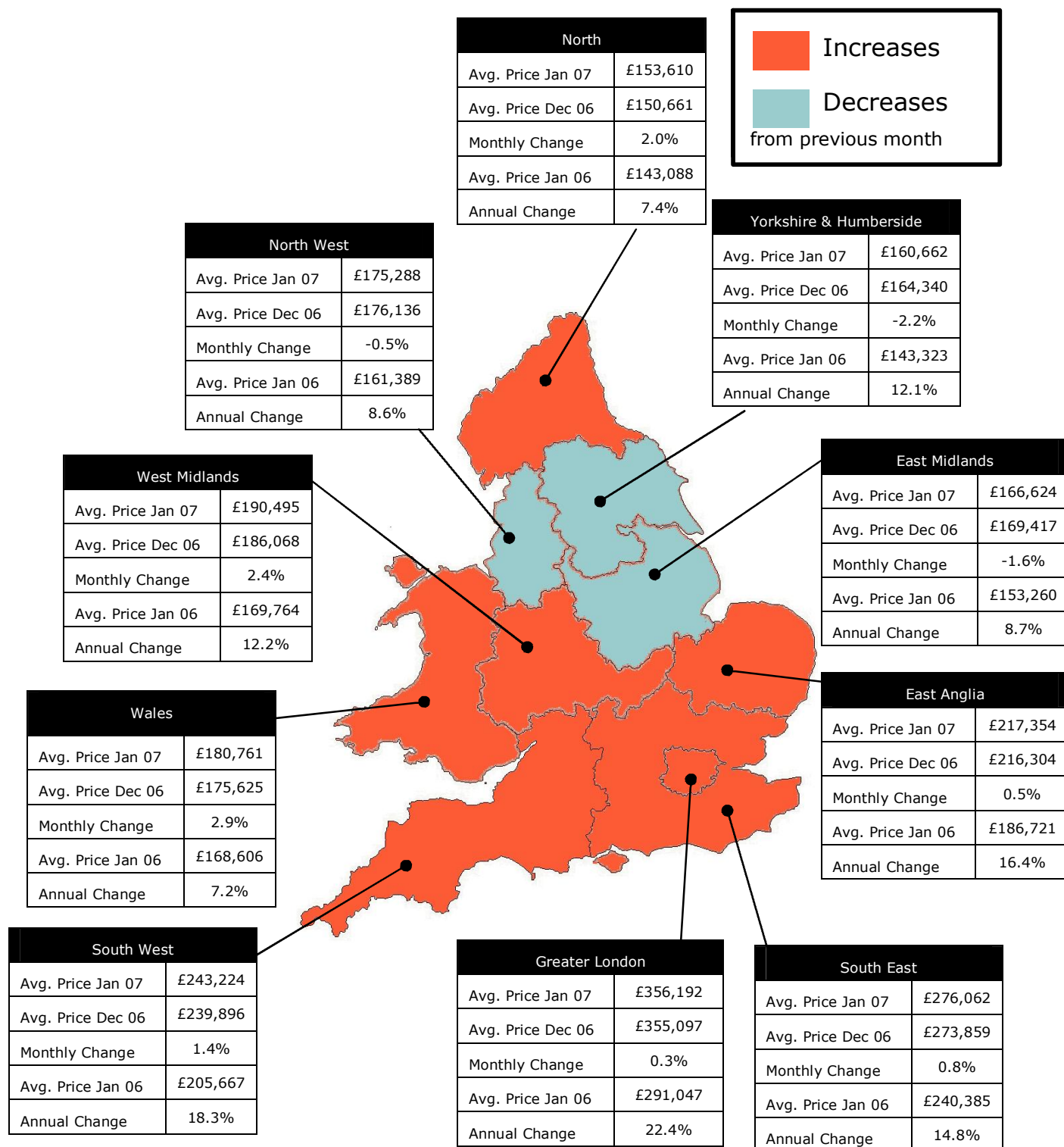
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Average properties for sale per Estate Agent



Regions of England & Wales



If you are a journalist and would like a further breakdown on these regional statistics please contact the Press Office on press@rightmove.co.uk or call 0207 218 9095

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National Asking Price Trend

Month	Index (Jan 2002 = 100)	% Change	Avg. Price
January 2006	159.7	+0.1%	£196,319
February 2006	164.0	+2.7%	£201,600
March 2006	165.5	+0.9%	£203,399
April 2006	167.3	+1.1%	£205,674
May 2006	170.7	+2.0%	£209,829
June 2006	172.0	+0.8%	£211,442
July 2006	177.0	+2.9%	£217,580
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
Annual Change	+21.6	+13.5%	+£26,540

(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
January 2006	£282,670	£179,087	£155,772	£161,675
February 2006	£288,953	£182,058	£157,688	£163,566
March 2006	£294,412	£184,588	£158,958	£165,472
April 2006	£299,093	£185,354	£160,854	£165,460
May 2006	£304,732	£187,554	£163,550	£167,641
June 2006	£309,762	£190,072	£165,350	£168,709
July 2006	£316,904	£192,544	£166,645	£171,705
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
Annual Change	+12.1%	+9.2%	+12.6%	+17.1%

Press enquiries regarding the methodology employed and access to further analysis of the data held by rightmove.co.uk should be directed to Stuart Chung on stuart.chung@rightmove.co.uk

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London's Best Performers January 2007

London's Top 5	Avg. Price Jan 07	Avg. Price Dec 06	Monthly Change
City of Westminster	£763,227	£726,101	5.1%
Hammersmith and Fulham	£573,338	£547,330	4.8%
Southwark	£342,001	£328,419	4.1%
Hackney	£402,447	£390,261	3.1%
Greenwich	£237,696	£230,923	2.9%

London's Worst Performers January 2007

London's Bottom 5	Avg. Price Jan 07	Avg. Price Dec 06	Monthly Change
Wandsworth	£451,113	£461,484	-2.2%
Hillingdon	£315,710	£323,361	-2.4%
Richmond-upon-Thames	£450,892	£466,824	-3.4%
Merton	£339,001	£356,109	-4.8%
Tower Hamlets	£357,097	£382,443	-6.6%

London Time on Market

Time on Market Indicator



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London Boroughs

Borough	Avg. Price January 07	Avg. Price December 06	Monthly Change	Avg. Price January 06	Annual Change
Kensington and Chelsea	£1,145,791	£1,116,041	2.7%	£708,083	61.8%
City of Westminster	£763,227	£726,101	5.1%	£482,556	58.2%
Hammersmith and Fulham	£573,338	£547,330	4.8%	£425,165	34.9%
Camden	£552,909	£545,617	1.3%	£392,230	41.0%
Islington	£456,512	£446,919	2.1%	£341,407	33.7%
Wandsworth	£451,113	£461,484	-2.2%	£350,476	28.7%
Richmond-upon-Thames	£450,892	£466,824	-3.4%	£364,785	23.6%
Kingston-upon-Thames	£443,479	£452,875	-2.1%	£357,493	24.1%
Brent	£432,694	£434,914	-0.5%	£343,424	26.0%
Hounslow	£415,924	£418,226	-0.6%	£323,990	28.4%
Hackney	£402,447	£390,261	3.1%	£294,028	36.9%
Barnet	£399,966	£397,937	0.5%	£337,254	18.6%
Tower Hamlets	£357,097	£382,443	-6.6%	£289,449	23.4%
Lambeth	£354,577	£352,325	0.6%	£272,537	30.1%
Haringey	£353,204	£344,625	2.5%	£291,102	21.3%
Ealing	£351,484	£349,436	0.6%	£304,214	15.5%
Southwark	£342,001	£328,419	4.1%	£263,602	29.7%
Merton	£339,001	£356,109	-4.8%	£290,272	16.8%
Sutton	£317,047	£318,872	-0.6%	£287,042	10.5%
Hillingdon	£315,710	£323,361	-2.4%	£282,065	11.9%
Bromley	£308,222	£301,322	2.3%	£259,178	18.9%
Harrow	£302,240	£303,194	-0.3%	£269,443	12.2%
Lewisham	£297,702	£294,042	1.2%	£245,283	21.4%
Enfield	£288,813	£289,470	-0.2%	£260,892	10.7%
Redbridge	£279,299	£280,452	-0.4%	£235,447	18.6%
Waltham Forest	£278,161	£278,966	-0.3%	£238,701	16.5%
Croydon	£260,569	£261,892	-0.5%	£231,096	12.8%
Havering	£249,617	£252,711	-1.2%	£220,410	13.3%
Newham	£242,557	£244,866	-0.9%	£204,348	18.7%
Greenwich	£237,696	£230,923	2.9%	£200,614	18.5%
Bexley	£218,981	£212,974	2.8%	£191,298	14.5%
Barking and Dagenham	£215,985	£219,001	-1.4%	£190,459	13.4%

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

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Index Comparison

	January 07		December 06		November 06	
	House Price	Monthly change	House Price	Monthly change	House Price	Monthly change
Rightmove	£222,859	+0.5%	£221,751	-0.3%	£222,333	+1.5%
Halifax	N/A*	N/A*	£186,035	-1.0%	£190,126	+1.4%
Nationwide	N/A*	N/A*	£172,065	-0.1%	£172,185	+1.4%

* 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. Not seasonally adjusted.

Halifax: based on mortgage approvals of loans agreed by Halifax Bank of Scotland over the previous month, seasonally adjusted.

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

(Seasonally adjusted figure used for the Halifax from Nov 2003, as no unadjusted figure has been published.)

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 ODPM 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 11,000 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 11,272 properties have been excluded due to being anomalies.

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 has around 80% of all properties for sale and at any time displays a stock of over 850,000 properties to buy or rent, worth around £170 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 17 million visits every month and has been ranked as high as 7th in terms of most viewed UK website (source: Hitwise).

For further information on methodology please contact: stuart.chung@rightmove.co.uk

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