

# The Rightmove House Price Index

The largest monthly sample of residential property prices

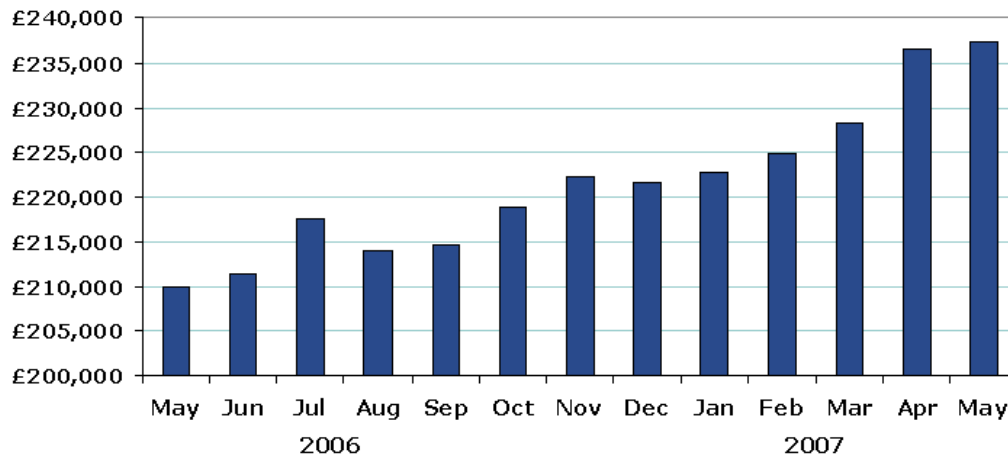
**Under embargo for 0001 hours: Monday 21<sup>st</sup> May 2007**

## Property numbers rise and prices slow as HIPs deadline looms

	May	April
<b>Average Property Asking Price</b>	<b>£237,361</b>	£236,490
<b>% Change in Month</b>	<b>0.4%</b>	+3.6%
<b>% Change in Past Year</b>	<b>13.1%</b>	+15.0%
<b>Monthly Index (Jan 2002=100)</b>	<b>193.1</b>	192.4

- Average asking prices up by 0.4% (£871), the lowest monthly rise this year
- Annual rate drops from 15% to 13.1% as pace of increase slows
- Average new listings per estate agent start to show upward trend compared to last year as sellers seek to avoid the cost of a Home Information Pack
- Concern for policymakers should upward trend in interest rates coincide with potential surge in properties for sale
- On/off speculation on HIPs implementation adds to uncertainty for home movers and the market

Rightmove Monthly Average Asking Prices



Rightmove measured 200,115 asking prices – circa 80% of the UK market. The properties were put on sale by estate agents from 8<sup>th</sup> April to 12<sup>th</sup> May 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 18 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.



## Overview

Average national asking prices showed their smallest gain of the year so far, rising 0.4%. This rise is smaller than one would traditionally expect in the peak of the spring marketing season, and it represents a major slowdown on the previous month. The result is a reduction of the annual rate of house price inflation from 15% to 13.1%. These are signs that the rising interest rate environment may finally be influencing sellers' pricing decisions.

This coincides with evidence of some correction of the shortage of supply that has been instrumental in driving prices to record highs this year. The looming deadline to avoid HIP costs now appears to be motivating an increasing number of sellers to come to the market before June 1<sup>st</sup>. With less than a month to go, momentum seems to be building. Last month was the first time this year that average new listings per branch exceeded the number in 2006. This is continuing to nudge up average stocks per estate agency branch, with an increase from 59 to 61 this month.

It is further evidenced by the highest number of properties ever measured coming onto the market in Rightmove's survey. Over the last month we saw over 200,000 properties newly advertised on rightmove.co.uk. The previous highest was June 2006 with 178,158 properties. This represents over 80% of properties coming onto the market, putting Rightmove in a unique position to measure the possible effects of the largest ever change to the home moving process in England and Wales.

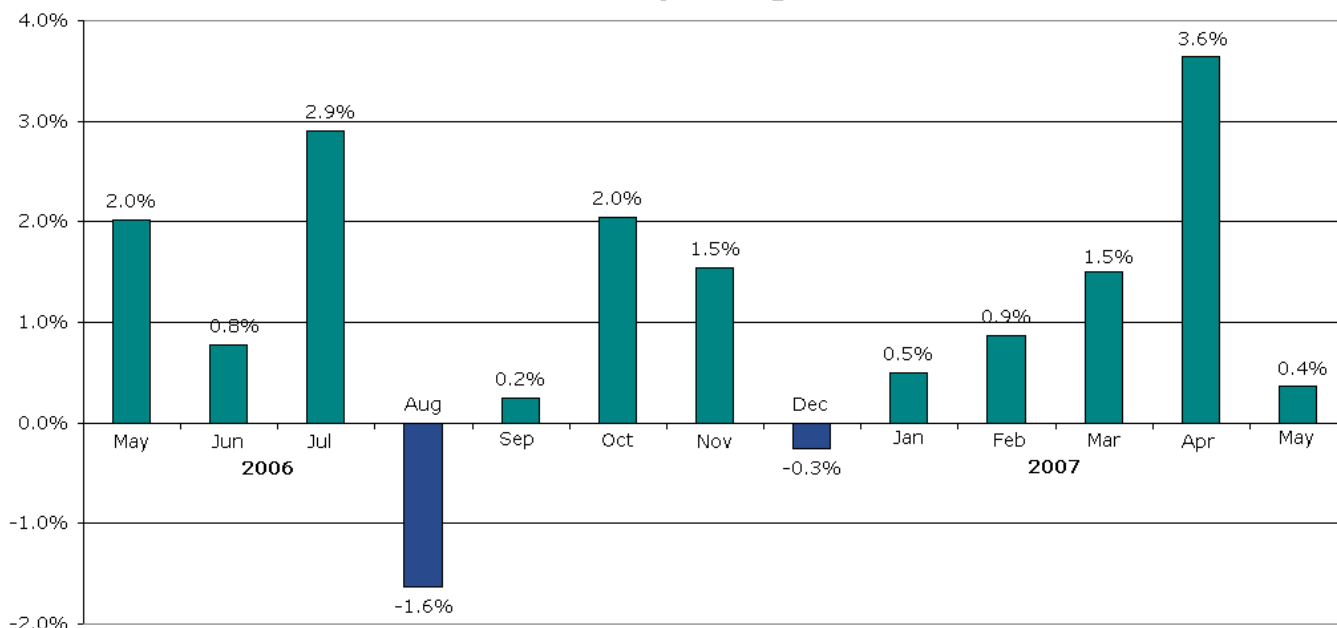
Miles Shippside comments, "Whilst we would expect any rush to be in the next two weeks, new instructions per estate agent in the last two weeks are 4% up on last year, a substantial turnaround to this year's average of 10% to 15% down. It is strange to see this in a rising interest rate environment, which would normally discourage more sellers. The added incentive for both them and their estate agents is to potentially save several hundred pounds by avoiding the cost of a HIP. This seems to be swelling the choice for buyers and shrinking the pace of price rises for sellers".

Incentives to beat a deadline have a history of boosting activity in the housing market. There was similar behaviour in 1988 with the end of double mortgage interest relief at source (MIRAS) and again in 1991 when buyers rushed to beat the end of a stamp duty holiday. The difference this time is that it is sellers looking to make the saving, so dynamics are reversed. Thousands of sellers acting together means more properties come on the market. Ironically, this increased competition coupled with this month's increase in interest rates means sellers might have to accept a price reduction of much more than the few hundred pounds they have saved by avoiding the price of a HIP. The extent of this market distortion could be exacerbated by a further rise in interest rates, deterring buyers further and leading to a stagnant period till the over-supply recedes. With the ongoing opposition to the introduction of HIPs, there is also the possibility that they will not be implemented on June 1<sup>st</sup>. This uncertainty is another factor for potential home movers to consider when they are also trying to juggle with the possibility of a further rise in interest rates.

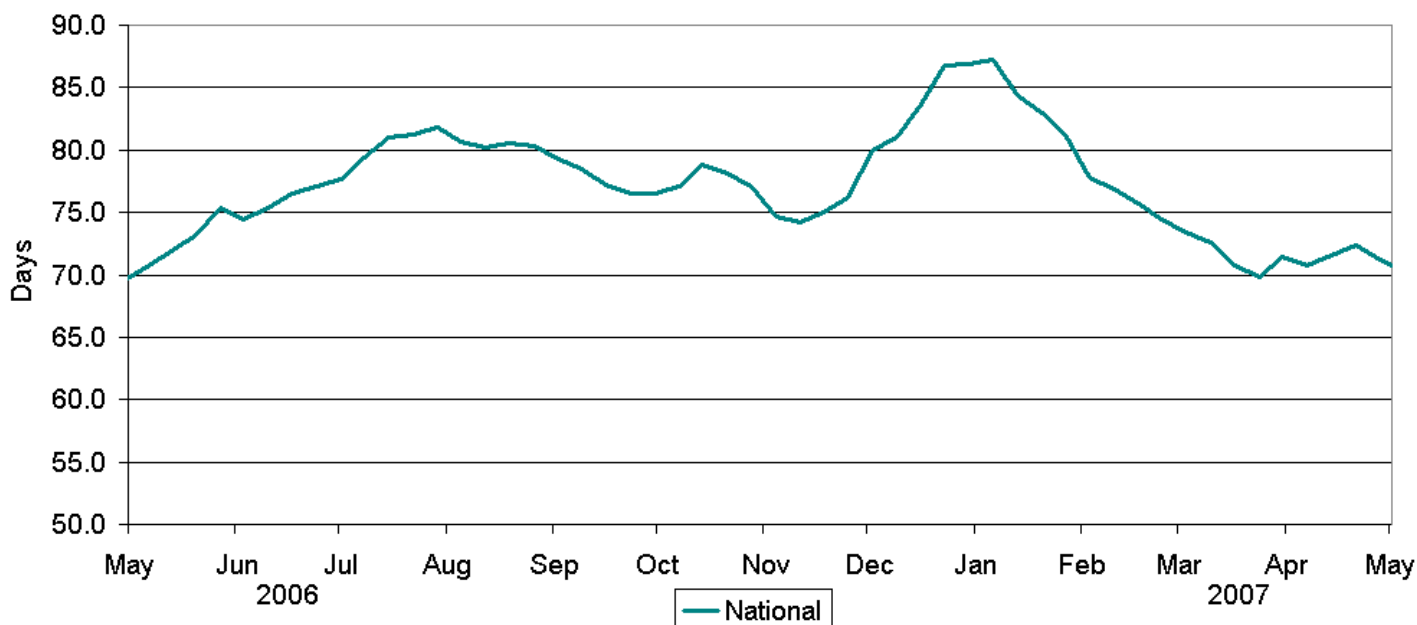
Miles Shippside adds "It's all rather confusing at the moment. The future direction of the market is very hard to read with two external influences likely to coincide at once. You have the potential of HIPs artificially increasing the supply of property and, within the same month, a 6 year high in interest rates potentially depressing the number of buyers. However, should HIPs go ahead, policymakers should be wary of the effect on the housing market of a further interest rate rise at this sensitive time".

Nevertheless, significant falls in prices are highly unlikely without a substantial increase in forced sales, usually associated with serious growth in unemployment and an even higher growth than the recent hikes in interest rates. Indeed, prices could be underpinned by HIPs costs deterring some sellers from marketing after June. The market requires a sustained and well structured growth in supply of properties leading to a more sustainable and affordable property market to satisfy the needs of the growing numbers of households. Gordon Brown's commitment to 1 million affordable and eco friendly new homes built by 2013 is a welcome announcement, though of little comfort to home buyers in the current uncertain market.

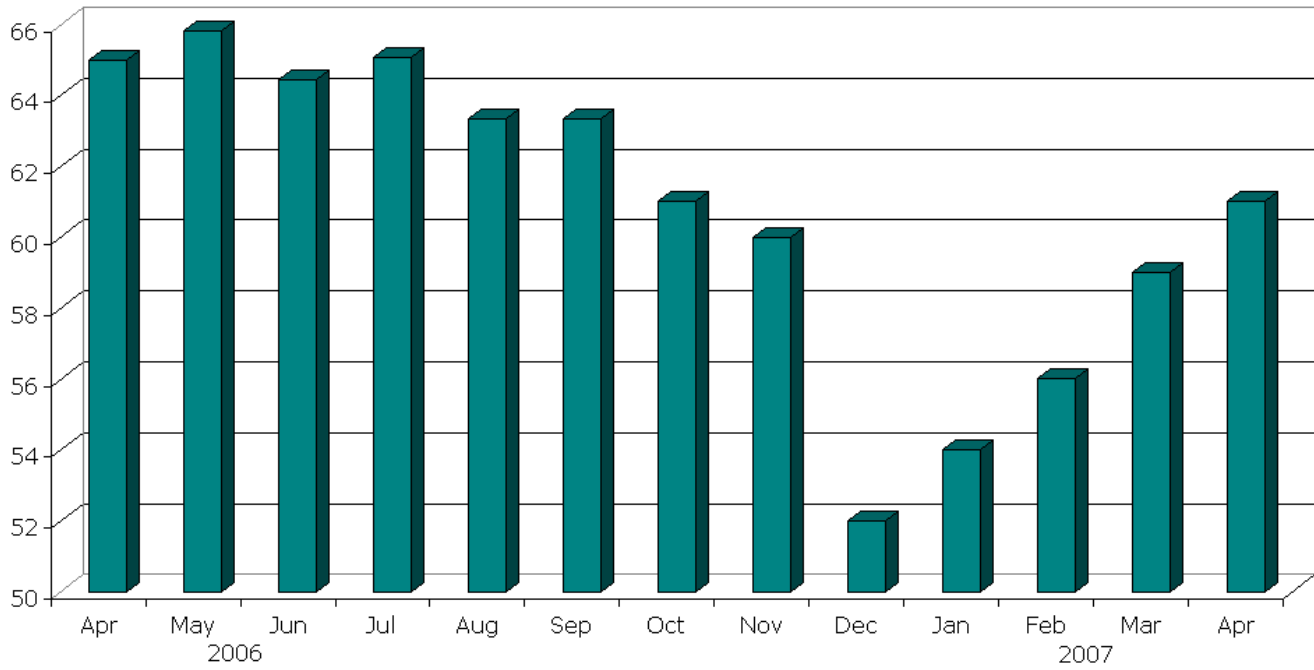
### Monthly Change



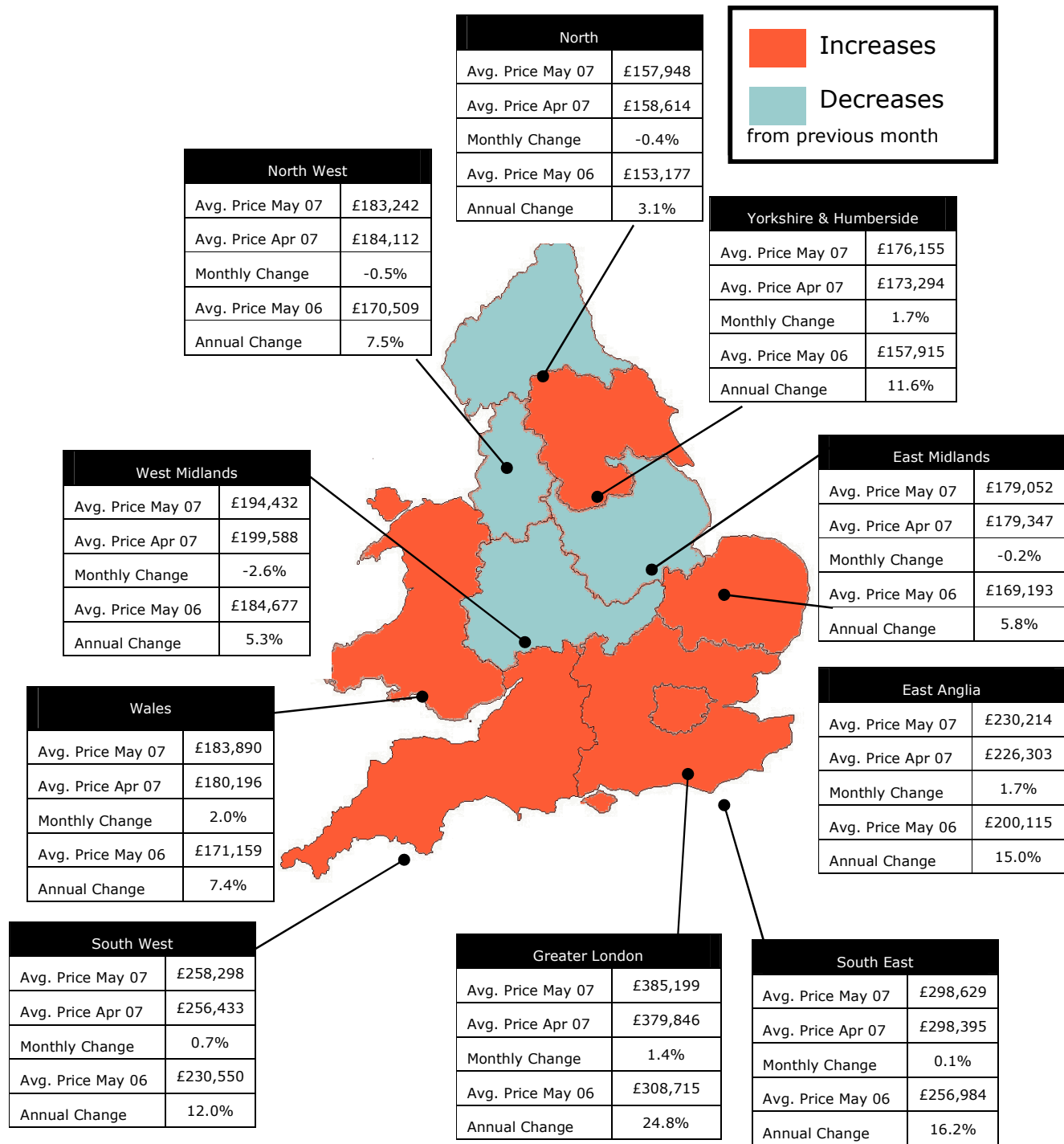
### Time on Market Indicator



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 Maud Rousseau on: [maud.rousseau@rightmove.co.uk](mailto:maud.rousseau@rightmove.co.uk) or call 0207 318 9095.

## National Asking Price Trend

Month	Index (Jan 2002 = 100)	% Change	Avg. Price
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
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
<b>Annual Change</b>	<b>+22.4</b>	<b>+13.1%</b>	<b>+£27,532</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
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
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
<b>Annual Change</b>	<b>12.3%</b>	<b>10.8%</b>	<b>11.0%</b>	<b>17.4%</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)

## London's Best Performers May 2007

London's Top 5	Avg. Price May 07	Avg. Price Apr 07	Monthly Change
Tower Hamlets	£427,895	£380,169	12.6%
Brent	£476,748	£442,147	7.8%
Camden	£621,603	£589,832	5.4%
Hammersmith and Fulham	£636,872	£610,990	4.2%
Kensington and Chelsea	£1,375,336	£1,329,878	3.4%

## London's Worst Performers May 2007

London's Bottom 5	Avg. Price May 07	Avg. Price Apr 07	Monthly Change
Greenwich	£245,374	£247,919	-1.0%
Wandsworth	£492,605	£498,695	-1.2%
Lambeth	£385,622	£392,250	-1.7%
Bexley	£219,621	£225,770	-2.7%
Hounslow	£424,770	£439,428	-3.3%

## London Time on Market

Time on Market Indicator



## London Boroughs

Borough	Avg. Price May 07	Avg. Price April 07	Monthly Change	Avg. Price May 06	Annual Change
Kensington and Chelsea	£1,375,336	£1,329,878	3.4%	£782,741	75.7%
City of Westminster	£815,093	£806,431	1.1%	£567,515	43.6%
Hammersmith and Fulham	£636,872	£610,990	4.2%	£478,178	33.2%
Camden	£621,603	£589,832	5.4%	£439,645	41.4%
Richmond-upon-Thames	£512,712	£497,298	3.1%	£387,631	32.3%
Wandsworth	£492,605	£498,695	-1.2%	£379,359	29.9%
Kingston-upon-Thames	£489,832	£480,812	1.9%	£375,068	30.6%
Islington	£488,210	£487,247	0.2%	£400,237	22.0%
Brent	£476,748	£442,147	7.8%	£368,515	29.4%
Barnet	£435,505	£425,731	2.3%	£353,296	23.3%
Hackney	£432,522	£433,229	-0.2%	£347,783	24.4%
Tower Hamlets	£427,895	£380,169	12.6%	£322,469	32.7%
Hounslow	£424,770	£439,428	-3.3%	£356,467	19.2%
Haringey	£395,030	£385,697	2.4%	£291,422	35.6%
Merton	£387,337	£381,651	1.5%	£300,080	29.1%
Lambeth	£385,622	£392,250	-1.7%	£297,720	29.5%
Ealing	£375,332	£374,424	0.2%	£316,801	18.5%
Southwark	£369,300	£369,631	-0.1%	£295,812	24.8%
Hillingdon	£336,488	£335,609	0.3%	£297,256	13.2%
Sutton	£332,648	£332,229	0.1%	£295,345	12.6%
Bromley	£321,205	£317,699	1.1%	£277,684	15.7%
Lewisham	£319,947	£317,039	0.9%	£266,343	20.1%
Harrow	£318,130	£316,495	0.5%	£274,683	15.8%
Enfield	£315,309	£308,602	2.2%	£265,577	18.7%
Waltham Forest	£294,807	£295,691	-0.3%	£251,997	17.0%
Redbridge	£291,324	£289,162	0.7%	£250,108	16.5%
Croydon	£280,780	£272,442	3.1%	£239,444	17.3%
Newham	£259,267	£261,025	-0.7%	£217,257	19.3%
Havering	£258,045	£257,531	0.2%	£230,259	12.1%
Greenwich	£245,374	£247,919	-1.0%	£218,807	12.1%
Barking and Dagenham	£229,208	£224,757	2.0%	£202,017	13.5%
Bexley	£219,621	£225,770	-2.7%	£201,790	8.8%

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

## Index Comparison

	May 07		April 07		March 07	
	House Price	Monthly change	House Price	Monthly change	House Price	Monthly change
Rightmove	<b>£237,361</b>	<b>0.4%</b>	<b>£236,490</b>	<b>+3.6%</b>	<b>£228,183</b>	<b>+1.5%</b>
Halifax	N/A*	N/A*	£196,745	+1.1%	£194,362	+1.0%
Nationwide	N/A*	N/A*	£180,314	+0.9%	£177,083	+0.4%

\* 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.

**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 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 11,800 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 28,656 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 £220 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 18 million visits every month and has been ranked as high as 7<sup>th</sup> in terms of most viewed UK website (source: Hitwise).

For further information on methodology please contact Maud Rousseau, Head of Public Relations on [maud.rousseau@rightmove.co.uk](mailto:maud.rousseau@rightmove.co.uk) or call 0207 318 9095.