

The Rightmove House Price Index

The largest monthly sample of residential property prices

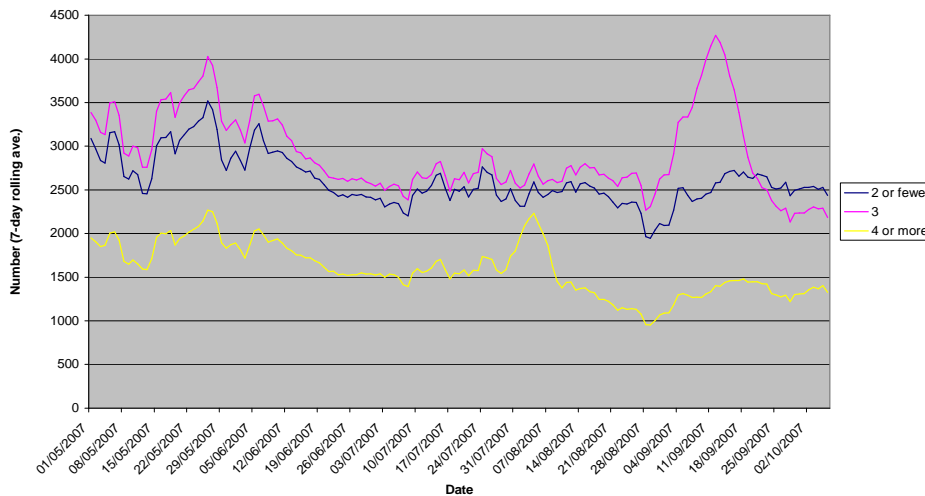
Under embargo for 0001 hours: Monday 15th October 2007

'HIPs deadline scramble' masks price standstill

	October	September
Average Property Asking Price	£241,642	£235,176
% Change in Month	+2.7%	-2.6%
% Change in Past Year	+10.4%	+9.6%
Monthly Index (Jan 2002=100)	196.6	191.3

- HIPs continue to distort the market, leading to wild fluctuations in new supply and average asking prices; this month's 2.7% rise reverses previous month's 2.6% fall
- Price slowdown continues as 3-month on 3-month rate of change falls from 1.5% to 0.5%, the lowest quarterly rise since the winter of 2005
- Tougher market conditions see longest October time on the market for 5 years, whilst average stock levels highest for this time of year since market stalled in 2004
- HIP deadline sees new 3 bedroom sellers jump 65% on weekly average. Volatility in new supply and prices is forecast until HIPs are fully implemented

Properties Coming to Market by Number of Bedrooms



Rightmove measured 148,818 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 9th September to 6th October 2007 and advertised on Rightmove.co.uk.

Rightmove.co.uk is the UK's largest property web site, advertising around 90% 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 15th October 2007

Page 1 of 10

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Overview

Average asking prices in our October index rose by 2.7% (£6,466), reversing last month's 2.6% fall. These sharp fluctuations are largely due to the distorting effect of HIPs on the market. This month's figure includes a surge of 3 bedroom properties coming onto the market to beat the HIPs deadline of 10 September. At the same time we have seen the partial return of 4+ bedroom properties following the slump after the HIP requirement was introduced for these properties on 1st August. This means that a higher proportion of properties coming to the market have more bedrooms and tend to be of higher value,, thus pushing up the average asking price.

Looking at regional price variations, the distorting effect of the introduction of HIPs has been concentrated in the south where a 3 bedroom property is above the average price, especially in London where we have seen the largest regional increase. In addition there are fewer 3 bedroom properties in the south so when a substantial number suddenly come to market, the effect on average prices is more marked. When 1 and 2 bedroom properties hit their own HIP deadline, we expect to see a price fall of up to 5% in a month, driven by the same distorting effect, which will then be largely reversed in the following month.

In the week around the 10 September deadline, the number of 3 bedroom properties coming onto the market was 24,570, 65% higher than the average for the previous four weeks. This is larger than the 42% surge for 4 bedroom and larger properties in August, suggesting that sellers and estate agents are becoming more aware of HIPs and their associated deadlines. The fact that new listings of 2 bedrooms and fewer remain stable confirms the external influence HIPs are having on property supply.

Miles Shippide, Commercial Director of Rightmove comments: "Legislative tinkering involving future cut off dates has a history of unbalancing markets. In a stable market this presents fewer dangers, but in today's more sensitive financial environment the effects can be more exaggerated. It is very unfortunate timing that HIPs and their side-effects are straddling a period of record house prices, the highest interest rates for 6 years and a tightening in mortgage lending criteria. These abnormal external factors make it very hard for policy makers to accurately read the market and assess the effects of wider global influences".

Analysing price movements over a longer time period is often a more reliable indicator of underlying trends. The pace of price rises over the last 3 months fell to a virtual standstill of 0.5% (£1,167), compared to 1.5% (£3,511) in the previous 3 month period. The last time a rise as low as 0.5% was measured over a 3 month period was in the winter of 2005. The rate of increase continues to slow as the combination of deteriorating buyer affordability and less positive market sentiment influence sellers' price expectations. In the short term, the only way for buyer affordability to improve is for sellers to accept less for their properties, a considerable change in mindset after years of achieving ever higher prices. With high levels of employment and a corresponding lack of distressed sales, most sellers currently have a choice and can afford to take longer to decide whether to reduce their prices or withdraw from the market.

Miles Shippide adds: "Surges of properties coming onto the market increase both competition among sellers, and increase buyers' bargaining power. Buyers are not soaking up this extra supply at the moment, and sellers who need a quick sale will have to respond by pricing competitively. The next few months should be a good time to pick up a deal as some sellers become more desperate to find a buyer".

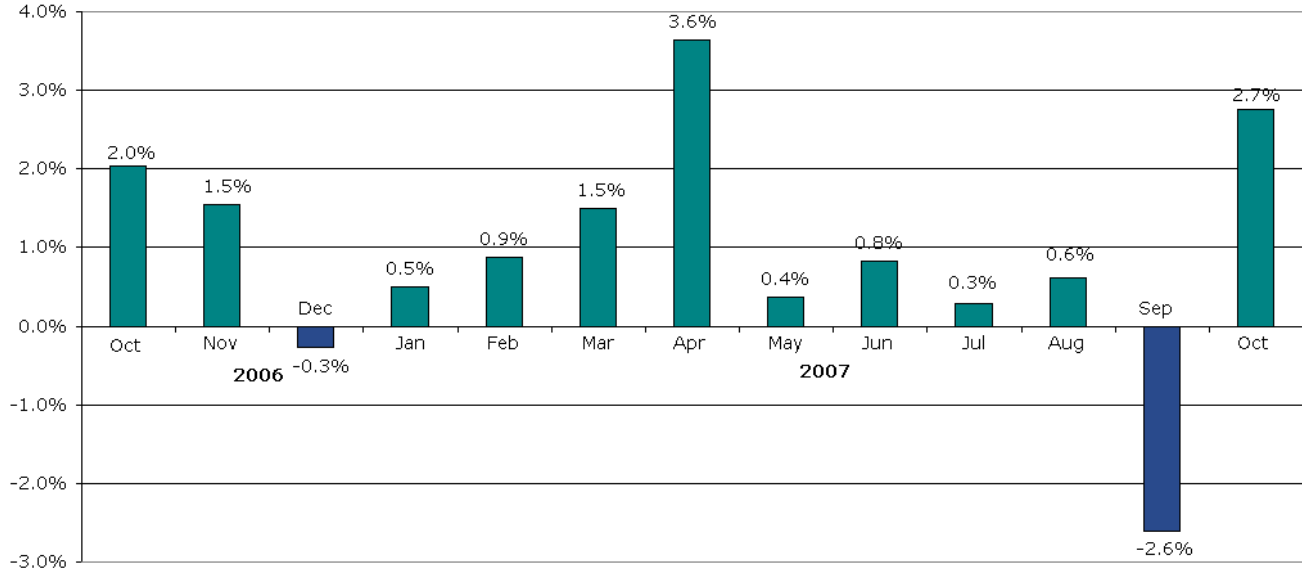
The global financial uncertainty has given the property market a shock at a time when it traditionally enjoys an autumn bounce after the summer holidays. Time on the market should normally be on a downward trend as properties start to sell again as buyers seek to move in before Christmas. It has remained static at 85 days, indicating a slow pick up in market activity. This is the longest October time on the market figure since the launch of the Rightmove index 5 years ago. Reinforcing the impact of tougher market conditions is an increase in average stocks per estate agency branch. These have risen from 66 to 67, at a time of year when they should be reducing due to increased sales. This is the highest figure for this time of year since 2004 when the market stalled due to back to back interest rate rises.

Miles Shippside adds: "A property market soft landing can take a long time to happen if sellers' expectations remain unrealistic. The market should readjust more quickly due to the major shocks of recent weeks. Sellers and their estate agents have been given an unmissable message that the market has changed and they need to price realistically".

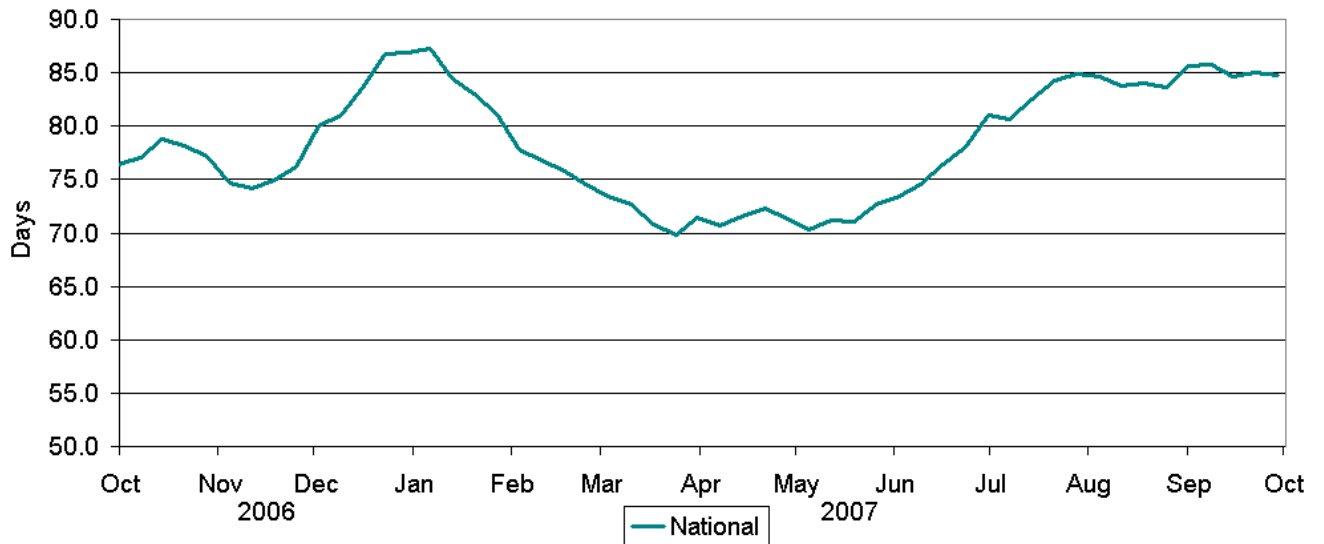
Rightmove Monthly Asking Price Trend



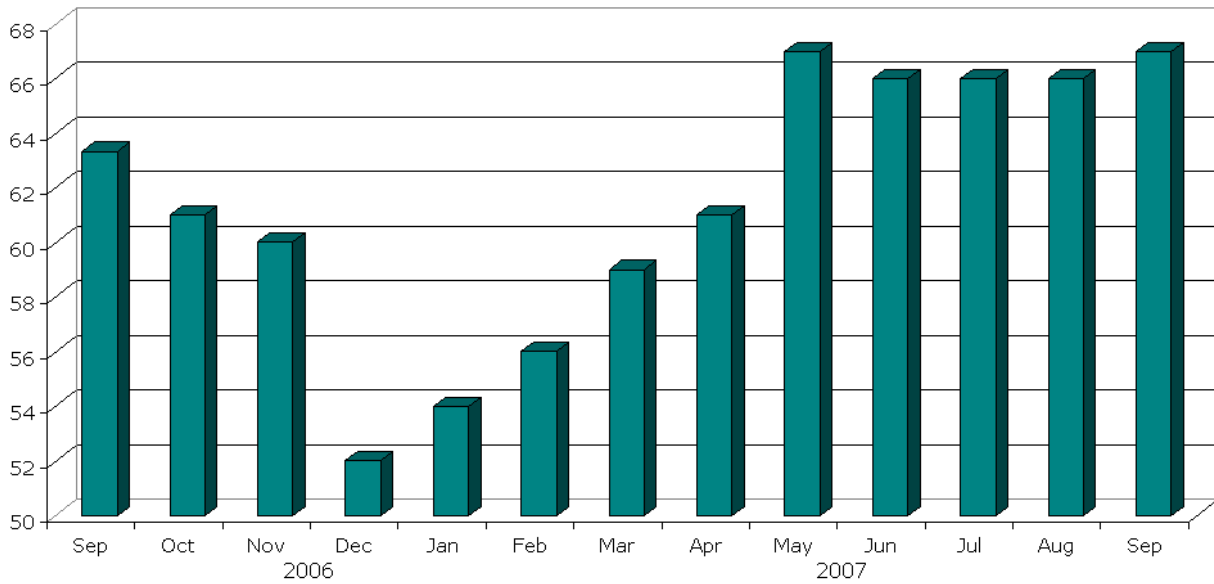
Monthly Change



Time on Market Indicator



Average properties for sale per Estate Agent



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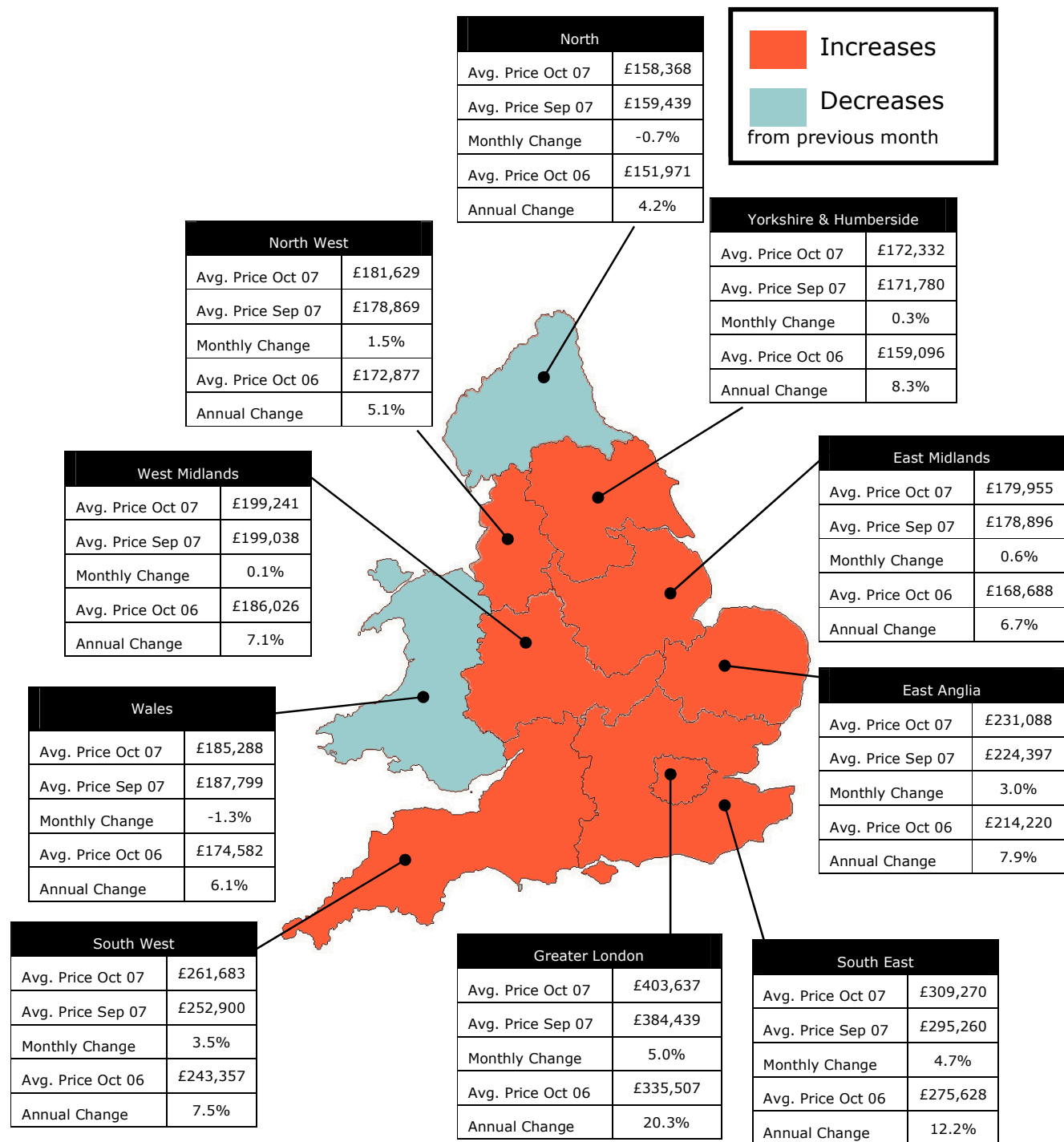
Page 5 of 10

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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 or call **0207 067 0603**.

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Page 6 of 10

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National Asking Price Trend

Month	Index (Jan 2002 = 100)	% Change	Avg. Price
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
September 2007	191.3	-2.6%	£235,176
October 2007	196.6	+2.7%	£241,642
Annual Change	+18.5	+10.4%	+£22,688

(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
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
September 2007	£335,011	£206,704	£183,471	£200,587
October 2007	£348,770	£208,852	£187,834	£202,070
Annual Change	+9.3%	+7.4%	+10.6%	+13.8%

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 or call 0207 087 0603.

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Page 7 of 10

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London's Best Performers October 2007

London's Top 5	Avg. Price Oct 07	Avg. Price Sep 07	Monthly Change
Hammersmith and Fulham	£662,448	£609,009	8.8%
Camden	£651,983	£611,641	6.6%
Islington	£527,643	£495,988	6.4%
Ealing	£399,554	£375,654	6.4%
City of Westminster	£946,085	£890,011	6.3%

London's Worst Performers October 2007

London's Top 5	Avg. Price Oct 07	Avg. Price Sep 07	Monthly Change
Tower Hamlets	£429,657	£414,644	3.6%
Newham	£266,847	£258,302	3.3%
Wandsworth	£504,089	£491,272	2.6%
Richmond-upon-Thames	£540,529	£532,638	1.5%
Kingston-upon-Thames	£512,691	£515,012	-0.5%

London Time on Market

Time on Market Indicator



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Page 8 of 10

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London Boroughs

Borough	Avg. Price Oct 07	Avg. Price Sep 07	Monthly Change	Avg. Price Oct 06	Annual Change
Kensington and Chelsea	£1,524,606	£1,459,403	4.5%	£999,087	52.6%
City of Westminster	£946,085	£890,011	6.3%	£692,733	36.6%
Hammersmith and Fulham	£662,448	£609,009	8.8%	£500,238	32.4%
Camden	£651,983	£611,641	6.6%	£514,335	26.8%
Richmond-upon-Thames	£540,529	£532,638	1.5%	£437,965	23.4%
Islington	£527,643	£495,988	6.4%	£408,567	29.1%
Kingston-upon-Thames	£512,691	£515,012	-0.5%	£426,341	20.3%
Wandsworth	£504,089	£491,272	2.6%	£422,834	19.2%
Brent	£503,933	£476,063	5.9%	£418,803	20.3%
Barnet	£448,939	£429,191	4.6%	£376,955	19.1%
Hounslow	£444,971	£425,444	4.6%	£378,841	17.5%
Hackney	£443,642	£424,705	4.5%	£370,589	19.7%
Tower Hamlets	£429,657	£414,644	3.6%	£350,667	22.5%
Merton	£400,062	£378,695	5.6%	£334,896	19.5%
Ealing	£399,554	£375,654	6.4%	£332,580	20.1%
Lambeth	£390,512	£371,791	5.0%	£328,416	18.9%
Haringey	£389,923	£367,978	6.0%	£324,087	20.3%
Southwark	£378,093	£358,698	5.4%	£309,718	22.1%
Sutton	£358,309	£341,807	4.8%	£307,293	16.6%
Hillingdon	£355,803	£341,616	4.2%	£316,923	12.3%
Lewisham	£336,426	£321,396	4.7%	£277,613	21.2%
Bromley	£332,227	£315,233	5.4%	£280,519	18.4%
Harrow	£332,131	£316,311	5.0%	£293,379	13.2%
Enfield	£325,545	£310,299	4.9%	£274,894	18.4%
Waltham Forest	£307,039	£293,009	4.8%	£277,516	10.6%
Redbridge	£303,222	£289,774	4.6%	£266,869	13.6%
Croydon	£288,062	£274,426	5.0%	£252,185	14.2%
Havering	£268,458	£255,737	5.0%	£240,701	11.5%
Newham	£266,847	£258,302	3.3%	£237,224	12.5%
Greenwich	£255,940	£242,786	5.4%	£218,568	17.1%
Barking and Dagenham	£236,764	£224,256	5.6%	£213,302	11.0%
Bexley	£230,992	£218,588	5.7%	£203,764	13.4%

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

Released 15th October 2007

Page 9 of 10

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Index Comparison

	October 07		September 07		August 07	
	House Price	Monthly change	House Price	Monthly change	House Price	Monthly change
Rightmove	£241,642	+2.7%	£235,176	-2.6%	£241,474	0.6%
Halifax	N/A*	N/A*	£198,500	-0.6%	£199,770	0.4%
Nationwide	N/A*	N/A*	£184,723	+0.7%	£183,898	0.6%

* 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 90% 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 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 90% 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 8,397 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 90% 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 29 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 the Press Office or Maud Rousseau on press@rightmove.co.uk or call 0207 087 0603.

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Page 10 of 10

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