

# The Rightmove House Price Index

The largest monthly sample of residential property prices

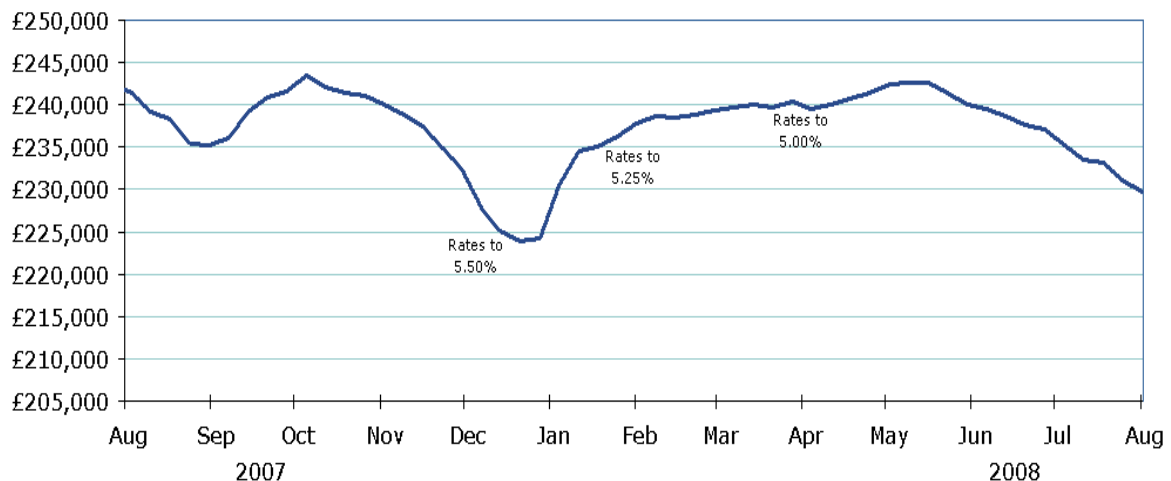
**Under embargo for 0001 hours: Monday 18<sup>th</sup> August 2008**

## Price falls accelerate as sellers fight *Brickor Mortis*

	August	July
<b>Average Property Asking Price</b>	<b>£229,816</b>	£235,219
<b>% Change in Month</b>	<b>-2.3%</b>	-1.8%
<b>% Change in Past Year</b>	<b>-4.8%</b>	-2.0%
<b>Monthly Index (Jan 2002=100)</b>	<b>187.0</b>	191.4

- London worst hit as new sellers knock off £21,000 in a month;
- Monthly falls accelerate as summer sellers drop average national prices by 2.3% (£5,403);
- Number of new sellers hits historical August low, though buyers still have widest choice for years as unsold stock levels rise to record levels;
- Danger of short-term incentives to boost the market doing more harm than good

### Rightmove Monthly Asking Price Trend



Rightmove measured 106,885 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 13<sup>th</sup> July to 9<sup>th</sup> August 2008 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 30 million visits from home movers each month who view in excess of 400 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 18<sup>th</sup> August 2008

Page 1 of 10

Copyright © 2008, Rightmove plc

For media enquiries and interviews please contact:

Katherine Seaborn on 0845 456 8439 or [press@rightmove.co.uk](mailto:press@rightmove.co.uk)

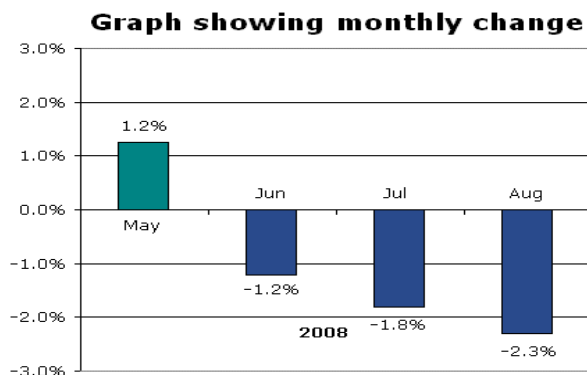


**rightmove.co.uk**

The UK's number one property website

## Overview

The re-adjustment in national average asking prices is gathering pace. New sellers putting their properties onto the market in July did so at prices 2.3% (£5,403) lower than last month as they continue to fight *Brickor Mortis*, the paralysing condition that is hitting property transactions nationwide. This is a further acceleration from the drops of 1.8% and 1.2% in the preceding months and is the largest fall Rightmove has ever measured in August. The biggest regional reversal was in London, where summer sellers have reduced asking prices by 5.3% compared to the increase of 0.3% of the previous month.



Miles Shippside, commercial director of Rightmove comments: "Sellers coming to the market in the middle of the summer holiday season tend to be more motivated. London, in particular, appears to be having its own special summer sale with over £21,000 off in a month."

In spite of London's large monthly fall, it is still playing catch-up with the rest of the country. Prices in the capital are 3.8% lower than last year, compared with 4.8% lower nationally. National asking prices reached a peak for the year at £242,500 in May and have now fallen by £12,684 (5.3%) to £229,816. This rapid re-adjustment during the last three months comes as some discretionary sellers choose not to enter the market, leaving a higher proportion of forced sellers who price more aggressively. The number of new listings measured this month stands at 106,000, which is almost 25% down on what we would expect to see at this time of year.

Shippside adds: "Whilst those who do not have to sell are holding off, sellers who are also looking to buy are strongly placed to negotiate an equal or larger reduction in the price of the property they are buying. In addition, buyers currently benefit from the best choice in years. For example, properties that are architecturally desirable or in tight school catchment areas are increasingly attainable. Buyers with specific requirements should take a long-term view to try and secure their dream home."

Average unsold stock of property per estate agency branch has increased again to new record levels. In spite of the low supply of new instructions, it now stands at 78, up from 77 last month. This indicates that the number of transactions that the Land Registry will eventually report for the rest of 2008 will continue to be at historical lows. A combination of low new supply and a normal level of sales would normally lead to a substantial fall in the number of unsold properties. Instead, we are seeing the seventh consecutive monthly rise as buyers remain scarce.

Shippside comments: "Despite some deals being done at prices that begin to address affordability concerns, the number of transactions this year is in danger of being the lowest since 1959. This raises serious questions as to whether any short-term incentives by individual UK entities, such as the Government or the Bank of England, would be effective in speeding up the market recovery against the backdrop of the global problems of the credit crunch."

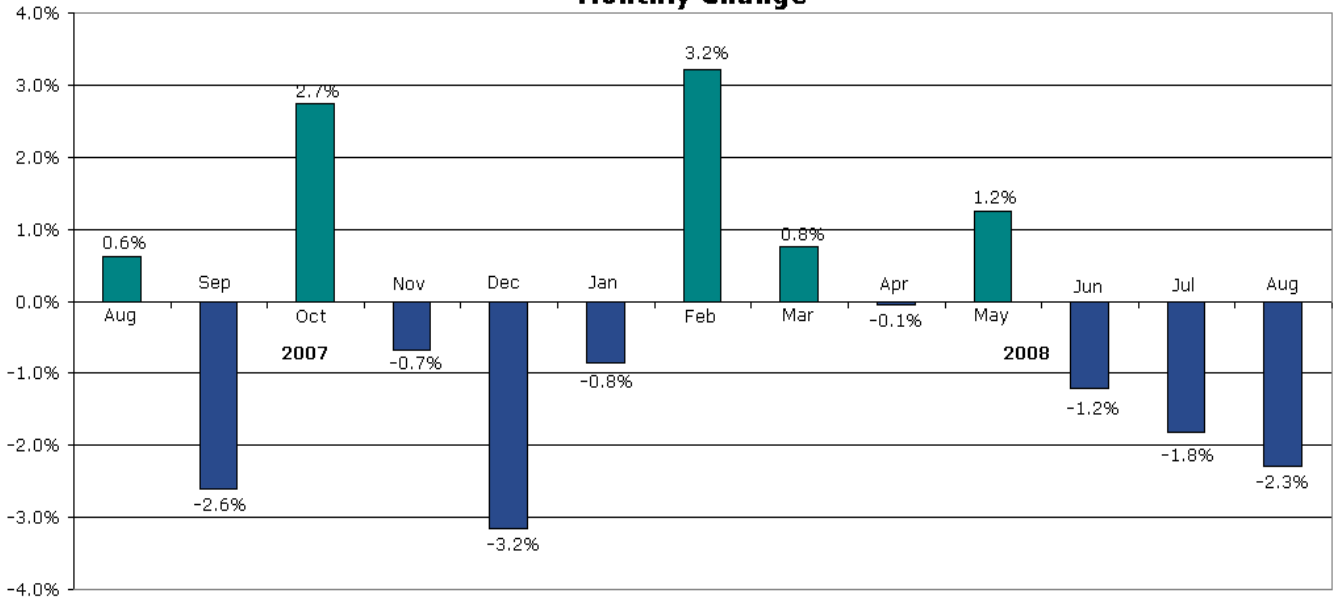
A short-term stamp duty holiday has its dangers as it does not address the lack of wholesale mortgage funding. In addition, when implemented without due care and attention they have resulted in a mini transaction spike followed by a stagnation trough, as was the case 1991-1992. Clarity as to whether a stamp duty holiday is in the offing is urgently required as hard won sales are falling through. Any initiative must be accompanied by a clear strategy as to how to bring the holiday to an end without causing excessive market disruption. Falling commodity prices may give future scope for the Bank of England to boost the market by cutting interest rates, despite inflation running at more than twice the Government target. However, with wholesale mortgage markets remaining closed, they cannot meet the current subdued demand for mortgages, let alone any upsurge. Initiatives that increase demand for mortgages could therefore force lenders to raise mortgage rates again, stifling any benefits.

Extending the special liquidity scheme to help the market find a proper footing appears to be a key foundation to find a workable solution.

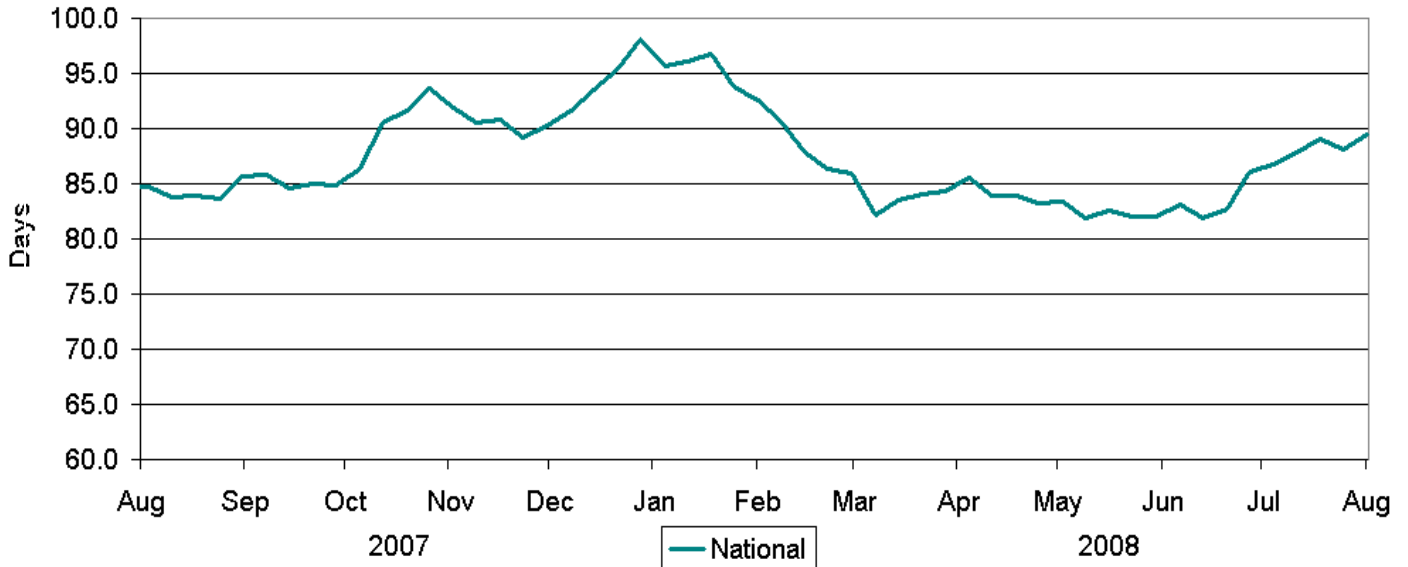
Shipside adds: "We appear to have very few sound remedies, and all have some undesirable consequences. The lack of mortgage finance is central to the problem, and perhaps that is where policymakers' attention should be focused, as the banks can't or won't sort out the mess they were instrumental in creating. In the meantime, sellers need to continue to price to sell, present their homes to be the best on the street, and promote them better than the rest to really stand out."



### Monthly Change



### Time on Market Indicator



Released 18<sup>th</sup> August 2008

Page 4 of 10

Copyright © 2008, Rightmove plc

For media enquiries and interviews please contact:

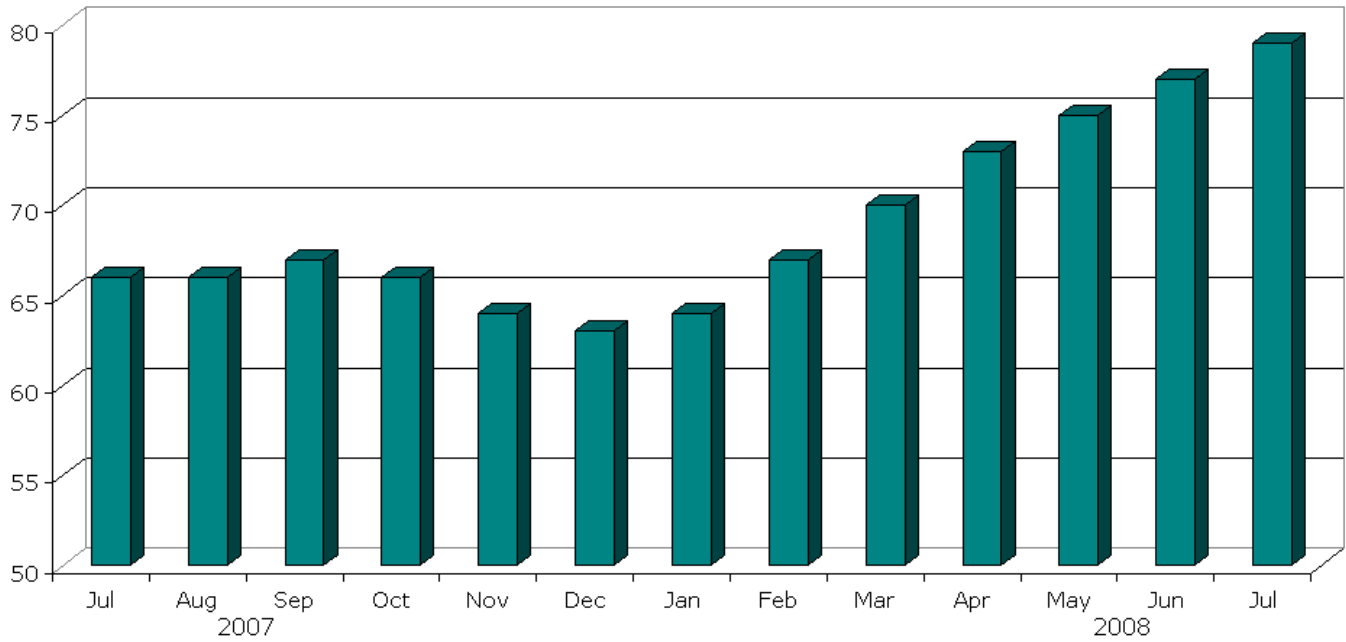
Katherine Seaborn on 0845 456 8439 or [press@rightmove.co.uk](mailto:press@rightmove.co.uk)



**rightmove.co.uk**

The UK's number one property website

Average properties for sale per Estate Agent



Released 18<sup>th</sup> August 2008

Page 5 of 10

Copyright © 2008, Rightmove plc

For media enquiries and interviews please contact:

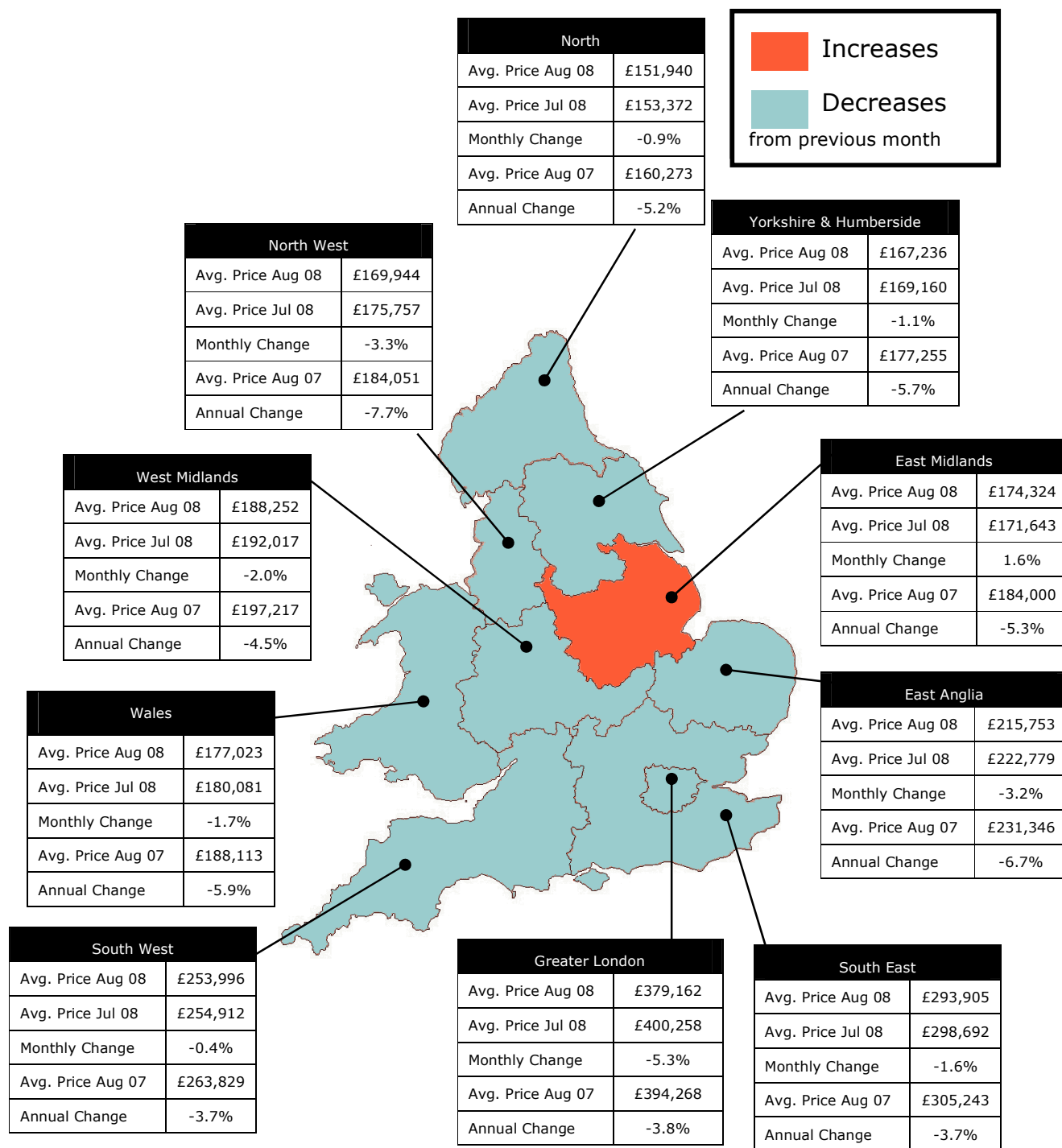
Katherine Seaborn on 0845 456 8439 or [press@rightmove.co.uk](mailto:press@rightmove.co.uk)



**rightmove.co.uk**

The UK's number one property website

## 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](mailto:press@rightmove.co.uk) or call 0845 456 8439

Released 18<sup>th</sup> August 2008

Page 6 of 10

Copyright © 2008, Rightmove plc

For media enquiries and interviews please contact:

Katherine Seaborn on 0845 456 8439 or [press@rightmove.co.uk](mailto:press@rightmove.co.uk)



**rightmove.co.uk**

The UK's number one property website

## National Asking Price Trend

Month	Index (Jan 2002 = 100)	% Change	Avg. Price
August 2007	196.5	+0.6%	£241,474
September 2007	191.3	-2.6%	£235,176
October 2007	196.6	+2.7%	£241,642
November 2007	195.3	-0.7%	£239,986
December 2007	189.1	-3.2%	£232,396
January 2008	187.5	-0.8%	£230,428
February 2008	193.5	+3.2%	£237,856
March 2008	195.0	+0.8%	£239,655
April 2008	194.9	-0.1%	£239,521
May 2008	197.3	+1.2%	£242,500
June 2008	194.9	-1.2%	£239,564
July 2008	191.4	-1.8%	£235,219
August 2008	187.0	-2.3%	£229,816
<b>Annual Change</b>	<b>-9.5</b>	<b>-4.8%</b>	<b>-£11,658</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 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
November 2007	£339,675	£208,794	£187,844	£200,875
December 2007	£334,039	£205,759	£180,224	£193,973
January 2008	£324,114	£203,951	£183,324	£197,384
February 2008	£338,789	£207,458	£185,444	£197,649
March 2008	£340,632	£207,141	£186,797	£199,912
April 2008	£344,140	£206,452	£184,624	£198,873
May 2008	£344,706	£206,327	£183,833	£199,076
June 2008	£343,167	£204,036	£182,611	£196,699
July 2008	£338,319	£200,736	£180,449	£192,006
August 2008	£330,312	£198,079	£174,364	£189,965
<b>Annual Change</b>	<b>-5.6%</b>	<b>-6.0%</b>	<b>-6.5%</b>	<b>-5.4%</b>

Press enquiries regarding the methodology employed and access to further analysis of the data held by [rightmove.co.uk](http://rightmove.co.uk) should be directed to the Press Office on [press@rightmove.co.uk](mailto:press@rightmove.co.uk) or call 0845 456 8439

Released 18<sup>th</sup> August 2008

Page 7 of 10

Copyright © 2008, Rightmove plc

For media enquiries and interviews please contact:

Katherine Seaborn on 0845 456 8439 or [press@rightmove.co.uk](mailto:press@rightmove.co.uk)

## London's Best Performers August 2008

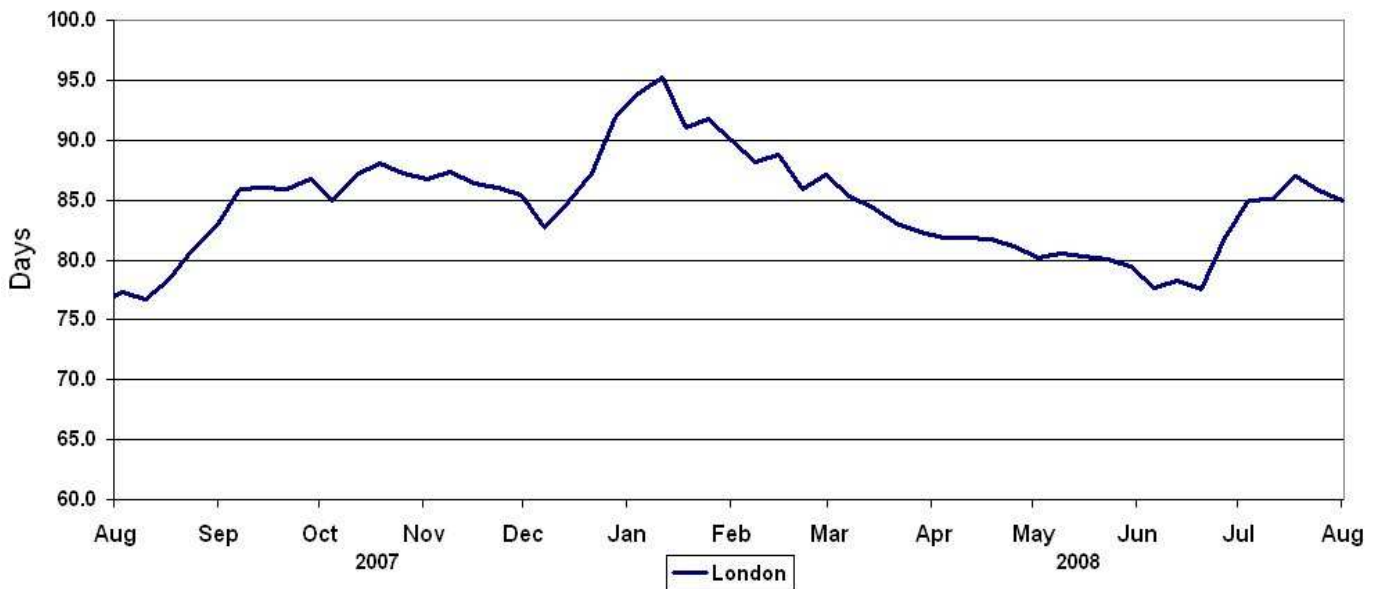
London's Top 5	Avg. Price Aug 08	Avg. Price Jul 08	Monthly Change
Hackney	£473,936	£476,703	-0.6%
Southwark	£362,664	£370,851	-2.2%
Hammersmith and Fulham	£661,380	£679,074	-2.6%
Hounslow	£412,023	£425,284	-3.1%
Islington	£542,935	£560,645	-3.2%

## London's Worst Performers August 2008

London's Bottom 5	Avg. Price Aug 08	Avg. Price Jul 08	Monthly Change
Wandsworth	£480,555	£521,653	-7.9%
Brent	£503,690	£544,592	-7.5%
Kingston-upon-Thames	£477,563	£514,371	-7.2%
Richmond-upon-Thames	£513,035	£550,248	-6.8%
Greenwich	£242,736	£259,809	-6.6%

## London Time on Market

Time on Market Indicator



Released 18<sup>th</sup> August 2008

Page 8 of 10

Copyright © 2008, Rightmove plc

For media enquiries and interviews please contact:

Katherine Seaborn on 0845 456 8439 or [press@rightmove.co.uk](mailto:press@rightmove.co.uk)



**rightmove.co.uk**

The UK's number one property website

## London Boroughs

Borough	Avg. Price Aug 08	Avg. Price Jul 08	Monthly Change	Avg. Price Aug 07	Annual Change
Kensington and Chelsea	£1,416,578	£1,504,962	-5.9%	£1,449,385	-2.3%
City of Westminster	£1,005,043	£1,069,920	-6.1%	£919,436	9.3%
Hammersmith and Fulham	£661,380	£679,074	-2.6%	£624,013	6.0%
Camden	£649,150	£694,355	-6.5%	£662,649	-2.0%
Islington	£542,935	£560,645	-3.2%	£516,306	5.2%
Richmond-upon-Thames	£513,035	£550,248	-6.8%	£549,419	-6.6%
Brent	£503,690	£544,592	-7.5%	£516,104	-2.4%
Wandsworth	£480,555	£521,653	-7.9%	£508,842	-5.6%
Kingston-upon-Thames	£477,563	£514,371	-7.2%	£530,738	-10.0%
Hackney	£473,936	£476,703	-0.6%	£429,681	10.3%
Barnet	£436,701	£452,715	-3.5%	£439,389	-0.6%
Hounslow	£412,023	£425,284	-3.1%	£430,864	-4.4%
Tower Hamlets	£411,635	£429,514	-4.2%	£404,449	1.8%
Haringey	£396,575	£419,951	-5.6%	£384,398	3.2%
Lambeth	£378,025	£404,347	-6.5%	£384,071	-1.6%
Ealing	£377,897	£390,462	-3.2%	£389,271	-2.9%
Merton	£368,268	£393,182	-6.3%	£394,810	-6.7%
Southwark	£362,664	£370,851	-2.2%	£362,745	0.0%
Hillingdon	£321,796	£334,093	-3.7%	£347,188	-7.3%
Lewisham	£316,062	£333,317	-5.2%	£325,204	-2.8%
Bromley	£314,764	£326,869	-3.7%	£319,576	-1.5%
Sutton	£306,405	£321,368	-4.7%	£346,362	-11.5%
Harrow	£306,374	£317,537	-3.5%	£325,460	-5.9%
Enfield	£300,239	£312,243	-3.8%	£317,261	-5.4%
Waltham Forest	£274,026	£287,845	-4.8%	£299,649	-8.6%
Redbridge	£270,156	£288,077	-6.2%	£293,753	-8.0%
Croydon	£264,205	£279,089	-5.3%	£283,736	-6.9%
Havering	£243,799	£255,039	-4.4%	£262,288	-7.0%
Greenwich	£242,736	£259,809	-6.6%	£248,262	-2.2%
Newham	£240,457	£251,823	-4.5%	£265,287	-9.4%
Barking and Dagenham	£214,112	£225,034	-4.9%	£228,926	-6.5%
Bexley	£210,818	£218,470	-3.5%	£223,121	-5.5%

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

Released 18<sup>th</sup> August 2008

Page 9 of 10

Copyright © 2008, Rightmove plc

For media enquiries and interviews please contact:

Katherine Seaborn on 0845 456 8439 or [press@rightmove.co.uk](mailto:press@rightmove.co.uk)



**rightmove.co.uk**

The UK's number one property website

## Index Comparison

	August 08		July 08		June 08	
	House Price	Monthly change	House Price	Monthly change	House Price	Monthly change
Rightmove	<b>£229,816</b>	<b>-2.3%</b>	<b>£235,219</b>	<b>-1.8%</b>	<b>£239,564</b>	<b>-1.2%</b>
Halifax	N/A*	N/A*	£177,351	-1.7%	£180,417	-1.9%
Nationwide	N/A*	N/A*	£169,316	-1.7%	£172,415	-0.8%

\* 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 over 90% the market. Not seasonally adjusted. (Seasonally adjusted figure used for the Halifax from Nov 2003, as no unadjusted figure has been published.)

**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.

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 CLG (Department of Communities and Local Government) measure prices at completion stage, not seasonally adjusted.

### Editors' notes

Advertising property for over 90% of all UK estate agents, Rightmove is in a unique position to identify any immediate changes in the market. Using a larger sample than any other house price reports, Rightmove's **House Price Index** is compiled from the asking prices of properties coming onto the market via Rightmove.co.uk's 11,500 estate agency branches. Rather than being a survey of opinions as with some other indices, it is produced from factual data of actual prices of properties currently on the market. 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 11,602 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 90% of all properties for sale and at any time displays a stock of over one million properties to buy or rent, worth around £270 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 30 million visits every month and is consistently ranked number one property website in the UK (source: Hitwise).

For further information on methodology please contact the Press Office on [press@rightmove.co.uk](mailto:press@rightmove.co.uk) or call 0845 456 8439

Released 18<sup>th</sup> August 2008

Page 10 of 10

Copyright © 2008, Rightmove plc

For media enquiries and interviews please contact:

Katherine Seaborn on 0845 456 8439 or [press@rightmove.co.uk](mailto:press@rightmove.co.uk)

