

# The Rightmove House Price Index

The largest monthly sample of residential property prices

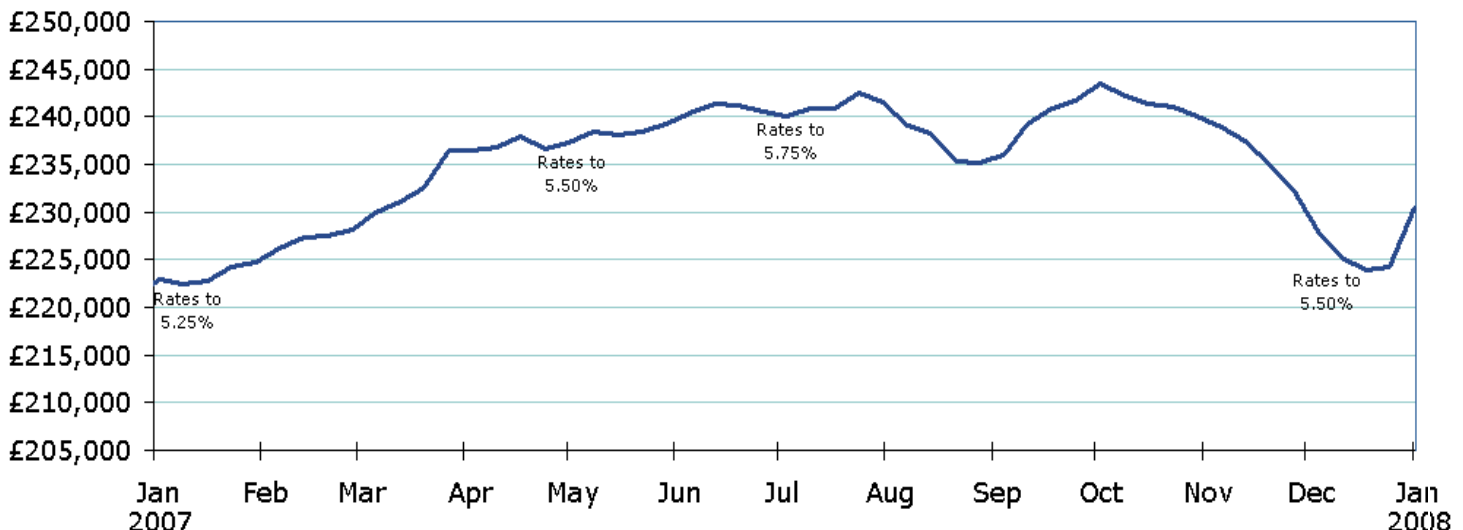
**Under embargo for 0001 hours: Monday 21<sup>st</sup> January 2008**

## New Year bargain hunters lured by lower prices

	January	December
<b>Average Property Asking Price</b>	<b>£230,428</b>	£232,396
<b>% Change in Month</b>	<b>-0.8%</b>	-3.2%
<b>% Change in Past Year</b>	<b>3.4%</b>	4.8%
<b>Monthly Index (Jan 2002=100)</b>	<b>187.5</b>	189.1

- 0.8% (£1,968) average asking price fall this month reduces the annual rate of increase to 3.4%, its lowest since December 2005
- Third consecutive monthly fall, though signs of price stabilisation as majority of price drop is due to the rush of smaller properties to the market in mid December to beat their HIPs deadline
- Early January shows signs of market recovery despite time on the market and stock levels hitting record highs in December
- Active start to New Year as buyer interest spurred by lower prices and falling interest rates

## Rightmove Monthly Asking Price Trend



Rightmove measured 89,110 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 9<sup>th</sup> December to 12<sup>th</sup> January 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 25 million visits from home movers each month who view in excess of 300 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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The UK's number one property website

## Overview

The first housing market data from January is always eagerly anticipated to give an early pointer to the prospects for the year ahead. This is especially true in 2008 after the uncertainty surrounding the second half of last year. Over the whole month average national asking prices fell for the third month in a row by 0.8% (£1,968). However, there is clear evidence of a marked increase in activity and average prices immediately after the New Year. In addition, much of the monthly fall is due to the final HIPs deadline for smaller homes attracting more cheap properties to the market. The January housing market therefore seems to be showing signs of its usual upturn, after several months of sellers re-adjusting their prices.

Miles Shipside, Commercial Director of Rightmove comments: "Some homebuyers are now able to find properties that have fallen into their affordability zone, and are bagging what they see as bargains against previous prices. Some properties have had their prices dropped by 10% or more and are now within reach, satisfying some of the pent-up demand from previously disenfranchised buyers."

As well as lower prices, further cuts in interest rates are critical to continued improvements in affordability and the recovery of the housing market from a difficult year end position. Time on the market peaked at a record high of 98 days in December, though it has declined to 95 days in the first weeks of January. The previous high was 93 days in January 2006. Average property stock per estate agency branch ended the year at 63, some 20% higher than the 52 properties of a year ago. Continued action is required by the banking sector to improve liquidity, along with further reductions in interest rates, adding pressure to lenders to pass on the benefits to borrowers in terms of lower mortgage rates and greater availability of funds.

Estate agents report a positive upturn in new movers and activity levels. The high number of potential homemovers looking is borne out by the number of visits to Rightmove, up nearly 20% on the first two weeks of last year. Last Monday was the busiest day on record, with over a million visits, viewing 20.9 million pages. The growth of households and ongoing desire to get onto the property ladder underpins demand, and there are sellers keen to sell. Those who have owned their property for a few years are still benefiting from a substantial equity growth and, if buying again, are able to negotiate corresponding reductions. Rightmove measured 28,318 properties coming onto the market in the first full week of January, and in addition the final HIPs deadline for two or fewer bedroom properties boosted listings in mid-December. This HIP avoiding surge exacerbated the price fall by *circa* 0.7% as they tended to be cheaper-than-average properties making up a greater proportion of the new listing mix. We estimate HIPs distortion to average prices will have worked its way out of the system by next month. However, there are some big regional price fluctuations this month due to the combination of local corrections and the aforementioned HIP exaggeration effect.

The drop in the annual rate of increase from 4.8% to 3.4% has resulted in the lowest year-on-year figure for two years, mirroring the 2005 property market downturn. An unsustainable mini recovery was then triggered by falling interest rates and a City-led London-centric boom supporting buyer confidence. A sustainable recovery to a volume sales market requires a return of more first time buyers or buy-to-let investors, and a lessening of the costs for existing home owners to trade up. The price re-adjustments we have seen over the last few months appear to be assisting, and with a flat price rise forecast for 2008, affordability should continue to improve as average wages rise and interest rates fall.

Miles Shipside adds: "Enough sellers seem to have dropped their prices to encourage potential buyers to look in larger numbers, suggesting we might see a more active market at this lower price level. The key for New Year sellers is to really stand out as the best value and best presented property in your potential buyers' catchment area; thereby building on this level of increased interest. Some sellers will no doubt be tempted to test the market at a higher price with the onset of spring, so now is a good time for bargain hunters to press those committed winter sellers for a deal."

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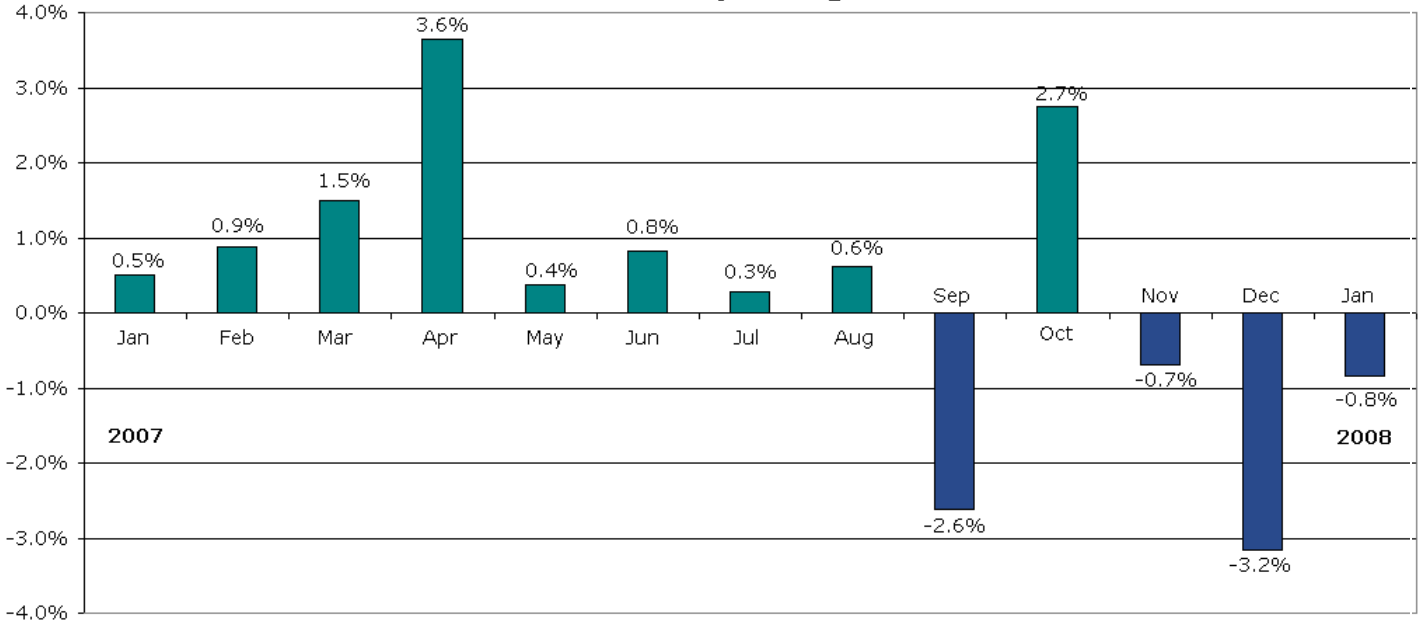
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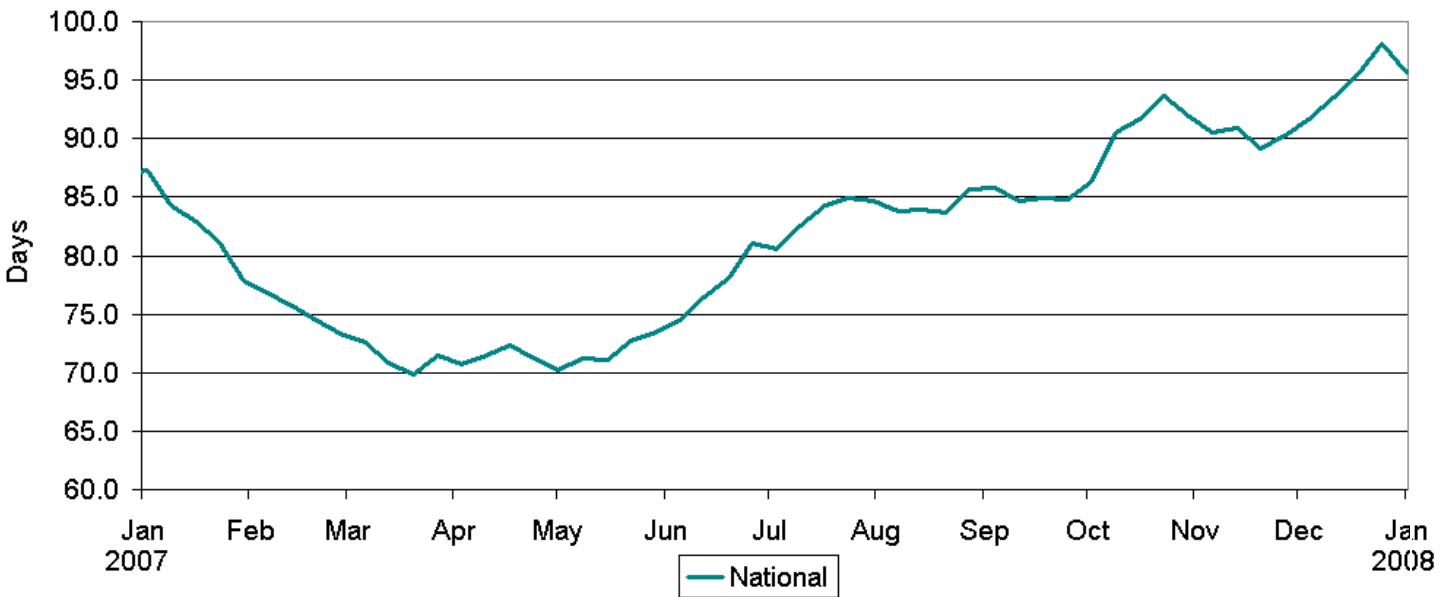
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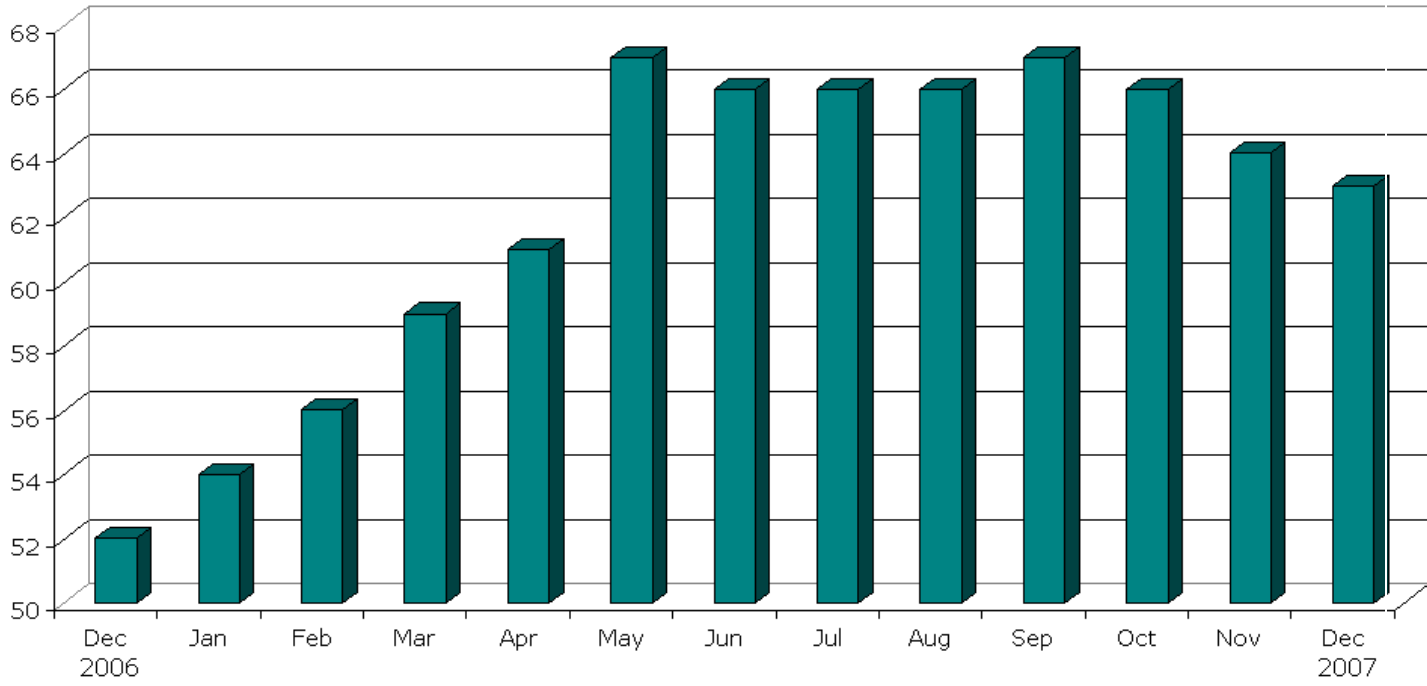
### Monthly Change



### Time on Market Indicator



Average properties for sale per Estate Agent



# Regions of England & Wales

**Increases**  
Decreases  
from previous month

North	
Avg. Price Jan 08	£154,879
Avg. Price Dec 07	£151,629
Monthly Change	2.1%
Avg. Price Jan 07	£153,610
Annual Change	0.8%

North West	
Avg. Price Jan 08	£174,958
Avg. Price Dec 07	£174,372
Monthly Change	0.3%
Avg. Price Jan 07	£175,288
Annual Change	-0.2%

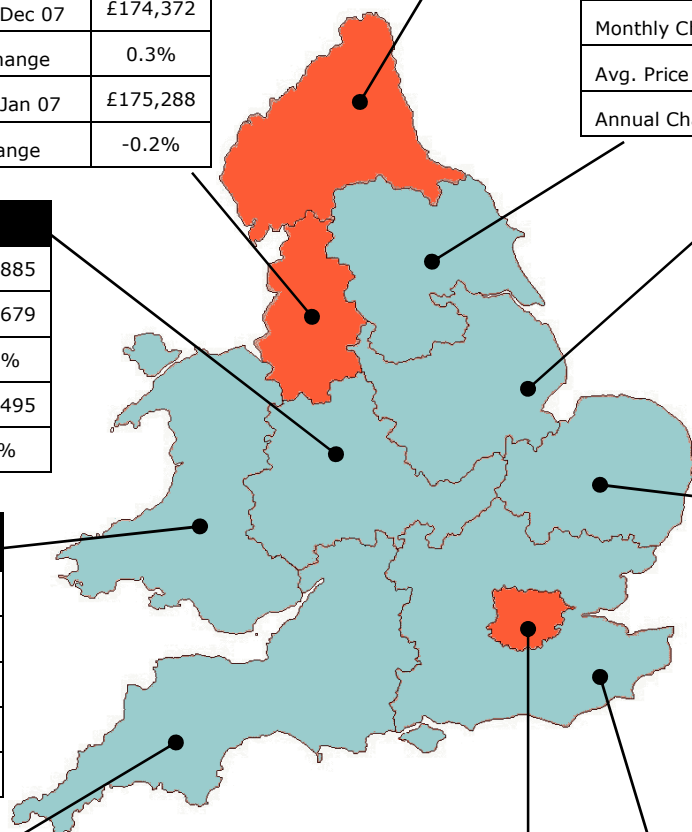
Yorkshire & Humberside	
Avg. Price Jan 08	£163,665
Avg. Price Dec 07	£166,753
Monthly Change	-1.9%
Avg. Price Jan 07	£160,662
Annual Change	1.9%

West Midlands	
Avg. Price Jan 08	£190,885
Avg. Price Dec 07	£197,679
Monthly Change	-3.4%
Avg. Price Jan 07	£190,495
Annual Change	0.2%

East Midlands	
Avg. Price Jan 08	£167,235
Avg. Price Dec 07	£178,020
Monthly Change	-6.1%
Avg. Price Jan 07	£166,624
Annual Change	0.4%

Wales	
Avg. Price Jan 08	£173,636
Avg. Price Dec 07	£180,409
Monthly Change	-3.8%
Avg. Price Jan 07	£180,761
Annual Change	-3.9%

East Anglia	
Avg. Price Jan 08	£216,229
Avg. Price Dec 07	£221,931
Monthly Change	-2.6%
Avg. Price Jan 07	£217,354
Annual Change	-0.5%



South West	
Avg. Price Jan 08	£248,971
Avg. Price Dec 07	£250,793
Monthly Change	-0.7%
Avg. Price Jan 07	£243,224
Annual Change	2.4%

Greater London	
Avg. Price Jan 08	£398,476
Avg. Price Dec 07	£384,632
Monthly Change	3.6%
Avg. Price Jan 07	£356,192
Annual Change	11.9%

South East	
Avg. Price Jan 08	£286,963
Avg. Price Dec 07	£291,708
Monthly Change	-1.6%
Avg. Price Jan 07	£276,062
Annual Change	3.9%

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.

## National Asking Price Trend

Month	Index (Jan 2002 = 100)	% Change	Avg. Price
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
November 2007	195.3	-0.7%	£239,986
December 2007	189.1	-3.2%	£232,396
January 2008	187.5	-0.8%	£230,428
<b>Annual Change</b>	<b>+6.2</b>	<b>+3.4%</b>	<b>£7,569</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
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
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
<b>Annual Change</b>	<b>2.3%</b>	<b>4.3%</b>	<b>4.6%</b>	<b>4.3%</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 0845 456 8439.

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## London's Best Performers January 2008

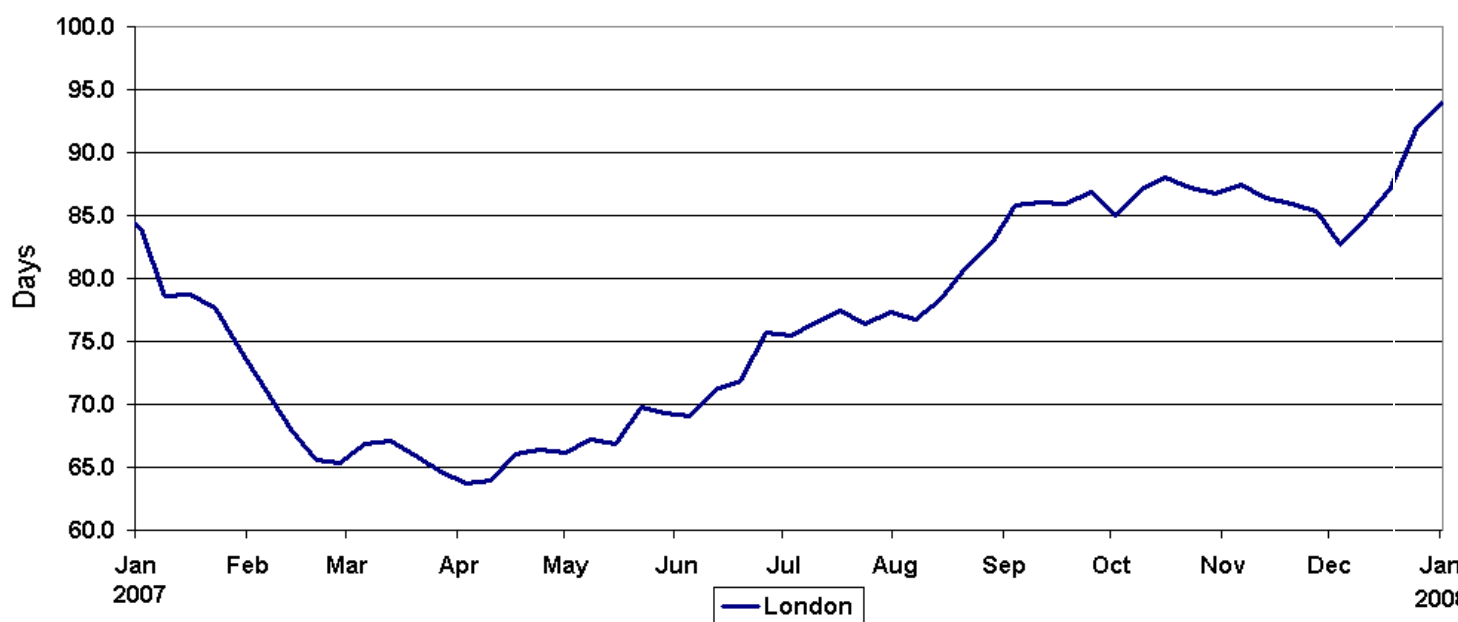
London's Top 5	Avg. Price Jan 08	Avg. Price Dec 07	Monthly Change
Wandsworth	£493,673	£468,072	5.5%
Haringey	£408,253	£388,708	5.0%
Richmond-upon-Thames	£555,441	£530,284	4.7%
Lambeth	£389,325	£371,743	4.7%
Kingston-upon-Thames	£505,533	£483,285	4.6%

## London's Worst Performers January 2008

London's Bottom 5	Avg. Price Jan 08	Avg. Price Dec 07	Monthly Change
Bromley	£323,712	£322,489	0.4%
Brent	£512,942	£511,860	0.2%
Tower Hamlets	£395,648	£395,034	0.2%
Hammersmith and Fulham	£669,668	£672,121	-0.4%
Hounslow	£438,109	£441,201	-0.7%

## London Time on Market

Time on Market Indicator



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## London Boroughs

Borough	Avg. Price Jan 08	Avg. Price Dec 07	Monthly Change	Avg. Price Jan 07	Annual Change
Kensington and Chelsea	£1,622,790	£1,572,814	3.2%	£1,145,791	41.6%
City of Westminster	£947,341	£943,587	0.4%	£763,227	24.1%
Camden	£679,580	£668,752	1.6%	£552,909	22.9%
Hammersmith and Fulham	£669,668	£672,121	-0.4%	£573,338	16.8%
Richmond-upon-Thames	£555,441	£530,284	4.7%	£450,892	23.2%
Islington	£514,726	£492,951	4.4%	£456,512	12.8%
Brent	£512,942	£511,860	0.2%	£432,694	18.5%
Kingston-upon-Thames	£505,533	£483,285	4.6%	£443,479	14.0%
Wandsworth	£493,673	£468,072	5.5%	£451,113	9.4%
Barnet	£464,365	£446,691	4.0%	£399,966	16.1%
Hounslow	£438,109	£441,201	-0.7%	£415,924	5.3%
Hackney	£429,918	£425,007	1.2%	£402,447	6.8%
Haringey	£408,253	£388,708	5.0%	£353,204	15.6%
Ealing	£396,333	£385,417	2.8%	£351,484	12.8%
Tower Hamlets	£395,648	£395,034	0.2%	£357,097	10.8%
Merton	£391,004	£377,225	3.7%	£339,001	15.3%
Lambeth	£389,325	£371,743	4.7%	£354,577	9.8%
Southwark	£359,602	£349,208	3.0%	£342,001	5.1%
Hillingdon	£345,827	£337,416	2.5%	£315,710	9.5%
Sutton	£338,134	£335,808	0.7%	£317,047	6.7%
Harrow	£330,721	£322,089	2.7%	£302,240	9.4%
Enfield	£328,550	£318,805	3.1%	£288,813	13.8%
Lewisham	£323,942	£318,463	1.7%	£297,702	8.8%
Bromley	£323,712	£322,489	0.4%	£308,222	5.0%
Redbridge	£302,559	£291,176	3.9%	£279,299	8.3%
Waltham Forest	£302,425	£294,311	2.8%	£278,161	8.7%
Croydon	£286,589	£276,942	3.5%	£260,569	10.0%
Havering	£267,240	£261,242	2.3%	£249,617	7.1%
Newham	£258,177	£251,674	2.6%	£242,557	6.4%
Greenwich	£254,551	£245,789	3.6%	£237,696	7.1%
Barking and Dagenham	£233,711	£227,145	2.9%	£215,985	8.2%
Bexley	£225,408	£219,375	2.8%	£218,981	2.9%

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



## Index Comparison

	January 08		December 07		November 07	
	House Price	Monthly change	House Price	Monthly change	House Price	Monthly change
Rightmove	£230,428	-0.8%	£232,396	-3.2%	£239,986	-0.7%
Halifax	N/A*	N/A*	£197,039	+1.3%	£194,895	-1.1%
Nationwide	N/A*	N/A*	£182,080	-0.5%	£184,099	-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 half 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 DCLG (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 12,500 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 7,911 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 25 million visits every month and is constantly ranked number one property website in the UK (source: Hitwise).

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