

# The Rightmove House Price Index

The largest monthly sample of residential property prices

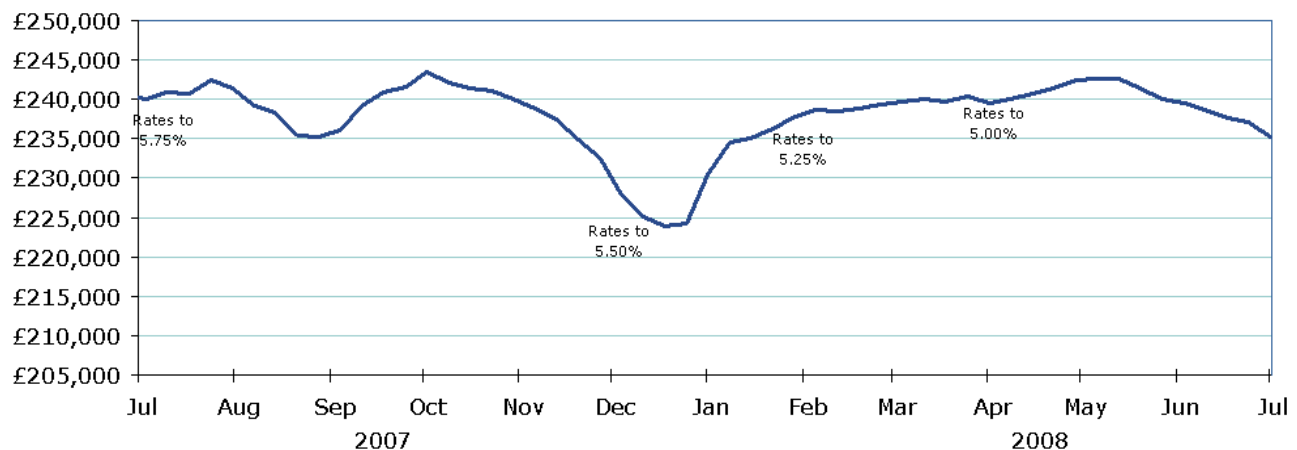
**Under embargo for 0001 hours: Monday 21<sup>st</sup> July 2008**

## Asking Prices Tumble as Sellers Lower Expectations

	July	June
<b>Average Property Asking Price</b>	<b>£235,219</b>	£239,564
<b>% Change in Month</b>	<b>-1.8%</b>	-1.2%
<b>% Change in Past Year</b>	<b>-2.0%</b>	0.1%
<b>Monthly Index (Jan 2002=100)</b>	<b>191.4</b>	194.9

- New sellers chase the falling market and cut average asking prices by £4,345 (1.8%)
- Unsold stock hits new record level in spite of falling levels of property coming on the market
- Mortgage famine wipes out spring market - banks risk being blamed for a second housing crash in 20 years
- Rungs of the housing ladder move closer together - if you can sell your home and avoid 'Brickor Mortis'

## Rightmove Monthly Asking Price Trend



*Rightmove measured 120,436 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 15<sup>th</sup> June to 12<sup>th</sup> July 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.

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## Overview

New sellers coming to the market have on average priced their properties at over £4,000 less than the previous month. The drop in average asking prices is 1.8% (£4,345). This is the largest decrease we have ever measured in July, with the previous lowest July figure being a 1% drop three years ago. New sellers are now asking 2% less than a year ago, the first time Rightmove has measured a year-on-year fall.

Miles Shippside, commercial director of Rightmove, comments: "Sellers are finally recognising that they need to undercut their rivals from the outset, rather than testing the market and dropping prices later. Whilst this £4,000 reduction is on top of a £3,000 drop last month, sellers' pricing needs to be at the level where deals are being done. It could be a lot better outcome to price aggressively and sell now, rather than accept a bigger reduction later as prices continue to fall."

The continuing lack of sales volumes is evidenced by the sixth consecutive monthly rise in unsold stock levels per estate agency branch. A traditional spring market would see the number of properties for sale dwindling as buyers agree deals before the summer holiday season. However, this year sees average unsold property numbers rising from 74 to 77, the highest figure Rightmove has ever measured. More concerning for the market outlook is that this rise is not due to an increase of new instructions coming to the market. Indeed, they appear to be at historically low levels, averaging around 30,000 a week compared to 37,000 last year.

Shippside adds: "We are measuring very low levels of new sellers for this time of year, around 20% down on 2007. This has a limiting effect on the supply of unsold property, unlike America where excessive new build and forced sellers have really flooded the market. Price falls in the US market are being driven by rising levels of unemployment and the 'payment shock' of fixed rate mortgages resetting to unaffordable interest rates. Both of these factors are affecting the UK market, but so far, not to the same extent. Therefore we do not expect to see falls as large as the worst hit areas of the US."

The drop in transaction levels is the most alarming characteristic of the current market and has the most widespread impact. As well as job losses in both the residential and commercial property industry, there is a massive knock-on effect to other areas of the economy as consumers spend less as they feel less confident and less well off. Mobility of the workforce is also severely hindered, forcing relocators who are unable to sell into becoming accidental landlords. Any meaningful increase in sales volumes will require a U-turn in current lending policies by banks and building societies. Until this happens, prices are in danger of falling far beyond the level required to address underlying affordability constraints.

Shippside adds: "The 'doom and gloom' attitude should be about the drastically low level of sales which affects the wider economy, not about falling prices. Unless you are trading down, inheriting or in danger of negative equity, the effect of falling prices is neutral or indeed good for some. How long the chronically low volumes continue will be greatly shaped by the attitude of the lenders. Following lenders' irresponsible lending in the late 1980s, there was a similar over reaction to risk that is repeating itself now. So banks need to be careful they do not get blamed for a second crash in 20 years."

One positive of this tougher market is the closing of the rungs on the housing ladder when trading up from one style of property to the next. Since the peak, the average gap for those trading up from a terrace to a semi detached property has narrowed by £1,000. The difference is more marked for those moving up from a semi, with the next step up to a detached property having dropped by £3,500 on average. However, at present these emerging benefits are overshadowed by rising mortgage costs for those who can actually get a mortgage and the challenges of selling your own property.

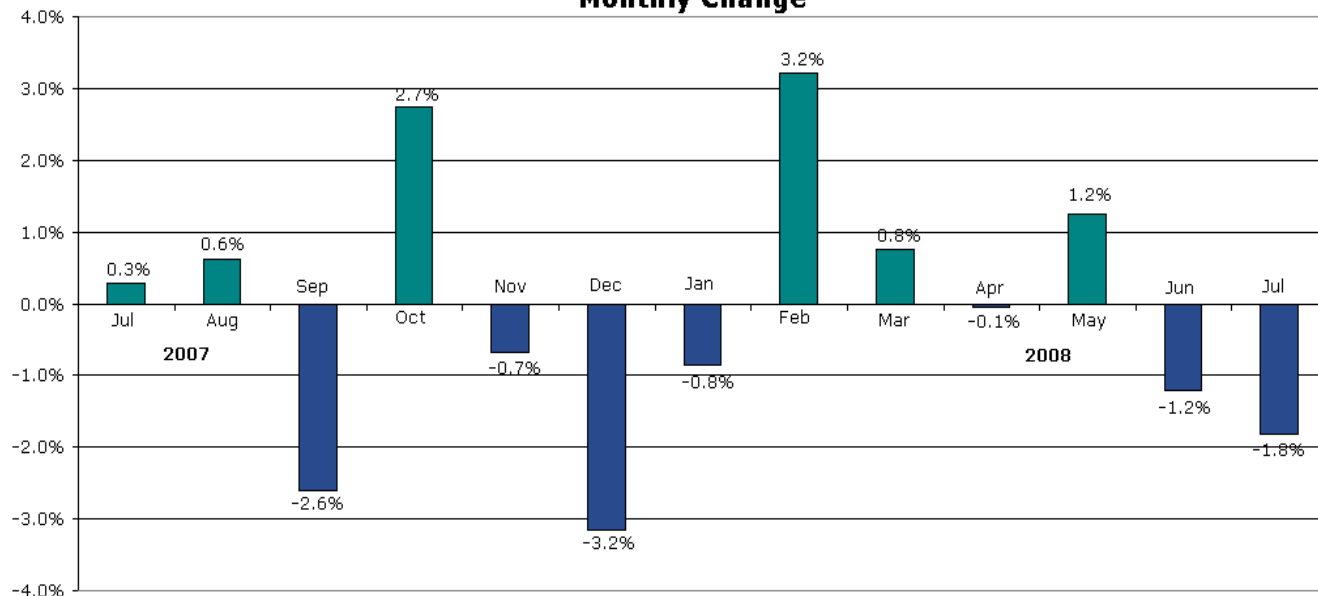


Shipside comments: "In a falling property market, sellers need to work a lot harder to achieve a sale and look at how they can apply a 'kiss of life' to their property transaction. They need to work smarter and think and act like professional marketers. It is vitally important not to let your property go stale - or '*Brickor Mortis*', the housing equivalent of '*Rigor Mortis*', will take hold. Once a property is marketed at the correct price below local competition, then it is the best promotion and presentation that can give your property the edge."

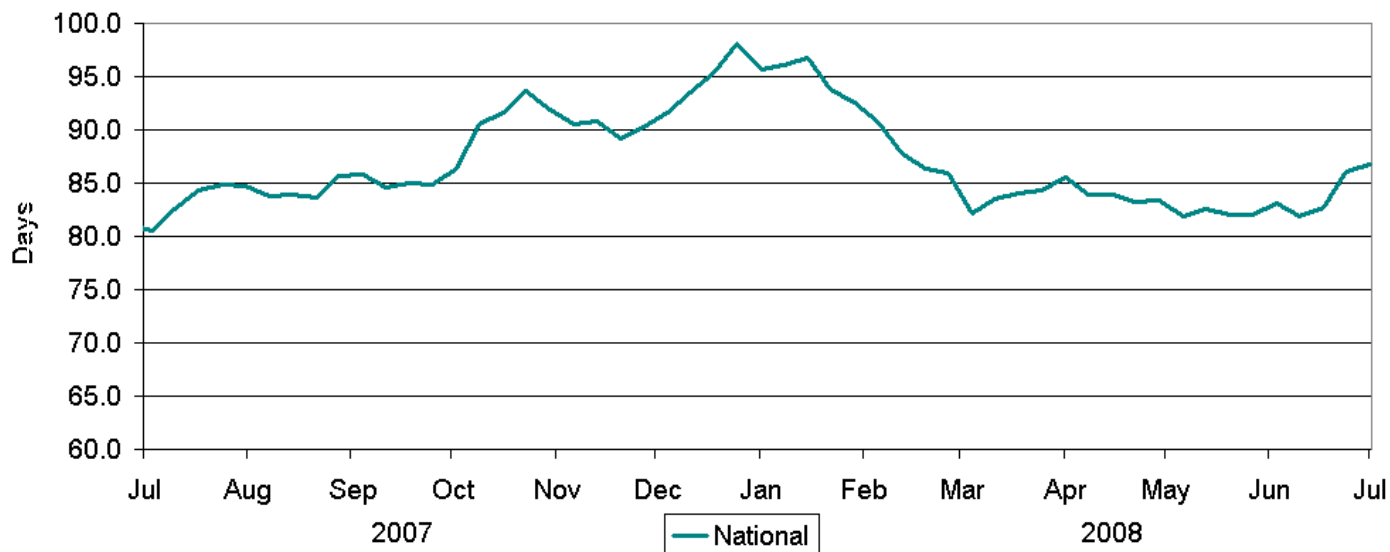
Further evidence of slow spring sales is the average time a property spends on the market, which has remained broadly static since March at a time of year when it traditionally falls. Following four consecutive months of virtual standstill, it has now jumped from 83 to 87 days.



### Monthly Change



### Time on Market Indicator



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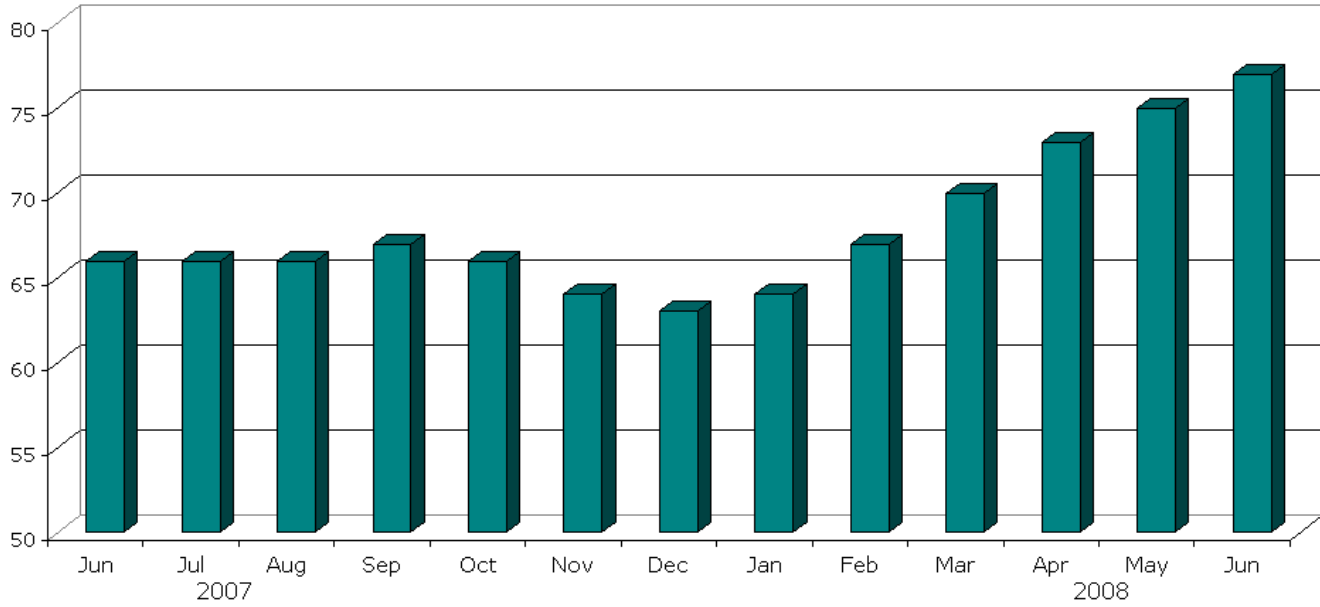
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Average properties for sale per Estate Agent



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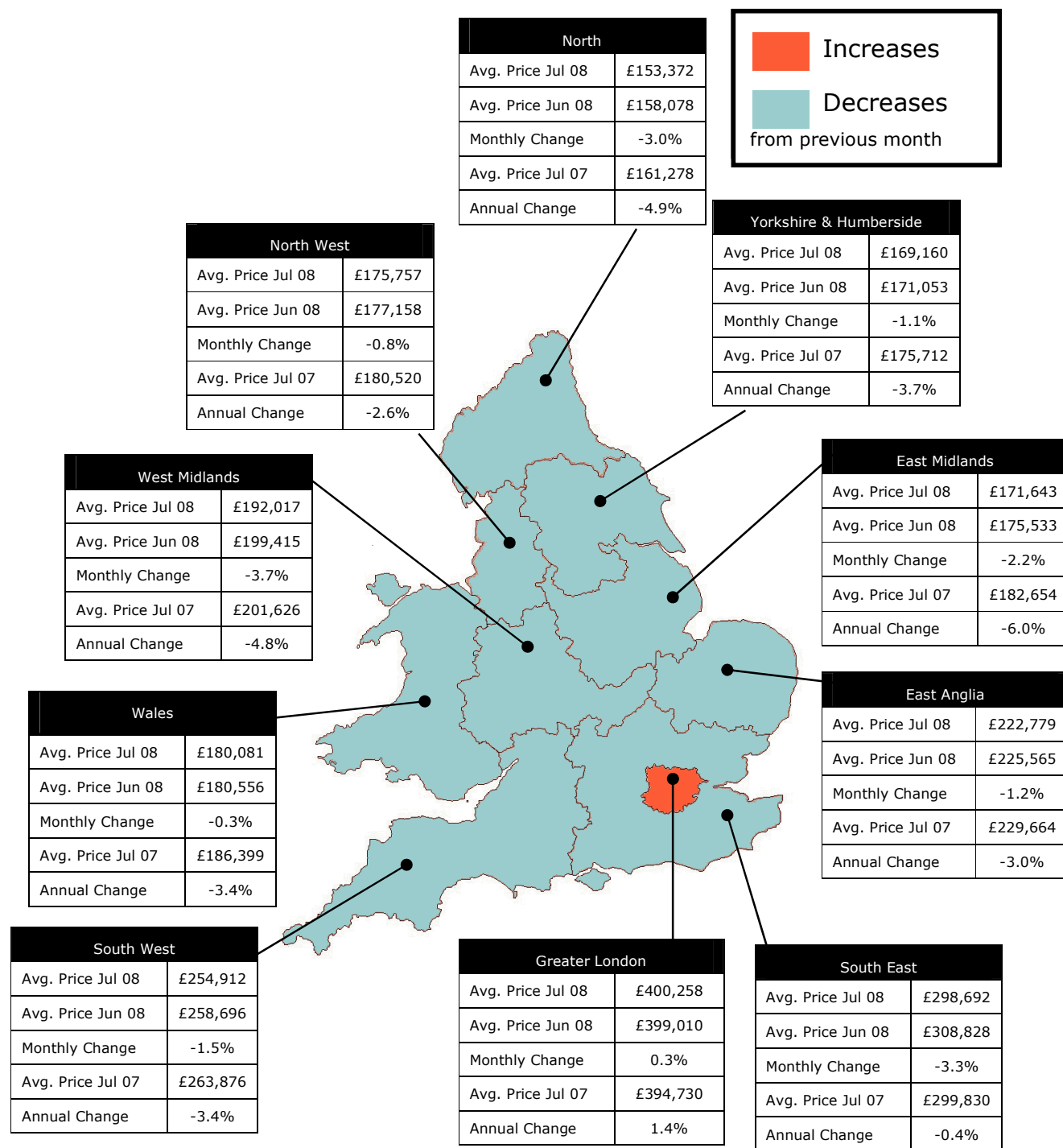
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## Regions of England & Wales



If you are a journalist and would like a further breakdown on these regional statistics please contact the Press Office on: [press@rightmove.co.uk](mailto:press@rightmove.co.uk) or call 0845 456 8439

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## National Asking Price Trend

Month	Index (Jan 2002 = 100)	% Change	Avg. Price
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
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
<b>Annual Change</b>	<b>-3.9</b>	<b>-2.0%</b>	<b>-£4,782</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
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
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
<b>Annual Change</b>	<b>-1.8%</b>	<b>-3.7%</b>	<b>-3.1%</b>	<b>-4.0%</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

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## London's Best Performers July 2008

London's Top 5	Avg. Price Jul 08	Avg. Price Jun 08	Monthly Change
Tower Hamlets	£429,514	£412,431	4.1%
City of Westminster	£1,069,920	£1,037,421	3.1%
Brent	£544,592	£533,741	2.0%
Kensington and Chelsea	£1,504,962	£1,476,824	1.9%
Richmond-upon-Thames	£550,248	£541,514	1.6%

## London's Worst Performers July 2008

London's Bottom 5	Avg. Price Jul 08	Avg. Price Jun 08	Monthly Change
Kingston-upon-Thames	£514,371	£524,966	-2.0%
Hammersmith and Fulham	£679,074	£691,226	-1.8%
Croydon	£279,089	£282,474	-1.2%
Hillingdon	£334,093	£337,212	-0.9%
Barking and Dagenham	£225,034	£227,067	-0.9%

## London Time on Market

Time on Market Indicator



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## London Boroughs

Borough	Avg. Price Jul 08	Avg. Price Jun 08	Monthly Change	Avg. Price Jul 07	Annual Change
Kensington and Chelsea	£1,504,962	£1,476,824	1.9%	£1,463,696	2.8%
City of Westminster	£1,069,920	£1,037,421	3.1%	£910,629	17.5%
Camden	£694,355	£689,271	0.7%	£689,184	0.8%
Hammersmith and Fulham	£679,074	£691,226	-1.8%	£641,440	5.9%
Islington	£560,645	£557,662	0.5%	£503,563	11.3%
Richmond-upon-Thames	£550,248	£541,514	1.6%	£555,366	-0.9%
Brent	£544,592	£533,741	2.0%	£535,422	1.7%
Wandsworth	£521,653	£525,381	-0.7%	£504,528	3.4%
Kingston-upon-Thames	£514,371	£524,966	-2.0%	£521,057	-1.3%
Hackney	£476,703	£477,876	-0.2%	£434,813	9.6%
Barnet	£452,715	£451,205	0.3%	£438,979	3.1%
Tower Hamlets	£429,514	£412,431	4.1%	£434,525	-1.2%
Hounslow	£425,284	£425,708	-0.1%	£424,858	0.1%
Haringey	£419,951	£415,564	1.1%	£384,714	9.2%
Lambeth	£404,347	£407,481	-0.8%	£382,193	5.8%
Merton	£393,182	£394,767	-0.4%	£392,471	0.2%
Ealing	£390,462	£389,771	0.2%	£387,549	0.8%
Southwark	£370,851	£373,655	-0.8%	£361,078	2.7%
Hillingdon	£334,093	£337,212	-0.9%	£342,094	-2.3%
Lewisham	£333,317	£332,312	0.3%	£322,890	3.2%
Bromley	£326,869	£323,459	1.1%	£319,732	2.2%
Sutton	£321,368	£322,743	-0.4%	£344,328	-6.7%
Harrow	£317,537	£317,578	0.0%	£323,714	-1.9%
Enfield	£312,243	£310,904	0.4%	£317,607	-1.7%
Redbridge	£288,077	£286,801	0.4%	£292,002	-1.3%
Waltham Forest	£287,845	£286,961	0.3%	£297,882	-3.4%
Croydon	£279,089	£282,474	-1.2%	£283,998	-1.7%
Greenwich	£259,809	£260,404	-0.2%	£247,413	5.0%
Havering	£255,039	£253,492	0.6%	£260,870	-2.2%
Newham	£251,823	£248,653	1.3%	£265,199	-5.0%
Barking and Dagenham	£225,034	£227,067	-0.9%	£228,383	-1.5%
Bexley	£218,470	£216,337	1.0%	£221,847	-1.5%

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



## Index Comparison

	July 08		June 08		May 08	
	House Price	Monthly change	House Price	Monthly change	House Price	Monthly change
Rightmove	£235,219	-1.8%	£239,564	-1.2%	£242,500	1.2%
Halifax	N/A*	N/A*	£180,344	-2.0%	£183,984	-2.5%
Nationwide	N/A*	N/A*	£172,415	-0.9%	£173,583	-2.5%

\* 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 12,000 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 13,652 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

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