

The Rightmove House Price Index

The largest monthly sample of residential property prices

Under embargo for 0001 hours: Monday 22nd September 2008

Housing market 'in limbo' until financial crisis abates

	September	August
Average Property Asking Price	£227,438	£229,816
% Change in Month	-1.0%	-2.3%
% Change in Past Year	-3.3%	-4.8%
Monthly Index (Jan 2002=100)	185.0	187.0

- Economic woes deter new sellers from entering the market, reducing unsold inventory
 - New listings per estate agent lowest September average ever measured by Rightmove
 - Number of properties on market below £175k only increases by 0.5% in spite of Government stamp duty incentives
 - First reduction for seven months in buyer choice as average unsold stock falls from 79 to 78
- Downward trend continues as new sellers trim another 1% off average asking prices
- Decision time for 98,401 stale properties: either invest in an Energy Performance Certificate by October 1st and get aggressive about selling, or take it off the market

Rightmove Monthly Asking Price Trend



Rightmove measured 115,657 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 10th August to 13th September 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 22nd September 2008

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For media enquiries and interviews please contact:

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Overview

Rightmove's analysis of its September House Price Index concludes that house prices are continuing on their downward trend and that the housing market has little chance of beginning its recovery until the banking crisis has abated.

The longer term implications of the latest round of financial institution woes are still unclear, though they are a further blow for a housing market where activity levels had shown signs of bottoming out, albeit at a historically low level. While the Bank of England may bring forward a cut in its base rate, it seems unlikely that this will have much impact on mortgage availability or mortgage rates in the short-term.

Miles Shippside, commercial director of Rightmove comments: "The housing market is in limbo and will remain so until financial institutions address the disastrous state of the mortgage funding markets. We are now seeing the lowest level of new sellers for years. There's a baseline level of activity from those that have to sell, but beyond that, discretionary sellers are increasingly scarce. While this market provides a good opportunity to trade up, it requires a degree of bravery in the face of the ongoing turmoil in the financial markets."

Fewer sellers than ever before were prepared to brave the September market, as the Rightmove House Price Index recorded the lowest number of new listings per estate agent for the month since its inception. Those who did continued the downward trend in asking prices, putting their homes on the market at 1% less (-£2,378) than those in the previous month.

The recent changes to stamp duty have had little impact on the market so far. Rightmove has seen an increase of only 1,029 properties (0.5%) in the band between £125,000 and £175,000 that is newly exempt from stamp duty, and a decrease of 4,140 properties (-4.9%) out of the 89,320 that were priced between £175,000 and £200,000. This was the bracket that may have come under new pressure to cut their prices below the threshold. However, these patterns are not far out of line with trends in price ranges that are unaffected by the stamp duty changes; there has also been an increase of 655 properties (0.4%) under £125,000 and a decrease of 2,677 properties (-2.0%) between £200,000 and £250,000.

Miles Shippside adds "The changes in stamp duty are just tinkering at the edges of the system, and at best will give slightly more choice to first-time buyers who will be able to put the 1% that they save towards the minimum 10% deposit that they are now likely to require."

This is the fourth consecutive monthly drop in asking prices, though the 1% fall is less than any of the preceding three months. Last month's larger fall of 2.8% was likely exacerbated by sellers who had to market during the holiday season, and therefore priced more keenly.

This was particularly marked in London, where August's fall of 5.3% regained some ground this month with a rise of 4%. Whilst it remains the only region in positive territory both in this month's Index and over the last year, the last quarter shows an overall fall of -1.5%, following the downward trend of the rest of the country.

The record low level of property coming onto the market has led to a slight fall in average stock levels per estate agency branch, from 79 to 78, reversing the increasing trend of the last 7 months. However, competition for buyers remains fierce, even though their choice has dropped marginally. With the likelihood of an upward trend in repossession over the coming months, the higher proportion of forced sellers will increase downward pressure on prices until they have worked their way through the system. Agents are already reporting that many of the deals currently being completed involve a seller with a particular need to

sell, tending to encompass properties that have been part-exchanged or are on the market due to death, divorce or debt.

Miles Shippside adds: "One of the first indications of recovery will be when the backlog of unsold property consistently begins to fall. The current slowdown in new sellers prevents a flooding of the market, but whilst the number of properties for sale is a factor, it is the motivation of the sellers and the speed of sale that drive price falls.

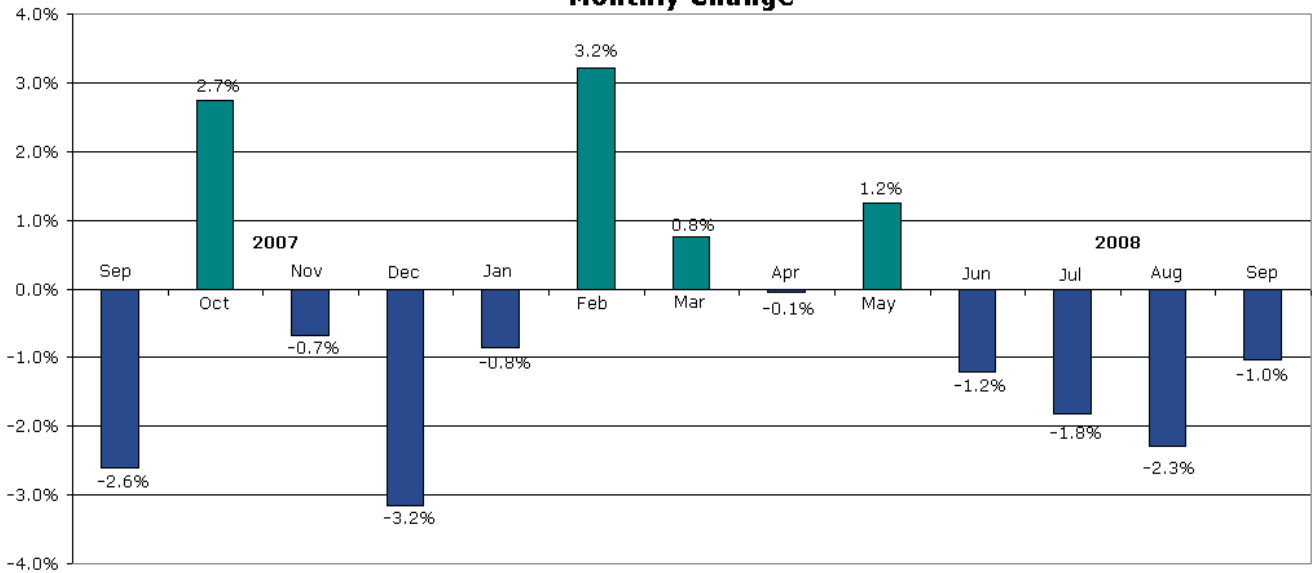
"Bargain hunters, especially investors taking a longer term view, are scouring the market looking for the best investment returns. Reaching and finding these few buyers who are able to proceed is becoming increasingly important for estate agents' survival, as the recovery timescales for a resumption of traditional volumes of mortgage lending remain uncertain with the ongoing upheavals within the financial sector.

"If agents have a seller with a bargain property to sell, they still have to shout about it or it gets hidden amongst all the rest. If they have followed the agent's advice on price, sellers are putting a lot of pressure on agents to get the property seen and sold to the right audience in this crowded market place."

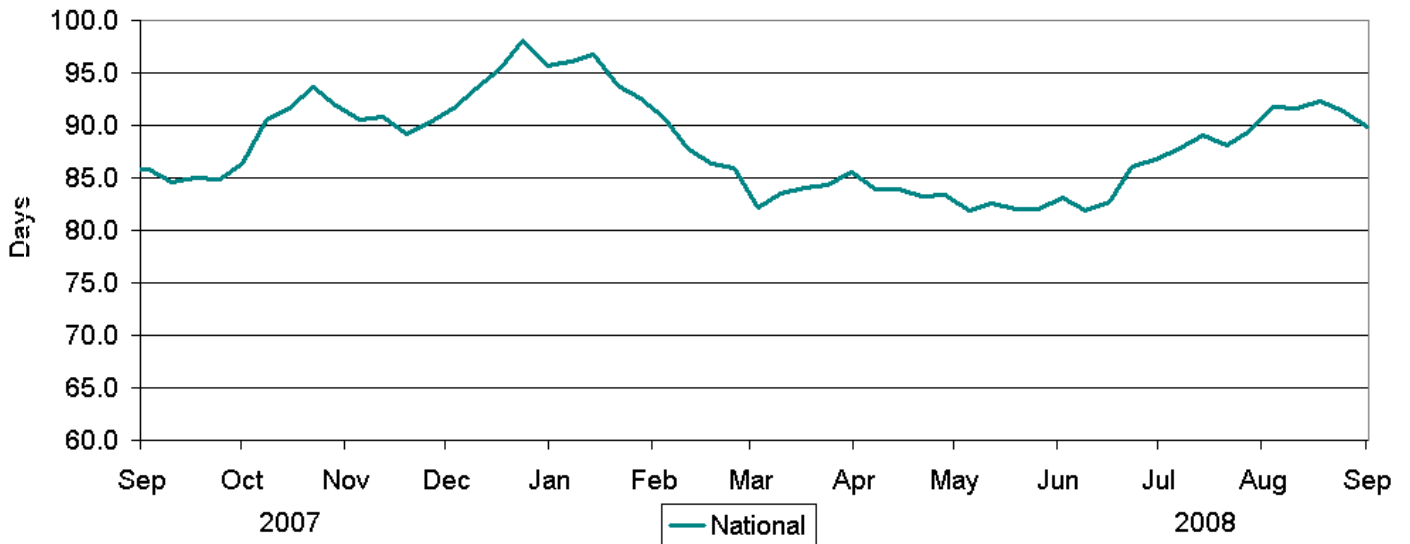
Against this market backdrop comes the mandatory provision for all sellers to provide an Energy Performance Certificate (EPC) from October 1st. While a majority of property for sale has an EPC as part of the Home Information Pack, there are still some properties that have been on sale since before the relevant HIP deadline. For example, around 10% of both the 4+ and 3 bedroom properties that came on the market prior to their respective HIPs deadlines remain on the market with the same estate agent. The numbers are higher for properties with 2 bedrooms and fewer (16.4%) where the properties had a later deadline date. These sellers will now have to make a decision whether to pay for an EPC to stay on the market or withdraw.

Shippside comments: "This will be a real trigger point for the sellers of nearly 100,000 properties as they will be forced to do something pro-active and spend money. Estate agents who have carried the cost of marketing for the whole of this year are unlikely to be willing or able to fund the cost of an EPC. I foresee a lot of frank discussions where the agent's advice will be to take the property off the market or reduce the asking price fairly drastically in line with today's market prices. Ironically, this could restrain stock levels and help speed recovery in the longer term."

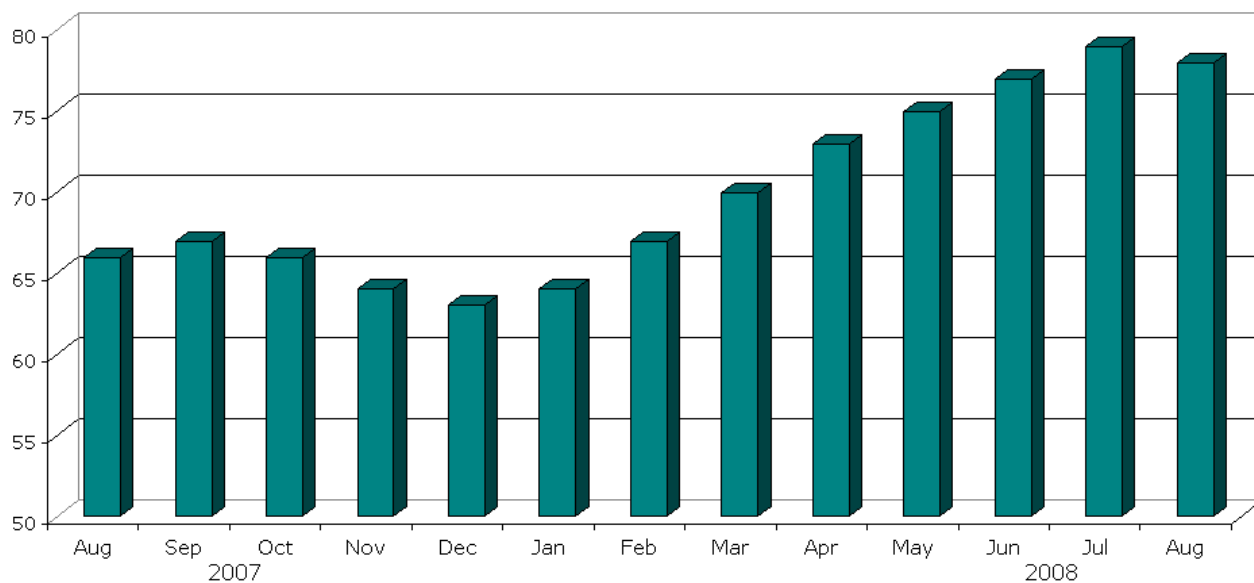
Monthly Change



Time on Market Indicator



Average properties for sale per Estate Agent



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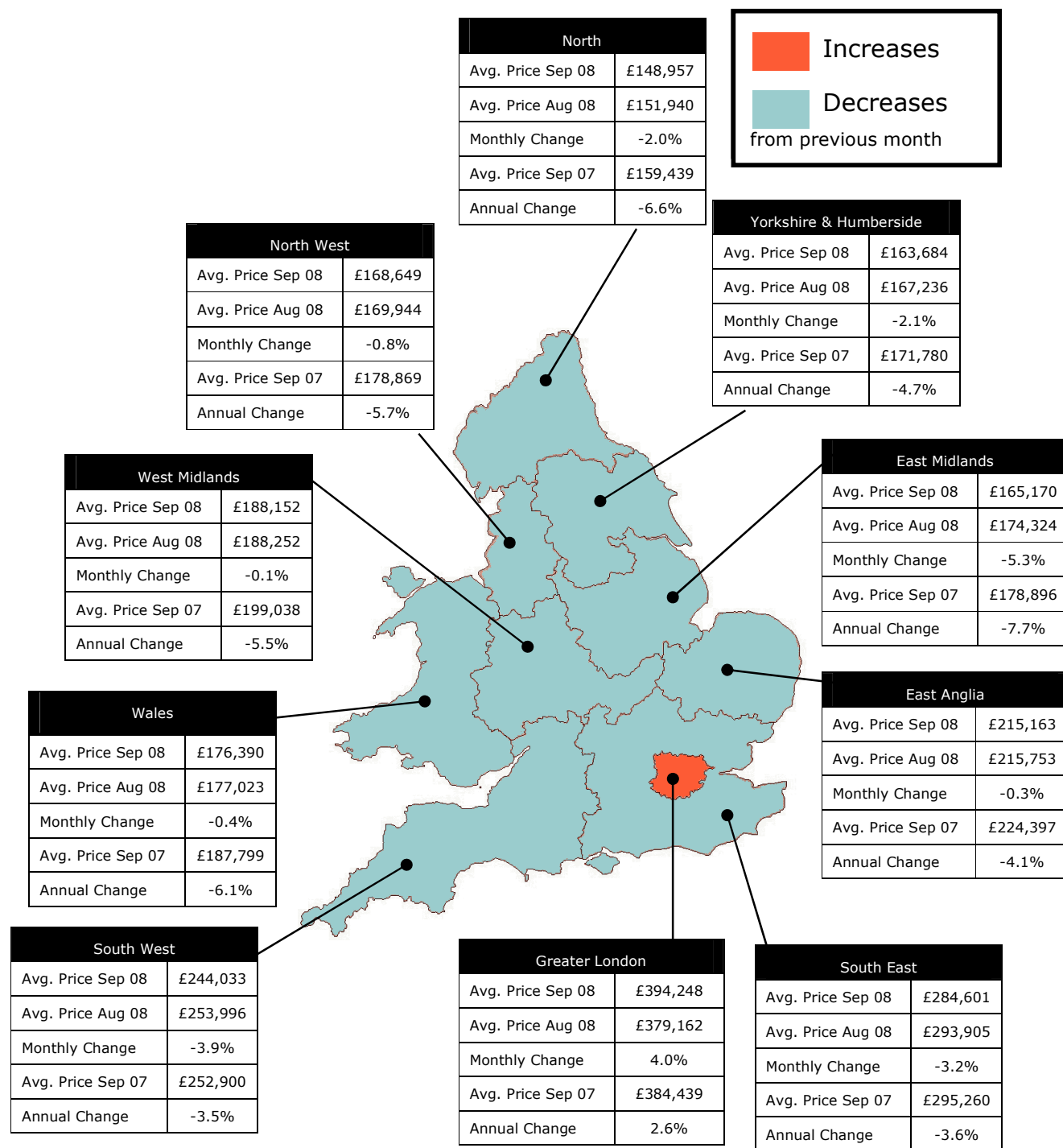
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Regions of England & Wales



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National Asking Price Trend

Month	Index (Jan 2002 = 100)	% Change	Avg. Price
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
September 2008	185.0	-1.0%	£227,438
Annual Change	-6.3	-3.3%	-£7,738

(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
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
September 2008	£327,568	£195,188	£174,270	£184,542
Annual Change	-2.2%	-5.6%	-5.0%	-8.0%

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 0845 456 8439

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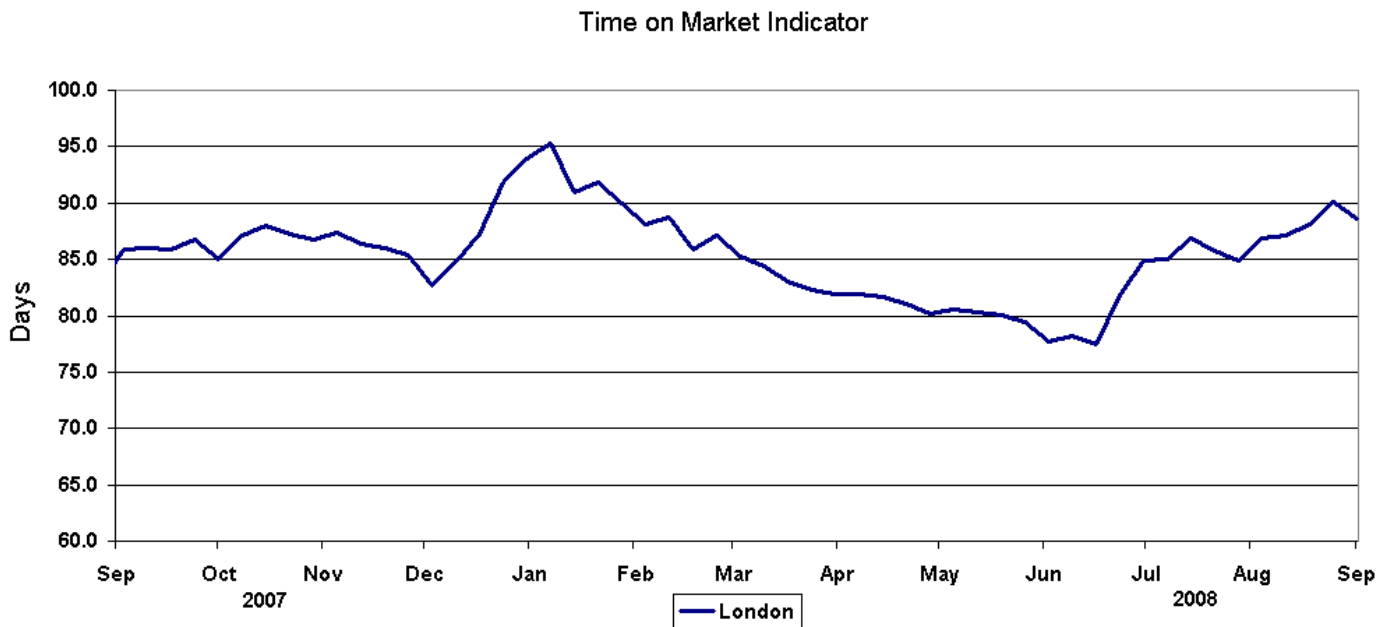
London's Best Performers September 2008

London's Top 5	Avg. Price Sep 08	Avg. Price Aug 08	Monthly Change
Kensington and Chelsea	£1,553,437	£1,416,578	9.7%
Kingston-upon-Thames	£516,109	£477,563	8.1%
Wandsworth	£518,805	£480,555	8.0%
City of Westminster	£1,077,146	£1,005,043	7.2%
Camden	£693,161	£649,150	6.8%

London's Worst Performers September 2008

London's Bottom 5	Avg. Price Sep 08	Avg. Price Aug 08	Monthly Change
Waltham Forest	£277,626	£274,026	1.3%
Croydon	£267,695	£264,205	1.3%
Ealing	£383,332	£377,897	1.4%
Newham	£244,191	£240,457	1.6%
Islington	£554,820	£542,935	2.2%

London Time on Market



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London Boroughs

Borough	Avg. Price Sep 08	Avg. Price Aug 08	Monthly Change	Avg. Price Sep 07	Annual Change
Kensington and Chelsea	£1,553,437	£1,416,578	9.7%	£1,459,403	6.4%
City of Westminster	£1,077,146	£1,005,043	7.2%	£890,011	21.0%
Camden	£693,161	£649,150	6.8%	£611,641	13.3%
Hammersmith and Fulham	£692,677	£661,380	4.7%	£609,009	13.7%
Islington	£554,820	£542,935	2.2%	£495,988	11.9%
Richmond-upon-Thames	£536,368	£513,035	4.5%	£532,638	0.7%
Wandsworth	£518,805	£480,555	8.0%	£491,272	5.6%
Brent	£516,196	£503,690	2.5%	£476,063	8.4%
Kingston-upon-Thames	£516,109	£477,563	8.1%	£515,012	0.2%
Hackney	£486,627	£473,936	2.7%	£424,705	14.6%
Barnet	£457,353	£436,701	4.7%	£429,191	6.6%
Hounslow	£432,671	£412,023	5.0%	£425,444	1.7%
Tower Hamlets	£426,358	£411,635	3.6%	£414,644	2.8%
Haringey	£405,992	£396,575	2.4%	£367,978	10.3%
Lambeth	£387,125	£378,025	2.4%	£371,791	4.1%
Merton	£384,054	£368,268	4.3%	£378,695	1.4%
Ealing	£383,332	£377,897	1.4%	£375,654	2.0%
Southwark	£373,385	£362,664	3.0%	£358,698	4.1%
Hillingdon	£337,097	£321,796	4.8%	£341,616	-1.3%
Bromley	£331,635	£314,764	5.4%	£315,233	5.2%
Lewisham	£323,017	£316,062	2.2%	£321,396	0.5%
Sutton	£321,162	£306,405	4.8%	£341,807	-6.0%
Harrow	£316,514	£306,374	3.3%	£316,311	0.1%
Enfield	£309,746	£300,239	3.2%	£310,299	-0.2%
Redbridge	£280,706	£270,156	3.9%	£289,774	-3.1%
Waltham Forest	£277,626	£274,026	1.3%	£293,009	-5.3%
Croydon	£267,695	£264,205	1.3%	£274,426	-2.5%
Greenwich	£252,005	£242,736	3.8%	£242,786	3.8%
Havering	£251,002	£243,799	3.0%	£255,737	-1.9%
Newham	£244,191	£240,457	1.6%	£258,302	-5.5%
Barking and Dagenham	£222,097	£214,112	3.7%	£224,256	-1.0%
Bexley	£218,841	£210,818	3.8%	£218,588	0.1%

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

Index Comparison

	September 08		August 08		July 08	
	House Price	Monthly change	House Price	Monthly change	House Price	Monthly change
Rightmove	£227,438	-1.0%	£229,816	-2.3%	£235,219	-1.8%
Halifax	N/A*	N/A*	£174,178	-1.8%	£177,421	-1.7%
Nationwide	N/A*	N/A*	£164,654	-1.9%	£169,316	-1.5%

* 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 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 14,387 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 or call 0845 456 8439