

The Rightmove House Price Index

The largest monthly sample of residential property prices

Under embargo for 00:01 hours: Monday 16th February 2009

Are new sellers sensible to raise their asking prices?

	February	January
Average Property Asking Price	£216,163	£213,570
% Change in Month	1.2%	-1.9%
% Change in Past Year	-9.1%	-7.3%
Monthly Index (Jan 2002=100)	175.9	173.8

- 9 out of 10 home movers say 'bad time to sell', yet falsely optimistic New Year sellers still follow seasonal trend and raise asking prices by 1.2%
- Continuing lack of fresh stock puts upward pressure on initial asking prices as estate agents bid for spring listings – agents competed for 75,140 new sellers compared to 137,442 last February
- Year-on-year fall highest ever measured as record number of enquiries track prices falling towards perceived affordability zones
- Shrinking number of lenders cherry picking the most credit worthy borrowers, whilst arguing amongst themselves as to who is to blame for this crisis, as opposed to solving it

Rightmove Monthly Asking Price Trend



Rightmove measured 75,140 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 11th January 2009 to 7th February 2009 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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For media enquiries and interviews please contact:

Mei-Kuen Tsui on 0845 456 8439 or press@rightmove.co.uk

Overview

A year ago, new sellers coming to the market could be forgiven for not foreseeing the strength of the downturn in market conditions and raising initial asking prices by a massive 3.2%. It could, therefore, be said that the New Year sellers of 2009, with customary spring optimism and time on their side, have shown considerable restraint by raising them a mere 1.2%. However, launching their properties onto the market at an average of £2,593 higher than the month before flies in the face of consumer sentiment. In the recent Rightmove Consumer Survey, 9 out of 10 potential homemovers clearly stated it was 'a bad time to sell'. It also temporarily defies the expectation that prices have further to fall, though our analysis of this month's other key statistics puts this rise into context and give further insights into the likely course of the housing market in 2009.

Miles Shipside, commercial director of Rightmove comments: "In spite of 25,000 out of 28,000 potential homemovers in the Rightmove Survey stating it was a bad time to sell, sellers appear to have ignored their fellow homemovers' assessment of market conditions and put prices up. While sellers have been more conservative in their New Year bullishness than last year, they may regret not pricing more aggressively to capitalise on the spring surge in buyer interest. Sales are being achieved at around 25% below peak prices, yet new sellers coming to market are starting out asking an average of only 10% less. Serious sellers need to set their initial asking price more realistically to get one up on the competition and take advantage of increasing numbers of bargain-hunters who have set their own price floor ahead of the return of mainstream purchasers."

The smaller than usual February rise has led to a substantial fall in the annual rate, with initial asking prices now 9.1% below those of a year ago, compared to 7.3% the previous month. This is the largest decrease that Rightmove has ever recorded. We forecast that monthly changes in asking prices will return to negative territory over the coming months, resulting in an overall fall of 10% during 2009. However, as this is an average, it fails to highlight individual properties marketed at considerably below peak prices, often when sellers are being forced to sell quickly. The number of sellers coming to the market remains at record lows however, with only 75,140 properties measured this month compared to 137,442 at this time last year.

Shipside adds: "New sellers are 45% down compared to February last year. In spite of these being ideal trading-up conditions, discretionary sellers are being deterred by uncertainty over mortgage finance and employment, while pending repossessions were delayed by an informal Christmas amnesty. Repossessions are still concentrated in relatively few areas of the country, though unfortunately record numbers are rumoured to be in the pipeline with some auction houses scheduling several 'pile them high' auctions. The availability of good quality property at distressed sale prices is likely to present a wider choice for owner-occupiers as opposed to just investors."

Even though the anticipated 75,000 repossessions for 2009 could add over 6,000 properties a month to the depressed monthly listing figures, property coming onto the market still remains massively below industry norms. With non-essential moves deterred by the recession, and completed Home Information Packs required before you can fully market from April 6th, this housing downturn looks set to escape the damaging inventory levels of the early 90s, and the supply overhang that currently besets the US housing market. The dwindling number of estate agents should have resulted in a rise in average stock per branch last year, yet this figure fell every month up until Christmas following its peak of 79 in July. Stagnating inventories and lack of fresh stock lead some agents to suggest a more optimistic initial asking price, influencing a seller to give the most bullish estate agent the instruction to sell. This is a traditional tactic employed at the beginning of every year to attract fresh stock, but is a short-sighted move for both parties in a falling market.

January enquiries are 108% up on last year, setting a new Rightmove record and clearly indicating a pent up demand to move home. This ties in with over half the respondents to our Consumer Survey stating they intend to buy in 2009, in spite of 7 out of 10 of them expecting prices to fall further during the year. Buying opportunities on the way to the bottom of the market are traditionally more plentiful than those on the way up, and sellers are more open to low offers. There are reports that agents are now struggling to handle the record volume of enquiries, having cut their staffing levels in order to survive. Potential buyers at present seem to be just testing the water however, with some agents reporting 40 or 50 viewings per weekend with no resulting offers, potential buyers are understandably cautious and their intention to buy is also frustrated by continuing constraints on mortgage availability.

Shipside explains: "Estate agents always deal with a vast number of enquiries, often needing to register 100 applicants for every successful sale. However, current pent-up demand is being frustrated by banks,

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Building Societies and, indeed, the taxpayer contributing insufficient funds to potential borrowers. That leaves a shrinking number of lenders who are cherry-picking the most credit-worthy borrowers, whilst arguing amongst themselves as to who is to blame for this crisis as opposed to solving it.

Some agents report only one deposit-strapped enquiry in 40 being able to get a mortgage, with current deposit and income multiple restraints singling out aspiring first time buyers. Unfortunately, the current enquiry feast is being blunted by the mortgage famine. While leaving a great opportunity for the cash-rich to strike a deal, it also highlights the extent to which the financial sector needs to put its house in order before market recovery can truly begin.”

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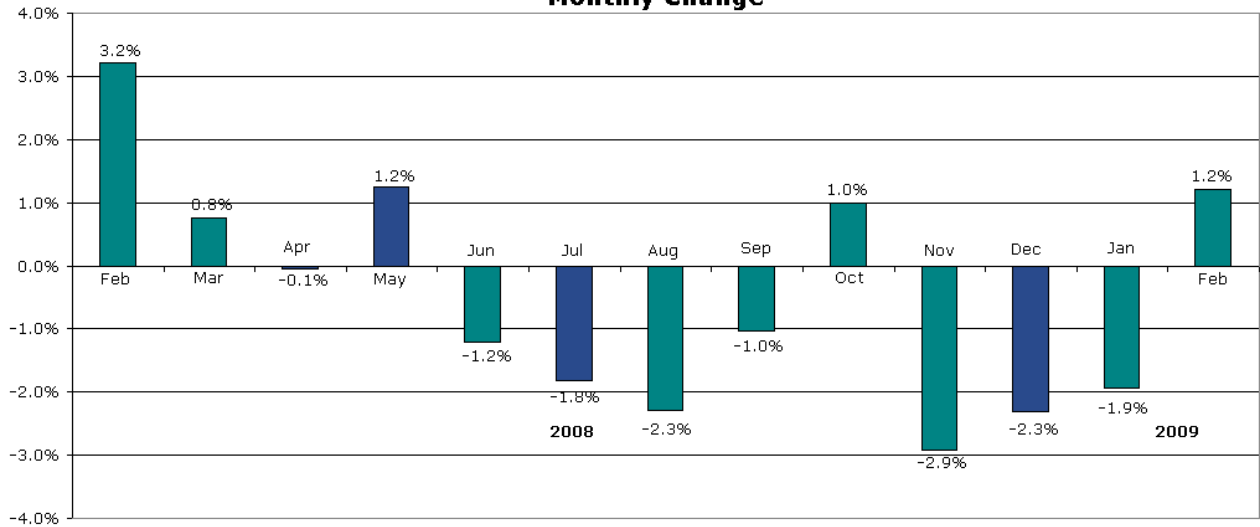
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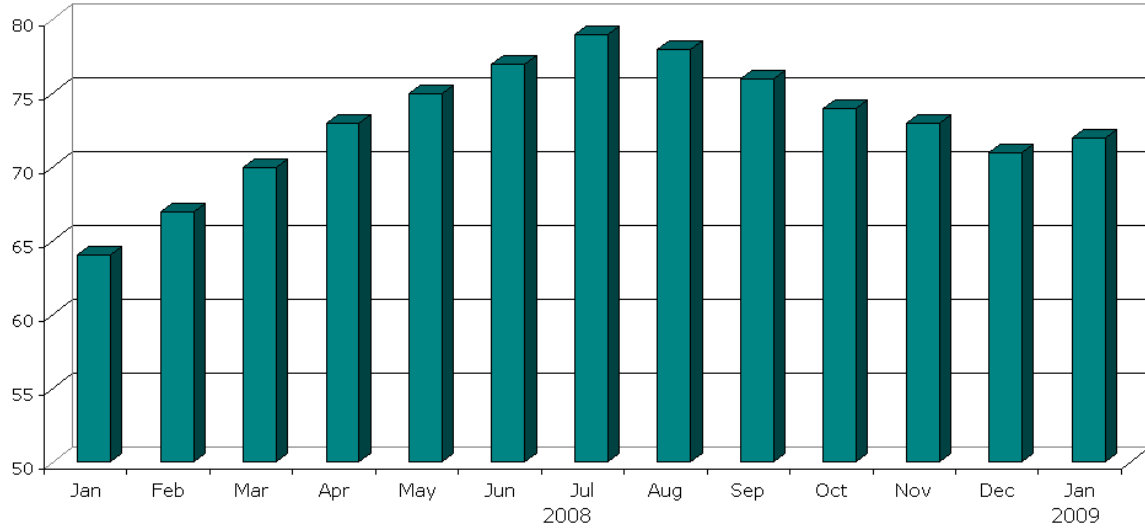
Monthly Change



Time on Market Indicator



Average properties for sale per Estate Agent



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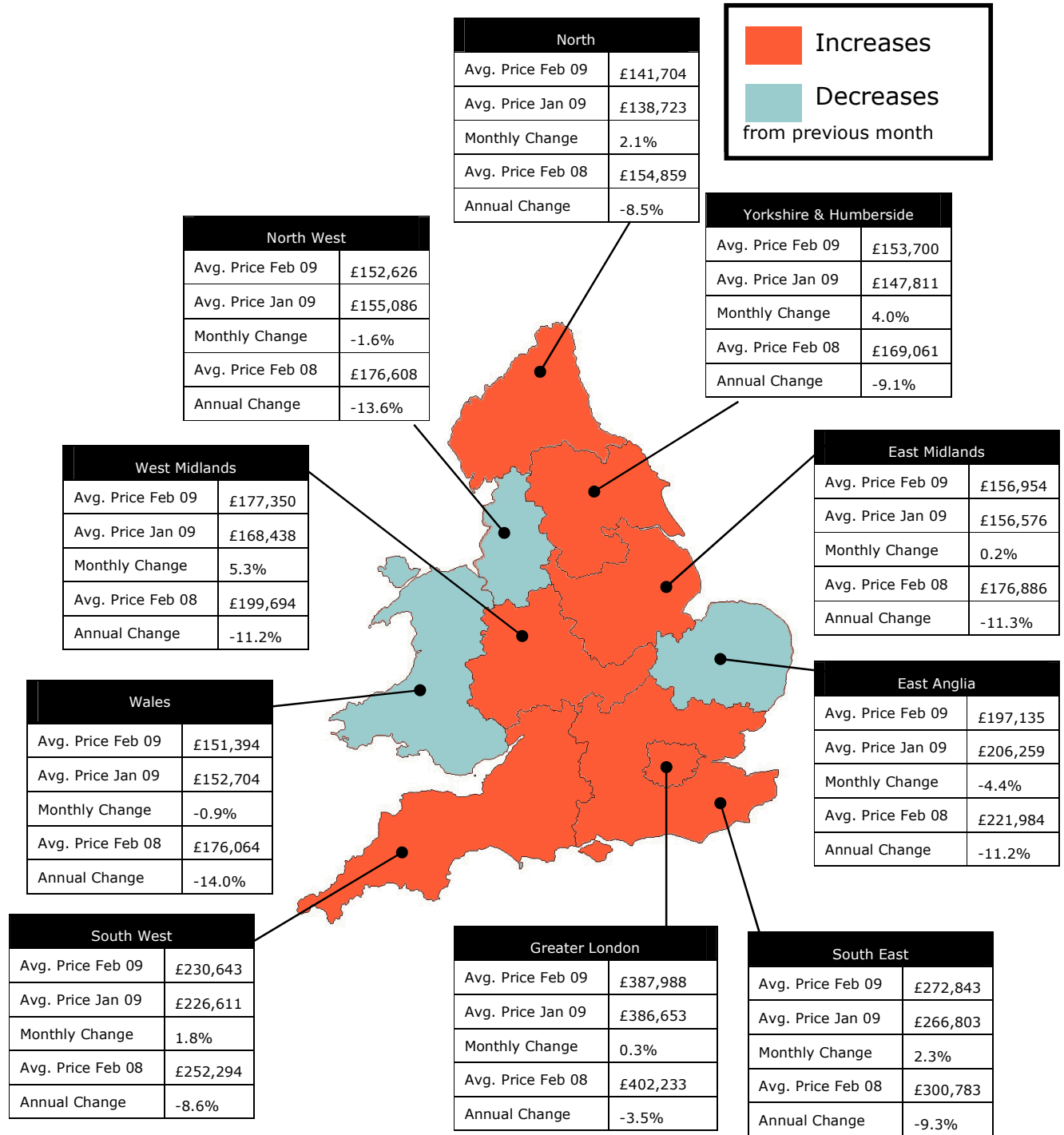
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Regions of England & Wales



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 or call 0845 456 8439

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National Asking Price Trend

Month	Index (Jan 2002 = 100)	% Change	Avg. Price
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
October 2008	186.9	+1.0%	£229,691
November 2008	181.4	-2.9%	£222,979
December 2008	177.2	-2.3%	£217,808
January 2009	173.8	-1.9%	£213,570
February 2009	175.9	+1.2%	£216,163
Annual Change	-17.6	-9.1%	-£21,693

(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
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
October 2008	£334,518	£193,143	£173,858	£187,051
November 2008	£323,690	£188,219	£170,740	£183,501
December 2008	£317,998	£185,471	£164,512	£175,915
January 2009	£314,282	£181,093	£161,667	£173,613
February 2009	£307,787	£183,208	£166,302	£179,063
Annual Change	-9.2%	-11.7%	-10.3%	-9.4%

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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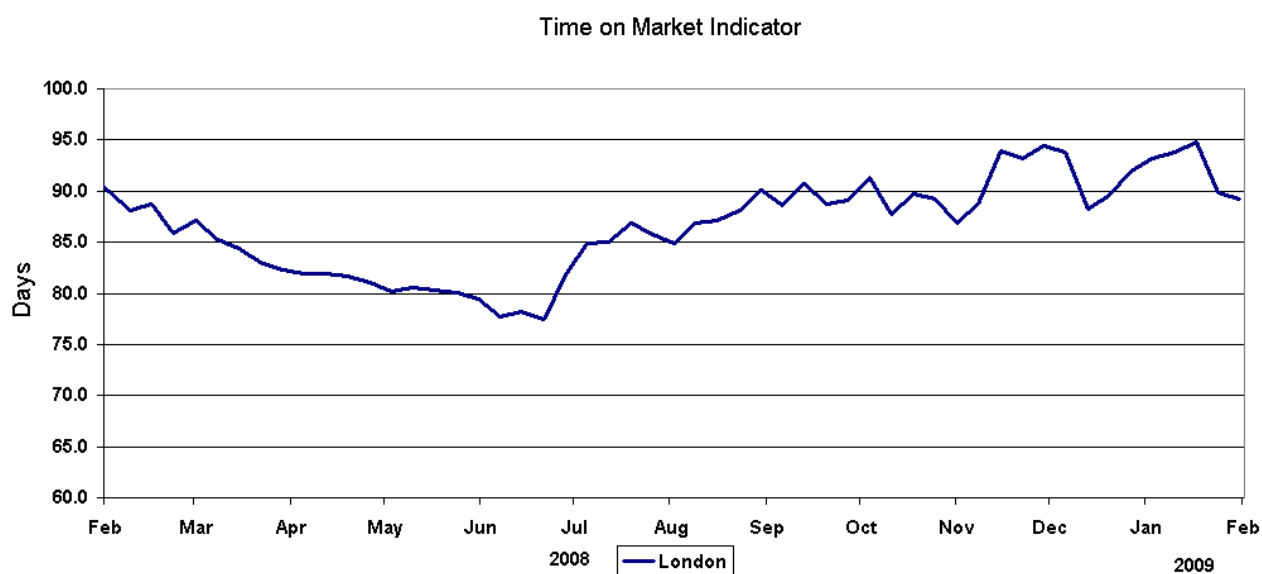
London's Best Performers February 2009

London's Top 5	Avg. Price Feb 09	Avg. Price Jan 09	Monthly Change
Kensington and Chelsea	£1,978,468	£1,770,243	11.8%
Richmond-upon-Thames	£547,911	£517,661	5.8%
Lambeth	£375,841	£360,222	4.3%
Southwark	£352,307	£337,687	4.3%
Hounslow	£436,496	£423,033	3.2%

London's Worst Performers February 2009

London's Bottom 5	Avg. Price Feb 09	Avg. Price Jan 09	Monthly Change
Haringey	£442,642	£454,153	-2.5%
Barnet	£475,157	£487,656	-2.6%
Ealing	£370,977	£382,118	-2.9%
Islington	£561,381	£584,206	-3.9%
Tower Hamlets	£376,103	£448,071	-16.1%

London Time on Market



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London Boroughs

Borough	Avg. Price Feb 09	Avg. Price Jan 09	Monthly Change	Avg. Price Feb 08	Annual Change
Kensington and Chelsea	£1,978,468	£1,770,243	11.8%	£1,555,251	27.2%
City of Westminster	£1,089,682	£1,075,893	1.3%	£943,898	15.4%
Camden	£717,391	£733,261	-2.2%	£692,513	3.6%
Hammersmith and Fulham	£694,059	£706,881	-1.8%	£693,257	0.1%
Islington	£561,381	£584,206	-3.9%	£509,844	10.1%
Richmond-upon-Thames	£547,911	£517,661	5.8%	£561,579	-2.4%
Wandsworth	£498,377	£486,886	2.4%	£510,981	-2.5%
Kingston-upon-Thames	£494,936	£498,639	-0.7%	£507,687	-2.5%
Barnet	£475,157	£487,656	-2.6%	£466,853	1.8%
Brent	£469,943	£469,844	0.0%	£515,311	-8.8%
Haringey	£442,642	£454,153	-2.5%	£399,664	10.8%
Hounslow	£436,496	£423,033	3.2%	£452,301	-3.5%
Hackney	£421,037	£426,839	-1.4%	£416,227	1.2%
Merton	£390,632	£383,649	1.8%	£398,948	-2.1%
Tower Hamlets	£376,103	£448,071	-16.1%	£394,673	-4.7%
Lambeth	£375,841	£360,222	4.3%	£396,555	-5.2%
Ealing	£370,977	£382,118	-2.9%	£409,371	-9.4%
Southwark	£352,307	£337,687	4.3%	£361,936	-2.7%
Hillingdon	£339,555	£343,546	-1.2%	£349,489	-2.8%
Lewisham	£317,193	£308,895	2.7%	£326,527	-2.9%
Bromley	£315,668	£310,348	1.7%	£325,200	-2.9%
Sutton	£308,099	£314,079	-1.9%	£348,040	-11.5%
Harrow	£307,627	£312,663	-1.6%	£333,141	-7.7%
Enfield	£302,246	£299,539	0.9%	£325,284	-7.1%
Redbridge	£271,747	£265,014	2.5%	£308,194	-11.8%
Waltham Forest	£261,093	£257,913	1.2%	£306,687	-14.9%
Croydon	£254,538	£259,790	-2.0%	£288,301	-11.7%
Havering	£246,932	£242,968	1.6%	£272,536	-9.4%
Greenwich	£237,511	£233,626	1.7%	£255,201	-6.9%
Newham	£214,095	£208,383	2.7%	£261,468	-18.1%
Barking and Dagenham	£206,279	£209,017	-1.3%	£238,007	-13.3%
Bexley	£205,613	£203,689	0.9%	£230,361	-10.7%

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

Index Comparison

	February 09		January 09		December 08	
	House Price	Monthly change	House Price	Monthly change	House Price	Monthly change
Rightmove	£216,163	+1.2%	£213,570	-1.9%	£217,808	-2.3%
Halifax	N/A*	N/A*	£163,966	+1.9%	£159,896	-2.2%
Nationwide	N/A*	N/A*	£150,501	-1.3%	£153,048	-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 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 6,943 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

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