

# The Rightmove House Price Index

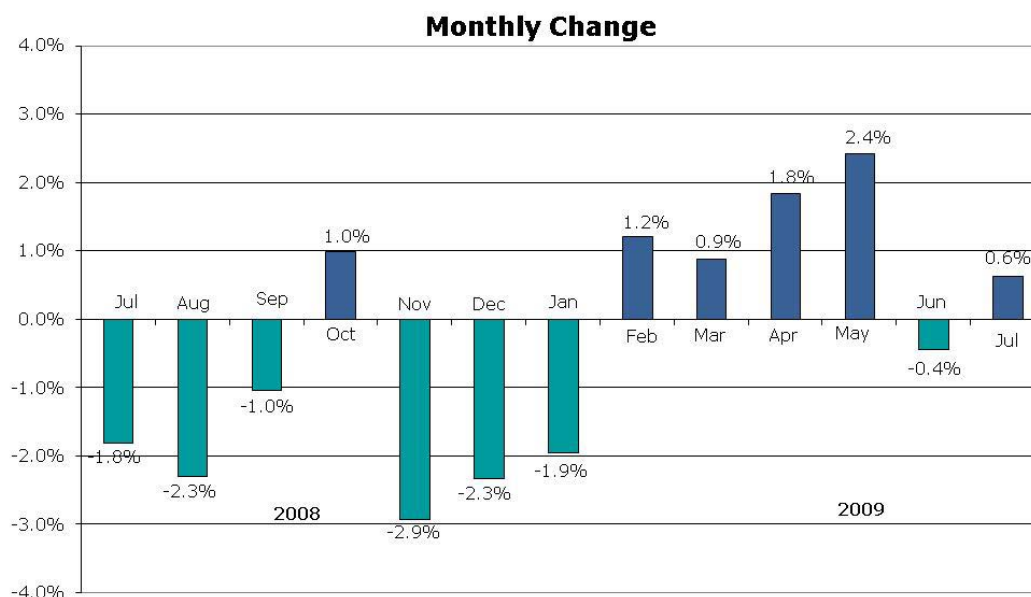
The largest monthly sample of residential property prices

*Under embargo for 00:01 hours: Monday 20<sup>th</sup> July 2009*

## 'Window closing' for bargain buys

	July	June
<b>Average Property Asking Price</b>	<b>£227,864</b>	<b>£226,436</b>
<b>% Change in Month</b>	<b>+0.6%</b>	<b>-0.4%</b>
<b>% Change in Past Year</b>	<b>-3.1%</b>	<b>-5.5%</b>
<b>Monthly Index (Jan 2002=100)</b>	<b>185.4</b>	<b>184.2</b>

- Average asking prices up by a mere 0.6% (£1,428), the fifth monthly price increase of 2009
- Renewed price rises in the first half of 2009 indicate that last winter was the transaction and price undershoot at the bottom of the market
- Bargain hunting buyers belatedly putting their own houses on the market, leading to 20% recovery in new seller numbers and un-seasonally strong Rightmove site traffic
- Where next – the ogre of a 'double dip', a 'steady state' or a 'resurgence'?



*Rightmove measured 85,457 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 14<sup>th</sup> June 2009 to 12<sup>th</sup> July 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 40 million visits from home movers each month who view in excess of 500 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 20<sup>th</sup> July 2009

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For media enquiries and interviews please contact:

Mei-Kuen Tsui on 0845 456 8439 or [press@rightmove.co.uk](mailto:press@rightmove.co.uk)

## Overview

This month sees a return to rising average asking prices, albeit up by a more modest 0.6% compared to the more dramatic price rebounds seen in the earlier months of 2009. This follows on from the previous month's slight fall of 0.4%, suggesting we will see the housing market remain in a 'steady state' during the second half of 2009.

The benefit of hindsight shows that the lowest ebb of prices, and thus the best time to pick up a bargain, was last winter. Prices were in freefall in the second half of 2008 as desperate sellers reduced prices by circa 2% a month, yet most buyers still held back leading to a 50-year low in transactions. As in most market corrections, there was a price undershoot that appears to have rectified itself this spring, with average rises of circa 1% a month. The window of opportunity to pick up the best buys in popular areas in this phase of the market is therefore closing.

Miles Shipside, commercial director at Rightmove comments: "There is now clear evidence that there were some fire-sale prices last winter, when a few brave buyers correctly called the bottom of the market. In most parts of the country prices have consistently improved during spring. With growing confidence that we've passed the bottom, buyers are more active, although they may discover that many of the best buys have gone."

Buyer activity remains strong, with traffic on Rightmove's website remaining much higher than we would expect during the months of June and July which are typically quieter. Last year traffic peaked in March then reduced significantly as summer approached. However, in 2009, the tail-off has been almost non-existent. This year the number of pages viewed remains at 97% of its spring high, compared to 79% in 2008. Indeed, some agents are reporting some of their best weeks' sales so far this year.

The increased confidence and activity is tempting more sellers to test the market, as they seek to take advantage of the smaller price difference to trade up to a better home. Normally two-thirds of sellers are also buyers, though they have proved reluctant to come to market while their main asset is still falling in value. With initial asking prices up by 6.7% since the beginning of 2009 and better prospects of finding a buyer, the number of new sellers measured is the highest so far this year. This month's average is 21,364 a week and, while still well below the historic norm of circa 35,000, it represents a 20% increase in sellers coming to market compared to the previous year-to-date average.

Shipside adds: "More sellers looking to buy are good news for the market, as they help build longer chains, which build transaction volumes. We are seeing this come through in the gradually increasing mortgage approval and transaction numbers, though for momentum to build, it is essential these sellers are realistic on their pricing. Many properties sold so far this year have been empty, and therefore their sellers have lower price expectations. This new batch of more discretionary sellers will be under less financial pressure to negotiate, but must accept that their buyer will be looking to do a deal as much as they are. It's all about the price differential to trade up, and by being too greedy they will join the large overhang of stale property and miss the current deals on both property and mortgage rates."

Having seen average asking prices rise by nearly 7% so far this year and transaction levels bottom out, the quandary for many existing and aspiring home owners is the future direction of the housing market given the continuing UK and global recession. We see three possible scenarios: a 'Double Dip', a 'Steady State', or a 'Resurgence'.

- The '*Double-Dip*' scenario would see asking prices falling by 10% in the second half of the year to end 3% down overall in 2009, as mortgage lending remains tight, unemployment continues to rise, and many more repossessions come to market. This would give a further window of opportunity for bargain-hunters who missed out on the best buys last winter.
- The '*Steady-State*' scenario would see prices stay flat for the rest of the year, ending at circa 7% up, as both mortgage availability and the number of sellers coming to market remain at historically subdued levels.
- The '*Resurgence*' scenario would see prices go up by a further 5%, ending the year 12% up, as buyer interest and mortgage availability pick up significantly while supply remains relatively constrained.

While there are innate risks in forecasting, key indicators increasingly suggest that prices have bottomed out. We have seen a modest recovery in mortgage approvals and an improvement but not an oversupply of new sellers coming to market. However, with no real signs of increased mortgage funding or a relaxation of high deposit requirements, the 'Steady State' is the most likely scenario for the remainder of 2009. Historically low volumes will persist, which will mean that asking prices have seen most of their gains for this year following the recovery from the 2008 undershoot. In areas of chronic under- and over-supply there will be the scope for further price rises and falls. Unemployment-driven repossessions look likely to drag on into 2010 and 2011, giving continued downward price pressure in the parts of the country most affected.

Shipside comments: "Following a period of suspended animation in 2008 when activity froze, we have seen a considerable spring thaw. However, with only seven volume lenders remaining in the lending game, including three government-backed institutions that are prioritising their balance sheets over new lending, we are set to bump along the bottom for some time yet."



### Rightmove Monthly Asking Price Trend



Rightmove measured 85,457 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 14<sup>th</sup> June 2009 to 12<sup>th</sup> July 2009 and advertised on Rightmove.co.uk

### Time on Market Indicator



Released 20<sup>th</sup> July 2009

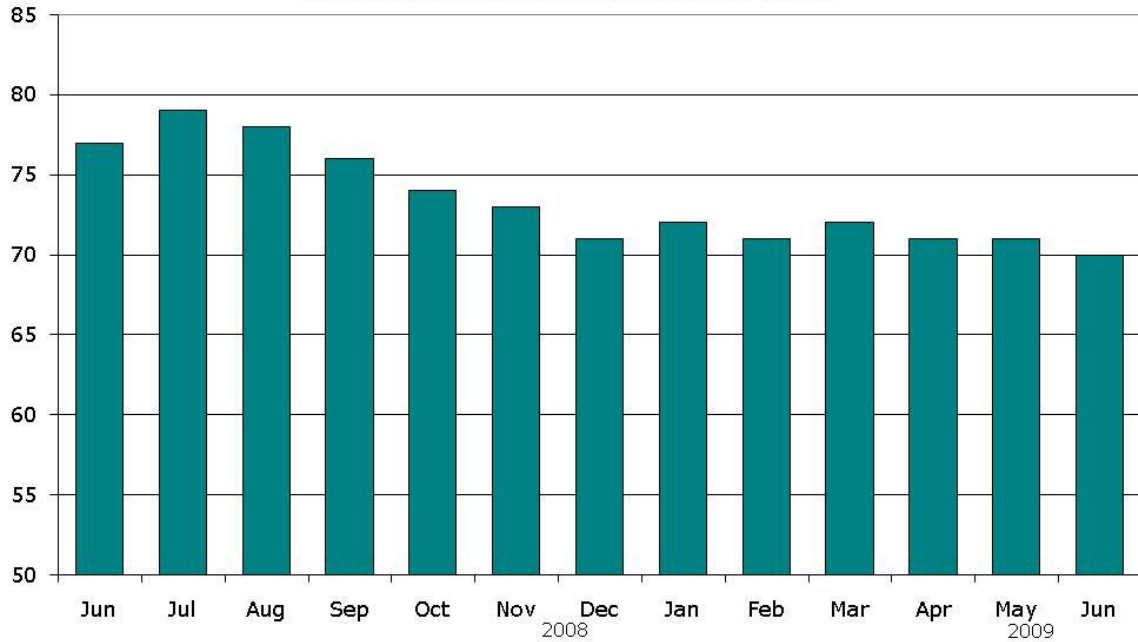
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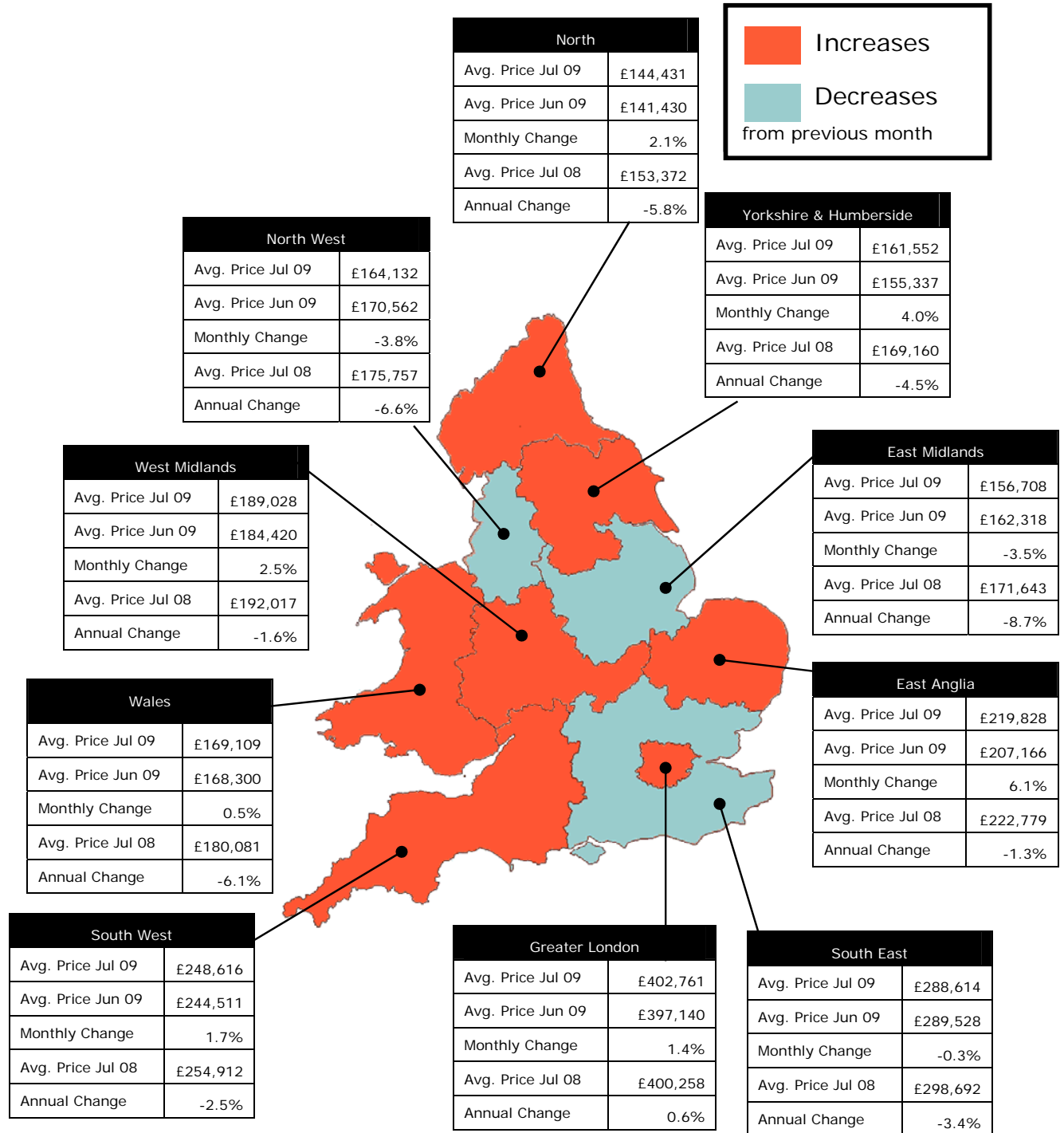
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Average properties for sale per Estate Agent



## 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

## National Asking Price Trend

Month	Index (Jan 2002 = 100)	% Change	Avg. Price
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
March 2009	177.4	+0.9%	£218,081
April 2009	180.7	+1.8%	£222,077
May 2009	185.1	+2.4%	£227,441
June 2009	184.2	-0.4%	£226,436
July 2009	185.4	+0.6%	£227,864
<b>Annual Change</b>	<b>-6.0</b>	<b>-3.1%</b>	<b>-£7,355</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 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
March 2009	£312,893	£184,300	£168,828	£184,821
April 2009	£321,827	£187,589	£167,844	£179,693
May 2009	£327,914	£188,271	£169,038	£183,587
June 2009	£325,903	£189,866	£169,149	£184,011
July 2009	£330,574	£193,298	£171,227	£182,800
<b>Annual Change</b>	<b>-2.3%</b>	<b>-3.7%</b>	<b>-5.1%</b>	<b>-4.8%</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 July 2009

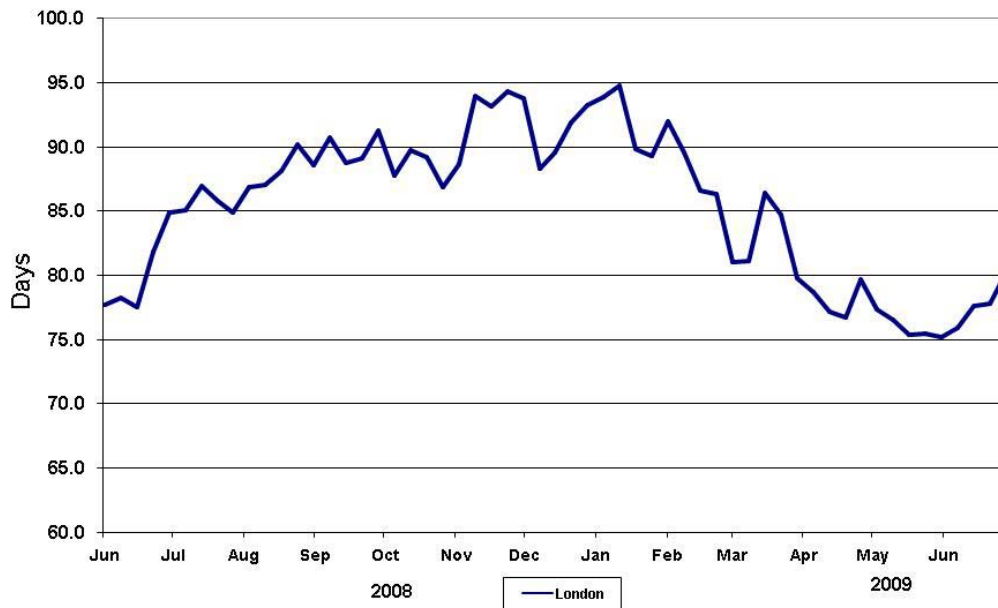
London's Top 5	Avg. Price Jul 09	Avg. Price Jun 09	Monthly Change
City of Westminster	£1,226,794	£1,166,132	5.2%
Croydon	£260,386	£248,598	4.7%
Camden	£821,570	£784,854	4.7%
Wandsworth	£512,795	£497,281	3.1%
Hillingdon	£335,872	£325,863	3.1%

## London's Worst Performers July 2009

London's Bottom 5	Avg. Price Jul 09	Avg. Price Jun 09	Monthly Change
Brent	£561,099	£575,822	-2.6%
Kingston-upon-Thames	£527,705	£539,251	-2.1%
Hammersmith and Fulham	£697,132	£706,575	-1.3%
Kensington and Chelsea	£1,756,367	£1,779,381	-1.3%
Tower Hamlets	£358,236	£361,612	-0.9%

## London Time on Market

Time on Market Indicator



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## London Boroughs

Borough	Avg. Price Jul 09	Avg. Price Jun 09	Monthly Change	Avg. Price Jul 08	Annual Change
Kensington and Chelsea	£1,756,367	£1,779,381	-1.3%	£1,504,962	16.7%
City of Westminster	£1,226,794	£1,166,132	5.2%	£1,069,920	14.7%
Camden	£821,570	£784,854	4.7%	£694,355	18.3%
Hammersmith and Fulham	£697,132	£706,575	-1.3%	£679,074	2.7%
Richmond-upon-Thames	£592,973	£581,446	2.0%	£550,248	7.8%
Brent	£561,099	£575,822	-2.6%	£544,592	3.0%
Islington	£581,540	£566,895	2.6%	£560,645	3.7%
Kingston-upon-Thames	£527,705	£539,251	-2.1%	£514,371	2.6%
Wandsworth	£512,795	£497,281	3.1%	£521,653	-1.7%
Barnet	£485,845	£478,536	1.5%	£452,715	7.3%
Haringey	£462,742	£461,671	0.2%	£419,951	10.2%
Hackney	£465,234	£452,417	2.8%	£476,703	-2.4%
Hounslow	£437,464	£427,126	2.4%	£425,284	2.9%
Merton	£398,484	£395,453	0.8%	£393,182	1.3%
Lambeth	£398,999	£389,113	2.5%	£404,347	-1.3%
Southwark	£375,975	£370,704	1.4%	£370,851	1.4%
Tower Hamlets	£358,236	£361,612	-0.9%	£429,514	-16.6%
Ealing	£366,589	£356,520	2.8%	£390,462	-6.1%
Hillingdon	£335,872	£325,863	3.1%	£334,093	0.5%
Lewisham	£323,461	£317,809	1.8%	£333,317	-3.0%
Harrow	£318,572	£313,668	1.6%	£317,537	0.3%
Bromley	£317,898	£311,707	2.0%	£326,869	-2.7%
Enfield	£309,516	£307,886	0.5%	£312,243	-0.9%
Sutton	£303,214	£304,738	-0.5%	£321,368	-5.6%
Waltham Forest	£277,413	£271,856	2.0%	£287,845	-3.6%
Redbridge	£268,715	£265,267	1.3%	£288,077	-6.7%
Greenwich	£259,401	£260,976	-0.6%	£259,809	-0.2%
Havering	£251,943	£248,626	1.3%	£255,039	-1.2%
Croydon	£260,386	£248,598	4.7%	£279,089	-6.7%
Newham	£219,316	£215,961	1.6%	£251,823	-12.9%
Barking and Dagenham	£208,317	£207,676	0.3%	£225,034	-7.4%
Bexley	£205,761	£205,182	0.3%	£218,470	-5.8%

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

## Index Comparison

	July 09		June 09		May 09	
	House Price	Monthly change	House Price	Monthly change	House Price	Monthly change
Rightmove	£227,864	+0.6%	£226,436	-0.4%	£227,441	+2.4%
Halifax	N/A *	N/A *	£157,713	-0.5%	£158,541	+2.6%
Nationwide	N/A *	N/A *	£156,442	+0.9%	£154,016	+1.3%

\* 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) measures 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 the c.10,000 estate agency branches listing on Rightmove.co.uk. 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 7,313 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