

# The Rightmove House Price Index

The largest monthly sample of residential property prices

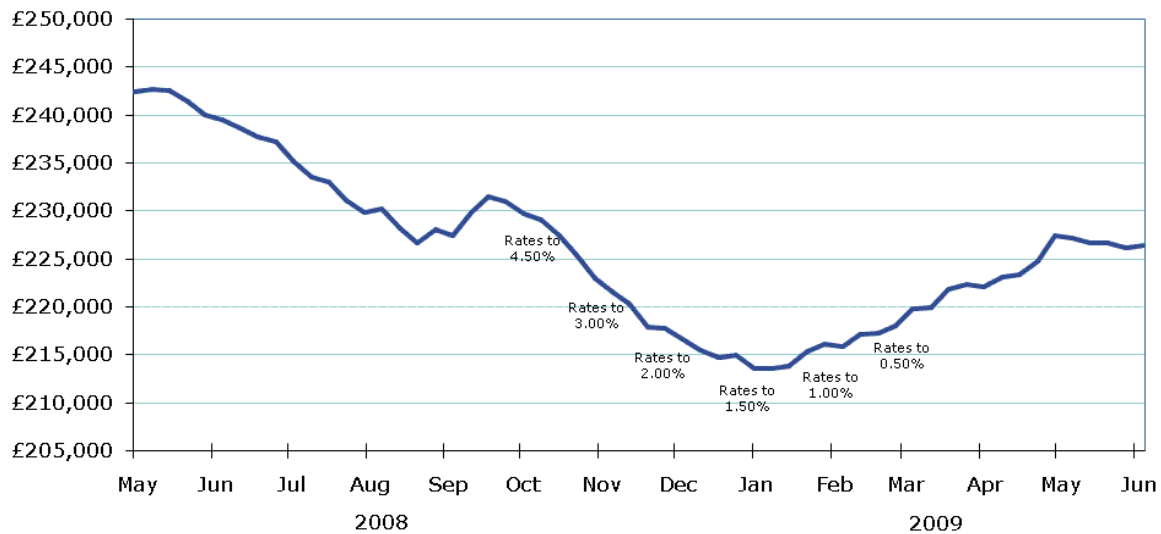
*Under embargo for 00:01 hours: Monday 22<sup>nd</sup> June 2009*

## New sellers hesitate as first-time buyers struggle

	June	May
Average Property Asking Price	£226,436	£227,441
% Change in Month	-0.4%	2.4%
% Change in Past Year	-5.5%	-6.2%
Monthly Index (Jan 2002=100)	184.2	185.1

- Asking prices fall back by 0.4% (£1,005) as new sellers hesitate, following 4 months of rises
- Prices still up 6% in 2009 as equity-rich snap up restricted supply of saleable properties
- New seller shortage most acute in the south, indicating north/south divide in future house price growth – new supply down 45% in southern regions compared to 40% in the north
- Mortgage famine exacerbated by rising lender margins and interest rates preventing many equity-poor first-time buyers from mopping-up less saleable stock and repossessions

### Rightmove Monthly Asking Price Trend



*Rightmove measured 106,532 asking prices – circa 90% of the UK market. The properties were put on sale by estate agents from 10<sup>th</sup> May 2009 to 13<sup>th</sup> June 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.

Released 22<sup>nd</sup> June 2009

Page 1 of 10

Copyright © 2009, Rightmove plc

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

Average asking prices of properties new to the market fell for the first time in 5 months, suffering a slight decrease of 0.4%. In spite of this hesitation from new sellers, this year's price recovery still sees asking prices up 6.0% since January, fuelled by a shortage of saleable property and the equity-rich calling the bottom of the market.

Miles Shippside, commercial director of Rightmove comments: "For the equity-rich, 2009 has turned out to be the year of the property deal. Those with a good deposit and a stable job are now finding they can afford a better property than two years ago. This puts them in pole position to snap up the short supply of saleable property in the most popular areas. The south appears to be leading the way in terms of increased activity as it has a higher concentration of the mortgageable equity-rich, which conversely means property coming onto the market is in shorter supply as there are fewer forced sellers."

The shortage of new sellers continues, though there has been a modest increase of around 10% compared to the previous three months. There is evidence of a real north-south divide. The number of new sellers in the southern regions of the South East, South West, East Anglia and Greater London are down by 45.3% on the same period in 2008, while the rest of England and Wales has seen a 40.1% fall. A combination of lenders' risk bias towards southern deposit-rich buyers and less fresh saleable stock would therefore suggest a speedier price recovery in the south.

The potential for future price rises is particularly marked in Greater London where the year-to-date supply of new-to-market properties is down 52.3% compared to the same period in 2008. By contrast the 'North of England' region has seen 33.8% fewer properties coming to the market, helping maintain supply and keep prices depressed. This is reflected in average falls in initial asking prices being greater in the North of England region, with the largest annual decrease of 10.5% (£16,648), while new sellers in Greater London have only marked their asking prices down by 0.5% (£1.870).

Miles Shippside adds, "It's a mistake to confuse the upturn in enquiries and sales with a return to a more normal market. While conditions are much improved on the darkest days of last year, we are now starting to see some big distortions and wild swings due to the combined effects of recession and restricted mortgage availability. As the best deals on property and mortgages are only open to the equity-rich, the new stock that agents are looking to attract has to match what these purchasers want to buy and can afford. Perennially popular areas with good schooling are in, while flats in large blocks and terraces requiring major works are out, meaning new sellers are having to adjust prices accordingly."

The hesitation in asking prices after four consecutive monthly rises appears to highlight that, while new stock remains in short supply, new sellers are having to vary their prices to match local buyer demand. Initial asking prices for detached properties are down only 5% on a year ago for example, whereas we are recording the highest fall on terraces, which are 7.4% down. With lenders demanding larger deposits, and with both lenders and mortgage surveyors being more conservative, a run-down terrace which might require a retention against the mortgage advance until renovated is not as saleable as one already improved. Similarly, a mortgage valuation on a flat in a large block will be marked down substantially if there is evidence of repossessed properties within the block being sold at fire sale prices.

A large rump of less saleable stock remains, with average stock per estate agency branch remaining stubbornly consistent at just over 70 for the last six months. We would normally expect this to fall, given the lack of new stock coming to market, and the pick-up in sales and mortgage approval figures. This confirms reports that fresh stock of the right type is saleable if priced correctly. However, older stock is far less saleable if it does not match current mortgage lending criteria. We report a further 62,519 price reductions this month of 2% or more in Rightmove's Property Deal Weekly, compared to 59,072 in our May report. Given lenders' tight lending criteria and their raising of fixed rates, the pool of potential first-time buyers who can mop-up this less saleable stock, which includes repossessions, is reducing further. Lenders want lower-risk buyers with larger deposits who naturally buy in better areas, not where repossessions tend to be concentrated. Sales of these lower-end properties now rely heavily on price-sensitive cash investors, as buy-to-let mortgages are part of a previous era. Whilst the spring resurgence of interest includes more first time buyers, their average deposits are up from circa 11% a year ago to 25% according to recent figures from the Council of Mortgage Lenders. This clearly limits the number who can play a vital role in completing the bottom of chains.

With limited funds to lend, rationing of mortgages by raising interest rates and requiring large deposits is likely, as demand recovers with the increased number of sales. Unless the markets for wholesale mortgage funding re-open, volumes will remain muted due to a distorted reliance on equity-rich buyers.

Shipside adds, "Interest rates for fixed-rate mortgages are now increasing, in line with money-market expectations of higher medium-term interest rates. Property deals appear within the grasp of cash-strapped first time buyers, but every rise in fixed rates frustratingly nudges them a bit further out of reach. Lenders need to be wary not to choke off the recovery in affordability and activity by punishing the returning buyers with ever widening margins."

---

Released 22<sup>nd</sup> June 2009

Page 3 of 10

Copyright © 2009, Rightmove plc

For media enquiries and interviews please contact:

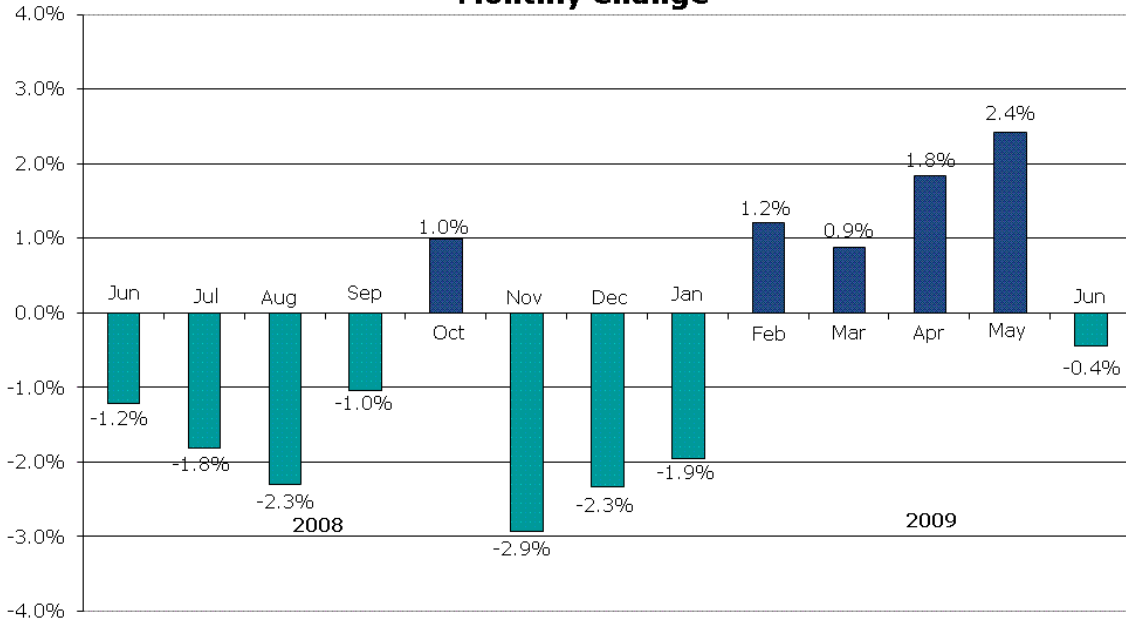
Mei-Kuen Tsui on 0845 456 8439 or [press@rightmove.co.uk](mailto:press@rightmove.co.uk)



**rightmove**.co.uk

The UK's number one property website

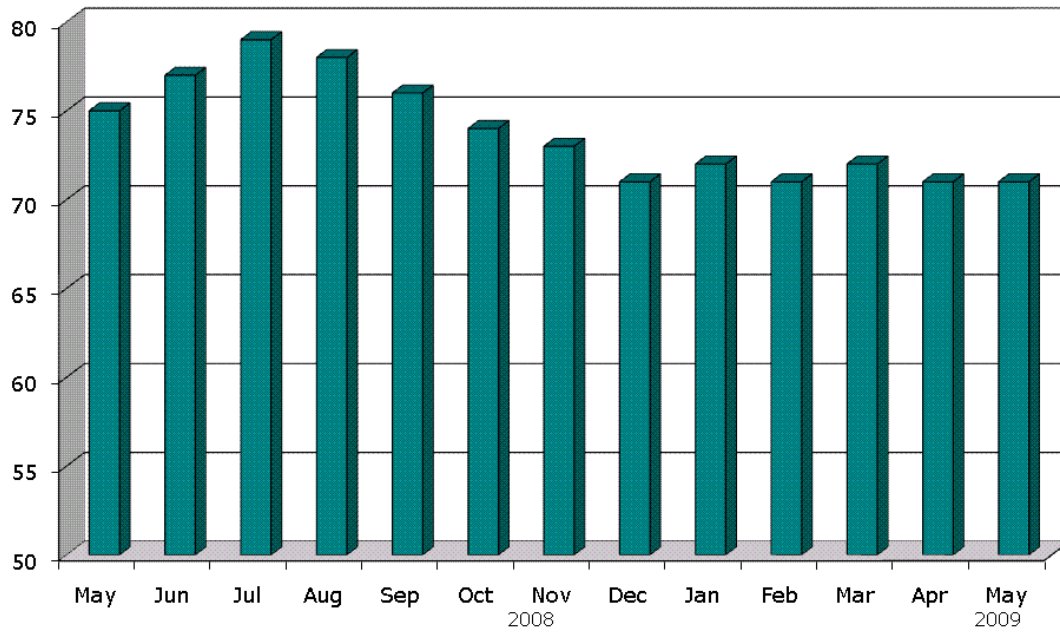
### Monthly Change



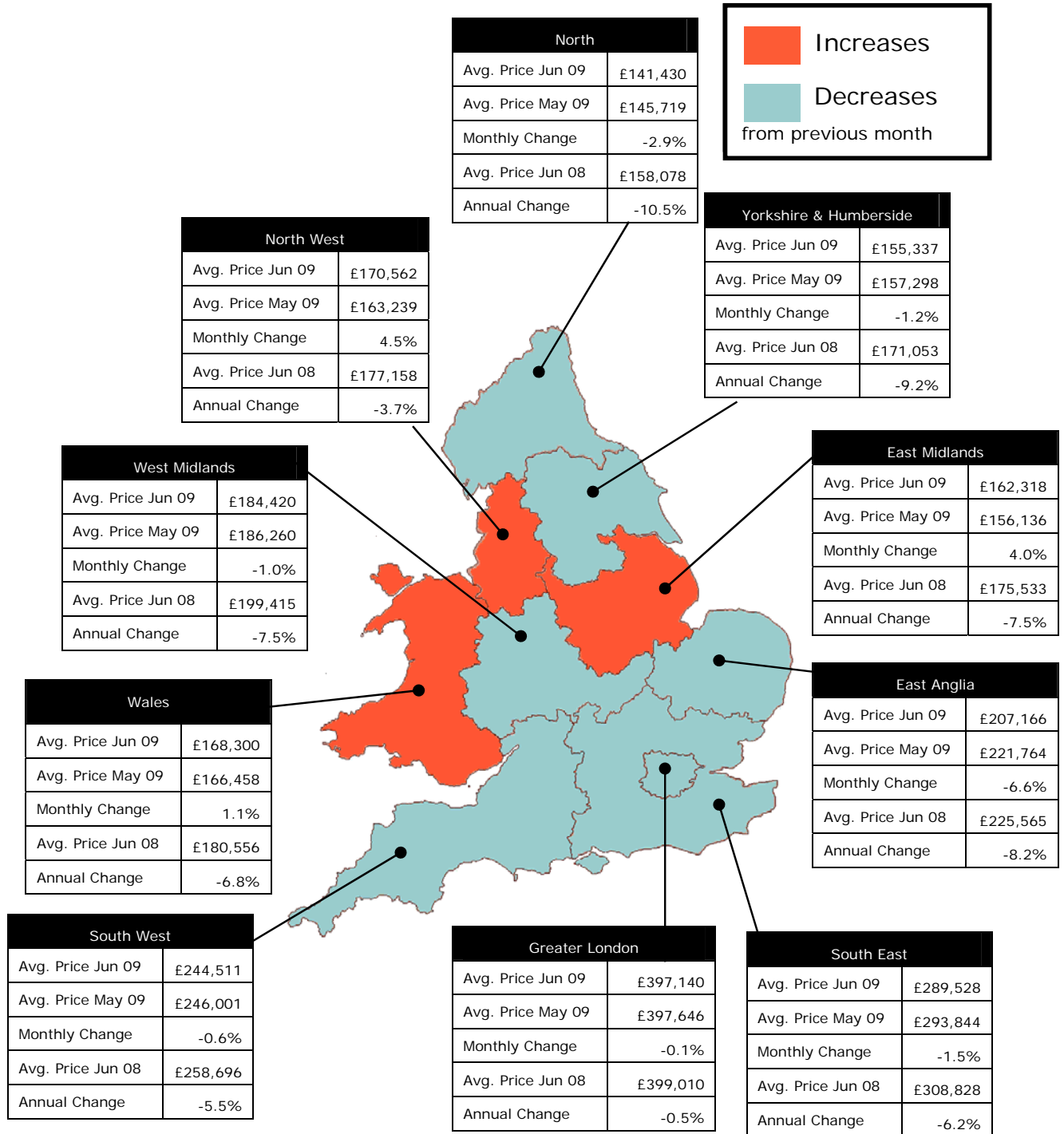
### Time on Market Indicator



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
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
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
<b>Annual Change</b>	<b>-10.7</b>	<b>-5.5%</b>	<b>-£13,128</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
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
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
<b>Annual Change</b>	<b>-5.0%</b>	<b>-6.9%</b>	<b>-7.4%</b>	<b>-6.5%</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

## London's Best Performers June 2009

London's Top 5	Avg. Price Jun 09	Avg. Price May 09	Monthly Change
Kingston-upon-Thames	£539,251	£505,677	6.6%
Richmond-upon-Thames	£581,446	£551,499	5.4%
Greenwich	£260,976	£251,059	3.9%
Hounslow	£427,126	£411,562	3.8%
City of Westminster	£1,166,132	£1,136,757	2.6%

## London's Worst Performers June 2009

London's Bottom 5	Avg. Price Jun 09	Avg. Price May 09	Monthly Change
Tower Hamlets	£361,612	£385,134	-6.1%
Wandsworth	£497,281	£529,267	-6.0%
Kensington and Chelsea	£1,779,381	£1,868,681	-4.8%
Hammersmith and Fulham	£706,575	£737,039	-4.1%
Lambeth	£389,113	£402,378	-3.3%

## London Time on Market

Time on Market Indicator



Released 22<sup>nd</sup> June 2009

Page 8 of 10

Copyright © 2009, Rightmove plc

For media enquiries and interviews please contact:

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

## London Boroughs

Borough	Avg. Price Jun 09	Avg. Price May 09	Monthly Change	Avg. Price Jun 08	Annual Change
Kensington and Chelsea	£1,779,381	£1,868,681	-4.8%	£1,476,824	20.5%
City of Westminster	£1,166,132	£1,136,757	2.6%	£1,037,421	12.4%
Camden	£784,854	£770,217	1.9%	£689,271	13.9%
Hammersmith and Fulham	£706,575	£737,039	-4.1%	£691,226	2.2%
Richmond-upon-Thames	£581,446	£551,499	5.4%	£541,514	7.4%
Brent	£575,822	£565,601	1.8%	£533,741	7.9%
Islington	£566,895	£580,401	-2.3%	£557,662	1.7%
Kingston-upon-Thames	£539,251	£505,677	6.6%	£524,966	2.7%
Wandsworth	£497,281	£529,267	-6.0%	£525,381	-5.3%
Barnet	£478,536	£489,315	-2.2%	£451,205	6.1%
Haringey	£461,671	£456,858	1.1%	£415,564	11.1%
Hackney	£452,417	£452,553	0.0%	£477,876	-5.3%
Hounslow	£427,126	£411,562	3.8%	£425,708	0.3%
Merton	£395,453	£406,834	-2.8%	£394,767	0.2%
Lambeth	£389,113	£402,378	-3.3%	£407,481	-4.5%
Southwark	£370,704	£374,280	-1.0%	£373,655	-0.8%
Tower Hamlets	£361,612	£385,134	-6.1%	£412,431	-12.3%
Ealing	£356,520	£356,093	0.1%	£389,771	-8.5%
Hillingdon	£325,863	£330,725	-1.5%	£337,212	-3.4%
Lewisham	£317,809	£313,491	1.4%	£332,312	-4.4%
Harrow	£313,668	£314,112	-0.1%	£317,578	-1.2%
Bromley	£311,707	£320,004	-2.6%	£323,459	-3.6%
Enfield	£307,886	£305,284	0.9%	£310,904	-1.0%
Sutton	£304,738	£306,106	-0.4%	£322,743	-5.6%
Waltham Forest	£271,856	£265,714	2.3%	£286,961	-5.3%
Redbridge	£265,267	£263,310	0.7%	£286,801	-7.5%
Greenwich	£260,976	£251,059	3.9%	£260,404	0.2%
Havering	£248,626	£249,500	-0.4%	£253,492	-1.9%
Croydon	£248,598	£251,123	-1.0%	£282,474	-12.0%
Newham	£215,961	£214,065	0.9%	£248,653	-13.1%
Barking and Dagenham	£207,676	£211,136	-1.6%	£227,067	-8.5%
Bexley	£205,182	£205,945	-0.4%	£216,337	-5.2%

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

## Index Comparison

	June 09		May 09		April 09	
	House Price	Monthly change	House Price	Monthly change	House Price	Monthly change
Rightmove	£226,436	-0.4%	£227,441	+2.4%	£222,077	+1.8%
Halifax	N/A *	N/A *	£158,565	+2.6%	£154,716	-1.7%
Nationwide	N/A *	N/A *	£154,016	+1.2%	£151,861	-0.4%

\* 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 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 11,671 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